

Media Release: FGV Launch Malaysia's First Ganoderma Tolerant Oil Palm Planting Material

Felda Global Ventures Holdings Berhad (FGV) through its subsidiary, Felda Agricultural Services Sdn Bhd (FASSB) today launched two new innovative products, YangambiGT1 and PalmaShield that can prevent ganoderma attacks which is among the main threat in the oil palm industry.

YangambiGT1 is the first palm oil seed in Malaysia with tolerant capabilities against ganoderma attacks while PalmaShield is a biocontrol agent from *Trichoderma asperellum* species.

Ganoderma is a fungal that causes basal stem rot disease in palm oil trees. Currently, 4% or 60,000 hectares from the total of oil palm plantations in Malaysia have been attacked by ganoderma with an estimated industry loss at about RM1.5 billion.

The total area expected to be affected by ganoderma will rise to about 450,000 hectares, equivalent to approximately RM11.25 billion by the year 2020.

Group President and Chief Executive Officer of FGV, Dato' Zakaria Arshad said, R&D and Agri Services Cluster took almost 10 years to develop the new planting material, YangambiGT1 which is the best long term approach to solve the ganoderma attack.

"PalmaShield has its own uniqueness as it is a biological control agent that needs to be applied once when the seedlings are planted compared to other products in the market that are chemical-based and need to be re-applied at certain intervals.

The new innovation does not use any chemicals that can harm the environment and is in line with the Group's commitment to implement sustainable practices in every business operations," he said.

FGV expects sales of 30,000 YangambiGT1 seedlings in 2016 and increase to 100,000 seedlings by 2017. At present, FGV owns 43% of the local market share through its star product, the Yangambi ML161 brand. For PalmaShield, FGV expects sales of 300 tonnes per year with an estimated value of RM5 million.

Currently, FGV is the only ganoderma tolerant seeds producer in Malaysia namely YangambiGT1. The discovery of this disease resilient crop will indirectly strengthen customer confidence in Felda Yangambi brand.

PalmaShield is a potent fungal-based biocontrol which contains the active ingredient (*Trichoderma Asperellum* M103) for controlling ganoderma. Uniquely, the *Trichoderma* strains are derived from a fertile soil located in an oil palm plantation in Sungai Tekam, Pahang and has been tested for its effectiveness at the nursery in 2014 and 2015.