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Palm oil mills greener, more energy-efficient

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HIGH palm oil prices are not just prompting planters to buy more plantation
land. They are also investing in more efficient oil mills and plants that turn
biomass waste into organic fertiliser. OOI TEE CHING catches up with process
engineers who offer home-grown green technology.

If you ever walked around an oil palm mill, you will notice the slippery floor
caused by oil drips from fruit cages.

But if you visit one upgraded with Modipalm technology, you will see a cleaner,
energy-efficient and compact mill.

"There is significant cost savings when a planter invests in a Modipalm mill.

"All five Modipalms that are up and running in Peninsular Malaysia are achieving
oil extraction rates of more than 20 per cent. Our clients are happy and we are
getting repeat orders," said CB Industrial Product Holding Bhd (CBIP) managing
director Lim Chai Beng.

Among CBIP's big clients are Felda, Sime Darby Bhd, Sarawak Oil Palms Bhd,
Tradewinds Plantation Bhd, TH Plantation Bhd and United Plantations Bhd.

In Indonesia, CBIP counts Sinar Mas Group, Salim Group's Indofood Agri Resources
and Astra Agro Lestari Group as its loyal clients for Modipalm mills. CBIP is
also building mills for Cargill Asia Pacific and Ramu Sugar Plantation in Papua
New Guinea.

In an interview with Business Times, Lim said the Modipalm mill takes up less
space, fuel and labour; produces more and better quality oil; and is kinder to
the environment.

At a Modipalm mill, there is no need for tractors and hydraulic skid-steer
loaders or wire-rope winches to move the fruit-cages around. There is also no
need for monorail hoists to lift the cages to the threshing machine.

This means less machinery to maintain and, in two shifts, the Modipalm mill only
need 25 workers or half the staff strength to operate a conventional 40-tonne
mill processing 200,000 tonnes of fresh fruit bunches in a year.

Also, since mill owners need not invest in that many tractors, there is savings
on diesel and tyres.

In the Modipalm continuous sterilisation process, fruit bunches are split using
a double-roller bunch splitter for effective air-removal and steam penetration.
Low pressure steam is used throughout the whole process.

Since Modipalm does not have any high-pressure cookers, it is not subjected to
annual shutdown for inspection and certification by the Department of
Occupational Safety and Health, thus, reducing maintenance cost and downtime in
the mill.

With a calculator in his left hand, Lim keys in the annual savings a planter
stands to enjoy from a Modipalm mill. In three seconds, he flipped his left hand
and the calculator display read RM700,000.

"Less workers also means less houses to be built on the plantation. So, you see,
it is worthwhile to invest in a Modipalm mill," he said.

On better quality oil, Lim explained that since there is less oxygen in the
low-pressure sterilisation chamber, the oil in the fruits is subject to less
oxidation.

"Refiners welcome this kind of oil quality as it is more cost effective to
process into cooking oil and oleochemicals," he said.

The oxidative status of crude palm oil is measured by its deterioration of
bleachability index (dobi), and the minimum level must be above 2.3. Lim said
that the dobi value of the crude palm oil extracted from a Modipalm mill is
above 3.

With a 15-year patent registered in Malaysia and Indonesia, CBIP is enjoying a
monopoly on the construction of Modipalm mills until 2019.

While CBIP has been making and selling palm oil mills for 27 years, lately, its
business scope has expanded to include construction of organic fertiliser
plants.

"We're constantly finding ways to reduce river pollution from palm oil mills. By
incorporating an organic fertiliser plant to the existing oil mill, estates can
achieve zero waste. It is truly green," he said.

Lim explained that mill effluent that were previously treated and discharge into
the rivers can now be recycled into organic fertiliser.

Another advantage lies in the savings on usage of costly chemical fertiliser
which usually make up two thirds of production costs.

"Chemical fertilisers, a derivative of crude oil, has almost doubled in cost at
RM1,500 per hectare from RM850 a year ago. Planters are reaping savings from
turning biomass waste and mill effluent into organic fertiliser," Lim said.

A more established composting player, AsiaGreen Environmental Sdn Bhd is
offering a one-stop solution to help planters hasten their return on investment
by selling carbon credits to buyers in developed nations.

Managing director Steven Chong Teng Jin said AsiaGreen is taking a step further
by offering planters an option to outsource their waste management while fixing
purchase prices of organic fertiliser for the next 20 years.

"Many planters are focusing on getting as much oil into the market and it may
not be cost effective to dedicate a team of personnel to manage plantation waste
and sell carbon credits.

"We have the financial muscle and experience to offer this service on a deferred
payment basis. Planters need not pay us upfront, instead they just sign on a
20-year organic fertiliser purchase contract with us," Chong said.

Having been in the business for 10 years, AsiaGreen has installed 15 composting
plants in Malaysia, one in Papua New Guinea and five in Indonesia.

AsiaGreen's track record has earned the trust of bankers who are committed to
fund green projects. "We're in talks with Malayan Banking Bhd and Bank
Pembangunan to help finance the construction and management of composting
plants. Also, bankers can be partners in carbon credit trading," he said.

Chong said another advantage in using organic fertiliser is that trees are
likely to bear more fruits because, through time, the microbes in the compost
will make the soil less acidic.

Penang-based Eonmetall Group Bhd is one company that is helping planters improve
oil extraction rates at the mill.

In November 2007, it built a palm-pressed fibre oil extraction (PFOE) plant for
plantation company Kim Loong Resources Bhd.

Now, Kim Loong can extract residual oil from the palm fibre with this PFOE
technology that uses hexane as a catalyst.

This works out to be an additional 2,400 tonnes of crude palm oil annually from
the same amount of fresh fruit bunches.

"As planters work towards squeezing out as much oil possible from the fruit
bunches to leverage on the current high crude palm oil prices, we expect good
prospects," said Eonmetall Group managing director Datuk Goh Cheng Huat.

PR Newswire

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Consumers Put Ads to Greenwashing Test;
Public invited to submit advertising samples at GreenwashingIndex.com

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WASHINGTON, Jan. 7 /PRNewswire-FirstCall/ -- Green ads from Chevrolet, Ozarka
and Toyota Prius are among the first to be scrutinized by consumers on a new Web
site launched today by EnviroMedia Social Marketing, in partnership with the
advertising faculty of the University of Oregon School of Journalism and
Communication (SOJC). This online forum allows consumers to judge for themselves
the green claims made by major advertisers.

The Web site -- <http://www.greenwashingindex.com/> -- debuts from the nation's
capital one day before the Federal Trade Commission kicks off its first in a
series of public workshops addressing environmental marketing claims.
Ultimately, the FTC may update its "Green Guides," which were originally
established in 1992 as guidelines to avoid action by the agency against
advertising with an environmental claim that is unfair or deceptive.

EnviroMedia principals Valerie Davis and Kevin Tuerff announced the Greenwashing
Index(SM) from the U.N. Climate Change Conference in Bali, Indonesia, Dec. 11
and called on consumers to submit ads. The first posts of real ads are now on
the Web site, and consumers are invited to score those ads and post others.

"We've been witnessing a tidal wave of green advertising over the past year,"
said EnviroMedia President Kevin Tuerff. "It's our hope the Greenwashing
Index(SM) will help eradicate bad environmental marketing claims and, at the
same time, shine a positive light on companies making measurable reductions in
carbon emissions related to climate change."

What's Greenwashing?

"Greenwashing," a term that has been around for many years, is used to describe
a company or organization that spends more time and money claiming to be green
through advertising and marketing than actually implementing business practices
that minimize environmental impact.

"When an ad is posted and ranked on the Greenwashing Index(SM) site, it doesn't
necessarily mean a company or organization is not doing a good job with its
environmental marketing claims," said EnviroMedia CEO Valerie Davis. "We're
providing a venue that educates consumers on what to look for in green ads and
an easy mechanism for evaluating them. Scores will range from 'good,' to
'pushing it,' to 'total greenwashing.'"

The Greenwashing Index(SM)

Criteria for the Greenwashing Index(SM) were developed by the University of
Oregon's SOJC Advertising program. Led by Professors Deborah Morrison and Kim
Sheehan, a group of academicians developed and weighted five criteria consumers
can use to scrutinize advertisements and determine whether they believe ads are
greenwashing by doing any of the following:

  -- Misleading with words

  -- Misleading with visuals and/or graphics

  -- Making a green claim that is vague or seemingly unprovable

  -- Overstating or exaggerating how green the product/company/service

     actually is

  -- Leaving out or masking important information, making the green claim

     sound better than it is.

"The Greenwashing Index(SM) has great potential for not just educating consumers
but just as important for also educating our future advertising professionals
that there's a right way and a wrong way to conduct environmental marketing,"
said Morrison.

3M is one company that seems to be aware of the perils of not sticking to
substance when it comes to green advertising claims.

"I regularly get accosted for disallowing vague claims for a 3M product that
competitors are making for similar products," said Susan Price, who visited the
Greenwashing Index(SM) site and serves as chairperson for 3M's Environmental
Marketing Claims Committee. "I'm very pleased to see a forum where vague and
bogus claims can be highlighted and questioned."

Developing sustainable business practices and accurately telling that story is
good business. According to a survey released in December by AARP, 40 million
"Green Boomers" are more attuned to advertising both good and bad and are very
willing to spend money on environmentally sound products.

Said one visitor to GreenwashingIndex.com: "I make it a point to buy green
products, and I am willing to spend a little extra if I'm buying something that
is supposed to be environmentally friendly. I don't want to spend my money
foolishly, and I don't want to hand my money over to liars."

To submit or rate ads, the public may visit GreenwashingIndex.com.

Headquartered in Austin, Texas, EnviroMedia Social Marketing is the leading U.S.
marketing agency delivering sustainability consulting and authentic, ethical
campaigns that get measurable results since 1997. The company has been
recognized with several awards for ethics in advertising. For more information,
visit EnviroMedia.com.

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