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KUALA LUMPUR: Kenaf, a plant of the hibiscus family, can no longer be considered a cheap agriculture raw material, Plantation Industries and Commodities Minister Datuk Peter Chin Fah Kui said.

Its stem produces a coarser fibre on the outer layer and a finer one in the core. The plant can grow to 1.5-3.5 metres and has a long history of cultivation for its fibre in India, Bangladesh, Thailand, parts of Africa, and to a small extent, South-East Europe.

He said although earlier research centred on kenaf for animal feed, the ministry has identified and prioritised the bio-composite sector with applications in the building industry, car components, furniture and food packaging.

"Apart from the growing trend to go green, it will allow us to link kenaf prices to petroleum prices as kenaf is a potential substitute for petroleum-based plastic raw materials and high carbon footprint artificial fibres (glass fibre and plastic-based fibres)," he said in an interview with Bernama.

Hence, he said, the ministry aimed to develop kenaf into a new sustainable source of growth to diversify Malaysia's commodity sector and ensure that it fulfilled the economic, social and environmental development agenda.

"The ministry has identified kenaf as a potential crop to replace tobacco, especially on the Beach Ridges Interspersed with Swales (BRIS) soil along the East Coast of Peninsular Malaysia where the major tobacco growing areas are located.

"If the plant is well taken care of by using some level of fertiliser it can grow profusely in sandy soil found in Kelantan, Terengganu, some parts of Pahang as well as Johor," he said.

Chin said the shift would be a great help for tobacco farmers as they would be less competitive once the Association of South-East Asian Nations (Asean) Free Trade Agreement took effect in 2010.

"Currently, the tobacco farmers are given a guaranteed price. A majority of them will not be able produce tobacco leaves competitive enough for the industry to buy from them as compare to other Asean countries," he said.

Malaysian Agricultural Research and Development Institute (upstream) and Universiti Pertaninan Malaysia (downstream), together with a number of other related agencies, spearheaded earlier research on kenaf under the auspices of National Economic Action Council.

The National Tobacco Board (NTB) worked closely with these two institutions and other research and development institutions like Universiti Sains Malaysia, Standards & Industrial Research Institute of Malaysia and Forest Research Institute of Malaysia as well the East Coast Economic Region Development Council (ECERDC) and the private sector. He said the result of such close collaboration among these parties was the formulation of East Coast Economic Region (ECER) Kenaf Master Plan, a joint master plan with NTB to develop 10,000 hectares of kenaf in the BRIS soil under ECER.

Chin said this also involved the identification of four anchor companies to collaborate with NTB and ECERDC to spearhead the initial commercialisation of kenaf with products ranging from bio-composites, insulators and natural fibres.

He, however, declined to disclose the names of the anchor companies.

Chin said there were initial reluctance and lack of confidence by the tobacco farmers as kenaf was a new crop and foreign to most of them.

He said the approach taken by the NTB was to develop demonstration farms and to undertake verification trials with the farmers.

"An integral part of this approach is to site processing factories in the growing areas to provide the confidence of a marketing channel in the local community.

"As kenaf is less lucrative than tobacco growing, maximum mechanisation to reduce the drudgery of manual farming and to increase incomes through larger scale farming is crucial," he said.

Kenaf growing, he said, was not so demanding and the crop was less sensitive to weather and this was also a plus point to attract farmers operating in a challenging agro-ecological environment like the BRIS soil.

"In 2007, we had 92 farmers planting 285ha of kenaf in Kelantan/Terengganu for core and fibre, while in Kedah/Perlis we had 68 farmers planting 152ha for kenaf seeds.

"Kedah and Perlis have been identified as suitable regions for seed garden under the Northern Corridor Economic Region (NCER) and the NTB has earmarked these two states to produce quality kenaf seeds for the country.

"This year the number is expected to increase to 250 farmers planting 1,200ha of kenaf in Kelantan/Terengganu for the four anchor companies, while another 130 farmers will be planting 260ha for kenaf seeds in Kedah/Perlis.

"They will be the core and model farmers for additional plantings in the future. As the industry expands, then it can go beyond the ECER to other states, which have suitable land for kenaf," he said.

Chin said kenaf could be grown by any farmers, not necessarily in the ECER region alone.

"The setting up of processing plant through the identified anchor companies is very important to give the farmers the confidence of being able to market their products. Efforts to increase yields and reduce cost through mechanisation will also make kenaf an attractive crop," he said.

Kenaf, he said, could be harvested every five months.

"This will ensure a whole year income and one such cropping system proposed by an anchor company is a kenaf with corn cropping system to support output of cattle feed.

"The inclusion of a suitable food crop in the annual cropping system will be an additional incentive for the farmers to participate," he said.

Chin said other approach to attract farmers to kenaf was to move away from the traditional buyer-seller relationship of contract farming system, and replace it with the 'contract farming plus' system where the farmers were partners instead of mere raw material sellers in the supply chain.— Bernama