

MEDIA STATEMENT

RPDR-PKPP SETS RECORD STRAIGHT ON DURIAN LAND DISPUTE

PETALING JAYA, 2nd September 2020 – The management of Royal Pahang Durian Resources PKPP Sdn Bhd (RPDR-PKPP) wishes to set the record straight on many untruths and/or claims related to its legalisation scheme proposal:

1. **“Legalisation Company Financially Weak”** -- Financial numbers that the protestors highlighted as weak is actually related to Royal Pahang Durian Produce Sdn Bhd (RPDP), which is the owner of a 1,000 acre durian farm in Tras, Raub, Pahang. The liabilities shown are amount owing to shareholders. Shareholders have injected their own money into the farm through the company as a loan. The gestation period is 6-years, hence no sales and income as yet. RPDP expects first fruiting in 2022. The shareholders’ investment reflects the financial strength of RPDP. Further, RPDP has been granted 10-year tax exemption status from the Ministry of Finance in 2019.
2. **“No farmers support the legalisation scheme”** – To date a total of about 300 farmers have registered with RPDR-PKPP of which 133 have confirmed and partially paid Earnest Money of RM1,000/acre (up to RM10,000 per applicant for those who exceed 10-acres of land). The balance of the Earnest Money (based on final licensed surveyor’s results) need only to be paid after signing of Definitive Agreement with RPDR-PKPP. The requirement for Earnest Money is mandated by the State Government of Pahang. (Refer to this [link for pictures](#))
3. **“Levy amounting to RM20,000/acre is exorbitant”** -- This RM20,000/acre (RM10/kg x 2,000kg) is the maximum ceiling amount which RPDR-PKPP (Legalisation Scheme Company) will receive. This amount is paid by Royal Pahang Durian Export Sdn Bhd (the Trading Company).

There is **NO PENALTY** at all if farmers do not meet the tonnage targets as per the term sheet. For example, if the farmers can only produce 1,000kg or less per-acre, RPDR-PKPP may potentially receive as low as RM10,000/acre or less.

RPDR-PKPP being the Legalisation Scheme Company has the task of monitoring and ensuring that the farmers DO NOT:-

- commit further encroachments;
- allow further degradation of the environment; and
- defy compliance with MyGAP requirements for certifications.

RPDR-PKPP has to incur fixed annual operating cost which includes office administration, staff costs of 150 or more persons, sites supervision over environment protection, satellite monitoring to curb further encroachment, MyGAP application and maintenance cost, lease payment, assessment and quit rent to name a few.

4. **“RM6,000/acre rental annually as claimed by SAMKA”** – RPDR-PKPP wishes to reiterate that this is a **one-off lump sum payment for year 2020 only**. This is only applicable on matured durian fruiting trees calculated at 30-tree/acre. In return, the farmers are allowed to sell all their durians directly in the open market for the full year 2020 up till 31 May 2021. The obligation to sell durians to Royal Pahang Durian Export Sdn Bhd will take effect only on 1 June 2021 (legalisation scheme starts). To further accommodate the farmers’ financial relief request, RPDR-PKPP has agreed to split the payment into 3 equal instalments respectively payable in September 2020, December 2020 and March 2021.

Further, RPDR-PKPP stresses that its proposed price of RM30/kg for Musang King Grade A is fair. Assuming a farmer with 10 acre land, his minimum gross revenue based on 2000kg/acre Grade A MK is expected to hit RM600,000. Based on independent verification, cost of production of about RM8/kg will therefore assure the farmers an expected margin of more than 200% (Refer to infographic download link below for illustrated explanation).

RPDR-PKPP remains open to discuss with farmers who have yet to register to the legalisation scheme and urges them to come forward.

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About Royal Pahang Durian Resources PKPP Sdn Bhd (RPDR-PKPP)

RPDR-PKPP was granted and accepted the mandate by the Pahang State Government in June 2020 through the Perbadanan Setiausaha Negeri Pahang (PSK), to undertake and implement its legalisation scheme proposal to address the issue of illegal farming in the district of Raub, and to curb further encroachment.

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PICTURES AND INFOGRAPHICS

1. Pictures of some farmers who registered for the legalisation scheme

Download link: <https://tinyurl.com/farmersraub>

Captions:

- a. RPDR-PKPP Managing Director Cheah Siew Mun(2nd from right) and a RPDR-PKPP personnel with the first Raub farmer who paid earnest money to be part of the legalisation scheme
- b. More farmers registering for the legalisation scheme

2. Infographic explanation of the legalisation scheme

Download link: <https://tinyurl.com/legalscheme>

3. Infographic explanation of the assured ex-farm price

Download link: <https://tinyurl.com/exfrmprice>

4. Infographic explanation of MyGAP certification

Download link: <https://tinyurl.com/mygapcert>

5. Explanation of sustainable cultivation practices adopted by RPD-PKPP
Download link: <https://tinyurl.com/yxzexgo8>