

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Malaysia

Post: Kuala Lumpur

Floods Affect Palm Oil Output

Report Categories:

Oilseeds and Products

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Report Highlights:

Recent floods on the East Coast of peninsular Malaysia may result in CPO production declining up to 15 percent for the month of December. The three States most affected by the flooding account for about 17 percent of total national production. The Malaysia Palm Oil Board will release December production data the week of 12 January.

General Information:

During the final 10 days of December 2014, torrential rains caused Malaysia's worst flooding conditions in 50 years. The floods were most severe in 3 states on the East Coast of Peninsular Malaysia (Kelantan, Terengganu and Pahang), which combined contribute about 17 percent to Malaysia's total production and 35 percent to Peninsular Malaysia's output. The flooding has adversely affected an estimated 184,000 hectares or around 3.5 percent of total planted area. Kelantan and Terengganu, which are not major producers, have been the most affected.

In addition to damaging critical transport infrastructure, the most significant negative impact of the flooding is delayed collection and crushing of fresh palm fruits. The delays, or the complete inability to harvest, will cause lower yields. Even if the fruits do get harvested, they may not reach mills on time due to infrastructure damage from the flooding.

With continued persistent rains, the impact of the floods continues, and a full accounting cannot yet be determined. The Malaysian Palm Oil Board will release the December production quantities the week of 12 December.

Production of Crude Palm Oil, January –November, Peninsular Malaysia

	2013	%	2014	%
JOHOR	2759939	29	2846030	29.7
KEDAH	261197	2.8	233908	2.5
KELANTAN *	269055	2.8	272497	2.8
TERENGGANU *	452454	4.8	456580	4.8
PAHANG *	2733193	28.8	2724160	28.4
PERAK	1717896	18.1	1789598	18.7
SELANGOR	507126	5.4	480714	5.1
NEGERI SEMBILAN	607929	6.4	575038	6.1
OTHER STATES	180216	1.9	184914	1.9
P. MALAYSIA	9489005	100	9563439	100

***States in Peninsular Malaysia affected by floods.**