

Statistical Summary

Supply and Disappearance

Malaysian palm oil production in 1984 is estimated at 3.71 million tonnes exceeding the production of 1983 by 23%. Monthly production for 1984 exceeded the previous year beginning from April onwards. Peak production months were May while the second peak was October (*Table 1*). Factors that have contributed to the increase in palm oil production include the rest that the palms had undergone in 1983 after the stress imposed upon them by the weevils in 1982. Better weather conditions and increase in planted areas entering maturity also resulted in the increase in production in 1984.

Even with low carry over of stocks into 1984, larger supplies of palm oil were available in Malaysia beginning May 1984 and had been increasing gradually to reach 841 064 tonnes in November. Carry over of stocks in December 1984 were 474 182 tonnes as against 175 754 tonnes in December 1983.

Total disappearance of palm oil from Malaysia for January to December 1984 were 3 412 262 tonnes as against 3 318 448 tonnes during the same period in 1983. Exports during these periods in 1984 were 2 963 009 tonnes as against 2 928 530 tonnes in 1983.

Prices

As shown in *Table 2* average RBD palm olein prices were at premium to soyabean oil prices but were at discount to cottonseed oil for both 1983 and 1984. RBD palm olein prices were however at discount of soyabean oil prices in July–September 1983 and June–November 1984. On the other hand, RBD palm olein prices were at premium to cottonseed oil only from January–March 1984 when RBD palm olein was in shortage and demand

was excessive. Overall, the premium for RBD palm olein/soyabean oil prices (year average) between 1983 and 1984 had increased from US\$21 per tonne to US\$62 per tonne. The RBD palm olein was in short supply and price between the two mentioned years however was reduced from US\$147 per tonne to US\$43 per tonne. Cottonseed oil prices had moved closer to palm olein/soya oil prices, thus narrowing down the palm olein/cottonseed oil price discount especially in 1984.

The prices of palm kernel oil and coconut oil (both being lauric oils) had moved very closely in relation to one another in 1983 (see *Figure 1*) but not so in 1984. Palm kernel oil prices were at discount to coconut oil prices for both 1983 and 1984, except for February and March 1984. This traditional palm kernel oil/coconut oil price discount was broken at least in the short run due to palm kernel oil shortage and its excessive demand. Thereafter palm kernel oil production increased and the palm kernel oil/coconut oil price discount widened as 1984 progressed (*Figure 2*). Estimated palm kernel oil production for the second half of 1984 exceeded the production for the same period in 1983 by 32 per cent. Export of palm kernel oil in the third quarter of 1984 was also 8 per cent more than the export tonnage during the same period of 1983 due to the favourable price discounts (PORLA).

On the year average, prices of palm stearin in relation to tallow were at premium in 1983 and 1984. Price differences between stearin and tallow had moved from a discount of US\$53 per tonne (April 1983) to a premium of US\$221 per tonne (May 1984) (see *Table 2*). Prices of RBD palm stearin in comparison to tallow were at discount in January–April 1983, July–August 1983 and July–November 1984. RBD palm stearin/tallow prices were at discount in the second half of 1984.

RBD palm oil prices (FOB Mal.) in comparison to crude palm oil prices (CIF Rotterdam) was US\$13 per tonne (1983) discount but was US\$22 per tonne (1984) premium on the year average. On CIF Rotterdam basis (insu-

rance, freight at US\$40.00 per tonne) RBD palm oil in comparison to crude palm oil CIF Rotterdam were at premium of US\$27 per tonne (1983) and US\$62 per tonne (1984), on the year average.

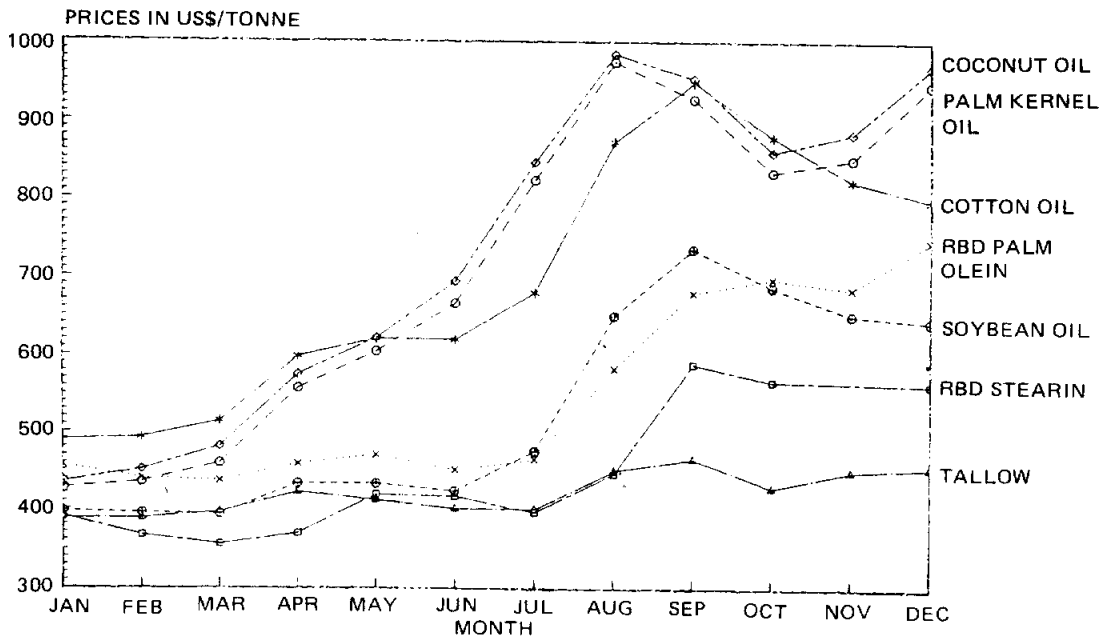


Figure 1. Prices Of Selected Oils and Fats (1983)

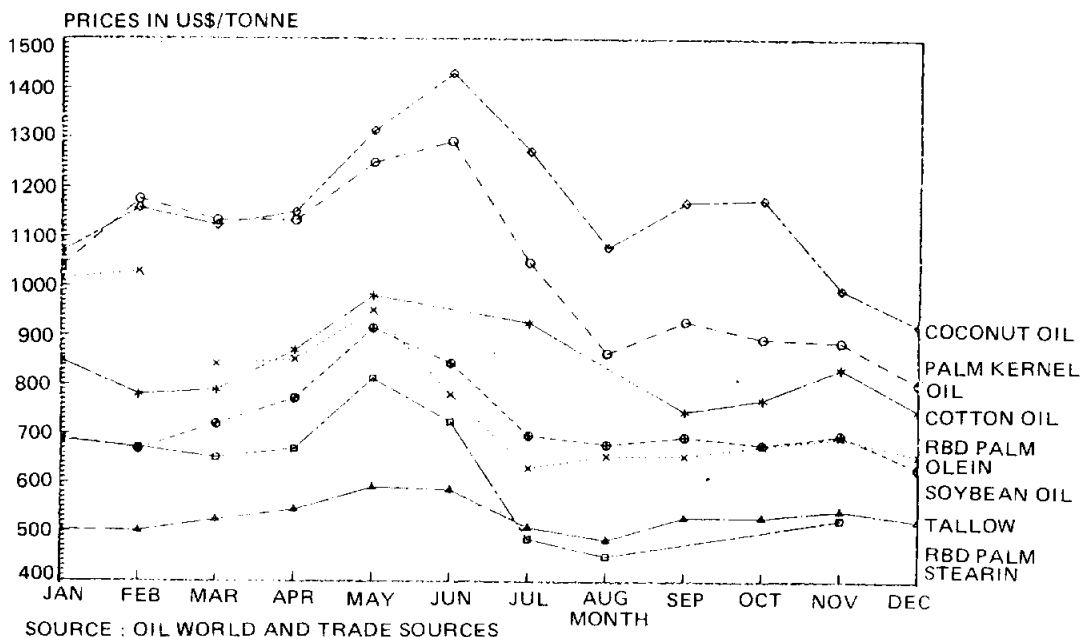


Figure 2. Prices Of Selected Oils And Fats (1984)

TABLE 1. MALAYSIA PALM OIL: SUPPLY AND DISAPPEARANCE BY MONTH (tonnes)

	SUPPLY			DISAPPEARANCE			Ending Stocks
	Beginning Stocks	Production	Total	Adjusting Balance	Exports	Total	
1983							
January	442 863	206 078	648 941	3 644	251 825	255 469	393 472
February	393 472	196 623	590 095	62 627	135 084	197 711	392 384
March	392 384	247 449	639 833	71 382	220 027	291 409	348 424
April	348 424	233 490	581 914	41 044	237 306	278 350	303 564
May	303 564	237 885	541 449	14 368	247 831	262 199	279 250
June	279 250	240 782	520 032	3 254	257 824	261 078	258 954
July	258 954	272 897	531 851	47 137	221 486	268 623	263 228
August	263 228	315 969	579 197	72 389	241 583	313 972	265 225
September	265 225	310 269	575 494	14 018	312 301	326 319	249 175
October	249 175	296 667	545 842	11 829	321 716	333 545	212 297
November	212 297	263 722	476 019	31 367	268 898	300 265	175 754
December	175 754	196 502	372 256	16 859	212 649	229 508	142 748
1984							
January	142 748	163 930	306 678	- 9 769	173 525	163 756	142 922
February	142 922	160 665	303 587	- 6 299	141 750	135 451	168 136
March	168 136	222 985	391 121	- 1 338	167 886	166 548	224 573
April	224 573	274 319	498 892	51 505	199 262	250 767	248 125
May	248 125	317 170	565 295	56 434	222 800	279 234	286 061
June	286 061	299 767	585 828	50 832	218 398	269 230	316 598
July	316 598	342 864	659 462	56 643	253 605	310 248	349 214
August	349 214	369 581	718 795	55 254	290 350	345 604	373 191
September	373 191	412 472	785 663	52 548	330 670	383 218	402 445
October	402 445	436 910	839 335	4 503	393 177	397 680	441 655
November	441 655	400 188	842 284	76 598	291 504	368 102	474 182
December (P)	474 182	310 032	784 214	55 119	287 646	342 765	441 449

Source: Department of Statistics, Malaysia.
(P) preliminary.

Note: Summations of the month's total do not always equate to year total, because adjustments made are not incorporated into the former.

TABLE 2. PRICES OF SELECTED OILS AND FATS (US\$/tonne)

Products	RBD Palm Olein (CIF)	(1)	Soyabean Oil (FOB)	(2)	+ Premium - Discount	(1)/(2)	+ Premium - Discount	(1)/(3)	Palm Kernel (CIF)	(4)	Coconut Oil (CIF)	(5)	+ Premium - Discount	(4)/(5)	RBD Stearin (CIF)	(6)	Tallow (CIF)	(7)	+ Premium - Discount	(6)/(7)	RBD Palm Oil (FOB)	(8)	Palm Oil (CIF)	(9)
1983																								
January	456		397		+ 59	- 34		427		435		- 8		390		388		+ 2		373		372		
February	440		395		+ 45	- 53		435		451		- 16		366		388		- 22		362		367		
March	437		394		+ 43	- 78		460		482		- 22		355		397		- 42		351		378		
April	459		434		+ 25	- 140		558		576		- 18		370		423		- 53		378		419		
May	471		434		+ 37	- 150		605		622		- 17		420		413		+ 7		402		393		
June	452		425		+ 27	- 168		666		694		- 28		418		402		+ 16		388		394		
July	466		477		- 11	- 218		823		846		- 23		398		402		- 4		403		425		
August	584		651		- 67	- 289		975		985		- 10		448		452		- 4		498		550		
September	680		736		- 56	- 269		928		954		- 26		590		467		+ 123		643		645		
October	698		687		+ 11	- 181		834		860		- 26		568		430		+ 138		655		671		
November	685		652		+ 33	- 138		851		884		- 33		N.A.		451		N.A.		636		661		
December	746		644		+ 102	- 52		946		969		- 23		564		456		+ 108		717		695		
Average	548		527		+ 21	- 147		709		730		- 21		444		422		+ 22		484		497		
1984																								
January	1015		692		+ 323	+ 165		1039		1069		- 30		687		503		+ 184		955		875		
February	1030		669		+ 361	+ 250		1176		1158		+ 18		673		501		+ 172		1134		875		
March	842		720		+ 122	+ 53		1134		1123		+ 11		652		525		+ 127		826		845		
April	851		772		+ 79	- 19		1133		1150		- 17		669		545		+ 124		798		841		
May	950		914		+ 36	- 30		1250		1314		- 64		812		591		+ 221		925		951		
June	780		844		- 64	N.A.		1293		1431		- 138		724		586		+ 138		769		783		
July	631		697		- 66	- 294		1048		1273		- 225		485		509		- 24		591		580		
August	655		679		- 24	N.A.		864		1079		- 215		450		483		- 33		619		562		
September	658		694		- 36	- 87		928		1170		- 242		471		529		- 58		578		611		
October	676		679		- 3	- 94		893		1175		- 282		500		529		- 29		593		613		
November	693		698		- 5	- 140		886		993		- 107		524		543		- 19		629		616		
December	655		630		+ 25	- 92		802		920		- 118		N.A.		522		N.A.		589		592		
Average	786		724		+ 62	- 43		1037		1155		- 118		604		531		+ 73		750		728		

RBD Palm Olein, Mal. CIF Rott. Soyabean Oil, Dutch FOB ex-mill, Cotton Oil, US, PBSY, CIF Rott.

Palm Kernel Oil, Mal, CIF Rott. Coconut Oil, Phil./Indo, CIF, Rott.

RBD Palm Stearin, CIF Rott. Equi. Tallow, US Bleach Fancy, CIF Rott.

RBD Palm Oil, FOB, Mal, Palm Oil, Sum/Mal, CIF N.W. Europe.

Sources: Oil World, PORLA, Trade Sources.

N.A. . . not available.