

## Example: Oil production from plantations with *tenera*, *dura* and *pisifera*

In the table below, an example is given for a plantation with good quality hybrid planting materials (Plantation 1) and two plantations with non-hybrid materials (Plantations 2 and 3). This example clearly shows why mills prefer *tenera* bunches.

*OIL PRODUCTION IN PLANTATIONS WITH THREE TYPES OF PLANTING MATERIALS*

	<b>Plantation 1</b>	<b>Plantation 2</b>	<b>Plantation 3</b>
Planting material:	100% <i>tenera</i>	50% <i>tenera</i> 25% <i>dura</i> 25% <i>pisifera</i>	100% <i>dura</i>
Situation:	Good quality certified seeds	Seeds taken and planted from the plantation	Only <i>dura</i> seeds planted
FFB yield (t/ha)	24.0	18.0	24.0
Oil from <i>tenera</i> (23%)	5.5	2.8	0.0
Oil from <i>dura</i> (16%)	0.0	1.0	3.8
Oil from <i>pisifera</i> (sterile)	0.0	0.0	0.0
<b>TOTAL oil yield (t/ha)</b>	<b>5.5</b>	<b>3.8</b>	<b>3.8</b>
Selling price for farmers <sup>1</sup>	3600 US\$/ha	2700 US\$/ha	3600 US\$/ha
Selling price for mill <sup>2</sup>	4290 US\$/ha	2964 US\$/ha	2964 US\$/ha
Profit for mill	<b>690 US\$/ha</b>	<b>264 US\$/ha</b>	<b>-636 US\$/ha</b>

1) FFB price = 150 US\$/tonne; 2) CPO price = 780 US\$/tonne

### Remarks:

- *Tenera* fruits contain about 30 percent more oil than *dura* fruits (see Plantation 1 and Plantation 3).
- *Pisifera* palms usually don't produce any fruit at all (they are sterile), so the FFB yield is generally zero. That explains why Plantation 2 has less FFB yield.
- All plantations require a similar amount of fertiliser and labour, so these costs remain the same across all plantations.
- Plantation 1, with 100 percent *tenera* palms, clearly produces significantly more oil than the other two plantations!