

Recent Development in the World Palm Oil Prices: An Overview

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ABSTRACT

In the past, there have been spikes in the palm oil price, mainly due to the demand and supply imbalance of oils and fats, in particular, that for soyabean oil. However, since mid 2006, the month-to-month spikes have become more pronounced and sustained, and been attributed not only to the overall supply and demand imbalance of edible oils and fats but also to the increasing demand for the oils as fuel. This development has shifted the demand curve for palm oil to the right. In this article, the impacts of the trend will be assessed on the consumption, trade, price competitiveness, investment in oil palm/palm oil and the use of palm oil for producing biodiesel.

WORLD VEGETABLE OILS PRICE SITUATION

In early 2000s, the prices of oils and fats have been generally bullish. After a slight dip in 2001, the price of palm oil rebound to USD 471/t, an increase of 52% from USD 310/t in 2000 (Table 1). The price of soyabean oil, a substitute for palm oil, almost doubled from USD 334/t in 2000 to USD 616/t in 2004. Rapeseed oil price did not even decline in 2001 due to its steady demand for biofuel in Europe, and in 2004 was USD 685/t, 97% increase from 2000.

As shown in Table 1, the prices of vegetable oils moderated in 2005. Soyabean oil price fell 20% to USD 545 but rapeseed oil decrease only marginally to USD 669. Although the price of palm oil fell to USD 422, this was still 36% more as compared to 2000. After the slight correction, the market rebounded with greater strength from 2006 onwards (Table 2).

Palm oil rose 37.5% through 2006 alone - from USD 424 in January to USD 583 in December and has continued its climb in 2007 - to USD 599 in January and then a record high of USD 870 in October (Table 2). Soyabean oil was largely in tandem - up 31.4% in 2006, from USD 532 in January to USD 699 in December, then to USD 697 in January 2007 and USD1007 at end October.

Rapeseed oil strengthened the most in 2006, gaining 67% from USD 733 to USD 856. However, it hesitated in January (USD 818) before roaring further ahead to USD 1213 in October. The late bullishness of sunflowerseed oil was notable. Rising only 23% through 2006, it powered ahead 94% over January-October 2007. The skyrocketing price to a record high USD 1400 was mainly driven by the demand for edible oils for non-food uses.

Figure 1 summarizes the price scenarios of the four vegetable oils over 2006-2007 taking their prices

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TABLE 1. ANNUAL AVERAGE WORLD VEGETABLE OIL PRICES (USD/t), 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007*
SBO	334	306	397	515	616	545	599	827
RSO	347	402	485	600	685	669	794	899
CPO	310	286	390	443	471	422	478	745
SFO	392	484	594	593	684	677	658	944
Price increase index (2000 = 100)								
SBO	100	92	119	154	184	163	179	248
RSO	100	116	140	173	197	193	229	259
CPO	100	92	126	143	152	136	154	240
SFO	100	123	152	151	174	173	168	241

Notes: * For 2007 – only up to October.

SBO – soyabean oil.

RSO – rapeseed oil.

CPO – crude palm oil.

SFO – sunflowerseed oil.

Source: Oil World (various issues).

in 2000 as 100. All the oils rallied in early 2006. Then palm oil surged beginning April 2006 and has ever since maintained its strong performance. However, from August 2007, even this dynamism of palm oil was superseded by sunflower oil for the reasons explained above.

SURGE IN PRICE ARISING FROM DEMAND FROM THE ENERGY SECTOR

Biofuels have been increasingly looked at due to the increasing concern over energy security, environmental considerations and escalating fossil fuel prices. With

TABLE 2. MONTHLY AND QUARTERLY PERFORMANCE OILS AND FATS PRICE (USD/t)

Month	SBO	Quarterly average	RSO	Quarterly average	CPO	Quarterly average	SFO	Quarterly average
2006								
Jan	532	-	733	-	424	-	591	-
Feb	535	535	723	733	445	436	595	597
Mar	539	-	742	-	440	-	606	-
Apr	540	-	796	-	439	-	659	-
May	588	576	838	819	440	439	679	668
Jun	601	-	822	-	437	-	666	-
Jul	630	-	822	-	471	-	647	-
Aug	629	620	812	806	510	493	666	661
Sep	602	-	784	-	497	-	669	-
Oct	615	-	781	-	507	-	666	-
Nov	675	663	814	817	547	546	722	706
Dec	699	-	856	-	583	-	730	-
Average	599	31.4%	794	67.8%	478	37.5%	658	23.6%
2007								
Jan	697	-	818	-	599	-	719	-
Feb	714	710	781	788	605	609	709	714
Mar	718	-	765	-	622	-	713	-
Apr	761	-	799	-	710	-	755	-
May	788	794	825	828	772	762	831	834
Jun	833	-	860	-	805	-	916	-
Jul	885	-	921	-	811	-	999	-
Aug	909	918	955	976	821	822	1 114	1 131
Sep	959	-	1 051	-	835	-	1 279	-
Oct	1 007	-	1 213	-	870	-	1 400	-
Average	827	44.4%	899	48.3%	745	45.2%	944	94.7%

Notes: Prices for 2007 are only until October. Figures in italics are the percentages change in the prices for the year.

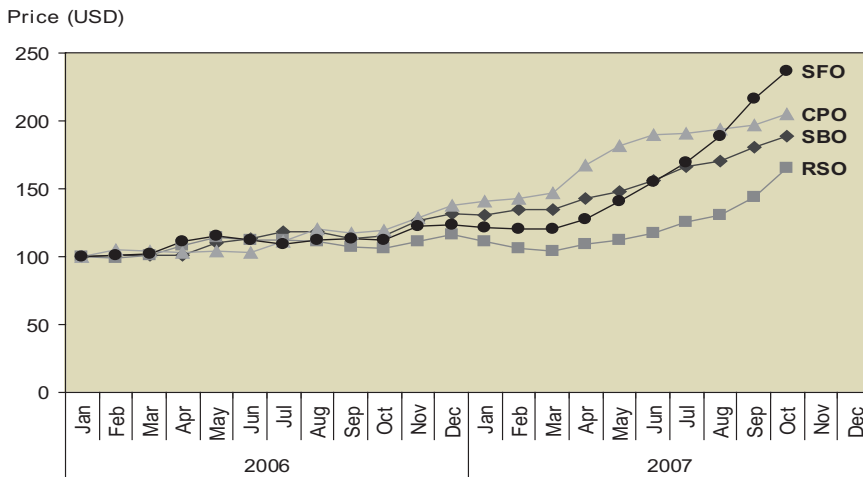
SBO – soyabean oil.

RSO – rapeseed oil.

CPO – crude palm oil

SFO – sunflowerseed oil.

Source: Oil World (various issues).



Note: Plotted from the data tabulated in Table 2.

Figure 1. Movements in vegetable oil price indices (January 2006 =100).

the crude oil price ever rising, there has been increased urgency to use alternative fuels including biodiesel. Europe has been the frontrunner in the use of biofuels, with production increasing from about 2.88 million tonnes in 2005 to 6.11 million tonnes in 2007 (Table 3) (de Lavigne, 2007). About 60%-70% of the feedstock is rapeseed oil and 20%-30% soyabean oil. Although palm oil is cheaper, its use is only about 10%.

TABLE 3. EUROPEAN UNION BIODIESEL PRODUCTION (million tonnes)			
	2005	2006	2007
Production	2.88	4.39	6.11
Import	0.02	0.03	0.03
Consumption	3.03	4.21	5.56
Export	0.07	0.12	0.39

Source: FAS Posts.

Prior to 2006, the prices of crude oil and palm oil moved independently. Although both generally tended in the same direction, there was no obvious close correlation between them (Figure 2). However, since beginning 2006, the palm oil price has been swaying to the tune of the energy market. Political instability in the major oil producing

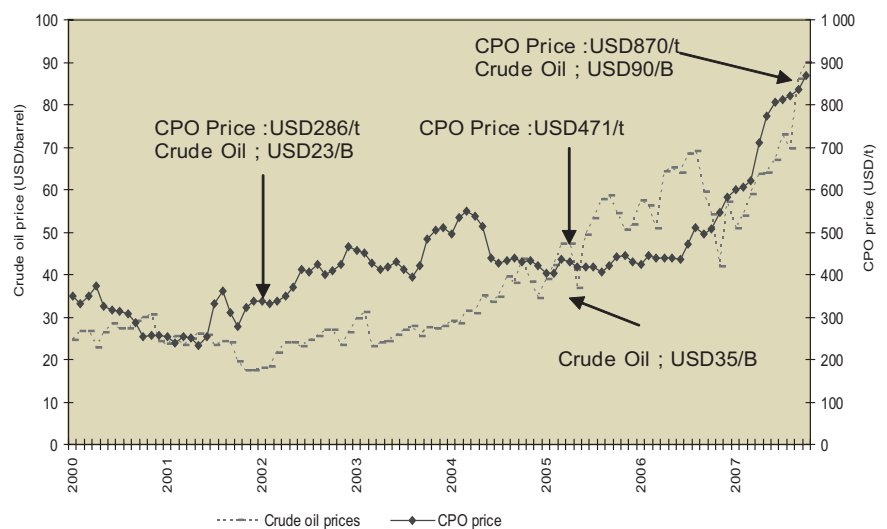
countries as well as long-term concern on petroleum reserves had caused fossil fuel prices to surge, prompting a look-out for alternative fuels which was a major cause of the phenomenal increases in the prices of feedstocks. By the third-quarter of 2007, crude oil had reached a record USD 98 per barrel and the increased use of vegetable oils as fuel had caused a supply shortage. Being a cheaper feedstock, palm oil consequently appreciated with greater bullishness than the other edible oils.

The demand curve of palm oil is now shifted rightward with more

and more vegetable oils being diverted from their traditional food uses. Prior to 2006, palm oil was cheaper than crude oil at USD 75, and it made sense for palm methyl esters to be used instead of diesel. Thus, the demand for palm oil as fuel emerged, driven by its price competitiveness vis-à-vis crude oil.

The soyabean oil price is influenced by the feed grain market, because planting more grains means planting less soyabean, and vice versa. In 2005, there was an unprecedented surge in the corn price from USD 109/t to USD 179 in 2007 (Earley et al., 2005; Steenblink, 2007; FAO, 2007a,b), a 64% increase. Wheat increased 43% from USD 150 to USD 215 (Table 4), with the strong demand for it and corn as feedstocks for bioethanol.

As grains became more profitable, there was a shift away from planting soyabean in the US. This change may be permanent, or at least as long as bioethanol production remains in vogue (Thone, 2006). The reduced soyabean production is expected to cause its price to rise, and by that place a long-term upward pressure on the price of soyabean oil and also palm oil as soyabean oil is the closest substitute to palm oil.



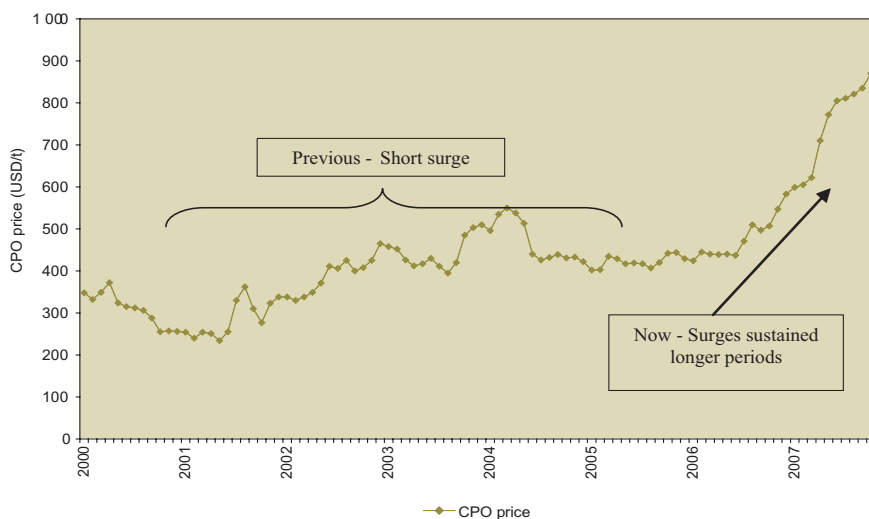
Sources: Energy Information Administration (e.i.a) and Oil World (various issues).

Figure 2. Crude and palm oil price movement (2000-2007).

TABLE 4. PRICES OF WHEAT AND MAIZE

Commodity	Average price in 2005 (USD/t)	Average price, 1 January - July 2007 (USD/t)	Percentage change in nominal terms, 2005 to 2007 (to date)
Wheat	150	215	43%
Maize	109	179	64%

Source: Steenblik (2007).



Source: Oil World (various issues).

Figure 3. Crude palm oil price movements (USD/t).

IMPACTS OF INCREASED PRICES

The economic fundamentals for pricing edible oils have thus, changed with their new demand for fuel. Throughout the recent long price surge (Figure 3), there had been no apparent negative impacts on palm oil as its demand curve shifted to the right with its additional demand for non-food use.

Price Increase and Effects on Consumption

The world consumption of palm oil was not unduly affected by its recent rise in price. On a quarterly basis, its consumption

increased from 8.3 million tonnes in first-quarter of 2006 to 9.3 million tonnes in fourth-quarter (Appendix 1). In 2007, consumption in first quarter remained at 9.3 million tonnes and is expected to increase to almost 10 million tonnes by the end of 2007.

China remains the largest consumer of palm oil¹. Although the largest producer of oilseeds, she still needs to imports oils and fats to supplement its rapidly growing domestic requirement. China has steadily increased its consumption of palm oil (Tables 5a and 5b). Even in 1995, with the imports heavily taxed, it was using 1.3 million tonnes. Abolishment of the tariff rate quota (TRQ) in 2001 boosted

the imports. In recent years, its consumption has continued to rise unabated despite the surge in price. In 2007, China's consumption is expected to reach 5.6 million tonnes, an additional of 200 000 t from 2006. Malaysian palm oil has consistently maintained a 60% market share in China throughout the 1998-2006 period.

Close behind China is the European Union (EU) which consumption of palm oil increased from 4.6 million tonnes in 2006 to 4.7 million tonnes in 2007, the demand mainly driven by its (palm oil) *trans* fatty acid (TFA) free status. In the EU, 80% of palm oil is used for food and only 10%-15% for biofuel, which mainly uses its own rapeseed oil. Thus, any shortage of rapeseed oil will be advantageous for palm oil as its fractions are cheaper substitutes for the manufacture of shortening, bakery fats, speciality fats and margarine or spreads. In the EU, price and familiarity with palm oil have continued to be the driving force for its increased use in food applications.

Palm oil consumption in India (third largest consumer) was also not affected by its price surge, increasing 0.5 million tonnes from 2006 to 3.6 million tonnes in 2007. Although the import duty on oilseeds was increased to protect local producers, imports of palm oil continued apace, mainly as the crude oil from Indonesia. The price increase affected the poor and middle class more, they being the more ardent consumers of the oil. On the other hand, Pakistan remained a one million tonne market with consumption at 1.6 million tonnes even during the high prices of 2006-2007. The USA showed impressive demand

¹ China huge crushing capacity. Beans and oilseeds are imported to cater for the crushing industries with resultant effects of availability of edible oils flooding the domestic market. Thus, imported oils such as palm oil is competing with the locally grown oilseeds as well as those beans or oilseeds being imported for the crushing industry.

growth for palm oil, increasing its take from 0.24 million tonnes to 0.7 million tonnes, mainly due to TFA issues.

The surge in price did not greatly affect consumption by the low income countries. In Myanmar, for instance, palm oil remained the major oil used with 40% of the total edible oil consumption, followed by

groundnut oil (20%) and sesame seed oil (18%). In the north-west of the country, groundnut oil is consumed but occasional shortages have prompted some switch to cheaper palm oil. Olein, commonly blended with groundnut or sesame oils, is popular in the south. More than 85% of the palm oil imported is consumed as food and the remainder for making soap.

Price Increase and its Effects on Trade

Palm oil has for long been the largest traded vegetable oil (*Appendix 1*). Despite its rapid increase in price, the world palm oil trade was sustained at 30 million tonnes compared with soyabean oil in second place with 10 million tonnes in 2006. The

TABLE 5a. CONSUMPTION OF PALM OIL BY SELECTED COUNTRIES, 1995 - 2000 ('000 t)

Year	1995	1996	1997	1998	1999	2000
China	1 305.2	1 094.6	1 701.0	1 548.6	1 406.5	1 633.3
India	757.3	1 212.8	1 368.2	1 817.2	2 973.1	3 732.3
Pakistan	1 166.5	1 148.5	1 103.6	1 129.4	1 061.8	1 083.9
EU						
Germany	361.9	415.7	405.5	419.4	396.6	447.7
Netherland	231.3	258.3	287.0	369.3	392.1	355.6
Other EU	1 169.4	1 155.0	1 232.6	1 261.8	1 394.4	1 563.8
Total EU	1 762.6	1 829.0	1 925.1	2 050.5	2 183.1	2 367.1
USA	90.8	104.5	133.8	126.3	136.2	143.8
Asia						
Malaysia	1 098.0	1 236.2	1 191.3	984.5	1 230.7	1 365.5
Indonesia	2 159.4	2 527.9	2 840.9	2 806.3	2 894.9	2 927.3
Myanmar	269.5	249.7	269.7	273.3	240.2	213.0
World palm oil	14 769.0	16 051.0	17 593.0	17 605.0	19 472.0	21 749.0
World oils & fats	92 370.0	96 824.0	100 623.0	103 014.0	108 240.0	113 756.0
Palm oil price (USD)	628.0	531.0	546.0	671.0	436.0	310.0

TABLE 5b. CONSUMPTION OF PALM OIL IN SELECTED COUNTRIES, 2001 - 2006 ('000 t)

Year	2001	2002	2003	2004	2005	2006
China	2 165.1	2 649.8	3 283.1	3 681.0	4 340.0	5 430.0
India	3 619.0	3 548.9	4 150.8	3 396.0	3 309.0	3 074.0
Pakistan	1 240.0	1 350.0	1 349.4	1 342.0	1 516.0	1 585.0
EU						
Germany	513.6	605.8	563.4	596.8	634.4	765.1
Netherland	477.9	577.4	575.1	600.6	772.9	766.3
Other EU	1 858.9	2 039.1	2 280.0	2 695.6	2 979.7	3 033.6
Total EU	2 850.4	3 222.3	3 418.5	3 893.0	4 387.0	4 565.0
USA	182.6	195.1	208.4	240.0	376.0	570.0
Asia						
Malaysia	1 474.4	1 501.1	1 568.3	1 781.6	1 964.7	2 180.1
Indonesia	2 877.0	3 027.1	3 169.5	3 347.0	3 546.1	3 721.3
Myanmar	192.0	160.5	216.0	254.4	304.0	328.9
World palm oil	23 795.1	25 420.1	28 233.0	30 048.6	33 400.2	36 253.7
World oils & fats	117 850.0	121 389.0	125 466.0	131 388.0	139 342.0	148 309.0
Palm oil price (USD)	286.0	390.0	443.0	471.0	422.0	478.0

Source: Oil World (Various issues).

trade in palm oil increased in 2007 despite its rising price. Beginning with a relatively low volume in early 2006, the trade gained momentum to considerably higher until October. The trade in the last two years was not affected by the high price. Exports from Malaysia and Indonesia were not affected by their domestic use and the buying countries raised their imports by their increased economic prosperity, e.g., China and India.

Despite its rise in price, the price competitiveness of palm oil remained. As shown in *Figure 4*, palm oil was still cheaper than soyabean oil. With its traditional discount to soyabean oil, palm oil enjoyed greater inroads into populous markets like China, India and Pakistan. However, over the last two years, the discount has narrowed. It averaged only USD 63, far lower than earlier due to the strong rally in the palm oil price since beginning 2006. The highest soyabean oil price premium was USD 178 in mid 2004, but it had shrunk to only USD 4 in mid 2007.

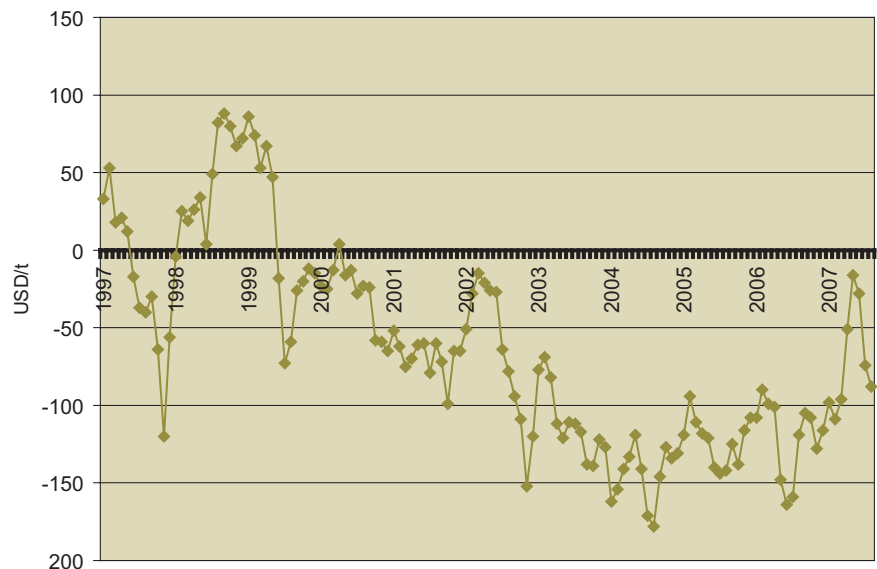
On a quarterly basis, the export of palm oil increased steadily from 6.4 million tonnes in first-quarter of 2006 to 8.7 million tonnes (*Figure 5*). A similar trend was observed in 2007, although export in the first-quarter slightly dropped to 6 million tonnes but then rebounded to close to 8 million tonnes at third-quarter of 2007. Almost 80% of all the exports originated from Malaysia and Indonesia.

Price Increase Enhances Investment in Oil Palm Planting

The rise in palm oil price encouraged investment in oil palm cultivation with its global area rising from 6.5 million hectares in 2000 to 10.5 million hectares in 2007, especially in Indonesia, Papua New Guinea, Colombia and Ivory Coast (*Table 6*). The

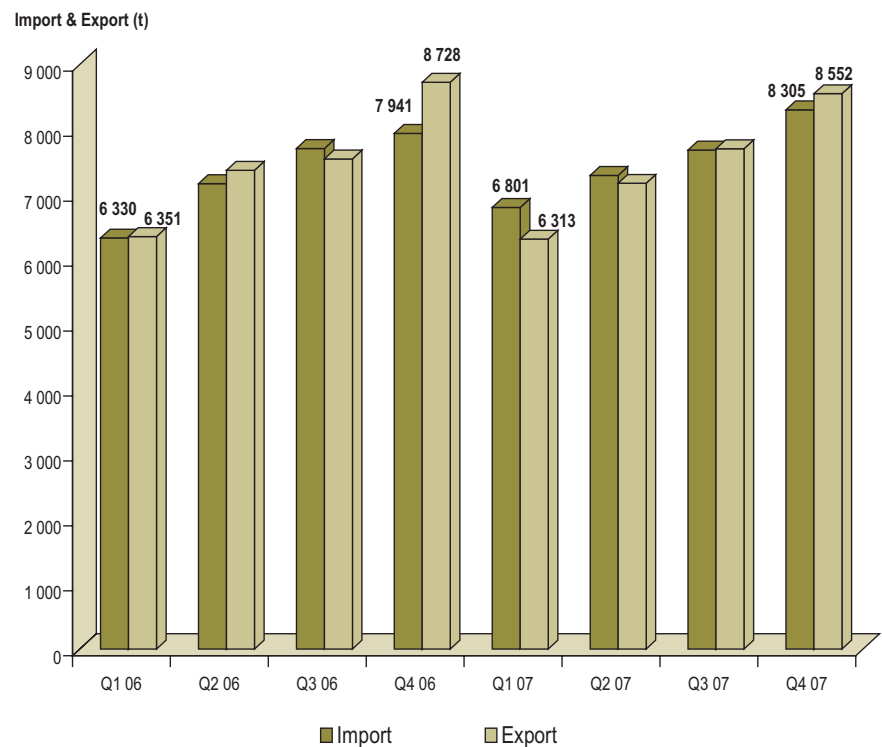
Indonesian area increased 10.33% a year over 2000-2007 against the world average of 6.82%. By the end of 2006, it had 4.0 million hectares of the planted area, boosted by increased foreign direct investment (FDI) in Riau, Jambi, South Sumatra, West Kalimantan and South Sulawesi. Indonesia now has more oil palm than Malaysia with

the limited land size of the latter. With the increasingly higher prices and little change in its production cost, the profitability from producing palm oil has become more attractive. In Indonesia and Malaysia for instance, greater margins are now realized as palm oil price skyrocketing to a record level



Source: Oil World (various issues).

Figure 4. Palm oil price discount to soyabean oil.



Source: Oil World (various issues).

Figure 5. Import and export of palm oil (quarterly: 2006-2007).

TABLE 6. OIL PALM PLANTED AREAS IN SELECTED COUNTRIES ('000 ha)*

Year	World	Malaysia	Indonesia	Colombia	Ivory Coast	PNG
2000	6 520	2 945	2 014	134	139	72
2001	6 996	3 053	2 465	138	137	75
2002	7 298	3 109	2 734	147	138	79
2003	7 945	3 320	2 973	153	138	83
2004	8 584	3 402	3 320	157	152	85
2005	9 186	3 552	3 690	170	160	88
2006	9 843	3 678	4 120	184	167	92
2007	10 532	3 790	4 580	200	168	96
Growth rate	6.82	3.60	10.33	6.18	3.40	4.11

Note: * These figures are matured area.

Sources: Oil World (Various issues) and MPOB (various issues).

against the back drop of production cost of USD 165 and USD 239, respectively (Table 7). In Malaysia in 2000, the gross margin was 40% from an average price of only USD 310/t. In 2007, with the higher price, the margin was 286%, and would even be higher in Indonesia with its lower production cost.

TABLE 7. COST OF PRODUCTION OF PALM OIL IN SELECTED COUNTRIES: 2000

Country	USD/t
Indonesia	165
Malaysia	239
Colombia	292
PNG	215

Source: LMC (2001).

Price Increase and its Effects on Biodiesel Production

Europe. The EU directive on using biodiesel for motor vehicles has stimulated its use (Table 8). By end of 2007, total biofuel demand was estimated at 8.53 million tonnes. In the past, palm oil was a cheap raw material (FAO, 2007a,b) for biodiesel, but with the increases in its price (and also the prices of other vegetable oils), biodiesel

production in Europe has stymied. As biodiesel is at the very end of a value chain, its profitability is heavily dependent on the price of its feedstock. As illustrated in Table 9, palm-based methyl esters was much more attractive in 2006 than its rapeseed oil counter-part.

Producing it gave an estimated gross margin of USD 50/t compared to a negative USD 50 for rapeseed oil. But with its recent high price, palm oil is no longer economic as biofuel in Europe. Per barrel, the price is now more than USD 110, far above crude oil. Taxation/subsidy would have to be resorted to sustain production. Electricity production using palm oil has also become unprofitable prompting a shift to fossil fuels. Purchasing activity had generally slowed down recently due to uncertainty in price.

Malaysia. The recent increases in the palm oil price had also affected the viability of biodiesel production. To produce biodiesel, the fixed cost is USD 177/t, inclusive of the glycerin credit. When the palm oil price was low (e.g., USD 450/t), there was great interest to produce biodiesel with 92 licence applications, half of which were

TABLE 8. EUROPEAN UNION TARGETS FOR BIODIESEL USE (million tonnes)

Year	Target share (% of total demand)	Biodiesel demand	Total biofuel demand
2005	2.00	2.53	4.87
2006	2.75	3.48	6.70
2007	3.50	4.43	8.53
2008	4.25	5.38	10.36
2009	5.00	6.33	12.18
2010	5.75	7.28	14.01

Source: Steenblink (2007).

TABLE 9. BIODIESEL FEEDSTOCK COST COMPARISON (2007)

Feedstock (t)	Rapeseed methyl ester (RME)		Palm methyl ester (PME)	
	2006	2007	2006	2007
Feedstock	800	900	550	750
Conversion cost	200	200	200	200
Landed cost	1 000	1 100	750	950
Selling price	950	1 000	800	900
Gross profit (t)	-50	-100	50	-50

Source: Estimated based on de Lavigne (2007).

approved. The fatty acid methyl esters (FAME) then commanded USD 800 to USD 900/t, giving a good margin.

But as shown in *Table 10*, with the palm oil price now at more than USD 610/t the profit is miniscule at a FAME price of USD 800. As it is, even the price of palm oil today is above the FAME price, effectively stopping biodiesel production. Out of four plants once operational, only one is now being run, and even this at reduced capacity.

Biodiesel investment is highly capital intensive. For a 100 000 t annual capacity, the capital

investment can be USD 30 million. When such large investment is contemplated with its long-term risks, the internal rate of return (IRR) should be more than 10% for the investment to be attractive.

CONCLUSION

Consumption and trade in palm oil have continued to rise with the developing economies taking the major portion. There has been no impact on demand but the surging palm oil price has somewhat dampened the downstream sector; especially biodiesel production. The favourable price has

encouraged more oil palm planting than ever in view of the low production cost of palm oil.

Over the long-term, world palm oil will continue to serve the needs of its consumers, especially in providing nutrition in many countries deficient in edible oils and fats. With less soyabean planted because of the demand for grains for bioethanol production, the price of palm oil is expected to remain strong. Domestically, the high palm oil price has affected downstream activities such as biodiesel and, to some extent, the refining sector for supplying the local market.

TABLE 10. GROSS MARGIN IN BIODIESEL PRODUCTION (USD/t)

CPO price	Cost of PME produced*	Gross margin at FAME price of								
		700	750	800	850	900	950	1 000	1 050	1 100
450	627	73	123	173	223	273	323	373	423	473
470	647	53	103	153	203	253	303	353	403	453
490	667	33	83	133	183	233	283	333	383	433
510	687	13	63	113	163	213	263	313	363	413
530	707	-7	43	93	143	193	243	293	343	393
550	727	-27	23	73	123	173	223	273	323	373
570	747	-47	3	53	103	153	203	253	303	353
590	767	-67	-17	33	83	133	183	233	283	333
610	787	-87	-37	13	63	113	163	213	263	313
630	807	-107	-57	-7	43	93	143	193	243	293
650	827	-127	-77	-27	23	73	123	173	223	273
670	847	-147	-97	-47	3	53	103	153	203	253
690	867	-167	-117	-67	-17	33	83	133	183	233
710	887	-187	-137	-87	-37	13	63	113	163	213
730	907	-207	-157	-107	-57	-7	43	93	143	193
750	927	-227	-177	-127	-77	-27	23	73	123	173
770	947	-247	-197	-147	-97	-47	3	53	103	153
790	967	-267	-217	-167	-117	-67	-17	33	83	133
810	987	-287	-237	-187	-137	-87	-37	13	63	113
830	1 007	-307	-257	-207	-157	-107	-57	-7	43	93
850	1 027	-327	-277	-227	-177	-127	-77	-27	23	73
870	1 047	-347	-297	-247	-197	-147	-97	-47	3	53
890	1 067	-367	-317	-267	-217	-167	-117	-67	-17	33
910	1 087	-387	-337	-287	-237	-187	-137	-87	-37	13

Notes: * Includes of processing cost of USD177/t. PME – palm methyl ester. FAME – fatty acid methyl ester. Source: Simulations based on various cost estimates.

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WORLD BALANCE IN OILS AND FATS

Oil and fats: world summary balances (1000 t)							
Oil	Year	2006				Total	
		Quarter	Q1 Jan/Mar	Q2 Apr/Jun	Q3 Jul/Sep		Q4 Oct/Dec
SBO	Open'g stock		3 373	3 306	3 655	3 924	14 258
	Production		8 224	8 911	8 938	9 197	35 270
	Imports		2 488	2 369	2 732	2 755	10 344
	Exports		2 224	2 451	2 865	2 844	10 384
	Ending stocks		3 306	3 655	3 924	3 937	14 822
	Disappear		8 554	8 481	8 535	9 096	34 666
RSO	Open'g stock		1 154	1 320	1 481	1 331	5 286
	Production		4 527	4 691	4 450	4 781	18 449
	Imports		431	558	554	536	2 079
	Exports		444	463	605	589	2 101
	Ending stocks		1 320	1 481	1 331	1 399	5 531
	Disappear		4 347	4 625	4 551	4 660	18 183
CPO	Open'g stock		5 213	4 750	4 993	5 770	20 726
	Production		7 859	9 371	10 184	9 720	37 134
	Imports		6 330	7 168	7 709	7 941	29 148
	Exports		6 351	7 373	7 548	8 728	30 000
	Ending stocks		4 750	4 993	5 700	5 327	20 770
	Disappear		8 301	8 922	9 640	9 305	36 168
SFO	Open'g stock		1 144	1 390	1 419	1 041	4 994
	Production		2 945	2 854	2 164	3 163	11 126
	Imports		1 059	1 297	1 039	962	4 357
	Exports		1 139	1 399	888	1 039	4 465
	Ending stocks		1 390	1 419	1 041	1 249	5 099
	Disappear		2 620	2 724	2 693	2 878	10 915
17 oils and fats (grand total)	Open'g stock		16 053	17 095	17 232	16 824	67 204
	Production		36 482	37 303	36 639	39 558	149 982
	Imports		12 833	14 000	14 751	14 868	56 452
	Exports		12 618	14 344	14 462	15 935	57 359
	Ending stocks		17 095	17 232	16 824	17 050	68 201
	Disappear		35 655	36 822	37 336	38 266	148 079

WORLD BALANCE IN OILS AND FATS (continued)

Oil	Year	2007				
		Quarter	Q1 Jan/Mar	Q2 Apr/Jun	Q3 Jul/Sep	Q4 Oct/Dec
SBO	Open'g stock	3 937	3 976	4 201	3 983	16 097
	Production	8 683	9 460	9 389	9 941	37 473
	Imports	2 159	2 745	3 291	2 792	10 987
	Exports	1 949	2 826	3 242	3 071	11 088
	Ending stocks	3 976	4 201	3 983	3 903	16 063
	Disappear	8 854	9 155	9 656	9 742	37 407
RSO	Open'g stock	1 399	1 387	1 309	1 133	5 228
	Production	4 524	4 444	4 550	4 923	18 441
	Imports	627	466	525	631	2 249
	Exports	487	504	551	629	2 171
	Ending stocks	1 387	1 309	1 133	1 110	4 939
	Disappear	4 676	4 483	4 700	4 949	18 808
CPO	Open'g stock	5 327	4 666	4 553	5 133	19 679
	Production	8 127	9 100	10 436	10 296	37 959
	Imports	6 801	7 295	7 683	8 305	30 084
	Exports	6 313	7 172	7 706	8 552	29 743
	Ending stocks	4 666	4 553	5 133	5 251	19 603
	Disappear	9 276	9 337	9 832	9 932	38 377
SFO	Open'g stock	1 249	1 400	1 248	907	4 804
	Production	3 097	2 828	2 136	2 786	10 847
	Imports	1 065	1 302	916	824	4 107
	Exports	1 127	1 350	722	857	4 056
	Ending stocks	1 400	1 248	907	1 154	4 709
	Disappear	2 884	2 932	2 672	2 506	10 994
17 oils and fats (grand total)	Open'g stock	17 050	17 774	16 750	15 652	67 226
	Production	37 501	37 334	37 600	41 066	153 501
	Imports	13 189	14 441	15 137	15 238	58 005
	Exports	12 224	14 615	14 931	15 859	57 629
	Ending stocks	17 774	16 750	15 652	16 458	66 634
	Disappear	37 741	38 183	38 904	39 639	154 467

Source: Oil World (Monthly, 2007).