
Statistical Summary

Supply and Disappearance

In late 1984, much publicity was given to a forecast that Malaysia would produce about 4.2 million tonnes of palm oil in 1985. Production during the first three months of 1985, even though it showed a declining trend totalled 26.55% more than in the same period of previous year. Production in January 1985, 266 800 tonnes, was 62.34% greater than that in January 1984, when it was 164 342 tonnes (*Table 1*).

From April to August 1985 production, even though on an upward trend, was lower than that of the corresponding months of the previous year. Total production for the period, 1 459 383 tonnes was 9.11 % lower than that of the same period of the previous year. Because of the decline in production during April to August total production for the first eight months of 1985 (2 153 183 tonnes) was lower than that of the same period in the previous year (2 153 918 tonnes). Beginning with September, monthly production in 1985 started to show considerable increases over the 1984 levels. Cumulative production for the eleven months of 1985, 3 682 072 tonnes, exceeded that of the same period of 1984 (3 404 649 tonnes) by 277 423 tonnes or 8.15 per cent. Production of palm oil by Malaysia in 1985 is now estimated at 4.13 million tonnes.

Total palm oil available for trade in January 1985 was 130% greater, at 707 591 tonnes, than in January 1984. This was mainly due to the larger carry-over of stock into 1985: 440 791 tonnes as against 142 748 tonnes at the beginning of 1984. Monthly exports of palm oil during January - April 1985 exceeded those of the previous year: in January 1985, at 308 740 tonnes, they were 58.72% greater than in January 1984. Exports in 1985 were below the 1984 levels during the months of May, August and September. However, cumulative exports during

the first ten months of 1985, 2 759 332 tonnes, were greater than during the first ten months of the previous year (2 568 027 tonnes) by 7.45 per cent.

Nonetheless, stocks of palm oil increased towards the end of 1985. In October palm oil in hand amounted to 575 911 tonnes. It was estimated that ending stocks for the year would total 828 000 tonnes.

Prices

Prices for palm oil products (RBD palm olein, palm kernel oil and RBD palm stearin) for 1984 and 1985, monthly basis CIF ex-Rotterdam are summarized in *Table 2*. The prices of other selected oils and fats are also included to illustrate the price competitiveness of palm oil products, which also appears clearly in *Figures 1* and *2*.

In general, prices for oils and fats, including palm oil products, were at great discounts in 1985 to their respective averages in 1984 (*Table 2*). The price decline between the two years ranged from 14% for cotton seed oil (US \$829 per tonne in 1984 to US \$710 in 1985) to 49% for coconut oil (US \$1155 per tonne in 1984 to US \$590 in 1985).

The declines in the prices of palm oil products are shown in *Figures 1* and *2*. For instance the RBD palm olein price dropped from US \$786 in 1984 to US \$543 in 1985 (a 31% decline) and RBD palm stearin went from US \$595 in 1984 to US \$447 in 1985 (a 25% decline) while RBD palm oil fell from US \$750 in 1984 to US\$ 504 in 1985 (a 33% decline). By far the greatest decline in palm oil product prices was in that of palm kernel oil, from US\$ 1037 in 1984 to US\$ 590 in 1985 (a fall of 47%).

The large reductions in the prices of palm oil products made them even more attractive in

TABLE 1. MALAYSIAN PALM OIL: SUPPLY AND DISAPPEARANCE BY MONTH (TONNES)

	SUPPLY			DISAPPEARANCE			Ending Stocks
	Beginning Stocks	Production	Total	Adjusting Balance	Exports	Total	
1984							
January	142 748	164 342	307 090	— 30 353	194 521	164 168	142 922
February	142 922	160 941	303 863	— 22 353	158 089	135 727	168 136
March	168 136	222 943	391 079	— 21 334	187 849	166 506	224 573
April	224 573	274 541	499 114	38 168	212 821	250 989	248 125
May	248 125	317 150	565 275	38 688	240 526	279 214	286 061
June	286 061	300 316	586 377	35 712	234 067	269 779	316 598
July	316 598	343 485	660 083	50 198	260 671	310 869	349 214
August	349 214	370 200	719 414	44 726	301 497	346 223	373 191
September	373 191	413 175	786 366	21 222	362 232	383 454	402 912
October	402 912	436 828	839 740	— 18 128	415 772	397 644	442 096
November	442 096	400 728	842 824	54 310	314 332	368 642	474 182
December	474 182	310 146	784 328	44 445	301 092	345 537	440 791
1985							
January	440 791	266 800	707 591	— 10 368	308 740	298 372	409 219
February	409 219	201 178	610 397	14 198	228 610	242 808	367 589
March	367 589	225 822	593 411	— 41 892	333 649	291 757	301 654
April	301 654	228 895	530 549	— 26 235	268 640	242 405	288 144
May	288 144	246 079	534 223	32 217	216 033	248 250	285 973
June	285 973	256 111	542 084	— 29 531	239 993	210 462	331 622
July	331 622	358 300	689 922	56 698	294 010	350 708	339 214
August	339 214	369 998	709 212	25 821	294 640	320 461	388 751
September	388 751	517 749	906 500	54 572	276 017 (e)	330 589	575 911
October	575 911	548 240	1 124 151	N.A.	299 000	N.A.	N.A.
November	N.A.	462 900	N.A.	N.A.	N.A.	N.A.	N.A.
December	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Sources: Department of Statistics, Malaysia
 Palm Oil Update, PORLA
 (e) estimate
 N.A. - not available

Note: Summation of the months' totals do not always equal the total of the year, because adjustment made to estimates are incorporated into the total for the year, but not into the monthly figures.

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

Year/ Months	Soyabean		Cotton		Palm		Coconut		RBD Palm		Tallow		RBD Palm		Palm		
	RBD Oil (CIF)	Palm Oil (FOB)	Seed Oil (CIF)	Oil (CIF)	Kernel Oil (CIF)	Oil (CIF)	Oil (CIF)	Oil (CIF)	Spread (1)-(2) +Premium -Discount	Spread (1)-(3) +Premium -Discount	Spread (4)-(5) +Premium -Discount	(CIF)	(CIF)	Spread (6)-(7) +Premium -Discount	Oil (FOB)	Oil (CIF)	
1984																	
January	1015	692	850		1039	1069			+323	+165	-30	503	687	+184	955	875	875
February	1030	699	780		1176	1158			+361	+250	+18	501	673	+172	1134	875	875
March	842	720	789		1134	1123			+122	+53	+11	525	652	+127	826	845	845
April	851	772	870		1133	1150			+79	-19	-17	545	669	+124	798	841	841
May	950	914	980		1250	1314			+36	-30	-64	591	812	+221	925	951	951
June	780	844	N.A.		1293	1431			-64	N.A.	-138	586	724	+138	769	783	783
July	631	697	925		1048	1273			-66	-294	-225	509	485	-24	591	580	580
August	655	679	N.A.		864	1079			-24	N.A.	-215	483	450	-33	619	562	562
September	658	694	745		928	1170			-36	87	-242	529	471	-58	578	611	611
October	676	679	770		893	1175			3	-94	-282	529	500	-29	593	613	613
November	693	698	833		886	993			-5	-140	-107	543	524	19	629	616	616
December	655	630	747		802	920			+25	-92	118	522	488	-34	589	592	592
Average	786	724	829		1037	1155			+62	-43	-118	531	595	+64	750	728	728
1985																	
January	631	630	750		733	852			+1	-119	-119	509	480	-29	582	583	583
February	608	664	780		713	756			-56	172	43	501	466	35	556	595	595
March	653	667	763		770	843			14	-110	-73	500	493	-7	583	651	651
April	746	693	750		761	769			+53	-4	-8	498	585	+87	679	653	653
May	689	652	849		648	662			+37	-160	14	402	587	+121	610	610	610
June	613	630	863		545	575			-17	-250	-30	505	505	+103	610	556	556
July	515	568	798		483	520			-53	-283	-37	385	427	+42	536	487	487
August	460	518	671		428	456			-58	-211	-28	360	384**	+24	457	404	404
September	411	469	586		395	427			-58	-175	-32	366	364**	-2	375	360	360
October	370	448	554		389	430			-78	-184	-41	361	353**	-8	332	356	356
November	385	455	568		370	393			-70	-183	-23	341	349**	+1	331	362	362
December	432	470	582		378	395			-38	150	-17	355	370**	+15	357	390	390
Average	543	572	710		551	590			-29	-167	-39	421	447	+26	504	501	501

RBD Palm Oil, Mal. CIF Rott. Soyabean Oil, Dutch FOB ex-mills. Cotton Oil, US. PHSY, CIF Rott.

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

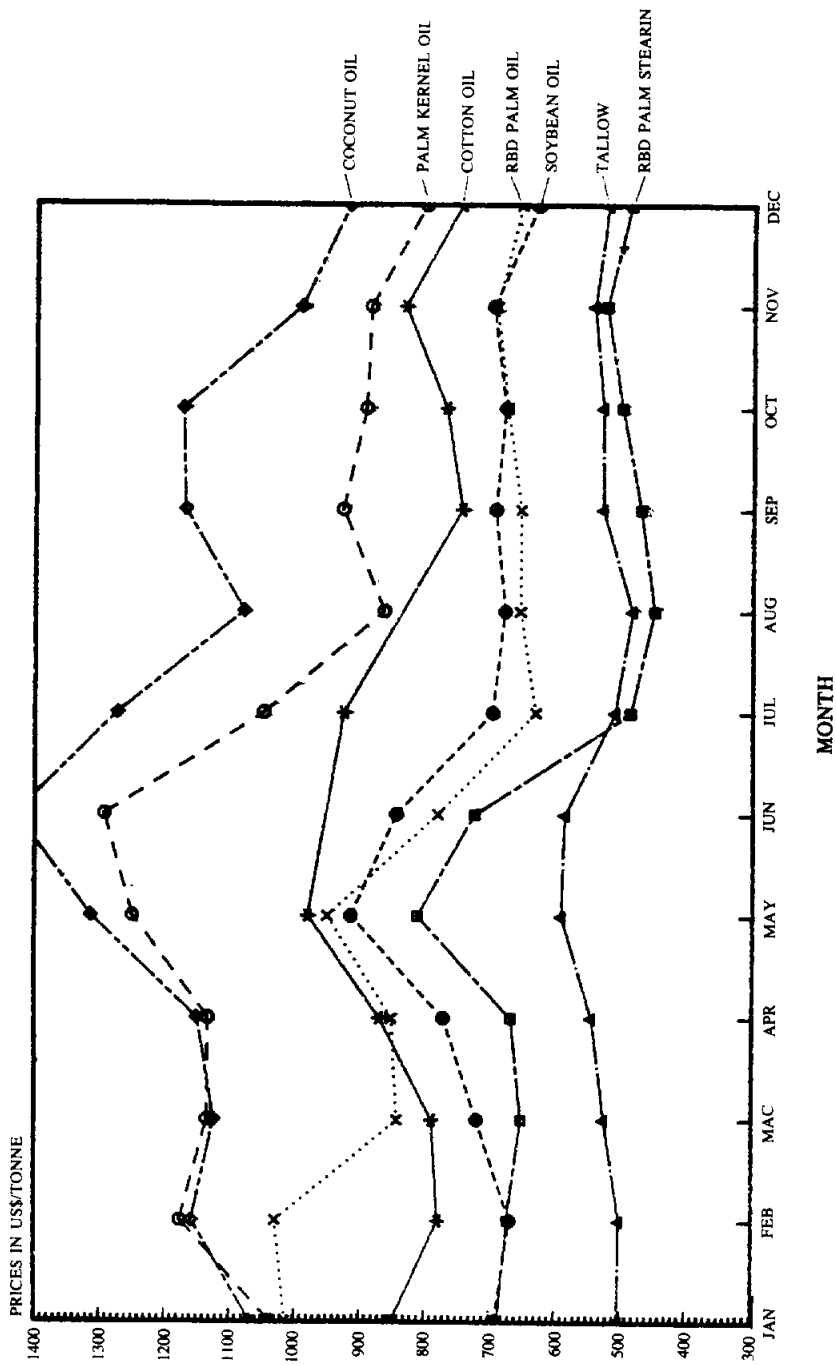
RBD Palm Stearin, CIF Rott. Equi. Tallow, US Bleach Fancy, CIF Rott.

RBD Palm Oil, FOB, Mal. Palm Oil, Sumv. N.W. Europe.

Source: Oil World, FORLA. Trade sources.

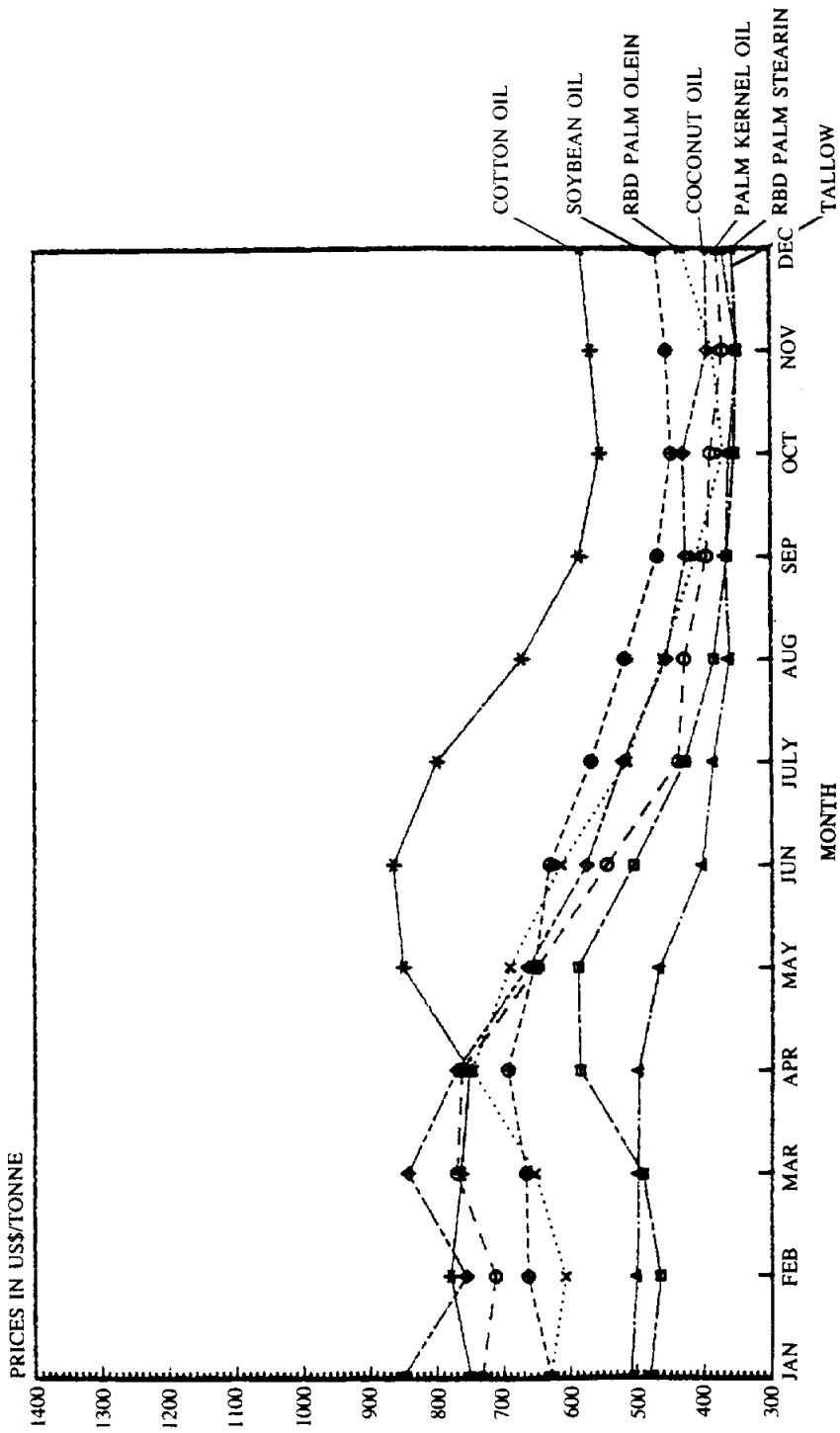
N.A. - not available

**FOB Mal. + US \$45.



Source: Oil World and Trade Sources

Figure 1. Prices of Selected Oils and Fats (1984)



Source: Oil World and Trade Sources

Figure 2. Prices of Selected Oils and Fats (1985)

comparison with some other oils and fats. RBD palm olein, which had been at a premium of US \$62 per tonne to soybean oil in 1984 was at a discount to the latter of US \$29 per tonne in 1985. Palm kernel oil was at a discount to coconut oil in both years, but the discount narrowed from US \$188 in 1984 to US \$39 in 1985, (a decline in discount of about 67%). On the

other hand, for RBD palm stearin, the premium over tallow decline from US \$64 in 1984 to US \$26 in 1985.

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