The Palm Kernel Supply Chain: A Challenge?

History

- **1932**: Started as a modest soap factory
- **1970**: Started the first palm oil refinery in Indonesia
- **1988**: Started plantation in Rantau Prapat, North Sumatra
- **2003**: Started oleochemicals plant
- **2016**: Fully integrated palm oil corporation across 13 countries
Integrated Business

**UPSTREAM**
- Plantation
  - Cultivate seedlings and manage oil palm plantations.
- Mill
  - Produce crude palm oil from the fruits (Fresh Fruit Bunches)
- Refinery
  - Process palm oil into different products:
    - Cooking oil
    - Oleochemicals
    - Specialty fats
    - Functional products
- Processing Plants
- Logistics
  - Merchandise and ship the products globally.
  - Tank storage

**DOWNSTREAM**

Palm Kernel Process

Operational Network in Indonesia

Legend:
- Plantation
- Mill
- Refinery
- Oleochemicals and Specialty Fats Plant
- Biodiesel Plant
- Kernel Crushing Plant

© 2016 Musim Mas Holdings Pte. Ltd.
Palm Kernel Process

283 mills member
66 growers member

CSPO 2016 produced:
11,455,193 (Sept 2016)

CSPO 2016 sold:
4,285,066 (Sept 2016)

CSPK produced:
2,664,733

Reference: Illustration Green Palm, 2013 Palm Kernel supply chain

RSPO Supply Chain

RSPO approved Supply Chain Models:

– Identity Preserved
– Segregated
– Mass Balance
Thank You