MILL PERSPECTIVE

CHALLENGE OF MAKING ISH CERTIFICATION WORK
DEMAND OUTLOOK

Advantage:
- Biofuel market is rising inline with crude oil price
- ISH as a ‘redhot’ brand → good for Corporate’s Economic Inclusion Business Plan

Disadvantage:
- ILUC Issues in EU
CHALLENGING LOGISTIC ISSUES

Only several areas and logistic entities (Bulking terminal, Refineries, Biodiesel Plant) in Indonesia that ISCC certified.

Need cost analysis and good logistic preparation

Availability of ships & barges
Logistic Assessment I

- PAL CPO Production monthly: 2500-3000 tonnes
- PAL Bulking Capacity: 5,000 tonnes
- Pelita Bulking Capacity: 50,000 tonnes (Rental facility, need to certify bulking)
- Barges Capacity: 3000-4000 tonnes
- Truk Capacity: 10-20 tonnes
- Port in Jambi
  - Talang Duku Port: 60 km from PAL
  - Muara Sabak Port: 120 km from PAL
- Mostly congested in Dumai port

- Possible arrangement to tackle ISCC Entity issue is by implementing ‘truck losing’ scenario
Things To Be Prepare (1)

• Emmission
  • Mill has to invest on new effective technology, low cost, and solve the problem on POME waste water.
  • Has to be lowest than 25 gr CO2e/MJ, suggested to be <16 gr CO2/MJ
  • ISH has to go to ‘Actual Value GHG calculation’
  • Compost implementation can reduce another 30% emission reduction on cultivation activities. (Research needed)

• Premium
  • Investment on methane capture and composting facilities is costly to Mill
  • Premium is good but can be misuse → Has to be use on “intensification activities”
  • Beware of ILUC

• Investment
  • Methane Capture 100% chance to succeed
  • Aerobic Composting Facility 100% chance to succeed
  • Anaerobic Composting Facility 50% chance to succeed → depend on EFB - POME absorption
Things To Be Prepare (2)

• Mass Balance issues
  • ISCC CPO Contract has to be inline with smallholder ISCC member
    2500 ton ISCC CPO contract means we need to get 12500 ton of FFBs ~ 6000+ farmers → need hardwork !!
  • ISH member can be added faster if there is buyer that have 100% commitment to buy ISH CPO ISCC with timeline.
    Scenarios shall be change from 5000+ ISH & entities has to well prepared first then buyer can come in, into buyer has to commit first and set the buying timeline and contract. To minimize error on contract, we recommend to do GRAS assessment to the prospective areas (old plantation is consider as low risk).
• Double Claim with RSPO Green palm etc

• Traceability (minimize contamination of non certified FFBs)
  • GRAS Tool and ISH apps is one of the best solution 😊

• GHG Issues
  • Capability on doing actual value GHG calculation
  • Implementation of Compost
• Reducing emission is not only Palm Oil Mill part but ISH has to be educated to reduce emission by using compost
• Need Buyer and EU support→ liquid contract is preferable, payment term, competitive premium.
• Premium shall be aim for intensification and emission reduction activities
• Need to do GRAS assessment to forecast successful rate of the project
• ISH App is still one of the best traceability tool and tools for ‘no go area’ assessment for ISH internal audit
THANK YOU

✉️ Martinus.nata@prosympac.com