



Foreign Agricultural Service

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Malaysia

Oilseeds and Products

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Report Highlights:

Malaysia's CPO production dropped 13.6 percent to 1.06 MMT in November, 2002. Carry-over stock level rose marginally to 1.2 MMT at the end of November. PO exports decreased to 940 TMT in November. The average local CPO price rose from US\$421/MT in November to US\$426/MT IN December.

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 dropped 13.6 percent from 1.22 MMT in the month of October 2002 to 1.06 MMT in November. Output in the Peninsula dropped by 15 percent in November while East Malaysia's production declined by 12 percent. Compared to November 2001, output during November 2002 was lower by 0.6 percent. Post now expects CPO production to reach 3.3 MMT during the Oct-Dec quarter.

Price

The monthly average CPO price rose from US\$412/MT in November to US\$426/MT in December, reflecting the positive impact of the decline in CPO output. For comparison, the average CPO price for December, 2001 was US\$277/MT. RBD Palm Oil FOB average price also rose from US\$422/MT in November to US\$438/MT in December.

Stocks

Despite the decrease in CPO output, a relatively sharper decline in overseas demand for PO and a big carry-in stock resulted in a marginal increase in the PO stock level to 1.2 MMT at the end of November. With CPO output entering a seasonal decline in the coming months, Post now expects the carry-over stocks to drop to 1.15 MMT by the end of the Oct-Dec quarter.

Trade

Preliminary official PO exports decreased from 1.0 MMT in October to 940 TMT in November.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY 2053.

	Revised 2000/01	Prelim 2001/02	Forecast 2002/03
(1,000 tons)			
Beg Stock	1368	1,216	1,149
Production	11,937	11,857	12,900
Imports	108	362	380
Total Supply	13,413	13,435	14,429
Exports	10,023	10,776	11,200
Domestic Use	2,174	1,510	2,029
Ending Stock	1,216	1,149	1,200

Quarterly Outlook for Palm Oil

	2001 1/ Jul-Sep	2002 2/ Jul-Sep	2001 1/ Oct-Dec	2002 2/ Oct-Dec
Beg Stocks 3/	1031	913	1216	1149
Prod- Pen.Mal	1999	2064	1873	1895
- East Mal	980	1304	1282	1375
- Total	2979	3368	3155	3270
Imports	32	92	88	120
Total Supply	4042	4373	4464	4539
Exports 4/	2337	2876	2647	2940
Dom Disap 5/	489	348	420	449
End Stocks	1216	1149	1214	1150

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

	2001	2001	2002	2002
	Nov	Jan-Nov	Nov	Jan-Nov
(In 1,000 MT)				
CPO:				
Pen. Malaysia	625	6934	598	6507
East Malaysia	440	3920	461	4477
- Total /1	1065	10854	1059	10984
Palm Kernel : Malaysia	296	3096	281	3017
Palm Kernel Oil: Malaysia	133	1409	132	1356
Palm Kernel Meal: Malaysia	154	1639	155	1579

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
Dec	1107	302	318	244
Jan 2002	1166	322	336	254
Feb	1121	302	318	252
Mar	1144	311	327	265
Apr	1163	317	331	280
May	1262	337	352	314
Jun	1437	392	403	381
Jul	1378	373	384	363
Aug	1489	402	415	369
Sep	1403	388	402	352
Oct	1388	379	394	343
Nov 1/	1566	422	438	383
Dec (till 26th)	1620	438	454	398

1/ Revised

Exchange Rate (Dec 30 , 2002): US\$1.00 = RM3.799

Stock

	2001	2002	2002	2002
	Nov	Sep	Oct 1/	Nov
(In 1,000 MT)				
Crude P. Oil	749	652	698	669
Processed PO	545	497	512	560
- Total PO	1294	1149	1210	1229
Palm Kernel	120	152	139	128
P. Kernel Oil	353	301	301	316

1/ Revised.