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Malaysia

Oilseeds and Products

Updates (March)

2004

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Report Highlights:

Malaysia's CPO production dropped by 1.6 percent to 862 TMT in February 2004. Carry-over levels at end of February also dropped to 988 TMT. PO exports rose to 940 TMT in February. Average local CPO price rose from US\$504/MT in February to US\$526/MT in March.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1]
[MY]

Table of Contents

Executive Summary..... 3
Annual Situation..... 4
Quarterly Outlook for Palm Oil..... 5
Production..... 6
Prices 7
Stock 8

Executive Summary

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production dropped by 1.6 percent to 862 TMT in February 2004. CPO output in the Peninsula rose 6.1 percent in February while East Malaysia's production was down by 11.4 percent. Compared to February 2003, output during February 2004 was 12.7 percent higher. CPO output experienced a seasonal low production in January/February period and a turn-around is anticipated in April. Post expects CPO production to increase to 3.5 MMT during the Apr-Jun quarter.

Price

In line with the global soy oil prices, local PO prices recorded a big increase during the month of March. The monthly average CPO price rose from US\$504/MT in February to US\$526/MT in March 2004. For comparison, the average CPO price for March 2004 was US\$396/MT. The RBD Palm Oil FOB average price also rose from US\$513/MT in February to US\$544/MT in March.

Stocks

A decline in domestic CPO output and stronger PO exports resulted in the PO stock level dropping to 988 TMT at the end of February. Strong overseas demand is expected to consume much of the increase in CPO output in the Apr - Jun quarter. Post expects a small increase in the carry-over stocks to around 1 MMT by the end of June.

Trade

Preliminary official PO exports rose from 910 TMT in January to 940 TMT in February.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of MY4013.

	Revised 2002/03	Prelim 2003/04	Forecast 2004/05
(1,000 tons)			
Beg Stock	1,149	975	900
Production	13,181	13,700	13,800
Imports	341	400	500
Total Supply	14,671	15,075	15,200
Exports	12,077	12,200	12,300
Domestic Use	1,619	1,975	1,900
Ending Stock	975	900	1,000

Quarterly Outlook for Palm Oil

	2003 1/	2004 1/	2003 1/	2004 1/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
	(1,000 tons)			
Beg Stocks 3/	1136	1165	1011	980
Prod- Pen. Mal	1590	1655	2151	2180
- East Mal	1024	1185	1331	1340
- Total	2614	2840	3482	3520
Imports	162	190	71	150
Total Supply	3912	4195	4564	4650
Exports 4/	2450	2850	3068	3250
Dom Disap 5/	451	365	501	400
End Stocks	1011	980	995	1000

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

	2003	2003	2004	2004	2004
	Feb	Jan-Feb	Jan 1/	Feb	Jan-Feb
(In 1,000 MT)					
CPO:					
Pen. Malaysia	471	969	492	522	1014
East Malaysia	295	660	385	341	726
- Total /1	766	1629	877	863	1740
Palm Kernel : Malaysia	215	457	239	239	478
Palm Kernel Oil: Malaysia	99	217	112	116	228
Palm Kernel Meal: Malaysia	116	254	130	133	263

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
Mar 2003	1503	410	421	372
Apr	1460	400	415	355
May	1480	402	424	339
Jun	1513	416	441	342
Jul	1500	414	442	338
Aug	1393	393	420	317
Sep	1439	400	427	320
Oct	1663	455	472	408
Nov	1855	501	526	457
Dec	1829	501	513	458
Jan	1790	481	493	464
Feb 1/	1917	513	529	468
Mar 2004(till 29)	2000	544	557	484

1/ Revised

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

Stock

	2003	2003	2003	2004
	Feb	Dec	Jan 1/	Feb
(In 1,000 MT)				
Crude P. Oil	494	594	538	466
Processed PO	597	572	539	522
- Total PO	1091	1166	1077	988
Palm Kernel	99	112	104	84
P. Kernel Oil	254	170	164	162