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Malaysia

Oilseeds and Products

Update (September)

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Report Highlights:

Malaysia's CPO production rose nine percent to 978 TMT in August, 2001. Higher PO exports and domestic usage further depressed carry-out stocks to lower levels at the end of August. The average local CPO price dropped from US\$320/MT in August to US\$260/MT in September. PO exports rose from 865 TMT in July to 880TMT in August.

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

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Executive Summary

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose nine percent from 897 TMT in the month of July 2001 to 979 TMT in August. Output in the Peninsula increased by eight percent while East Malaysia's production was up by 12 percent. Compared to August 2000, output during August 2001 was 3 percent higher. A seven percent increase in CPO output during the Jul-Sep quarter seems to be within reach and overall total CPO production should reach 12 MMT in 2000/01.

Price

Despite lower carry-in stock levels, weaker overseas demand influenced the sharp drop in local CPO prices during the month of September. The average CPO price dropped 19 percent from US\$320/MT in August to US\$260/MT in September. For comparison, the average CPO price for September, 2000 was US\$243/MT. RBD Palm Oil FOB average price also dropped from US\$333/MT in August to US\$275/MT in September.

Stocks

Higher PO exports and domestic usage further pressured carry-out stocks to lower levels at the end of August. In line with the forecast of a small increase in CPO output for the current quarter, the average CPO stock level is expected to increase to in the range of 1.0 -1.1 MMT by the end of September.

Trade

Preliminary official PO exports rose from 865 TMT in July to 880 TMT in August.

Annual Situation (Oct/Sep)

PS&D table for palm oil has been revised to reflect minor changes in palm oil exports and domestic usage.

	Revised 1999/00	Prelim 2000/01	Forecast 2001/02
(1,000 tons)			
Beg Stock	1208	1368	1,110
Production	10,491	12,000	11,900
Imports	50	112	50
Total Supply	11,749	13,480	13,060
Exports	8,408	10,650	10,000
Domestic Use	1,973	1,720	1,860
Ending Stock	1,368	1,110	1,200

Quarterly Outlook for Palm Oil:

	2000 1/ Jul-Sep	2001 2/ Jul-Sep	2000 1/ Oct-Dec	2001 2/ Oct-Dec
Beg Stocks 3/	1036	1031	1368	1110
Prod- Pen.Mal	1971	2110	2028	2150
- East Mal	937	930	1262	1050
- Total	2908	3040	3290	3200
Imports	18	36	12	20
Total Supply	3962	4107	4670	4330
Exports 4/	2050	2555	2567	2650
Dom Disap 5/	544	442	684	580
End Stocks	1368	1110	1419	1100

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

	2000	2000	2001	2001
	Aug	Jan-Aug	Aug	Jan-Aug
(In 1,000 MT)				
CPO:				
Pen. Malaysia	650	4466	676	4909
East Malaysia	301	1972	302	2635
- Total	951	6438	978	7544
Palm Kernel : Malaysia	279	1914	287	2166
Palm Kernel Oil: Malaysia	115	858	128	1001
Palm Kernel Meal: Malaysia	137	1015	148	1168

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
Sep 2000	924	260	279	200
Oct	768	218	246	146
Nov	806	226	248	184
Dec	757	210	223	190
Jan 2001	718	200	212	178
Feb	695	193	200	171
Mar	779	223	235	186
Apr	812	223	240	176
May	739	207	225	166
Jun	789	224	240	171
Jul	983	287	298	198
Aug 1/	1216	333	358	285
Sep (till 28)	986	275	288	245

1/ Revised

Exchange Rate (Sep 30 , 2001): US\$1.00 = RM3.799

Stocks:

	2000	2001	2001	2001
	Aug	June	July	Aug
(In 1,000 MT)				
Crude P. Oil	660	596	450	448
Processed PO	534	435	472	430
- Total PO	1194	1031	922	878
Palm Kernel	101	116	92	99
P. Kernel Oil	165	236	265	295