

OER Performance of Malaysian Oil Palm Mills – January 2017

Malaysia's CPO extraction rates (OER) in January 2017 declined by 0.26 percent to 19.72 percent as against 19.98 percent recorded in the previous month. The decrease in national OER was mainly due to lower quality FFB processed by oil palm mills arising from heavy rainfalls in several major CPO producing states. OER in January 2017 was also recorded lower compared to the corresponding month in 2016, i.e. down by 0.81 percent from 20.53 percent.

Within the same month, all CPO producing states in Malaysia, except for Selangor, recorded decreases in OER performance, ranged from 0.06

percent to 0.93 percent. Kelantan recorded the highest decrease in OER performance, i.e. declined by 0.93 percent to 19.66 percent. It was followed by Sabah, Kedah, Other States and Pahang, which were lower by 0.62 percent, 0.51 percent, 0.40 percent and 0.33 percent to 20.22 percent, 19.54 percent, 18.98 percent and 19.50 percent respectively. Selangor is the only state that recorded an increase in OER performance, i.e. up by 0.07 percent to 19.02 percent. (Refer Table 1).

Table1.

**OER PERFORMANCE BY STATES
 JANUARY 2017 AND DECEMBER 2016 (%)**

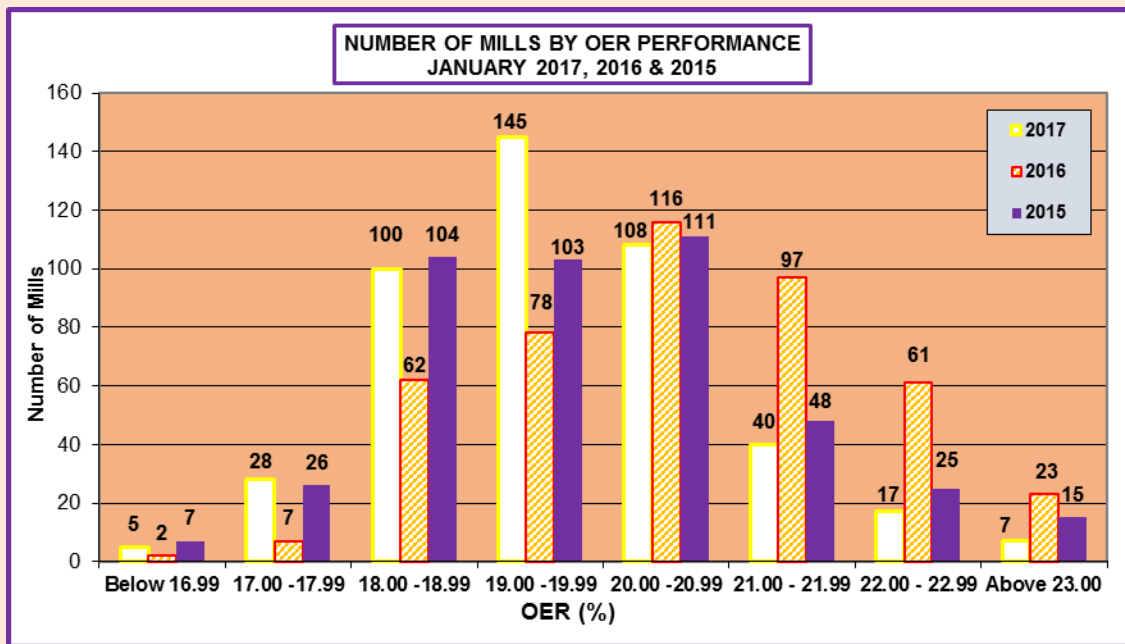
STATES	JANUARY'17	DECEMBER'16	DIFF. (Actual)
JOHORE	19.60	19.66	-0.06
KEDAH	19.54	20.05	-0.51
KELANTAN	19.66	20.59	-0.93
N.SEMBILAN	19.33	19.40	-0.07
PAHANG	19.50	19.83	-0.33
PERAK	19.01	19.16	-0.15
SELANGOR	19.02	18.95	0.07
TERENGGANU	18.52	18.79	-0.27
OTHER STATES	18.98	19.38	-0.40
P. MALAYSIA	19.35	19.55	-0.20
SABAH	20.22	20.84	-0.62
SARAWAK	19.96	20.07	-0.11
SABAH/SARAWAK	20.10	20.49	-0.39
MALAYSIA	19.72	19.98	-0.26

The number of mills which recorded decreases in OER performance in January 2017 exceeded the number of mills which recorded increases, with 344 mills (76.4%) against 98 mills (21.8%), while the other four (4) mills recorded the same level of OER as the previous month.

In January 2017, there were seven (7) mills (1.6%) achieved OER above 23.00 percent as compared to 23 mills (5.2%) in January 2016. Another 57 mills (12.7%) registered OER

between 21.00 percent and 22.99 percent, 108 mills (24.0%) registered OER between 20.00 percent and 20.99 percent and 145 mills (32.2%) between 19.00 percent and 19.99 percent. Another 100 mills (22.2%) recorded OER between 18.00 percent and 18.99 percent and the remaining of 33 mills (7.3%) recorded OER below 18.00 percent. (Refer Chart 1)

Chart 1.



The highest individual OER in Malaysia in January 2017 recorded at 24.38 percent by a mill in Sarawak, while the lowest OER registered also by a mill in Sarawak at 15.39 percent. Meanwhile, the highest increase in OER as compared to the previous month's OER, recorded by a mill in Sarawak, i.e. increased by 1.31 percent, while the highest decline was also recorded by a mill in Sarawak, declined by 3.19 percent.