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Malaysia

Oilseeds and Products

Update (June)

2004

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Report Highlights:

Malaysia's crude palm oil (CPO) production rose 9.0 percent to 1.1 MMT in April 2004. Carry-over levels at the end of May also rose to 1.04 MMT. Palm Oil exports rose to 950 TMT in May. The average local CPO price dropped from US\$483/MT in April to US\$410/MT in June.

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 9.0 percent to 1.1 MMT in May 2004. Output in the Peninsula increased by 10.9 percent while East Malaysia's production rose 6.2 percent. Compared to May 2003, output during April 2004 was 6.3 percent lower. Weaker yields reflect that the trees are experiencing some stress due to the sharp increase in production in the previous year. Post now expects CPO production to increase to 3.5 MMT during the Apr-Jun quarter.

Price

Local PO prices dropped in line with global soy oil prices during the month of June. The monthly average CPO price dropped from US\$483/MT in May to US\$410/MT in June 2004. For comparison, the average CPO price for June 2003 was US\$398/MT. The Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also declined from US\$503/MT in May to US\$427/MT in June.

Stocks

A strong increase in PO production and a bigger carry-in stocks at the beginning of the month resulted in the PO stock level rising to 1.04 MMT at the end of May. Overseas demand fell short of exception in April and May. Post expects the carry-over stocks to increase to 1.2 MMT by the end of June.

Trade

Preliminary official PO exports rose from 945 TMT in April to 950 TMT in May.

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 2/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
	(1,000 tons)			
Beg Stocks 3/	1,136	1,165	1,011	953
Prod- Pen. Mal	1,590	1,594	2,151	2,120
- East Mal	1,024	1,084	1,331	1,400
- Total	2,614	2,678	3,482	3,520
Imports	162	232	71	220
Total Supply	3,912	4,076	4,564	4,693
Exports 4/	2,450	2,740	3,068	3,050
Dom Disap 5/	451	383	501	443
End Stocks	1,011	953	995	1,200

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

	2003	2003	2004	2004
	May	Jan-May 1/	May	Jan-May
(In 1,000 MT)				
CPO:				
Pen. Malaysia	721	2,992	666	2,860
East Malaysia	452	1,885	433	1,928
- Total /1	1,173	4,877	1,099	4,788
Palm Kernel : Malaysia	321	1,357	283	1,286
Palm Kernel Oil: Malaysia	143	610	126	591
Palm Kernel Meal: Malaysia	167	712	146	677

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
Jun	1,513	416	441	342
Jul	1,500	414	442	338
Aug	1,393	393	420	317
Sep	1,439	400	427	320
Oct	1,663	455	472	408
Nov	1,855	501	526	457
Dec	1,829	501	513	458
Jan	1,790	481	493	464
Feb	1,917	513	529	468
Mar	2,046	544	557	484
Apr	1,979	540	552	496
May 1/	1,835	503	520	477
June 2004 (till 28 th)	1,557	427	435	411

1/ Revised

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

Stock

	2003	2004	2004	2004
	May	Mar	Apr	May
(In 1,000 MT)				
Crude P. Oil	430	400	442	504
Processed PO	515	558	560	539
- Total PO	945	958	1,002	1,043
Palm Kernel	124	75	87	91
P. Kernel Oil	255	135	148	154