



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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Date: 1/3/2001

GAIN Report #MY1001

Malaysia

Oilseeds and Products

Oilseeds and Products Update (Dec)

2000

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Report Highlights:

Malaysia's CPO production dropped 1.7 percent to 1.16 MMT in November, 2000. Weaker exports resulted in higher carry-over stocks at the end of November. The average local CPO price dropped from US\$212/MT in November to US\$199/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 in November, 2000 dropped 1.7 percent to 1.16 MMT. Output in the Peninsula decreased by 2.7 percent while East Malaysia's production slipped 1.1 percent. Compared to November 1999, output during November 2000 was 17 percent higher. The palms are definitely showing a stronger-than-expected recovery from biological stress since the month of September. Post's forecast for CPO output during the Oct - Dec quarter remains around 3.25 - 3.3 MMT. Total CPO production for CY2000 is expected to reach 10.8 MMT.

Price

News of lower PO exports during the first half of the month and higher carry-in stocks at the start of the month resulted in the average monthly CPO price sliding from US\$212/MT in November to US\$199/MT in December. For comparison, the average CPO price for December, 1999 was US\$315/MT. RBD Palm Oil FOB average price also declined from US\$226/MT in November to \$210/MT in December. Anticipated lower stock level at the end of December and seasonal lower CPO production in the next few months should lend some support to a reversal in prices in January, 2001. Traders are talking of a price range of US\$224 - US\$237/MT for the next few months.

Stocks

Weaker PO exports resulted in carry-over stocks reaching 1.5 MMT at the end of November. The stock level is expected to ease in the first quarter as the palms enter a seasonal low production phase.

Trade

After a hefty 27 percent increase in PO exports in October, exports dropped 11 percent in November. According to a SGS survey, estimated palm oil exports for the first 20 days of December were 0.7 percent higher than the corresponding period of November.

Annual Situation (Oct/Sep):

PS&D table for palm oil remains unchanged since submission of MY0061.

	Revised 1998/99	Prelim 1999/200 0	Forecast 2000/2001
(1,000 tons)			
Beg Stock	719	1208	1368
Production	9,758	10,491	11,300
Imports	142	73	100
Total Supply	10,619	11,772	12,768
Exports	7,952	8,736	9,500
Domestic Use	1,459	1,668	1,818
Ending Stock	1,208	1,368	1,450

Quarterly Outlook For Palm Oil:

	1999 1/	2000 2/	1999 1/	2000 2/
	Jul-Sep	Jul-Sep	Oct-Dec	Oct-Dec
Beg Stocks 3/	1049	1036	1208	1368
Prod- East Mal	870	937	938	1231
- Pen. Mal	2103	1971	2005	2069
- Total	2973	2908	2943	3300
Imports	91	25	22	12
Total Supply	4113	3969	4173	4680
Exports 4/	2433	2186	2520	2740
Dom Disap 5/	472	415	477	485
End Stocks	1208	1368	1176	1455

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:

	1999	1999	2000	2000
	Nov	Jan-Nov	Nov	Jan-Nov
(In 1,000 MT)				
CPO:				
Pen. Malaysia	671	6812	731	6650
East Malaysia	318	2835	431	3241
- Total 1/	989	9647	1162	9891
Palm Kernel : Malaysia	283	2759	329	2899
Palm Kernel Oil: Malaysia	124	1210	137	1261
Palm Kernel Meal: Malaysia	150	1471	162	1489

1/ Totals may not add due to rounding differences.
Includes some revisions in previous months.

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
Jan 2000	1157	318	344	244
Feb	1075	304	328	237
Mar	1119	319	333	248
Apr	1227	344	363	273
May	1103	307	328	246
June	1053	291	309	239
July	1016	280	302	221
Aug	984	275	294	222
Sep	924	260	279	200
Oct	768	218	246	146
Nov 1/	806	226	248	184
Dec(till 29th)	757	210	223	190

1/ revised

Exchange Rate (Dec 29 2000): US\$1.00 = RM3.799

Stocks:

	1999	2000	2000	2000
	Nov	Sep	Oct	Nov
(In 1,000 MT)				
Crude P. Oil	759	841	892	1014
Processed PO	494	526	515	507
- Total PO	1253	1367	1407	1521
Palm Kernel	107	133	163	186
P. Kernel Oil	127	175	186	222