



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

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GAIN Report #MY0015

## Malaysia

### Oilseeds and Products

### Oilseeds and Products Update (February)

## 2000

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#### Report Highlights:

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Kuala Lumpur [MY1], MY

**SUMMARY:****Production**

The Malaysian Palm Oil Registration and Licensing Authority (PORLA) reported that total crude palm oil (CPO) production dropped 15.2 percent from the month of December 1999 to 769 TMT in January 2000. Output in the Peninsula decreased by 15.8 percent while East Malaysia's production declined by 13.8 percent. Compared to January 1999, output during January 2000 was 52 percent higher. A seasonal downtrend in production is expected during the current quarter and Post still forecast Jan-Mar output at 2.1 TMT.

**Price**

Despite stronger overseas demand, the depressed global edible oil market influenced the downtrend in local CPO prices since September, 1999. The average CPO price declined 7.7 percent from RM1,157/MT (US\$304/MT) in January to RM1,068/MT (US\$281/MT) in February. For comparison, the average CPO price for February, 1999 was RM1,921/MT (US\$506/MT). RBD Palm Oil FOB average price also decreased from US\$318/MT to US\$306/MT.

**Stocks**

Despite a drop in CPO production, a sharp decline in exports resulted in an increase in the stock level at the end of January. The seasonal downtrend during the Jan-Mar quarter should erode the stock level to around 900 TMT at the end of March.

**Trade**

Preliminary official January exports dropped to 628 TMT compared to 876 TMT in December.

**ANNUAL SITUATION (OCT/SEP):**

No changes in the PS&Ds for palm oil since our report MY0007.

|              | Revised<br>1997/98 | Prelim<br>1998/99 | Forecast<br>1999/2000 |
|--------------|--------------------|-------------------|-----------------------|
| (1,000 tons) |                    |                   |                       |
| Beg Stock    | 907                | 719               | 1208                  |
| Production   | 8,508              | 9,758             | 10,500                |
| Imports      | 91                 | 142               | 100                   |
| Total Supply | 9,506              | 10,619            | 11,808                |
| Exports      | 7,421              | 7,952             | 8,900                 |
| Domestic Use | 1,366              | 1,459             | 1,608                 |
| Ending Stock | 719                | 1,208             | 1,300                 |

**QUARTERLY OUTLOOK FOR PALM OIL:**

|                | 1998 1/<br>Oct-Dec | 1999 2/<br>Oct-Dec | 1998 1/<br>Jan-Mar | 1999 2/<br>Jan-Mar |
|----------------|--------------------|--------------------|--------------------|--------------------|
| (1,000 MT )    |                    |                    |                    |                    |
| Beg Stocks 3/  | 719                | 1208               | 825                | 1176               |
| Prod- East Mal | 608                | 938                | 473                | 670                |
| - Pen. Mal     | 1541               | 2005               | 1298               | 1430               |
| - Total        | 2149               | 2943               | 1771               | 2100               |
| Imports        | 4                  | 22                 | 18                 | 20                 |
| Total Supply   | 2872               | 4173               | 2614               | 3296               |
| Exports 4/     | 1794               | 2520               | 1561               | 2000               |
| Dom Disap 5/   | 253                | 477                | 325                | 396                |
| End Stocks     | 825                | 1176               | 728                | 900                |

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate and all intra-Malaysia trade;

5/ residual.

**PRODUCTION:**

|                               | 1998    | 1999 | 1999    | 2000 |
|-------------------------------|---------|------|---------|------|
|                               | Jan-Dec | Jan  | Jan-Dec | Jan  |
| (In 1,000 MT)                 |         |      |         |      |
| CPO:                          |         |      |         |      |
| Pen. Malaysia                 | 5995    | 364  | 7428    | 519  |
| East Malaysia                 | 2320    | 141  | 3125    | 250  |
| - Total 1/                    | 8315    | 505  | 10553   | 769  |
|                               |         |      |         |      |
| Palm Kernel :<br>Malaysia     | 2428    | 146  | 3026    | 232  |
|                               |         |      |         |      |
| Palm Kernel Oil:<br>Malaysia  | 1111    | 65   | 1337    | 100  |
|                               |         |      |         |      |
| Palm Kernel Meal:<br>Malaysia | 1344    | 79   | 1623    | 121  |

1/ Totals may not add due to rounding differences.  
Includes some revisions in previous months.

**PRICES:**

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

|                 | Local Crude | RBD Palm Oil | RBD Olein | RBD Stearin |
|-----------------|-------------|--------------|-----------|-------------|
|                 | RM/MT       | US\$/MT      | US\$/MT   | US\$/MT     |
| Mar 99          | 1668        | 463          | 500       | 365         |
| Apr             | 1692        | 470          | 501       | 375         |
| May             | 1553        | 446          | 486       | 341         |
| June            | 1277        | 354          | 399       | 245         |
| July            | 1103        | 311          | 361       | 195         |
| Aug             | 1143        | 375          | 372       | 241         |
| Sep             | 1318        | 365          | 419       | 266         |
| Oct             | 1260        | 347          | 378       | 272         |
| Nov             | 1201        | 332          | 360       | 267         |
| Dec             | 1196        | 331          | 363       | 260         |
| Jan 2000 1/     | 1157        | 318          | 344       | 244         |
| Feb (till 23th) | 1068        | 306          | 324       | 238         |

1/ revised

Exchange Rate (Feb 25 2000): US\$1.00 = RM3.799

**STOCKS:**

|               | 1999 | 1999 | 1999 | 2000 |
|---------------|------|------|------|------|
|               | Jan  | Nov  | Dec  | Jan  |
| (In 1,000 MT) |      |      |      |      |
| Crude P. Oil  | 365  | 759  | 717  | 690  |
| Processed PO  | 316  | 494  | 460  | 501  |
| - Total PO    | 681  | 1253 | 1177 | 1191 |
|               |      |      |      |      |
| Palm Kernel   | 58   | 107  | 93   | 98   |
| P. Kernel Oil | 95   | 127  | 129  | 114  |