

Required Report: Required - Public Distribution

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Report Name: Oilseeds and Products Update

Country: Malaysia

Post: Kuala Lumpur

Report Category: Oilseeds and Products

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Report Highlights:

Post maintains the projections for 2021/22 and updates MY 2022/23 with an optimistic outlook on production resulting from good weather conditions and an improved labor situation.

Summary:

Post maintains marketing year (MY) 2022/23 palm oil production at 19 million metric tons (MT). Although a harsher-than-normal tropical monsoon season will likely have a negative effect on production in the first quarter of 2023, the losses are expected to be compensated by high production in mid-2023 onwards. The labor situation slowly improves with more foreign workers expected to arrive in 2023 contributing to improved production for MY 2022/23.

Exports for MY 2022/23 are maintained at 16.45 million MT, the small increase in exports is attributed to China's relaxed Zero-COVID policy and India's steady import tax policy on palm oil. India and China remain the largest export markets for Malaysian palm oil.

Palm Oil Production, Supply, and Distribution

Oil, Palm	2020/2021		2021/2022		2022/2023	
Market Begin Year	Oct 2020		Oct 2021		Oct 2022	
Malaysia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	5400	5400	5450	5450	5500	5500
Trees	0	0	0	0	0	0
Beginning Stocks	1722	1722	1756	1756	2315	2315
Production	17854	17854	18152	18148	18800	19000
MY Imports	1300	1300	1100	1158	1300	1000
Total Supply	20876	20876	21008	21062	22415	22315
MY Exports	15878	15878	15527	15537	16500	16450
Industrial Dom. Cons.	2402	2402	2286	2410	2700	2700
Food Use Dom. Cons.	770	770	810	730	845	750
Feed Waste Dom. Cons.	70	70	70	70	70	70
Total Dom. Cons.	3242	3242	3166	3210	3615	3520
Ending Stocks	1756	1756	2315	2315	2300	2345
Total Distribution	20876	20876	21008	21062	22415	22315

(1000 HA), (1000 TREES), (1000 MT)

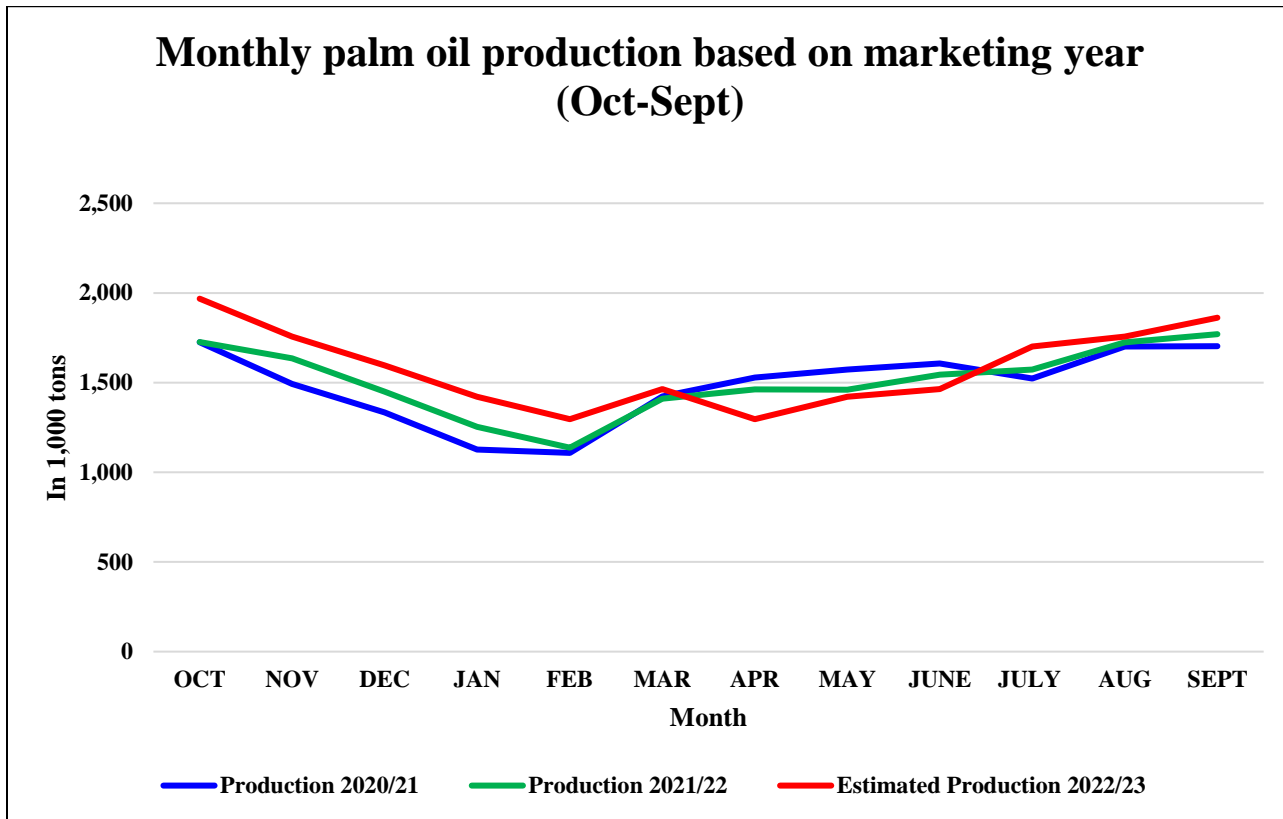
Production

Post maintains the MY 2022/23 palm oil production estimate at 19 million MT compared to the USDA estimate of 18.8 million MT.

La Niña weather patterns have contributed to heavier than normal rainfall and flooding this quarter. However, good weather projections for the rest of the year will help boost the overall FFB harvest by year-end of MY 2022/23.

Although industry continues to struggle with labor deficiencies, short of nearly 90,000 workers, there is modest progress. The newly elected GOM has expressed a recharged commitment to the issue and to

streamlining the process of bringing in more labor. Industry remains positive this will help accelerate production.



Consumption

Total domestic consumption for MY 2022/23 remains relatively stable at 3.52 million MT in anticipation of the GOM rollout of a B20 mandate (use of a 20 percent biodiesel blend) by mid-2023. The B20 mandate has been delayed several times during the COVID-19 pandemic. Industrial domestic consumption holds steady at 2.7 million MT, a slight increase of 100,000 tons from MY 2021/22 figures.

Stocks

Ending stocks for MY 2022/23 are adjusted upward to 2.3 million MT based on an improved production outlook for MY2022/23.

Attachments:

No Attachments