

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Malaysia

### Oilseeds and Products Update

**May 2012**

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**Report Highlights:**

In April, Malaysia's crude palm oil (CPO) production rose 5 percent to 1.3 million tons. After almost 24 months of growth in production, the palms are undergoing biological stress causing lower yields. Palm oil exports rose marginally to 1.3 million tons in April. With a higher palm oil output, the monthly average delivered CPO price declined to \$1,031/ton in May.

**Post:**

Kuala Lumpur

**Executive Summary:****Production**

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose 5 percent to 1.3 million tons in April 2012. Peninsular Malaysia's production increased 7 percent, while East Malaysia's output was up 3 percent. However, compared to April 2011, output during April 2012 was 6.8 percent lower. After almost 24 months of growth in production, the palms are undergoing biological stress leading to lower yields. Post expects CPO output to be about 4.8 million tons during the Apr-Jun 2012, compared to 5 million tons in the Apr-Jun quarter previous year.

**Price**

The monthly average delivered CPO price declined from \$1,154/ton in April to \$1,031/ton in May. For comparison, the average CPO price for May 2011 was \$1,118/ton. Currently, the key determinant of the CPO price movement is the expected higher seasonal output of palm oil in the coming months. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also declined from \$1,162/ton in April to \$1,091/ton in May.

**Stocks**

Stronger demand from overseas resulted in a lower stock level at the end of April. Compared to April 2011, the stock level was 177,000 tons higher. With an expected seasonal increase in CPO production, the stock level is expected to increase to 2.2 million by the end of June.

**Trade**

A preliminary official report shows a marginal increase in palm oil exports to 1.3 million tons in April.

Exchange Rate: US\$1 = RM3.025 (May 31, 2011); RM3.026 (Apr 30, 2012);  
RM3.152 (May 29, 2012)

**Other Relevant Reports:**

Oilseeds & Products Annual 2012 (AGR Number [MY2002](#))

Biofuel Annual 2011 (AGR Number [MY1006](#))

**Author Defined:  
Annual Situation**

The PS&D table remains unchanged since the submission of the Annual Oilseed Report in March 2012.

	Revised 2010/11	Prelim 2011/12	Forecast 2012/13
(1,000 MT)			
Beg Stock	1,756	2,100	2,000
Production	18,211	18,500	19,000
Imports	1,310	1,200	1,250
Total Supply	21,277	21,800	22,250
Exports	17,151	17,400	17,550
Domestic Use	2,026	2,400	2,570
Ending Stock	2,100	2,000	2,130

**Quarterly Production for Palm Oil**

	2011	2012	2011 1/	2012 2/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
Beg Stocks 3/	1,615	2,058	1,614	1,954
Prod- Pen. Mal	1,964	1,970	2,761	2,600
- East Mal	1,606	1,712	2,264	2,200
- Total	3,570	3,686	5,025	4,800
Imports	487	587	278	400
Total Supply	5,672	6,331	6,917	7,154
Exports 4/	3,574	3,920	4,328	4,400
Dom Disap 5/	484	457	536	545
End Stocks	1,614	1,954	2,053	2,200

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

	2010	2011	2012	2012	2012	2012	2012
	Jan-Dec	Jan-Dec	Jan	Feb	Mar	Apr	Jan-Apr
(1000 MT)							
CPO:							
Pen. Malaysia	9,498	10,373	664	651	659	704	2,678
East Malaysia	7,496	8,539	624	537	552	569	2,282
- Total /1	16,994	18,912	1,288	1,188	1,211	1,273	4,960
Palm Kernel: Malaysia	4,292	4,705	337	309	314	324	1,284
Palm Kernel Oil: Malaysia	2,015	2,145	157	154	152	139	602
Palm Kernel Meal: Malaysia	2,242	2,387	174	171	168	155	668

1/ Revised

**Prices**

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
May 2011	3,382	1,190	1,200	1,113
Jun	3,290	1,174	1,171	1,078
Jul	3,091	1,107	1,122	947
Aug	3,121	1,112	1,153	907
Sep	3,067	1,101	1,111	861
Oct	2,841	947	974	830
Nov	3,073	1,026	1,056	929
Dec	3,065	1,034	1,055	933
Jan 2012	3,189	1,046	1,062	950
Feb	3,116	1,061	1,081	959
Mar	3,291	1,116	1,130	1,012
Apr	3,493	1,162	1,167	1,136
May (till 28 <sup>th</sup> )	3,249	1,091	1,088	1,028

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

2/ Revised

Exchange Rate: US\$1 = RM3.025 (May 31, 2011); RM3.026 (Apr 30, 2012);  
RM3.152 (May 29, 2012)

## Stocks

	2011	2012	2012	2012	2012
	Apr	Jan	Feb	Mar	Apr
(1,000 MT)					
Crude P. Oil	944	1,037	1,048	976	990
Processed PO	727	982	1,013	978	858
- Total PO	1,671	2,019	2,061	1,954	1,848
Palm Kernel	145	123	101	91	119
P. Kernel Oil	239	344	365	347	313

1/ Revised

END OF REPORT.