

OER Performance of Malaysian Oil Palm Mills – February 2017

Malaysia's CPO extraction rates (OER) in February 2017 declined by 0.18 percent to 19.54 percent as against 19.72 percent recorded in January 2017. The decline in national OER was mainly due to lower quality FFB processed by oil palm mills. OER in February 2017 was also recorded lower by 0.44 percent vis-à-vis 19.98 percent recorded in the corresponding month in 2016.

Within the same month, eight (8) CPO producing states in Malaysia recorded decreases in OER performance, ranged from 0.07 percent to 0.64 percent. Negeri Sembilan recorded the highest

decrease in OER performance, i.e. declined by 0.64 percent to 18.69 percent. Both Kedah and Pahang recorded lower OER by 0.39 percent to 19.15 percent and 19.11 percent, while Selangor, Perak and Other States, registered decreases of 0.28 percent, 0.25 percent and 0.24 percent to 18.74 percent, 18.76 percent and 18.74 percent respectively. Kelantan, Terengganu and Sarawak were the states that recorded increases in OER performance as compared to the previous month performance. (Refer Table 1).

Table1.

**OER PERFORMANCE BY STATES
FEBRUARY 2017 AND JANUARY 2017 (%)**

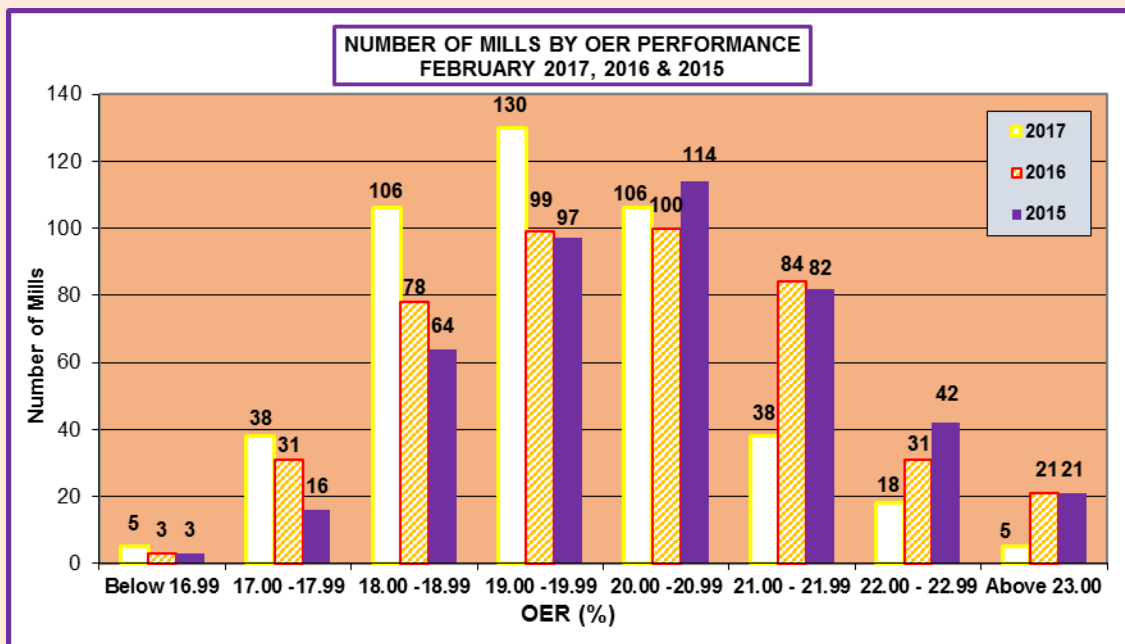
STATES	FEBRUARY	JANUARY	DIFF. (Actual)
JOHORE	19.37	19.60	-0.23
KEDAH	19.15	19.54	-0.39
KELANTAN	19.81	19.66	0.15
N.SEMBILAN	18.69	19.33	-0.64
PAHANG	19.11	19.50	-0.39
PERAK	18.76	19.01	-0.25
SELANGOR	18.74	19.02	-0.28
TERENGGANU	18.88	18.52	0.36
OTHER STATES	18.74	18.98	-0.24
P. MALAYSIA	19.07	19.35	-0.28
SABAH	20.15	20.22	-0.07
SARAWAK	20.03	19.96	0.07
SABAH/SARAWAK	20.10	20.10	0.00
MALAYSIA	19.54	19.72	-0.18

The number of mills which recorded decreases in OER performance in February 2017 exceeded the number of mills which recorded increases, with 275 mills (61.7%) against 166 mills (37.2%), while the other five (5) mills recorded the same level of OER as the previous month.

In February 2017, there were five (5) mills (1.1%) achieved OER above 23.00 percent as compared to 21 mills (4.7%) in February 2016. Another 56 mills (12.6%) registered OER

between 21.00 percent and 22.99 percent, 106 mills (23.8%) registered OER between 20.00 percent and 20.99 percent and 130 mills (29.1%) between 19.00 percent and 19.99 percent. Another 106 mills (23.8%) recorded OER between 18.00 percent and 18.99 percent and the remaining of 43 mills (9.6%) recorded OER below 18.00 percent. (Refer Chart 1).

Chart 1



The highest individual OER in Malaysia in February 2017 recorded at 24.26 percent by a mill in Sarawak, while the lowest OER also registered by a mill in Sarawak at 15.64 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 2.07 percent, while the highest decline was recorded by a mill in Pahang, declined by 1.72 percent.