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## Malaysia

### Oilseeds and Products

### Oilseeds and Products Update (October)

**2002**

Approved by:

**Bonnie Borris**

**U.S. Embassy, Kuala Lumpur**

Prepared by:

R Hoh

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#### **Report Highlights:**

**Malaysia's CPO production rose 11 percent to 1.2 MMT in September, 2002. Carry-over stock level rose to 1.1 MMT at the end of September. The average local CPO price dropped moderately from US\$369/MT in September to US\$366/MT in October.**

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

Table of Contents

Executive Summary ..... 1

Annual Situation ..... 2

Quarterly Outlook for Palm Oil ..... 3

Production ..... 4

Prices ..... 5

Stock ..... 6

## **Executive Summary**

### **Production**

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose 11 percent from 1.1 MMT in the month of August 2002 to 1.2 MMT in September, bringing the total CPO production to 11.9 MMT for the whole year of 2001/02. Output in the Peninsula rose by 5.5 percent in September while East Malaysia's production rose by 20 percent. Compared to September 2001, output during September 2002 was higher by 13 percent. CPO output is experiencing a seasonal uptrend and Post now CPO production to reach 3.5 MMT during the Oct-Dec quarter.

### **Price**

The monthly average CPO price dropped from US\$369/MT in September to US\$366/MT in October, reflecting the impact of the depreciation of the Indonesian rupee after the Bali bombing on the regional palm oil prices. For comparison, the average CPO price for September, 2001 was US\$226/MT. RBD Palm Oil FOB average price also dropped from US\$388/MT in September to US\$381/MT for October.

### **Stocks**

The increase in CPO output more than offset the increase in overseas demand for palm oil. As a result, the PO stock level rose moderately to 1.1 MMT at the end of September. Since a further increase in CPO output is expected in the coming months, Post expects the carry-over stocks to increase to 1.25 MMT by the end of the Oct-Dec quarter.

### **Trade**

Preliminary official PO exports increased from 890 TMT in August to 1.1 MMT in September.

## Annual Situation

PS&D table for palm oil has been revised to reflect higher official CPO production, trade and carry-over stocks for 2001/02. Post has revised the 2002/03 CPO output to 12.9 MMT to reflect an improvement in CPO yields. Post also expects a higher PO imports. On the demand side, exports, domestic use and carry-over stock were revised upwards accordingly.

	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/	2002 2/	2001 1/	2002 2/
	Jul-Sep	Jul-Sep	Oct-Dec	Oct-Dec
Beg Stocks 3/	1031	913	1216	1149
Prod- Pen.Mal	1999	2064	1873	2100
- East Mal	980	1304	1282	1400
- Total	2979	3368	3155	3500
Imports	32	92	88	100
Total Supply	4042	4373	4464	4749
Exports 4/	2337	2876	2647	3000
Dom Disap 5/	489	348	420	489
End Stocks	1216	1149	1214	1260

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	2002
	Sep	Jan-Sep	Aug 1/	Sep	Jan-Sep
(In 1,000 MT)					
CPO:					
Pen. Malaysia	694	5605	686	723	5206
East Malaysia	407	3043	431	517	3494
- Total /1	1101	8648	1117	1240	8700
Palm Kernel : Malaysia	312	2476	311	343	2407
Palm Kernel Oil: Malaysia	131	1132	129	142	1070
Palm Kernel Meal: Malaysia	152	1320	150	164	1244

1/ Revised

## 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
Oct 2001	860	235	244	229
Nov	1053	290	306	247
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 1/	1403	388	402	352
Oct (till 29th)	1392	381	395	343

1/ Revised

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

**Stock**

	2001	2002	2002	2002
	Sep	Jul	Aug 1/	Sep
(In 1,000 MT)				
Crude P. Oil	648	489	584	652
Processed PO	568	464	510	497
- Total PO	1216	943	1094	1149
Palm Kernel	113	101	126	152
P. Kernel Oil	315	270	279	301

1/ Revised.