

# OER Performance of Malaysian Oil Palm Mills

## February 2020

Malaysia's CPO extraction rates (OER) in February 2020 was lower by 0.07 percent to 19.81 percent as against 19.88 percent recorded in January 2020. The lower national OER was mainly due to lower quality FFB received and processed by oil palm arising from unfavourable weather condition. OER in February 2020 was also recorded lower as compared to the corresponding month in 2019, i.e. drop by 0.41 percent from 20.22 percent.

In February 2020, eight (8) CPO producing states in Malaysia recorded decreases in OER performance, ranged from 0.01 percent to 0.49 percent. Pahang recorded the highest decline in OER performance, which was decreased by 0.49 percent to register at 19.35 percent. It was followed by Kedah, Negeri Sembilan and Selangor, which were down by 0.44 percent, 0.40 percent and 0.23 percent respectively. On the other hand, three (3) other states, showed increases in OER performance. Sarawak recorded an increase of 0.36 percent, i.e. the highest increase in OER performance for the month, then followed by Other States (Melaka & P. Pinang) and Sabah. (Refer Table 1)

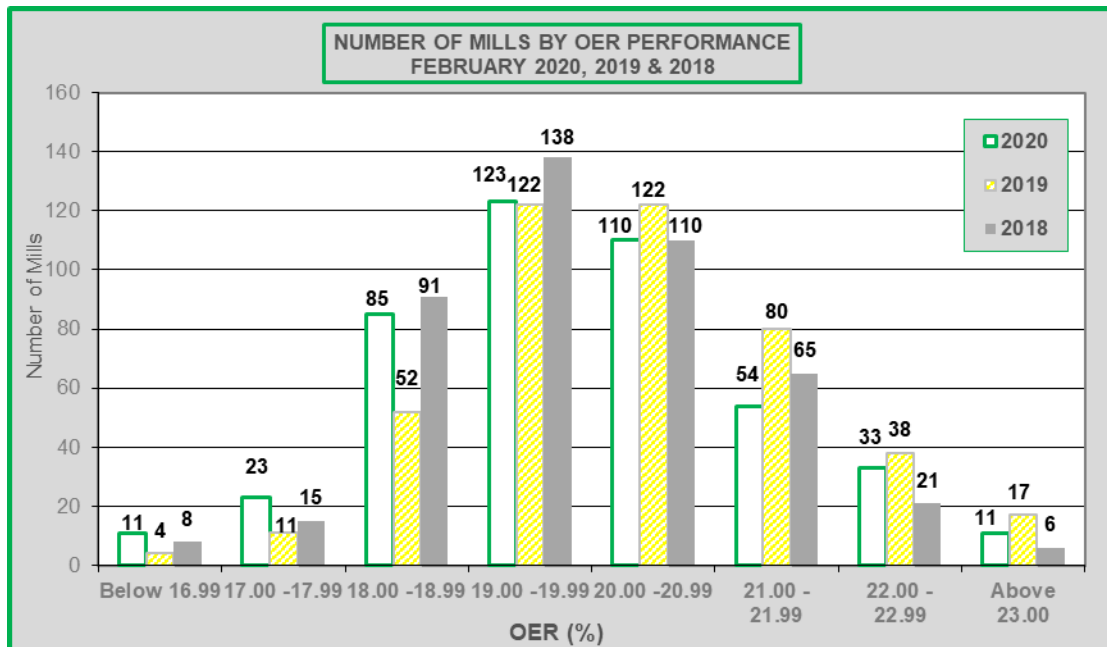
**Table 1.**

<b>OER PERFORMANCE BY STATES, JANUARY AND FEBRUARY 2020 (%)</b>			
<b>STATES</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>DIFF. (Actual)</b>
JOHOR	20.04	19.87	-0.17
KEDAH	19.02	18.58	-0.44
KELANTAN	20.24	20.23	-0.01
N. SEMBILAN	20.22	19.82	-0.40
PAHANG	19.84	19.35	-0.49
PERAK	19.29	19.19	-0.10
SELANGOR	18.88	18.65	-0.23
TERENGGANU	19.58	19.49	-0.09
OTHER STATES	18.84	18.96	0.12
<b>P. MALAYSIA</b>	<b>19.70</b>	<b>19.46</b>	<b>-0.24</b>
SABAH	20.46	20.50	0.04
SARAWAK	19.62	19.98	0.36
<b>SABAH/SARAWAK</b>	<b>20.05</b>	<b>20.26</b>	<b>0.21</b>
<b>MALAYSIA</b>	<b>19.88</b>	<b>19.81</b>	<b>-0.07</b>

The number of mills which recorded decreases in OER performance in February 2020 exceeded the number of mills which recorded increases, with 238 mills (52.9%) against 205 mills (45.6%), while the other six (6) mills recorded the same level of OER as in January 2020.

In February 2020, there were 11 mills (2.4%) achieved OER above 23.00 percent as compared to 17 mills (3.8%) in February 2019. Another 87 mills (19.3%) registered OER between 21.00 percent and 22.99 percent, 110 mills (24.4%) registered OER between 20.00 percent and 20.99 percent and 123 mills (27.3%) between 19.00 percent and 19.99 percent. Another 85 mills (18.9%) recorded OER between 18.00 percent and 18.99 percent and the rest of the mills (7.6% or 34 mills) recorded OER below 18.00 percent. (Refer Chart 1)

**Chart 1.**



The highest individual OER in Malaysia in February 2020 was recorded at 24.79 percent by a mill in Sarawak, while the lowest OER performance registered by a mill in Kedah at 15.69 percent. Meanwhile, the highest increase in OER as against the previous month's OER, recorded by a mill in Negeri Sembilan, i.e. up by 3.02 percent, while the highest decline was recorded by a mill in Pahang, which was lower by 1.68 percent.