

‘AFI shares Eucalyptus success at Sustainable Action Conference

■ First of a two-part series

Kan Yaw Chong

AFI stands for Acacia Forest Industries – a joint-venture company between the Samling conglomerate (70 per cent equity stake) and the Sabah Forestry Development Authority (Safoda) – the land bank owner which holds 30 per cent equity stake.

SAFODA started off planting Acacia mangium in 1976 but has shifted to Eucalyptus pelita which has proven to be far more productive in yield and volumes.

Here’s the unusual background that prompted this Special Report.

This writer has covered umpteen conferences, forums and seminars, and done more “roving travel writing” across Sabah than any other reporter.

It is not often that a visiting “roving-destination” speaker rings a bell and excites really deep interest in what they have to say.

But this particular one, at the “Sustainable Action Conference” held at The Magellan Sutera last Tuesday (Oct 21), did. The reason?

The Safoda-Samling episode in Pitas
It dates back to 22 September 2026, at the Safoda – Sabah Forestry Development Authority – headquarters in Pitas.

During a briefing, John Baxter, General Manager of Samling Management Services Sdn Bhd – which acquired the 70 per cent equity stake in Acacia Forest Industries (AFI) from Hijauan Bengkoka Plantation Sdn Bhd in a buy-out move in 2023 – struck a local, patriotic note. He hailed the fact that an overwhelming 81 per cent of AFI’s employees are locals, the rest Sabahans, including AFI Director Lawrence Chia.

The thing is this.
I never felt more inadequate than when dealing with a government-linked company (GLC) like Safoda, operating in the proverbial “No Man’s Land”.

You don’t see them, and you hardly hear about them.

Four immediate great impressions on site at Safoda

But having read my latest Special Reports on the Sapulut-based Jawala Plantation Industries, Safoda General Manager Datuk Bahrul Razha bin Haji Chupprat insisted that I make it to the Sept 21-22 trip to Pitas, through his IT/ICT Manager, Mohamad Syafieg bin Mahamed.

Reluctantly, I said yes – but with no regret, especially once on site, because of what I saw.

Still, I felt rather empty-minded about what the Safoda-Samling tie-up is about, with no knowledge from a position of strength.

But I understood what my eyes could



Safoda General Manager Datuk Bahrul Razha bin Hj Chuprat celebrates the massive stacks of harvested eucalyptus logs behind him.



Safoda Deputy General Manager, Suzy Datu Jack Maiks (third right) with her staff almost 100 per cent sabahans.



John Baxter gets the thumb up from Chief Conservator of Forests, Datuk Zulkifli Suara.

see on site, on at least three counts.

Perfectly straight trees, massive harvests, huge nurseries
First, the amazing towering Eucalyptus pellita trees, soaring perfectly straight up to the sky – every one of them, not a single crooked stand!

Wow, I said.
Two, the massive volumes of harvest stacked on the log yard, and a huge barge jam-packed like a mountain with eucalyptus saw logs or chip logs, parked on the bank of the Telaga river, flanked by a vast mangrove ecosystem behind.

Seeing a flourishing mangrove forest in coexistence always feels great.

Thirdly, a grand nursery filled with literally millions of healthy-looking seedlings spread over a big open field, plus many large greenhouses, and local women actively doing purpose cuttings of some sort – though I had no idea what that was for.

And maybe a fourth count – a catchy Community Relations exhibition corner manned by Tamparuli-hailed Ms Emily Maria Roipin, who shared the importance of benefiting “people”.



Daily Express videographer, Mohd Ameerul Amde (right) and RTM filming the massive harvest of Eucalyptus pellita at the log yard.



A massively loaded barge at the Telaga river near the log yard bound for April Group mill in Sumatra, Indonesia, one of the biggest pulp and paper companies in the world, according to John Baxter.

Yield and volume of eucalyptus way more than doubled: AFI Director



AFI Director: Lawrence Chia

SUPERIOR genetics of Eucalyptus pellita has increased yield and volume from the same piece of land by a long shot, but the market often lags behind the increasing overheads from widened demand for regulatory compliance.

The need for market efficiency, commensurate with producers’ sustainable actions, must go hand in hand to make the chase for sustainability pay, says Lawrence Chia, AFI Director.

Rewarding sustainable actions appropriately is part of a series of pragmatic answers from Lawrence Chia to a “central question” posed by Jacques Werner.

Jacques Werner: “Good afternoon, everybody. I’d like to ask you this question. AFI, your company, Lawrence, has moved from acacia towards eucalyptus, invested in genetics and silviculture, and manages a long-term plantation resource rather than relying on natural forest extraction. What have you learned on your journey about whether better forestry can actually deliver both higher productivity and better sustainability outcomes? Can you elaborate a little on that in the coming five minutes – and what are the strongest measurable gains in that transformation?”

Value of a forest today: no more just making money from timber

Lawrence Chia: “If I understand the question correctly, you’re asking about moving from conventional forest to plantation forest, and also in terms of productivity.

“As you know, I think the value of any forest today – we talk about harvesting forests and what you can monetise from the timber thereon.

“But I think things have changed somewhat, in the sense that today we need to be more responsible to what the whole of society, as well as what the world, is talking about in terms of climate change – that a forest is about not only timber, it’s about the whole ecosystem associated with forestry.

“So I think, for us, we are actually moving the whole transformation of the business.”

Plantation production - the ‘bread and butter’

“In AFI, obviously, this is a plantation business that we are in.

“Importantly, from the production side, production is very important to us, because at the end of the day that is the bread and butter.

“But importantly, too, we have to look at the whole ecosystem.

“So from the production side, we are constantly moving from a piece of land – you say, how can you increase your production from that?

“In other words, we’ve got to look at the forest in terms of yield. Can we increase the yield on the same piece of land? Can we increase the volume?

“So this is all about species identification, species improvement and whatnot.

“I think we have been fairly successful in AFI, in the sense that we started out with the acacia.”

Acacia yield way behind eucalyptus
“Acacia is a very resilient species, but what is lacking is that we have very low yields in acacia.

“So we needed to improve the yield and the production. So we moved into eucalyptus. There’s a lot of research done on it, both here and abroad, that we look at.

“So, just to give you a measure: in acacia we’re talking about 40 to 50 metric tonnes per hectare. Now we’re moving into eucalyptus, with tremendous improvement, to 180 to 200.

“So you can see, in the forest, on the same piece of land, you can actually more than double the sort of volume that we’re doing.

“So this is what we’re moving on.”

The days of just harvesting trees are gone!

“In addition to that, obviously, we’ve got to include the community, the whole ecosystem, the environment and whatnot into the whole equation, in terms of how we run that.

“So the times are gone when plantation forestry was mostly about harvesting the trees; now it has become much more.

“They provide carbon storage, the forest, biodiversity, water regulation and landscape resilience.”

Jacques Werner: “Looking ahead, can those additional ecosystem values become meaningful revenue streams alongside timber? And could that change the economics of how plantation and conservation areas are managed?”

Lawrence Chia: “That’s a very good question, actually.”

Moving into a ‘new era’ of sustainability

“The fact is that we are moving into a new era of how we want to manage forests; we talk about sustainability.

“Sustainability is about the whole environment as well. It’s not only just the value of the timber.

“So today we respect the fact that the forest is one thing. Here we talk about the sequestering of carbon – a forest is a great sequester of carbon.

“We talk about the community in the forest – how could we improve the living standard as part of the whole community?”

Market not factoring community and ecosystem into pricing

“In AFI, our aim is certainly to improve the living standard of the community as part of the forest, participating in the forest.

“And third and lastly, the environment – whereby we talk about the biodiversity of the forest.

“I won’t say the bad news, but today, we are moving there, we are not stopping there – but today the market still hasn’t appreciated the value of this ecosystem yet.

“In terms of, like you say, you mentioned about water – water-catchment areas, biodiversity and things like that.

“So I think the time will come, in terms of how you factor that into the whole equation of pricing.”

The hope: ‘Buyers share the cost of sustainable action’

“And today, it’s still only the timber.
“But we have to include all these things in, and hopefully the buyers also become much more responsible, and they’re beginning to appreciate that there is a cost to that – and we hope that sort of cost can be shared with the buyers as well.”

Jacques Werner: “And it is also that international buyers, your export markets, are pushing that envelope in that direction a bit more?”

Lawrence Chia: “They are pushing it through certification and whatnot.

“You can see that both the big certifications – the PEFC as well as the FSC – are moving towards a lot of these things, including community: how you need to engage with community and whatnot, the environment. This is something they’re doing.”

Coming into the biomass business: certification for carbon emissions

“One of the products that we’re doing – not so much in Sabah here, but in Sarawak we’re doing it – is the biomass business.

“You can see that the certification which Control Union helps us on is the SBP certification. They are even looking at carbon emissions and things like that.

“So you can see that, through the international bodies, they are looking at this sort of thing – that they want us to measure the carbon emissions and whatnot.

“So you can see that it is coming into the equation. And I think, through this sort of certification, this sort of regulation, we hopefully will get a certain improvement in those areas.”



Lawrence Chia (4th from left) and moderator Jacques Werner (6th from left) with the panel of speakers at the Sustainable Action Conference.