



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 8/6/2003

GAIN Report #MY3037

Malaysia

Oilseeds and Products

Update (July)

2003

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Report Highlights:

Malaysia's CPO production rose 3.8% to 1.22 MMT in June 2003. Carry-over stocks level at the end of June rose to 993 TMT reflecting higher CPO output and lower PO exports. PO exports fell to 1.04 MMT while the average local CPO price dipped from US\$398/MT in June to US\$392/MT in July. Post's of total CPO of 13.0 MMT in 2002/03 seems within reach.

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 rose by 3.83 percent from 1.17 MMT in the month of May to 1.22 MMT in June, 2003. Output in the Peninsula rose 3.82 percent in May while East Malaysia's production increased by 3.85 percent. Compared to June 2002, output during June 2003 was 29 percent higher. Malaysian oil palms are experiencing much higher yield per hectare during the Apr - Jun period probably due the optimal application of fertilizers in the past year. The total CPO output is likely to reach 13.0 MMT in 2002/03.

Price

Following news of increased supply of corn and soy output in the global market, the monthly average CPO price fell from US\$398/MT in June to US\$392/MT in July. For comparison, the average CPO price for July, 2002 was US\$363/MT. However, the RBD Palm Oil FOB average price rose from US\$416/MT in June to US\$418/MT in July.

Stocks

Increase in CPO supply and PO exports resulted the PO stock level increasing to 993 TMT at the end of June. The increase in CPO output is expected to outpace overseas demand in the Jul -Sep quarter. Post expects a small increase in the carry-over stocks to 1.17 MMT by the end of September.

Trade

Preliminary official PO exports decreased marginally from 1.08 TMT in May to 1.04 MMT in June.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY3029.

	Revised 2001/02	Prelim 2002/03	Forecast 2003/04
(1,000 tons)			
Beg Stock	1,216	1,149	1,170
Production	11,858	13,000	13,700
Imports	325	475	350
Total Supply	13,399	14,624	15,220
Exports	10,163	11,610	11,500
Domestic Use	2,087	1,844	2,420
Ending Stock	1,149	1,170	1,300

Quarterly Outlook for Palm Oil

	2002 1/	2003 2/	2002 1/	2003 2/
	Apr-Jun	Apr-Jun	Jul-Sep	Jul-Sep
Beg Stocks 3/	1171	1011	913	933
Prod- Pen. Mal	1622	2151	2064	2225
- East Mal	1110	1330	1304	1485
- Total	2732	3481	3368	3710
Imports	33	63	111	100
Total Supply	3936	4651	4392	4743
Exports 4/	2651	3100	2629	3000
Dom Disap 5/	372	558	614	573
End Stocks	913	993	1149	1170

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	2003
	Jun	Jan-Jun	May /1	Jun	Jan-Jun
(In 1,000 MT)					
CPO:					
Pen. Malaysia	581	3143	721	749	3741
East Malaysia	363	2191	452	469	2354
- Total /1	944	5334	1173	1218	6095
Palm Kernel : Malaysia	248	1484	321	321	1678
Palm Kernel Oil: Malaysia	109	680	143	145	655
Palm Kernel Meal: Malaysia	126	791	167	167	879

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
Jul 2002	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	1617	434	449	395
Mar	1503	410	421	372
Apr	1460	400	415	355
May	1480	402	424	339
Jun /1	1513	416	441	342
Jul 2003 (till 30 th)	1491	418	441	337

1/ Revised

Exchange Rate: Pegged at RM3.799 to US\$1.00 since 1998

Stock

	2002	2003	2003	2003
	Jun	Apr	May /1	Jun
(In 1,000 MT)				
Crude P. Oil	449	474	430	462
Processed PO	464	504	516	531
- Total PO	913	978	946	993
Palm Kernel	94	119	124	122
P. Kernel Oil	278	257	256	244

/1 Revised