

05 NOV 1996

Bernamea Feature

PROSPECTS AND RISKS OF FOREST PLANTATIONS

By: ALI MAMAT

KUALA LUMPUR: The cultivation of timber trees on a plantation basis as an alternative to primary forest is being hotly debated of late, especially by plantation owners and smallholders in the country.

In fact, some of them from Sabah, Terengganu, Kelantan, Pahang, Perak and Negeri Sembilan have taken the bold step to invest in this new venture.

This follows the wide coverage by newspapers and campaigns by nursery operators promoting the planting of trees, particularly the fast maturing high quality species such as sentang and teak.

Interest in this green venture is further generated when Prime Minister Datuk Seri Dr Mahathir Mohamad, during his recent visit to Terengganu, suggested that idle land in the kampungs be planted with sentang and teak trees.

The species are fast maturing -- growing by about three metres per year -- and commercially valuable, and if undertaken with diligence, can check the migration of manpowers from the rural areas to towns as well as, in the long term, eradicate poverty.

However, the Forest Research Institute of Malaysia (FRIM) Director-General, Datuk Dr Abdul Razak Mohamed Ali says there is no data on returns for planting the trees because most of the sentang and teak plantations in the country is less than five years' old.

"At the moment, the two species of timber are yet to be found in the local market. Therefore the returns being quoted now are merely estimates," he adds.

An established planter in Sabah reckons a hectare planted with teak can reap RM1 million through the felling of trees in stages over 20 years.

A planter in the peninsula estimates the earnings from a one-hectare plantation of sentang to be worth RM250,000 in 10 years' time, similar to the assessment of the Terengganu government, which is aggressively promoting the cultivation of sentang and teak among smallholders in the state.

Dr Abdul Razak says though there are no standard and accurate data yet, research by FRIM has come up with positive findings which indicate that the planting of the forest trees is a profitable venture.

He says that sentang is of the mahogany genus which has a big market overseas, especially in the United States, and its deep red hues like nyatoh wood, is ideal for furniture-making.

"Like nyatoh, which now fetches RM600 a tonne, we are confident that sentang can command a good market price and demand in future," he says.

Dr Abdul Razak added that teak has gained global fame and the best teak from Myanmar sells at US\$5,000 per tonne in the international market.

Though the quality of teak produced in the country has yet to be ascertained, he was sure that the market price will be no less than RM1,000 per tonne.

Based on the projected production of about 80 tonnes per hectare and a market price of RM600 a tonne for sentang wood and RM1,000 a tonne for teak, FRIM estimates the income from planting these trees to be between RM50,000 and RM80,000 per hectare.

He says that though FRIM's assessment seems conservative, the cultivation of sentang and teak is still more profitable than rubber or oil palm cultivated by smallholders, more so if the area is between five and 10 hectares.

FRIM also discovers that the most ideal number of sentang or teak to be planted for every hectare is 830 trees at a space of 4 metres by 3 metres.

To ensure quality and high return, the thinning process should be undertaken four or five years after the planting by felling between 30 and 40 percent of the trees to provide breathing space for trees with better potential to grow to their full capacity.

The second thinning process should be done on the ninth or 10th year so as to retain only the best 300 trees per hectare.

The remaining trees should be ready for logging on the 15th year because by then they are expected to achieve the commercial size of at least 30 cm in circumference at chest high and 25 metres in height.

At this size, the volume of quality wood obtainable from every hectare is 150 cubic metres or 0.5 cubic metre for every tree.

According to Dr Abdul Razak, apart from the good returns, what attracted many to venture into this new field is the urge to bring socio-economic winds of change to the rural areas.

He says that rapid industrialisation has caused urban migration of the labour force, leaving many smallholdings of rubber and other agricultural crops unattended.

"The cultivation of sentang and teak can overcome this problem because it is not labour intensive and requires minimum maintenance, but it gives lucrative returns," he says.

But as normally the case in the agricultural sector, there are associated risks, including the possibility of low demand for the wood species produced.

Other risks facing the planters are natural disasters, technical errors such as wrong choice of plantlets, inefficient silviculture management and cultivating unsuitable species.

If these happen, those badly affected will be the big investors.

Dr Abdul Razak says, in order to offset this, the government should chip in by providing better incentives to lessen the risks and encourage investment in the sector.

Existing incentives include the granting of pioneer status with a 10-year tax exemption and total exemption of investment tax allowance for five years.

For planters from among smallholders who are totally dependent on the returns from their land, Frim says they should be encouraged to use the agro-forestry system, which means inter-planting forest trees with other cash crops or livestock rearing to generate continuous income.

Those who are least exposed to such risks are smallholders who are not dependent on the produce of their land as a means of livelihood.

But Dr Abdul Razak says anyone keen to venture into this sector has to be conversant with the technical details and proper management system which can be sought from forestry officers or research officers from institutions such as FRIM and Universiti Pertanian Malaysia, to ensure the success of their ventures.

-- Bernama

AM