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GAIN Report

Global Agricultural Information Network

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Malaysia

Oilseeds and Products Update

November 2011

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Report Highlights:

Malaysia's crude palm oil (CPO) production rose 2 percent to 1.9 million tons in October 2011. Palm oil exports jumped 19 percent, resulting in a lower carry-out stock level at the end of October. Stronger overseas demand pushed the monthly average delivered CPO price to \$968/ton during the month of November.

Post:

Kuala Lumpur

Executive Summary:**Production**

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose 2 percent to 1.9 million tons in October 2011. Peninsular Malaysia's production increased about one percent during the month of October, while East Malaysia's output was up 3.7 percent. Compared to October 2010, output during October 2011 was 16.6 percent higher. The palms are expected to experience a seasonal downtrend in output from November till February. Post still expects CPO output to be about 5.1 million tons during the Oct-Dec quarter and the total CPO output for 2011 is expected to touch 19 million tons.

Price

The monthly average delivered CPO price rose from \$929/ton in October to \$968/ton in November. For comparison, the average CPO price for October 2010 was \$1,029/ton. Currently, the key determinant of the CPO price movement is the declining carry-in stock level which is influenced by the expected seasonal decline in CPO production in the coming months. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also increase from \$947/ton in October to \$1,022/ton in November.

Stocks

Despite a higher CPO output, stronger demand from overseas resulted in a lower stock level at the end of November. Compared to October 2010, the stock level was 304,000 tons higher. With outlook for exports looking bright in the near term, the stock level is expected to further decline to 1.9 million tons by end of December.

Trade

A preliminary official report shows PO exports rose by 19 percent to 1.8 million tons in October.

Exchange Rate: US\$1 = RM3.168 (Nov 30, 2010); RM3.070 (Oct 31, 2011); RM3.1826 (Nov 22, 2011)

Other Relevant Reports:

Oilseeds & Products Annual 2011 (AGR Number [MY1004](#))

Oilseeds & Products Update October 2011 (AGR Number [MY1010](#))

Biofuel Annual 2011 (AGR Number [MY1006](#))

**Author Defined:
Annual Situation**

PS&D table for palm oil remains unchanged since the submission of the Oilseed Update Report MY1010.

	Revised 2009/10	Prelim 2010/11	Forecast 2011/12
(1,000 MT)			
Beg Stock	1,579	1,708	2,120
Production	17,765	18,211	18,350
Imports	1,115	1,306	1,200
Total Supply	20,459	21,225	21,670
Exports	16,604	17,130	17,670
Domestic Use	2,147	1,975	2,100
Ending Stock	1,708	2,120	1,900

Quarterly Production for Palm Oil

	2010 1/ Jul-Sep	2011 Jul-Sep	2010 1/ Oct-Dec	2011 2/ Oct-Dec
Beg Stocks 3/	1,451	2,053	1,708	2,120
Prod- Pen. Mal	2,675	2,935	2,349	2,830
- East Mal	2,014	2,352	1,980	2,310
- Total	4,689	5,287	4,329	5,140
Imports	272	259	282	240
Total Supply	6,412	7,599	6,319	7,500
Exports 4/	4,150	4,970	4,256	5,000

Dom Disap 5/	554	509	448	600
End Stocks	1,708	2,120	1,615	1,900

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

	2010	2010	2011	2011	2011
	Oct	Jan-Oct	Sep 1/	Oct	Jan-Oct
(1000 MT)					
CPO:					
Pen. Malaysia	896	8,045	1,048	1,056	8,717
East Malaysia	740	6,256	821	852	7,073
- Total /1	1,636	14,301	1,869	1,908	15,790
Palm Kernel: Malaysia	407	3,625	458	471	3,918
Palm Kernel Oil: Malaysia	207	1,692	186	213	1,755
Palm Kernel Meal: Malaysia	229	1,877	207	237	1,954

1/ Revised

Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Nov 2010	3,259	1,073	1,090	1,051
Dec	3,630	1,180	1,173	1,124
Jan 2011	3,772	1,245	1,249	1,124
Feb	3,819	1,285	1,297	1,255
Mar	3,504	1,212	1,212	1,154
Apr	3,378	1,169	1,169	1,124
May	3,382	1,190	1,200	1,113
Jun	3,290	1,174	1,171	1,078
Jul	3,091	1,107	1,122	947
Aug	3,121	1,112	1,155	907
Sep	3,067	1,101	1,111	861
Oct 1/	2,841	947	975	830
Nov (till 22)	3,080	1,022	1,052	930

1/ Prices are for West Malaysia only (since January 2006),
2/ Revised

Exchange Rate: US\$1 = RM3.168 (Nov 30, 2010); RM3.070 (Oct 31, 2011); RM3.1826 (Nov 22, 2011)

Stocks

	2010	2011	2011	2011
	Oct	Aug	Sep 1/	Oct
(1,000 MT)				

Crude P. Oil	970	1,002	1,272	1,269
Processed PO	826	884	862	831
- Total PO	1,796	1,886	2,134	2,100
Palm Kernel	119	146	184	188
P. Kernel Oil	279	275	322	327

1/ Revised