

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Malaysia

### LOCK-UP REPORT

#### Update (July)

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**Report Highlights:**

Malaysia's crude palm oil (CPO) production rose 3.6 percent to 1.5 MMT in June 2009, resulting in a higher stock level at the end of June. PO exports rose 3.3 percent to 1.3 MMT in June. In line with a softer global oilseed market, the monthly average delivered CPO price declined to RM2,120/MT in July.

**Post:**

Kuala Lumpur

**Executive Summary:**

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose 3.6 percent to 1.5

MMT in June 2009. Peninsular Malaysia's production increased by 1.6 percent while East Malaysia's output rose 0.2 percent. Compared to June 2008, output during June 2009 was 1.6 percent lower. The palms are entering a seasonal uptrend in output phase and Post expects CPO output to increase to 5.1 TMT during Jul-Sep quarter.

#### Price

Faced with a softer global oilseed market and an increase in June carry-out stocks, the monthly average delivered CPO price declined from RM2,445/MT in June to RM2,120/MT in July. For comparison, the average CPO price for July 2008 was RM3,455/MT. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also declined from US\$742/MT in June to US\$740/MT in July.

#### Stocks

The increase in CPO production resulted in a higher stock level at the end of June. This situation is expected to continue into the Jul-Sep period with the stock level expected to be around 1.8 MMT by the end of July.

#### Trade

A preliminary official report shows PO exports rose 3.3 percent to 1.3 MMT in June. Cargo surveyor Societie Generale reported Malaysian palm oil exports rose 13 percent to 894,000 TMT during July 1-20 compared to the corresponding period in June.

Exchange Rate: RM3.525 (Jun 30, 2009); RM3.525 (Jul 31, 2009)

#### Other Relevant Reports

Oilseeds & Products Annual (AGR Number MY9008)

<http://www.fas.usda.gov/gainfiles/200903/146337529.doc>

Oilseeds & Products: Lock-up Report June 2009 (ARG Number MY9027)

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/General%20Report\\_Kuala%20Lumpur\\_Malaysia\\_7-1-2009.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/General%20Report_Kuala%20Lumpur_Malaysia_7-1-2009.pdf)

#### **Author Defined:**

#### **Annual Situation**

Minor changes in the PS&D table reflect a slight reduction for CPO production and domestic use for 2008/09.

	Revised 2007/08	Prelim 2008/09	Forecast 2009/10
(1,000 MT)			

Beg Stock	1,462	1,951	1,800
Production	17,567	17,800	18,200
Imports	462	700	700
Total Supply	19,491	20,451	20,700
Exports	14,644	15,750	15,900
Domestic Use	2,896	2,901	3,200
Ending Stock	1,951	1,800	1,600

### Quarterly Production for Palm Oil

	2008 1/	2009 2/	2008 1/	2009 2/ 2/
	Apr- Jun	Apr- Jun	Jul-Sep	Jul-Sep
(1,000 MT)				
Beg Stocks 3/	1,825	1,366	2,034	1,406
Prod- Pen. Mal	2,432	2,467	2,709	3,059
- East Mal	1,823	1,660	2,029	2,040
- Total	4,255	4,127	4,738	5,090
Imports	139	245	78	176
Total Supply	6,219	5,738	6,850	6,672
Exports 4/	3,663	3,690	3,899	3,895
Dom Disap 5/	552	642	1,000	977
End Stocks	2,034	1,406	1,951	1,800

- 1/ Revised;
- 2/ Forecast;
- 3/ Stocks include crude and refined for all Malaysia;
- 4/ Exports exclude shipments of fatty acid oil distillate and all intra-Malaysia trade;
- 5/ Residual

### Production

	2008	2008	2009	2009
	Jun	Jan-Jun	Jun	Jan-Jun
(1000 MT)				
CPO:				
Pen. Malaysia	842	4,737	880	4,659
East Malaysia	627	3,464	566	3,261
- Total /1	1,469	8,201	1,446	7,920
Palm Kernel: Malaysia	364	2,124	353	2,059
Palm Kernel Oil: Malaysia	173	1,006	163	971
Palm Kernel Meal: Malaysia	189	1,114	180	1,073

1/ Revised

### Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Jul 2008	3,455	1,153	1,183	950
Aug	2,674	878	916	715
Sep	2,350	743	768	598
Oct	1,752	538	580	422
Nov	1,528	483	512	347
Dec	1,562	489	526	331
Jan 2009	1,842	575	609	438
Feb	1,898	583	600	430
Mar	2,027	577	613	446
Apr	2,402	679	744	576
May	2,744	820	832	754
Jun 2/	2,445	742	741	706
Jul (till 24)	2,120	627	650	612

1/ Prices are for West Malaysia only (since October 2006),

2/ Revised

Exchange Rate: RM3.525 (Jun 30, 2009); RM3.525 (Jul 31, 2009)

### Stocks

	2008	2008	2008	2009
	Jun	Apr	May 1/	Jun

(1,000 MT)				
Crude P. Oil	956	606	724	721
Processed PO	1,077	686	647	684
- Total PO	2,033	1,292	1,371	1,405
Palm Kernel	116	104	105	107
P. Kernel Oil	285	302	270	268

1/ Revised