

Make MY palm oil a great brand

Someone recently suggested that "it is time to migrate from palm oil cultivation" because there is so much competition in the production of palm oil and the selling price has been on a downward trend. But, it is actually time to differentiate ourselves.

My father worked for Harrisons & Crosfield, which later became Golden Hope and today is part of Sime Darby. I started my career with Lever Brothers in 1974 as a management trainee and my first position was as a refinery manager. It was at Lever Brothers Malaysia (today known as Unilever Malaysia) that I realised the power of branding. In those days, you did not say toilet soap, you said Lux, as it was synonymous with soap. In my two decades there, I saw many examples of the influence of branding on the bottom line.

What we need to do with our palm oil is to make it a great and outstanding brand — sustainable without a doubt, of the highest quality and perfectly safe to consume. We have a head start, having celebrated a century of commercial planting of oil palm in 2017, and we can ride on that. Work needs to continue on the health aspects, which I am confident will in due course be properly documented and substantiated, but it will be generic to palm oil.

Sustainable

This is ongoing work with Malaysian Sustainable Palm Oil (MSPO) and the team is working hard to achieve the 100% certification target by the end of this year. The next challenge is getting MSPO recognised and internationally accepted. I will not dwell on it here as this is already acknowledged.

A vital point to note is that the production of palm oil in the country has stagnated over the last five years. Further, Primary Industries Minister Teresa Kok has reiterated

the government's commitment to maintain 50% forest cover in Malaysia. So, we are looking at high-yielding breeds and increasing the extraction of oil during processing.

Renowned edible oil brands

I can give you three examples of highly successful seed oil branding. The first is olive oil. Virgin olive oil is made only from cold extraction of oil from the olives and is mostly used as a salad dressing. Refined olive oil is suited for deep frying. Olive oil is renowned for its culinary versatility, flavour and health benefits. The various grades are certified by the International Olive Council (IOC) and by the United States Department of Agriculture (USDA). Olive oil is expensive due to relatively low production and it is considered a luxury food.

As a result, olive oil is one of the most adulterated food products in the world. In 1981, more than 600 people died in an epidemic that spread across Spain. "Olive oil" adulterated with industrial colza oil (from rapeseed), was blamed. In 2016, *The New York Times* warned, "Much of the extra-virgin Italian olive oil on the market is not Italian or virgin." To protect this high-value oil from fraud, Spain is introducing blockchain technology to trace all stages of extra virgin olive oil production and distribution.

The second example is canola oil. World War II caused a high demand for rapeseed oil as a lubricant for steam engines and Canada began limited production of rapeseed. After the war, when rapeseed oil was put on the market as a food product, it was unacceptable, with a distinctive taste (due to glucosinolates), disagreeable green colour and high erucic acid levels. Erucic acid caused heart damage in some rat studies.

In the 1970s, canola was bred

from rapeseed cultivars and is a trademark name of the Rapeseed Association of Canada. It is a condensation of "can" from Canada and "ola" from oleic acid. It has less than 2% erucic acid and 30 micromoles of glucosinolates. In processing, only a minor portion of the production is cold-pressed without using hexane as a solvent.

Since 1995, Monsanto has manufactured rapeseeds that are genetically engineered to be resistant to the herbicide Roundup.

Today, canola is a generic term and is no longer associated with rapeseed oil. It is heavily marketed as a healthy cooking oil.

The third example, which is more recent and closer to home, is virgin coconut oil. It is made from coconut milk or *santan* as we Malaysians know it and can also be cold pressed from freshly dried coconut meat. Unlike the olive oil industry, there is no industry standard for virgin coconut oil. Coconut oil appears to have many health benefits and has become a trendy and popular fat. The benefits are attributed to its medium chain triglycerides (MCT), which are caprylic and capric fatty acids (C8-C10). Most coconut production, especially in the Philippines, is now channelled to virgin coconut oil because it is more profitable. Traditionally, it was mainly used for fatty alcohol (an oleochemical) production.

Coconut oil was vilified for many years, until the 2000s because of its saturated fat content. But today, it has made a turnaround. Of the two examples, only canola oil was intentional branding. And that is what we should do with Malaysian palm oil.



MY Say

BY QUA KIAT SENG

Distinguishing quality
As a refinery manager, I had to bleach crude palm oil for saponification to produce Lux soap. At times, despite the CPO meeting the specification, I could not achieve the desired light colour for Lux soap. We investigated, and with other industry players, we agreed we needed another specification. Finally, in 1982, the Malaysian Palm Oil Board (MPOB) came up with the Deterioration of Bleachability Index (DOBI).

DOBI is the numeric ratio of the spectrophotometric absorbance at 446nm to that at 269nm. Free fatty acid, and moisture and impurities alone are not enough. Only Malaysia uses this in CPO specifications and it is a key indicator of quality. The Malaysian Standard MS 814:2007 is the second revision since it was first published in 1983. There are two grades — special quality (SQ) and standard quality (STD). DOBI is specified and this is a key differentiation. The industry is also looking at other quality differentiators.

Safe to consume

Food contaminants, such as 3-monochloropropene diol and glycidyl fatty acid esters, are found in soy sauce, cookies, pastries and cakes, infant and follow-up formulae, fried or baked potato products and certain meat and fish products. They are present in vegetable oils and are higher in palm oil. The European Food Safety Authority (EFSA) has concerns, especially for consumers in the younger age group, and has set limits.

The Malaysian palm oil industry is working hard to meet these limits. MPOB is collating the information and it is clear that we need to have robust agriculture practices as well as excellent processing at all stages. This affects the entire supply chain and it needs the various palm oil industry sectors, in the national interest, to break down the silos they mostly work in. It is reassuring to know that some companies have already resolved the issue. MPOB, too, needs to stand firm on what it believes is the way forward. As a next step, we may well move from the common STD grade to the SQ grade of CPO in tightening its specifications.

The issue with food contaminants that has surfaced should not be viewed only as a challenge, but as an opportunity to stand out in the global palm oil community as being able to exceed the expectations of EFSA as another point of differentiation.

The way forward

Once MSPO is firmly entrenched, it will be time to raise the bar to remain ahead of the other players and to build on the MY palm oil brand. Specifications can be elevated to the next level as the industry improves. In branding, image is paramount and it is also emotive.

Palm oil-processing plants must look like food-processing plants to reassure consumers of quality, and this can be done right away, particularly in palm oil mills.

I have given several presentations on the Industrial Revolution 4.0 (IR 4.0) and how the palm oil industry can take advantage of it. In Budget 2019, the government has allocated RM5 billion to propel industries in the wake of IR 4.0. One of the benefits of IR 4.0 is that it can not only help to improve quality but consistently maintain it. For example, in harvesting, only ripe fruit bunches are picked at the right time, and in refining, with the help of big data analytics, the most optimum processing conditions are sustained.

Most of all, we need to start building the brand now, as it takes years. For a start, what concept do we want to market? I have suggested sustainability and quality. As an illustration, higher quality crude palm oil should result in end products of a lighter colour, less odour, more bland flavour, longer shelf life, longer frying life, better shipping resilience and so on. These attributes can be measured and substantiated.

How do we protect the concept? This cannot be adequately covered in this article but I would like to leave you with the marketing history of Canola oil. Canola oil is made from the seeds of the unfortunately named rape plant, so, they renamed it. The plant belongs to the mustard family, as do choy sum, turnip, cabbage, watercress and radish, and rapeseed oil originally had a substantial amount of erucic acid.

To address this problem, the industry developed a low erucic acid rapeseed oil and obtained GRAS (generally regarded as safe) status from the FDA. Launched in the 1980s, the marketing stressed the oil's high level of monounsaturated fat and its considerable amount of health-enhancing omega-3 fatty acids. However, in the 1990s, canola oil's reputation was affected by an article which said that rapeseed was the source of the mustard gas used in chemical warfare and causing serious illness. It was an unfounded accusation that had to be dealt with. This sounds familiar.

I hope I can see the day when there is a vigorous brand certification process for "MY Palm Oil" that will be in great demand for its quality and sustainability. I am excited to find out what name will be chosen. US brand consultant Larry Light said, "A brand is more than a trademark. It is a trustmark. A brand is a covenant between the company and the consumer. A trusted brand is a genuine asset." ■

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year career in operations in the palm oil industry, covering oil refining, foods, oleochemicals, soap and toiletries. He worked for Unilever, ICI and KILK in Malaysia and overseas. Before he retired, he was general manager of Uniqema Malaysia Sdn Bhd.

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