

Voluntary Report – Voluntary - Public Distribution

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Report Name: Malaysia Food Processing Report 2026

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Report Highlights:

The food processing industry accounts for about seven percent of the total manufacturing sector in Malaysia, but just in 2025, it has seen an exponential growth rate from the year before. Though small, it is robust and growing with both local and multinational company investments, and reliant on imported raw materials, thus providing opportunity for international food ingredient suppliers to tap into the market. Leveraging on the country's internationally recognized halal certification, Malaysia aims to become a regional hub for halal food processing and exports.

Section 1: Market Overview

Malaysia has a well-developed food processing sector that accounts for over seven percent of the country’s total manufacturing, with the sector almost doubling its growth rate at 9.1 percent in 2025 (2024: 4.7 percent). Malaysia aims to become a regional hub for food processing and exports while still relying on sourcing raw materials from international suppliers for their food and beverage manufacturing sector. The United States was one of the top sources of imported ingredients for the food processing industry in Malaysia in 2022, valued at over \$612 million.¹

One of the key markets for Malaysian food and beverage exports is the halal market. Halal food processing serves a growing global Muslim population. For full market access to the Malaysian food and beverage manufacturing sector, U.S. food processing ingredients often need to be halal-certified to meet the requirements of the manufacturers. Some of the notable halal-certified processed food products in Malaysia include cocoa and chocolate products, snack foods, dairy products, canned/preserved foods, cereals, and cereal preparations.

Parallel to the shift in consumer trends of the busy Malaysian lifestyle, there has been significant growth in the frozen ready-to-eat meals segment in the recent decade, led by the Thai conglomerate, Charoen Pokphand (locally, CP Brand Malaysia) introducing its hyper-local adapted ready-to-eat meals at lower price points to the cost-discerning Malaysian audience. This growth created opportunities for local food manufacturers to venture into the ready-to-eat meal category, paving the way for innovation in the growing health and wellness landscape.

As of 2020, the Malaysian Health Ministry (MOH) recorded almost 1.7 million Malaysians diagnosed with diabetes.² In October 2025, The MOH announced plans for a new strategy in tackling sugar-related health issues by implementing a mandatory Nutri-Grade labeling system, starting with ready-to-drink beverages and soon to expand to freshly prepared drinks. The system grades beverages based on their total sugar content, an ongoing effort to promote healthier consumption habits among Malaysians. This strategy was notified to the World Trade Organization (WTO) in summer 2026 and has not yet been implemented. With that in mind, advertising for fast moving consumer goods (FMCG) is starting to redirect as well, with messaging focused on higher protein and less sugar.

Table 1: Advantages and Challenges for U.S. products in Malaysia’s Food Processing Sector

Advantages	Challenges
Many key inputs for food manufacturing must be imported, including wheat, soybeans, sugar, dairy products, tree nuts, dried fruits, and flavorings	Strong competition from China, Thailand, Australia, and New Zealand in certain key sectors
Relatively free and open market, with low duties and no quantitative restrictions for most products	Many foods must be certified halal (beef, lamb, poultry, and dairy products)

¹ Sectoral NIMP Food Processing Industry | MITI
² National Diabetes Registry Report 2020 | Ministry of Health Malaysia

Rising incomes are creating demand for processed foods	Importers generally purchase based on price, and consumers are price sensitive
Innovative food manufacturing sector is interested in new and unique forms of ingredients.	Interested suppliers must spend time to become familiar with market and key players
Food manufacturing sector comprises of both multinational and local companies looking for diverse blends of ingredient inputs	Key regional suppliers have a freight advantage, and logistics cost can be a disadvantage
Malaysia is a growing regional hub for food manufacturing	U.S. exporters' products must meet specifications for third-country markets and provide technical support to better understand applications and formulations
The government is encouraging investment in the sector	Labor and other production costs are rising

Section 2: Roadmap for Market Entry

U.S. exporters must become familiar with food manufacturers' requirements and specifications, purchasing policies, expected purchase of volume, and the relative competitiveness of products from alternative suppliers. In addition, suppliers must be aware of all import requirements. Appointing a local representative is advisable.

Table 2: Key Strategies for U.S. Exporters

Strategy	Reasoning
Obtain halal certification for the ingredient if mandated by regulation or required by importer.	Most manufacturers will demand that all their inputs be halal-certified.
Focus on the key competitive attributes of the ingredient.	It is a very competitive market; therefore, U.S. exporters must explain the advantages using their ingredients such as uniqueness, consistency of supply and delivery, technical support, and customer service.
Ensure quality of the raw food materials to instill manufacturer's confidence.	Food manufacturers are both price sensitive and quality conscious. Furthermore, manufacturers must ensure the quality of their food products for export markets.
Provide information to food manufacturers through direct calls and via promotional events.	Local manufacturers may be unaware of many U.S. ingredients, so it is important to conduct promotional activities to increase awareness.
Establish an efficient distribution network.	Having a good local agent and distributors will increase market exposure and enhance customer service.

Analyze Malaysian food laws, packaging and labeling requirements, and importer criteria for entry into the market. Detailed information on Malaysian regulations and requirements can be found by accessing the latest [FAS/Malaysia Food and Agricultural Import Regulations & Standards \(FAIRS\) Country Report](#) and [Exporter Guide](#).

A. Import Procedure

Food Standards & Trade Regulations/Procedures

[Malaysia's Food Act 1983](#) and the [Food Regulations of 1985](#) govern food import and export regulations/procedures. The Food Safety and Quality Division (FSQD) of the Malaysian Ministry of Health (MOH) along with several other government agencies are charged with implementing and enforcing the law under these statutes, including routine compliance, sampling, inspection, import control and regulation. Among the many regulations and required procedures related to shipping food and agricultural products to the country, of particular importance are Malaysia's halal certification and dairy facility registration requirements.

Halal Certification

Many food products (e.g. beef or poultry) require halal certification in order to enter the country. Currently, the Islamic Development Foundation of Malaysia (JAKIM) is the only authorized entity allowed to issue halal certification. In the United States, JAKIM has appointed three Islamic institutions to inspect and certify food and beverage products to meet the halal standard for export to Malaysia: the Islamic Food and Nutrition Council of America (IFANCA), Islamic Services of America (ISA), and the American Halal Foundation (AHF).

For further details on halal requirements in Malaysia market, please refer to [Malaysia: Halal Country Report](#).

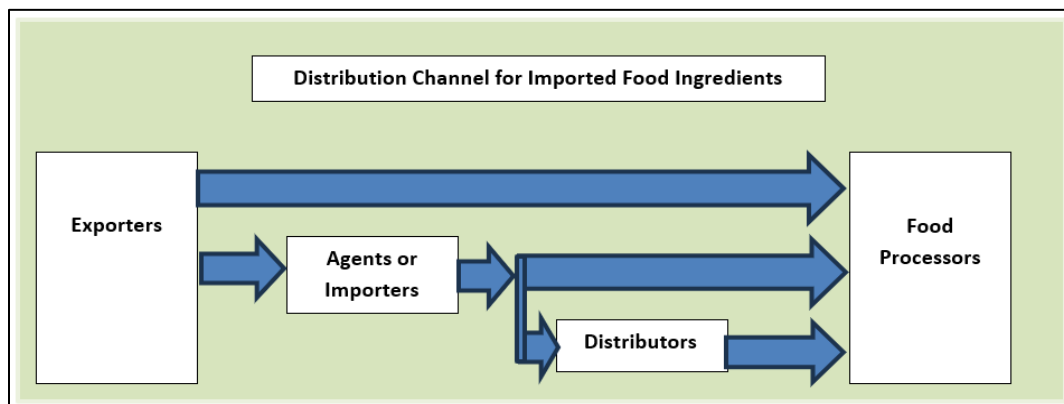
Dairy Facility Registration

Malaysia requires foreign producers and exporters of dairy products to apply for registration with the Malaysian Government. The Malaysian Government implemented this facility registration measure to improve the traceability of imported dairy products and to ensure imported dairy products were certified halal. To register, dairy product producers must submit documentation to Malaysia's Department of Veterinary Services (DVS). For further details on the dairy product registration process, please see FAS Malaysia's [related GAIN report](#).

B. Distribution Channels

The diagram below depicts the overview distribution channels for raw food ingredients that are being imported for food processors and manufacturers in Malaysia.

Graphic 1: Distribution Process for Goods to Malaysia's Processed Foods Sector



C. Market Structure

Raw food materials are imported either directly by the food manufacturers, through importers, or agents. Generally, products purchased in high volume are imported directly by the food manufacturers while those purchased in smaller volumes are imported through importers or agents. Importers and agents in turn sell directly to the food manufacturers or through distributors. Distributors are generally used to supply to smaller food manufacturers often located far away from importers or agents' business operations. Local producers of raw food materials generally sell directly to the food manufacturers but will use distributors to supply to the smaller food manufacturers.

Both Malaysian and multinational companies are active in the sector. Multinational companies are often joint investments between foreign and Malaysian investments. Some foreign brands of food products are produced under license by Malaysian companies with the rights to market within specific geographical markets.

D. Major Segments in Food Processing Industry

Malaysia's prominent food processing sub segments include livestock products, dairies, cocoa, cereal and flour, spices, and palm oil-based products.

E. Company Profiles and Company Products link

Malaysia has several multinational companies that have manufacturing in the country including brand names Nestle, Fraser & Neave Holdings, Dutch Lady Milk Industries, Ajinomoto, Carlsberg, Heineken, Kellogg Asia Products, and Unilever.

There are also several popular Malaysia food brands that manufacture biscuits, cookies, snacks, chocolates, sauces, cooking pastes, and other products for global export.

Table 3: Key Food Processing Companies in Malaysia

No.	Company	Website	Type of Products
1.	Munchy's	http://www.munchys.com/	Cookies

2.	Julie's	https://julies.com.my/about-us/	Cookies
3.	MAMEE	https://mamee.com/	Noodle Snacks, Potato Chips
4.	Mister Potato	https://mamee.com/our-worlds/snacks/mister-potato/	Potato Chips Snacks
5.	OLDTOWN White Coffee	https://oldtown.com.my/	Instant Coffee
6.	Vochelle	https://vochelle.com.my/	Chocolate Products
7.	Beryl's	https://www.berylschocolate.com.my/	Chocolate Products
8.	Life Sauces	https://lifesauces.com.my/	Sauces
9.	Lingham	https://www.lingham.com/	Sauces
10.	BABA's	https://www.babas.com.my/	Seasoning and Spices Product
11.	Brahim's	https://brahimsfood.com	Instant Retort Pouched Food Products
12.	Kawan Food	https://kawanfood.com/	Frozen Traditional Pastries

F. Sector Trends

- Manufacturers are looking for sustainable packaging that is cost effective and is environmentally friendly.
- Shift in consumer behavior toward functional and healthy foods, including low calorie and sugar-free options.
- Plant based alternatives are trending with high-end retailers offering various brands for meatless plant-based products.
- Higher disposable income result in consumer consumption in highly urbanized areas for processed convenience foods throughout Malaysia.
- Increasing consumer interest in international food trends provides opportunities for food manufacturers to develop and introduce new food products.
- Established infrastructure, including cold storage and port facilities, allows companies to develop reliable supply chains.
- Modern retail sector offers venues for promotion and marketing processed dry goods, chilled and frozen goods, and perishables.

Section 3: Competition

Malaysia's relatively open market is highly competitive with suppliers globally. However, there is high potential for U.S. food processing ingredients as Malaysia is reliant on global supplies for food and beverage manufacturing as shown in the table below.

Table 4: U.S. Competition for Top Products Imported from the World

Product Category (2025)	Major Supply Sources (2025)	Foreign Supplier Situation	Local Supplier Situation
Dairy Products Net Imports: \$2.0 billion	New Zealand: 34% Australia: 10% Thailand: 10% U.S.: 8%	Australia & New Zealand are traditional suppliers and enjoy Free Trade Agreements with Malaysia. The United States is a top supplier of whey.	Local/regional dairy companies have strong brand name recognition amongst consumers.
Vegetable Oil Net Imports: \$1.9 billion	Indonesia: 29% China: 18% Philippines: 7% Vietnam: 5% India: 4% U.S.: 0.3%	Indonesia is a major supplier of coconut oil. The United States is a significant supplier of sunflower oil.	Malaysia is a major producer of palm oil.
Beef and Beef Products Net Imports: \$910 million	India: 74% Australia: 12% Brazil: 7% Argentina: 3% U.S.: 0.0%	Almost all imported beef into Malaysia comes from India, Australia and New Zealand. Beef (carabeef) from India is very cheap and serves the low-end outlets. Australia dominates the higher-end HRI market.	Inadequate supply of local beef and increasing demand makes Malaysia highly dependent on imports.
Wheat and Wheat Flour Net Imports: \$599 million	Australia: 54% Canada: 20% U.S.: 10% Ukraine: 4%	Australia is the traditional supplier.	Malaysia does not produce wheat.

Tree Nuts Net Imports: \$349 million	Indonesia: 37% U.S.: 29% China: 10% Vietnam: 8% India: 3%	Along with cashews from neighboring countries, U.S. nuts are very popular.	Limited local production.
Processed Fruits Net Imports: \$287 million	China: 31% Thailand: 13% Saudi Arabia: 6% U.S.: 5% Indonesia: 5%	Processed fruits from China and Thailand are price competitive. The United States is a top supplier of raisins.	Malaysia is not a major producer of processed fruits for the food processing industry.

Source: Trade Data Monitor

Section 4: Best Product Prospects

The Malaysia market presents substantial export potential for various food processing ingredients and products across different categories and type of food groups. Collaborations between U.S. exporters and Malaysian food manufacturers can facilitate the exchange of expertise in novel processing techniques and ingredient formulations. This leads to the creation of innovative products tailored to local tastes and preferences. By investing in research-driven solutions, U.S. exporters can position themselves as leaders in providing value-added ingredients that elevate the quality, taste, and nutritional profile of Malaysian food products.

Products Present in the Market which have Good Sales Potential

Malaysia's food processing ingredient market offers opportunity as the manufacturing sector expands. U.S. exporters can leverage innovation and technology to drive research and development, offering cutting-edge solutions to meet evolving consumer demands. Some of the best sales potentials are in:

- Dairy Products
- Bakery Products
- Seafood Products
- Confectioneries
- Snack Foods
- Soft Drinks
- Sauces
- Oil & Fats
- Canned Fruit and Vegetables

Products Not Present in Market but which have Good Sales Potential

There are several U.S. food processing ingredients that are not widely available in the Malaysian market but hold significant sales potential such as:

- Plant-based protein isolates
- Specialty baking ingredients
- Functional food additives
- Superfood powders and extracts
- Specialty oil and fats
- Natural sweeteners

Products Not Present Because They Face Significant Barriers

U.S. beef and poultry currently do not have any approved facilities for export to Malaysia. Although there is high demand for U.S. beef, especially premium cuts and whole carcass, challenges presented by halal certification and registration have led to an absence of U.S. beef in the market. Malaysia has traditionally been a strong consumer of U.S. turkey; however, the Malaysian government has banned all U.S. poultry imports due to avian influenza concerns.

Section 5: Key Contacts and Further Information

A) USDA Foreign Agricultural Service Malaysia

Office of the Agricultural Affairs
 Embassy of the United States of America
 376, Jalan Tun Razak
 50400 Kuala Lumpur, Malaysia
 Tel: (603) 2168-5082
 E-mail: AgKualaLumpur@state.gov
 Website: <http://www.fas.usda.gov>

B) U.S. Dairy Export Council

1 North Bridge Road,
 #06-10 High Street Centre,
 Singapore 179094
 Tel: (65) 6334 7030
 Contacts: Dalilah Ghazalay, Regional Director, SEA Marketing & Operations
 Email: <mailto:dali@dairyconnect.biz>

C) U.S. Grains and Bioproducts Council

Suite 14-1, Level 14
 Wisma UOA Damansara II
 No. 6, Changkat Semantan, Damansara Heights
 50490 Kuala Lumpur, Malaysia
 Tel: (60) 3 2789 3288
 Contact: Caleb Wurth, Regional Director—South & Southeast Asia
 Email: sea@grains.org

D) U.S. Meat Export Federation

627 A Aljunied Road
#04-04 Biztech Centre Singapore
Tel: (65) 6733 4255
Contact: Tanya Teng, Deputy Regional Director
Email: singapore@usmef.org

E) USA Poultry and Egg Export Council

541 Orchard Road
#15-04 Liat Towers
Singapore
Tel: (65) 6737 1726
Contact: Thomas Tan, ASEAN Consultant
Email: thomas_tan@usapecasean.sg

F) Raisin Administrative Committee, Food Export-Midwest, Food Export-Northeast and the Western United States Agricultural Trade Association

48 Toh Guan Road East
#02-129 Enterprise Hub Singapore
Tel: (65) 6515 6113
Contact: Richard Lieu and Chuah Siew Keat
Emails: mailto:richardlieu@lieumktg.com.sg; siewkeat@lieumktg.com.sg

G) U.S. Soybean Export Council

541 Orchard Road,
#11-03 Liat Towers Singapore
Tel: (65) 6737 6233
Contact: Timothy Loh, Regional Director
Email: TLoh@ct.ussec.org

H) U.S. Wheat Associates

541 Orchard Road,
#15-02 Liat Towers Singapore
Tel: (65) 6737 4311
Contact: Joe Sowers, Regional Vice President for South and Southeast Asia
Email: InfoSingapore@uswheat.org

I) Malaysia Government Websites:

Ministry of Health, Food Safety and Quality Division: <https://hq.moh.gov.my/fsq/xs/index.php>
Ministry of Agriculture Department of Veterinary Services: www.dvs.gov.my

Ministry of Finance Customs Headquarters: <https://www.customs.gov.my>

Table 4: JAKIM-recognized U.S. Halal Certification Bodies (HCB)

Organization & Address	Contacts	Halal Logo
Islamic Food and Nutrition Council of America (IFANCA) 5901 N. Cicero Ave, Suite 309 Chicago, Illinois 60646 IFANCA Halal Research Center 777 Busse Highway Park Ridge, Illinois 60068	Dr. Muhammad Munir Chaudry President Tel: +17732833708 Fax: +17732833973 Tel: +1 847 993 0034 EX 203 Fax: +1 847 993 0038 Mobile: +1 773 447 3415	
Islamic Services of America (ISA) P.O Box 8268 Cedar Rapids, IOWA 52408 USA Physical Address: 4362 16th Avenue SW Cedar Rapids, IA 52404 USA	Mr. Jalel Aosse President Tel: (319) 362-0480 Fax: (319) 366-4369 Email: Jaosse@isahalal.com isa@isahalal.com Website: www.isahalal.com	
American Halal Foundation (AHF) 10347-C Heritage Isles Golf & Country Club Plantation Bay Dr Tampa, Florida-33647 USA	Mr. Mohammad Mazhar Hussaini (President) Tel: (+630) 759-4981 Fax: (+603) 310-8532 Email: mmhussaini@halafoundation.org Website: www.halalfoundation.org	

Source: JAKIM - The Recognized Foreign Halal Certification Bodies & Authorities

Attachments:

No Attachments.