





KENAF AS AN ALTERNATIVE CROP TO TOBACCO GROWERS IN MALAYSIA

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INTRODUCTION



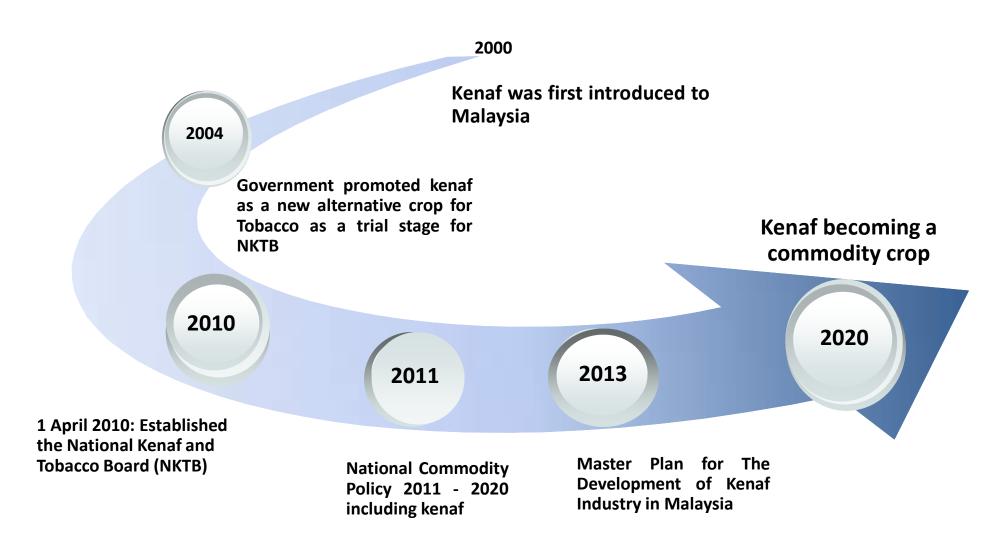
- Kenaf or scientific name Hibiscus cannabinus L is a short-term crop and is a non-woody fibrous plant
- Originated from Africa (western Sudan)
- The height of plant is between 2m-5m (6 feet 15 feet)
- Kenaf fiber and core can be used to produce environmental friendly products.







Milestones of Kenaf as Malaysia's New Commodity



NKTB'S ROLES IN PROMOTING KENAF

- To implement policies and developmental programmes in ensuring the viability of the kenaf industry.
- To provide technical, advisory, consultancy and related services to the kenaf industry.
- To control and regulate tobacco industry.

PROGRESS OF KENAF CULTIVATION IN MALAYSIA

Year	Acreage	No. of Farmers
2004	0.4 ha.	1
2005	42 ha.	25
2006	112 ha.	13
2007	285 ha.	92
2008	464 ha.	167
2009	343 ha.	50
2010	1,693 ha.	409
2011	1,140 ha.	687
2012 (OCT . 2012)	870.1 ha.	604

NUMBER OF TOBACCO GROWERS INVOLVED IN KENAF CULTIVATION

YEAR		2011		As of Sept 2012	
NO.	STATE	ACREAGE (Ha.)	NO. OF GROWERS	ACREAGE (Ha.)	NO. OF GROWERS
1.	KELANTAN	44.8	24	43.4	25
2.	TERENGGANU	87.0	54	33.0	20
3.	KEDAH	14.0	5	14.5	5
4.	PERLIS	27.0	13	47.5	23
	TOTAL	172.8	96	138.4	73

DECREASE OF ACREAGE AND NUMBER OF TOBACCO GROWERS 2000 - 2012

Year	Acreage (Ha.)	No. of Growers
2000	15,764	23,020
2005	8,520	11,431
2010	3,698	3,377
*2011	4,242	3,024
2012 (Oct . 2012)	2,354	2,428

^{*} Demand by manufacturers increased

U1 User, 13/11/2012

TOBACCO PLANTED AREA, 2012 - KELANTAN

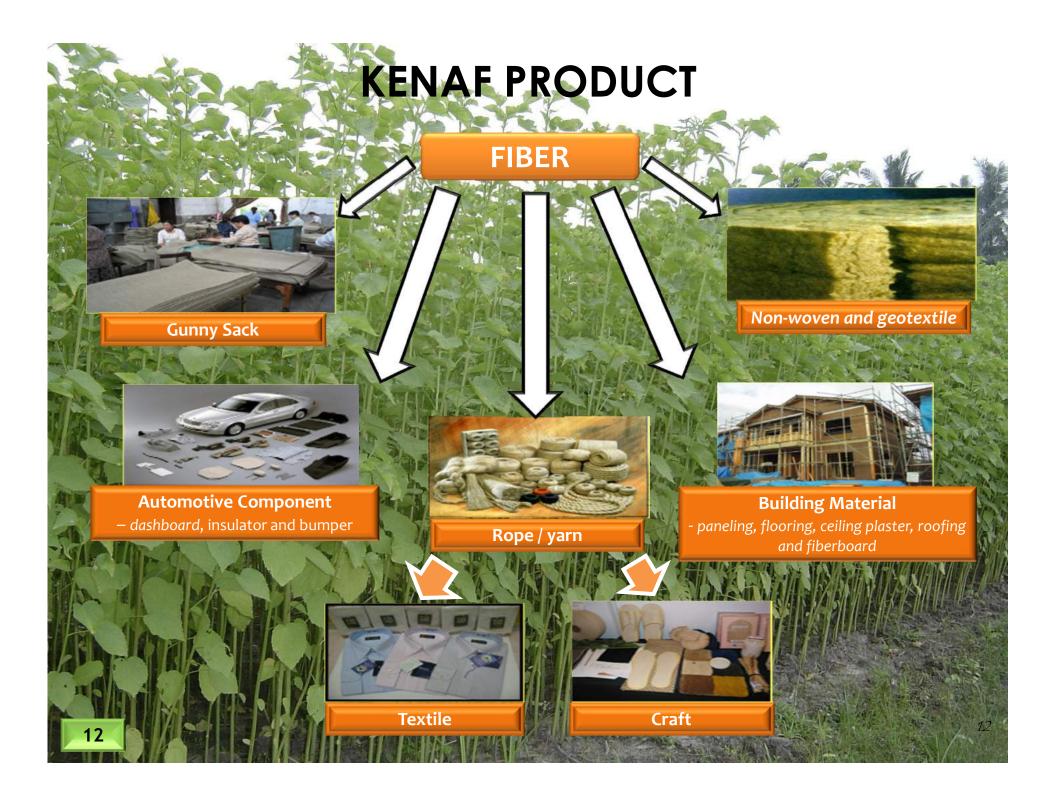


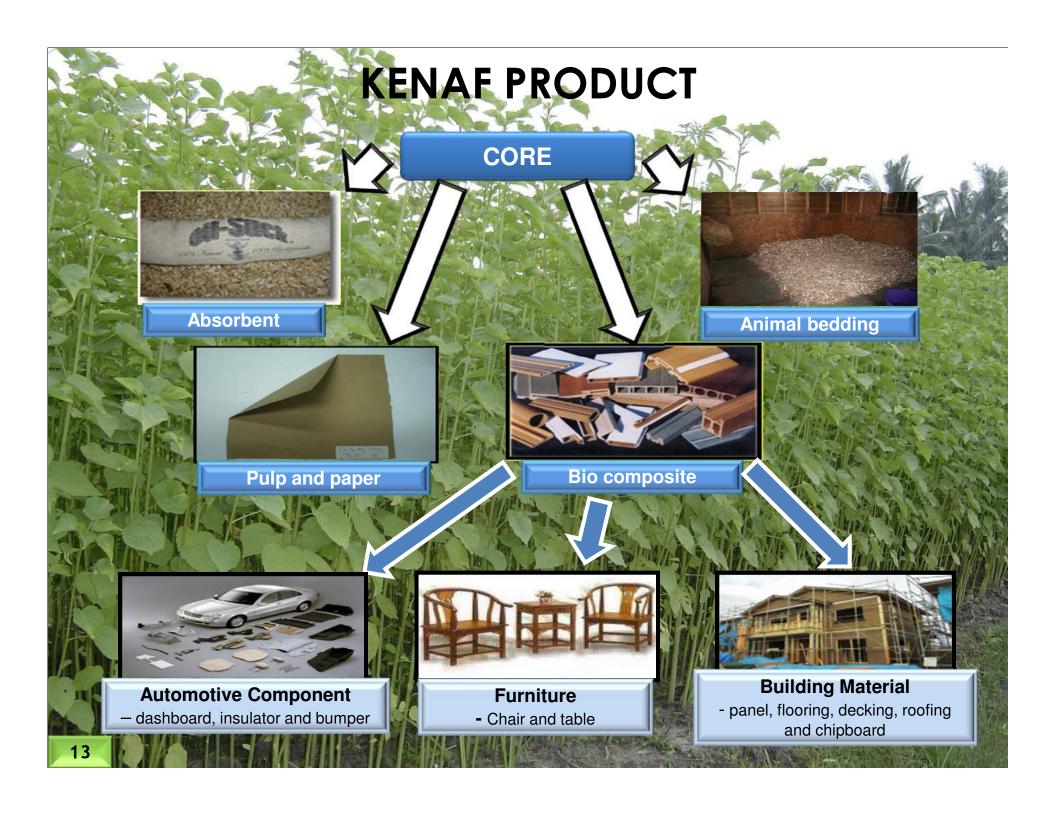
TOBACCO PLANTED AREA, 2012 - TERENGGANU



CESSATION OF LOCAL TOBACCO DEMAND FROM MALAYSIA'S CIGARETTE MANUFACTURERS

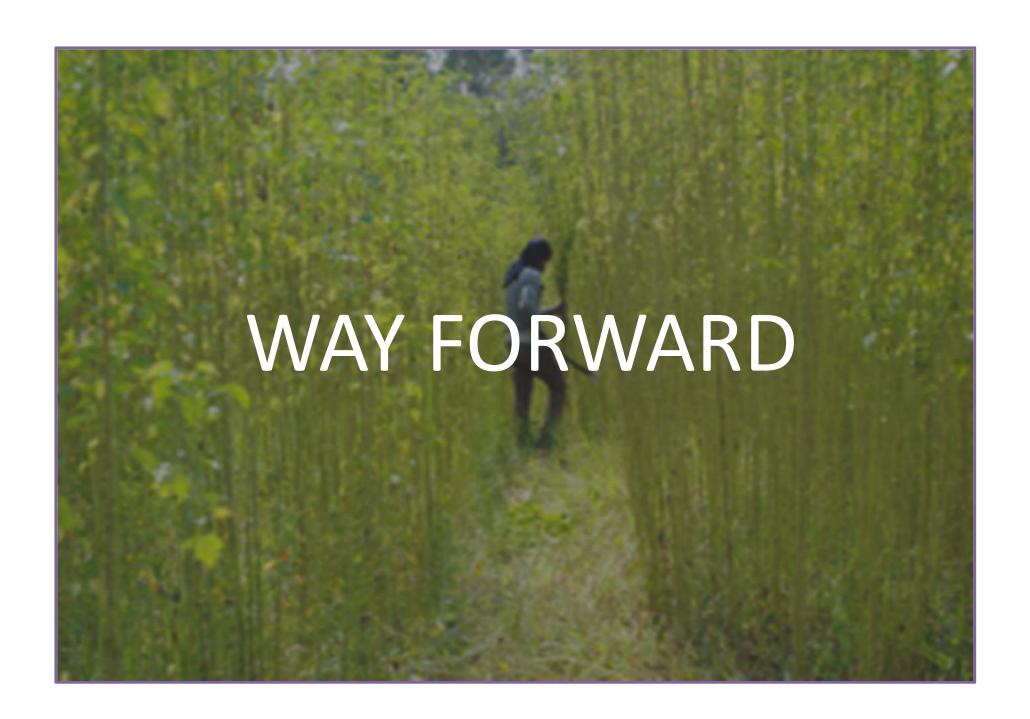
Manufacturer	Year
Philip Morris (M) Sdn. Bhd. (PMM)	2010
JT International Tobacco Sdn. Bhd. (JTI)	January 2013







- Economical feasibility e.g. Market opportunities, trends, etc.
- Yield from kenaf's cultivation is low
- Growers only focus on cultivation stage
- Growers acceptance of kenaf
- Lack of awareness campaign, promotion etc.



NATIONAL COMMODITY POLICY FOR KENAF, 2011-2020

- Kenaf was identified as one of the important commodities to be developed through six (6) strategic thrusts:
 - 1) Increasing the production and productivity of kenaf
 - 2) Intensifying Research, Development and Commercialisation (R&D&C) activities
 - 3) Encouraging commercial production of kenaf
 - 4) Enhancing development of downstream industry
 - 5) Promoting usage of kenaf and kenaf products; and
 - 6) Developing human capital

PROJECTION OF KENAF CULTIVATION IN MALAYSIA

Year	Acreage (hectare)	Fiber (tones)	Core (tones)
2013	2,000 ha.	3,000	7,000
2014	2,500 ha.	3,750	8,750
2015	3,000 ha.	4,500	10,500
2020	5,000 ha.	7,500	17,500

Note:

- 1. Average YPH 5 to 10 tones/hectare
- 2. Production ratio fiber and core 30:70.

MASTER PLAN FOR THE DEVELOPMENT OF KENAF INDUSTRY IN MALAYSIA

- MPIC and NKTB are formulating the Master Plan for the Development of Kenaf Industry In Malaysia which is expected to be completed in May 2013.
- The plan will guide the way forward for development of kenaf industry in Malaysia.

OTHERS

- Improvise upstream, midstream and downstream of R&D&C
- To involve growers with midstream activities
- To search for suitable land
- Finding right machineries for efficient harvesting and processing
- More campaign and promotion on Kenaf

