

# Integrated Farming

Integrated farming is the blueprint to propel agricultural practices into the future by capitalising on the existing synergies in FGV's extensive palm oil operations. The practice is bolstered by technology and digitalisation in the form of precision farming to improve yields.

The inclusion of cash crops and rice along with animal nutrition, livestock and dairy farms leverages FGV's palm oil-based synergies into a functioning circular economy. In turn, this model optimises our production, lowering the cost as well as environmental impact.

Success of our integrated farming projects will serve as a blueprint so the practice can be replicated by local farmers and contract farmers alike, supported by the innovative agricultural services offered by FGV.

Furthermore, our integrated farming business contributes to Malaysia's food security goals, directly via food production and indirectly via opportunity for more locals venturing into agriculture.

Under the FGV's Integrated Farming blueprint, initiatives to be carried out in 2020 include;

- Developing business model FGV Agro Farmers and contract farming schemes for cash crops and rice and paddy.
- Animal Feed expansion – to R & D and create more new PKE and non-PKE based feed pelletized. Dairy cattle pellet (DCP) and goat's pellet are the two new formulation that is targeted to be launched in 2020.
- Venture into Dairy Cattle – value creation from our 60% acquisition of Red Agri Sdn Bhd will lead developing premium animal feed, utilisation of our Logistics in transportation and storage, incorporating the usage of molasses in our feed and leveraging the distribution

network from our downstream.

- Cash Crops
- Animal Nutrition & Protein
- Dairy Farming

## **Tab 1**

### **Cash Crops**

To fully realise the value of 15,000 ha of intercropping land available during oil palm replanting each year, FGV has already established an MD2 pineapple seed garden in Johor, to scale up both for the local and domestic markets.

The Group has also established contract farming agreements for the supply of Cavendish bananas, besides other cash crops like jackfruit and melon, which are being tested for demand and viability. The biomass produced from pineapple and banana production can potentially be processed for animal feed production.



## **Tab 2**

# **Animal Nutrition & Protein**

The palm-based animal nutrition sector has tremendous potential for growth and has been identified as an important revenue stream in FGV's integrated agribusiness sector. Derived principally from palm kernel expeller (PKE), which has traditionally been exported as a by-product with low-income margins, palm-based animal feed has been tested and proven to produce excellent results in livestock production.

FGV currently produces 400,000 MT of PKE annually. As feed and animal nutrition manufacturer, we consistently ensure the feed quality and safety is of the highest standards as well as

emphasise on increased productivity for sustainable livestock farming.



## Tab 3

# Dairy Farming

We take great pride in the production of fresh and high-quality dairy products, which are crafted under the Bright Cow brand.

Our fully integrated dairy production facilities enable us to specialise in the production of fresh milk, cheese, yoghurt, and kefir, ensuring that our customers receive only the finest dairy products. Our milk comes from Holstein Friesian and Jersey breeds, which we carefully manage and breed.

Our commitment to excel in dairy farming practices and product quality has helped us establish ourselves as a reputable and trustworthy dairy producer.

