

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Malaysia

Oilseeds and Products Update

PS&D Update

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Report Highlights:

Severe floods on the east coast of Peninsular Malaysia last month caused production to drop 22.5 percent compared to November. Output has now entered the seasonal down cycle, which will be exacerbated by the flood's effect. As result, the 2014/15 production forecast is reduced from 21.25 to 19.7 million tons in the attached updated PS&D tables.

Post:
Kuala Lumpur

Palm Oil Production, Supply, and Demand Table

Oil, Palm Malaysia	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	2,481	2,481	1,784	1,784	2,090	2,090
Production	19,321	19,321	20,161	20,161	21,250	19,700
MY Imports	957	957	350	274	275	514
Total Supply	22,759	22,759	22,295	22,218	23,615	22,304
MY Exports	18,524	18,524	17,344	17,308	18,000	18000
Industrial Dom. Cons.	1,781	1,781	2,181	2,140	2,400	2,170
Food Use Dom. Cons.	630	630	640	640	650	650
Feed Waste Dom. Cons.	40	40	40	40	40	40
Total Dom. Cons.	2,451	2,451	2,861	2,820	3,090	2,860
Ending Stocks	1,784	1,784	2,090	2,090	2,525	1,444
Total Distribution	22,759	22,759	22,295	22,218	23,615	22,304

Production

Last month's flooding in three States along the east coast of Peninsular Malaysia caused December output to fall 22.5 percent to 1.35 million tons, the lowest since 2010. This was 18.6 percent lower than December 2013. Peninsular Malaysia's total output dropped 30 percent, while that for East Malaysia's declined 14 percent.

With the lower first quarter production, and the floods' expected lagged effect on output, the production forecast for 2014/15 is lowered to 19.7 million tons, based on matured acreage of 4.6 million hectares. The lower seasonal production cycle will only be exacerbated by the disruptions in collection, transport, and processing causing by the lingering effects of the flooding. Reportly, in some areas in may take up to 2 to 3 months for to repair damaged infrastructure.

Month on Month analysis

	Beginning Stocks	Production			Import	Total Supply	Export	Domestic	Ending Stocks
		West	East	Total				DIS 3/	
(IN 1000 METRIC TONS)									
2014									
November	2,166	871	879	1,750	99	4,015	1,513	224	2,278
December	2,278	609	756	1,356	90	3,733	1,519	201	2,013
Percentage Change		-30	-14	22.5	-9	-7	0.4	-10.3	-11.6

Year on Year analysis

	Beginning Stocks	Production			Import	Total Supply	Export	Domestic	Ending Stocks
		West	East	Total				DIS 3/	
(IN 1000 METRIC TONS)									
DECEMBER									
2014	2,278	609	756	1,356	90	3,733	1,519	201	2,013
2013	1,978	839	828	1,667	24	3,669	1,508	176	1,985
2012	2,563	916	864	1,780	87	4,430	1,650	153	2,627
2011	2,070	770	725	1,495	147	3,712	1,590	64	2,058
2010	1,636	647	586	1,233	121	2,990	1,290	85	1,615

Price

December's monthly average delivered price was \$614, down from \$693 in November, and well off the the prevailing price of \$842 in December 2013. In line with drop in CPO price, the Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price dropped to \$627/ton in December from \$685/ton in November.

Stocks

Stocks dropped from 2.28 million tons in November to 2.01 million tons at the end of December, partly due to lower production recorded in December. With expectations for lower monthly production over the next few months, stocks should decline further.

Exports

Exports in December 2014 were slightly higher than in November. Shipments to China dropped from 340,000 to 250,000 tons, but this decline was outstripped by gains in shipments to other key markets, including India, Pakistan, EU and the U.S.

December 2014 exports were about the same as December 2013, when the export duty was 4.5 percent. The export duty will remain at zero for January 2015.

Imports

The import estimate has been increased based on the pace of trade to date.

5 Major Export Markets for Malaysia Palm Oil month on month analysis (in 1000 metric tons)

2014	December	November	October	September
China	257	341	240	164
India	363	285	264	444
EU	242	207	257	185

Pakistan	64	50	86	47
USA	76	43	72	49
Others	517	587	686	739
Total	1,519	1,513	1,605	1,628

5 Major Export Markets for Malaysia Palm Oil year on year analysis for the month of November (in 1000 metric tons)

December	2014	2013	2012	2011
China	257	362	349	316
India	363	206	265	132
EU	242	240	159	227
Pakistan	64	74	157	224
USA	76	80	88	128
Others	517	558	632	564
Total	1,519	1,520	1650	1591
Percentage Change	-0.06	-7.8	3.7	

Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
January 2013	2,232	793	803	690
February	2,407	838	844	727
March	2,343	799	806	721
April	2,303	786	797	735
May	2,278	786	796	760
June	2,392	797	810	730
July	2,330	758	779	706
August	2,342	747	763	688
September	2,362	759	773	703
October	2,361	772	784	725
November	2,576	828	842	806
December	2,576	818	818	818
January 2014	2,534	786	793	784
February	2,635	791	818	790
March	2,862	910	917	866
April	2,696	852	858	834
May	2,592	847	835	805

June	2,436	785	790	757
July	2,404	783	791	757
August	2,176	722	722	701
September	2,059	682	688	653
October	2,179	678	688	675
November	2,219	685	693	686
December	2,138	627	638	632

Source: MPOB

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

2/ Revised

Exchange Rate: US\$1 = **RM3.45 (Jan 12, 2015)**