



Foreign Agricultural Service

GAIN Report

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Malaysia

Oilseeds and Products

Update (March)

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Approved by:

B Borris

U.S. Embassy, Kuala Lumpur

Prepared by:

R Hoh

Report Highlights:

Malaysia's CPO production dropped 11.3% to 766 TMT in February, 2003. Carry-over stock level dipped marginally to 1.1 MMT at the end of February. PO exports decreased to 680 TMT in February. The average local CPO price slipped from US\$426/MT in February to US\$396/MT in March.

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 dropped 11.3 percent from 863 TMT in the month of January to 766 TMT in February, 2003. Output in the Peninsula dropped by 5.6 percent in February while East Malaysia's production declined by 19.2 percent. Compared to February 2002, output during February 2003 was lower by 3.2 percent. CPO output experienced a seasonal low production period and a turn-around was anticipated in March. Post expects CPO production to increase to 3.0 MMT during the Apr-Jun quarter.

Price

The monthly average CPO price declined from US\$426/MT in February to US\$396/MT in March, reflecting the expectation of an increase in the CPO output in the coming months. For comparison, the average CPO price for February, 2002 was US\$301/MT. RBD Palm Oil FOB average price also dropped from US\$434/MT in February to US\$411/MT in March.

Stocks

The decrease in CPO output reduced the PO stock level marginally to 1.1 MMT at the end of February. Strong overseas demand is expected to outpace the increase in CPO output in the Apr - Jun quarter. Post expects a further dip in the carry-over stocks to 960 TMT by the end of June.

Trade

Preliminary official PO exports decreased from 850 TMT in January to 680 TMT in February.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY 3008.

	Revised 2001/02	Prelim 2002/03	Forecast 2003/04
(1,000 tons)			
Beg Stock	1,216	1,149	1,200
Production	11,858	12,600	13,700
Imports	325	300	350
Total Supply	13,399	14,049	15,250
Exports	10,163	10,600	11,500
Domestic Use	2,087	2,249	2,450
Ending Stock	1,149	1,200	1,300

Quarterly Outlook for Palm Oil

	2002 1/	2003 2/	2002 1/	2003 2/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
Beg Stocks 3/	1214	1136	1171	1000
Prod- Pen. Mal	1521	1570	1622	1740
- East Mal	1082	1130	1110	1300
- Total	2603	2700	2732	3040
Imports	93	150	33	130
Total Supply	3910	3986	3936	4170
Exports 4/	2238	2500	2651	2700
Dom Disap 5/	501	486	372	510
End Stocks	1171	1000	913	960

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

	2002	2002	2003	2003
	Feb	Jan-Feb	Feb	Jan-Feb
(In 1,000 MT)				
CPO:				
Pen. Malaysia	444	996	471	969
East Malaysia	329	712	295	660
- Total /1	773	1708	766	1629
Palm Kernel : Malaysia	222	493	215	457
Palm Kernel Oil: Malaysia	104	235	99	217
Palm Kernel Meal: Malaysia	122	273	116	254

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
Mar 2002	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	1403	388	402	352
Oct	1388	379	394	343
Nov	1566	422	438	383
Dec	1627	438	454	396
Jan	1654	437	459	395
Feb 1/	1617	434	449	395
Mar 2003 (till 27th)	1505	411	422	374

1/ Revised

Exchange Rate (Feb 28, 2003): US\$1.00 = RM3.799

Stock

	2002	2002	2003	2003
	Feb	Dec	Jan 1/	Feb
(In 1,000 MT)				
Crude P. Oil	743	589	531	494
Processed PO	540	547	571	597
- Total PO	1283	1136	1102	1091
Palm Kernel	88	123	107	99
P. Kernel Oil	332	303	279	254

1/ Revised.