

PLAN TO REVIVE SUGARCANE FARMING

Felda-owned MSM looking at northern states and Sarawak to host potential farms with modern tech, better supply chain

SHAREN KAUR
KUALA LUMPUR
bt@nst.com.my

REFINED sugar producer MSM Malaysia Holdings Bhd (MSM) is charting a return to domestic sugarcane cultivation as part of its broader strategy to reduce total reliance on imported raw sugar and bolster long-term supply chain resilience.

Group chief executive officer Syed Feizal Syed Mohammad said the company is conducting feasibility studies to reintroduce sugarcane farming in Malaysia amid increasing global challenges, including climate change, geopolitical tensions and supply chain disruptions.

MSM is currently 100 per cent dependent on imported raw sugar. The company is exploring the viability of restarting sugarcane cultivation locally, Syed Feizal said during an interview on Bernama TV's *Bual Bisnes* programme on Saturday.

He noted that reviving domestic plantations could serve as a strategic buffer against rising import-related risks while enhancing the nation's food security and self-sufficiency.

MSM, controlled by FGV Holdings Bhd with a 51 per cent stake,



Alongside the push to revive sugarcane cultivation locally, MSM is also exploring alternative sugar sources better aligned with regional taste preferences, particularly palm-based sugars. NSTP FILE P/C

holds a dominant position in the country's sugar industry as one of only two licensed refiners.

The other key player is Central Sugars Refinery Sdn Bhd (CSR), which is privately owned by Tan Sri Syed Mokhtar Albukhary, a prominent figure with significant interests in Malaysia's logistics, plantations and utilities sectors.

Together, MSM and CSR effectively control the country's refined sugar market, supplying various sweeteners to households, food manufacturers and the broader food and beverage industry.

Production sites

MSM has identified Sarawak and the northern states of Penin-

sular Malaysia as promising locations for its large-scale sugarcane farming due to favourable climate and land availability.

The company previously operated a 4,000ha plantation in Chuping, Perlis in the 1970s. However, the venture was halted due to high operating costs and limited scalability.

This time around, MSM is approaching this effort with a more strategic and scalable mindset — leveraging modern agricultural technologies and better integration with supply chains, Syed Feizal said.

Alongside the push to revive its sugarcane cultivation, MSM is also exploring alternative sugar sources better aligned with re-

gional taste preferences, particularly palm-based sugars derived from Nipah and coconut palms.

In Europe, sugar beet is a common source, but its taste profile doesn't suit consumers in the Asia-Pacific region, Syed Feizal said.

He said the company is looking into palm sugar options, perhaps not on a massive scale initially, but it may cater to niche consumer segments who prefer traditional flavours.

MSM posted a turnaround in its financial year 2024, recording a net profit of RM31.25 million against a net loss of RM49.88 million the year before, driven by a 14.7 per cent rise in total revenue to RM3.54 billion.

The company, however, did not declare any dividend for the year.

Promising future

Industry insiders note that while palm-based sugar may not yet be suitable for mass-market production, it holds promise as a healthier and culturally rooted alternative for niche consumer segments.

"The pursuit of domestic cultivation and alternative raw materials forms a key pillar of MSM's long-term transformation strategy," said a source familiar with the matter.

"It's a proactive response to rising global price volatility, climate-linked disruptions, and geopolitical uncertainties that threaten the stability of imported supplies."

The source emphasised that the move goes beyond corporate strategy — it reflects a broader national imperative to reduce Malaysia's overdependence on foreign sugar sources.

"This is about future-proofing the entire sugar industry. As a nation, we cannot afford to remain fully reliant on external supply chains for such an essential commodity."

With sugar demand continuing to grow across Malaysia's food and beverage landscape, MSM's localisation strategy, coupled with its exploration of traditional sweeteners like palm sugar, could elevate its adaptability, consumer appeal and market competitiveness.

"By anchoring more of its supply chain domestically, MSM is not only improving its operational resilience but also aligning with evolving consumer preferences and national food security goals," the source added.

HEADLINE	Plan to Revive Sugarcane Farming
MEDIA	New Straits Times - Online
DATE	13 May 2025
BY	Sharen Kaur
LINK	-