

770 settlers in Pekan sue Felda for RM422mil

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Settlers across eight plantations in Pahang are suing the Federal Land Development Authority (Felda) for fraud and breach of trust and are claiming back more than RM422 million.

The suit was filed in the Kuantan High Court by 770 settlers from Felda Chini and Felda Chini Timur in Pekan, Pahang, through solicitors Daim & Gamany at noon today

NONEIt claimed that they had been cheated over the grade of their oil palm fruit.

The settlers named Felda and Felda Palm Industries Sdn Bhd as defendants and claimed the latter has been grading their yield of oil palm lower than it should have been for the last 17 years.

According to lead counsel R Sivarasa (left), the oil extraction rate of the settlers' yield was graded an average of 18.5 percent when the recommended rate from the Malaysian Palm Oil Board is at least 22 percent.

"There is no clear basis or information on how (Felda Palm Industries) came to these different rates, which were given on a daily basis at the point of each delivery," Sivarasa told reporters after filing the suit.

He said random tests commissioned to independent laboratories by the settlers in Jengka, Pahang, to assess the actual oil extraction rate showed an average rate of 27 percent.

This, said Sivarasa, meant a difference of an average 8.5 percent over the rate used by Felda Palm Industries, which had graded the yield at an average 18.5 percent.

He claimed that the land authority has stopped attempts by the settlers to conduct similar tests with their fruit bunches, suggesting that Felda has "something to hide" by not revealing the actual oil extraction rate.

Fruit bunches not returned to settlers

"We have evidence to show that in 2008, settlers from the 16 Felda plantations in Jengka had delivered an average yield of 120 metric tonnes per settler.

"The settlers were paid an average price of RM560 per tonne by Felda the same year.

"Using the figure of 8.5 percent loss to the settlers, Felda has caused a loss of RM257.60 per tonne, which works out to about RM30,912 for each settler in the year 2008 alone," Sivarasa said.

The land authority had also deducted an average 200kg monthly from the yield for disqualified fruit bunches, but these were not returned to the settlers.

"This led to a further loss of RM1,344 per year for each settler. Over the last 17 years, Felda has caused a loss to these 770 settlers to the tune of more than RM422 million.

"Through this writ of summons and the process of discovery in court, we will obtain the exact production figures for all the other schemes involved here to compute the exact loss to the settlers over the claim period," he added.

In addition to the RM422 million, the settlers are also claiming for exemplary damages from Felda, on grounds that the land authority has "exploited its position of power and authority over the settlers and

committed fraud and breach of trust”.

This is the second of such a lawsuit, the first being the landmark case in 2010 where Felda was ordered to pay settlers in Felda Kemahang 3, Kelantan, RM11 million for cheating them by stating the grade of their oil palm fruits to be of a lower grade.

The Federal Court’s decision means the settlers will receive between RM25,000 and RM30,000 each.

The ruling is expected to open up the floodgates of legal challenges against Felda, and perhaps even destabilise the government’s grip on the rural voters, often touted as the BN’s “safe deposit”.

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