

OER Performance of Malaysian Oil Palm Mills

March 2020

Malaysia's CPO extraction rates (OER) in March 2020 was lower by 0.28 percent to 19.53 percent as against 19.81 percent recorded in February 2020. The decrease in national OER in March 2020 was mainly due to lower quality FFB received and processed by major CPO producing states arising from unfavourable weather condition. OER in March 2020 was also recorded lower as compared to the corresponding month in 2019, i.e. lower by 0.74 percent from 20.27 percent.

During the month, four (4) CPO producing states in Malaysia recorded decreases in OER performance, ranged from 0.14 percent to 1.78 percent. Negeri Sembilan recorded the highest decline in OER performance, which was decreased by 1.78 percent to register at 18.04 percent. It was followed by Sabah, Kelantan and Other States (Melaka and P. Pinang), which were down by 1.50 percent, 0.14 percent and 0.14 percent respectively. In contrast, the other seven (7) states, registered increases in OER performance. Selangor recorded the highest increase in OER performance, i.e. up by 0.43 percent. Other CPO producing states that recorded the increase of OER performance in March 2020 were Johor, Kedah, Pahang, Perak, Terengganu and Sarawak. (Refer Table 1)

Table1.

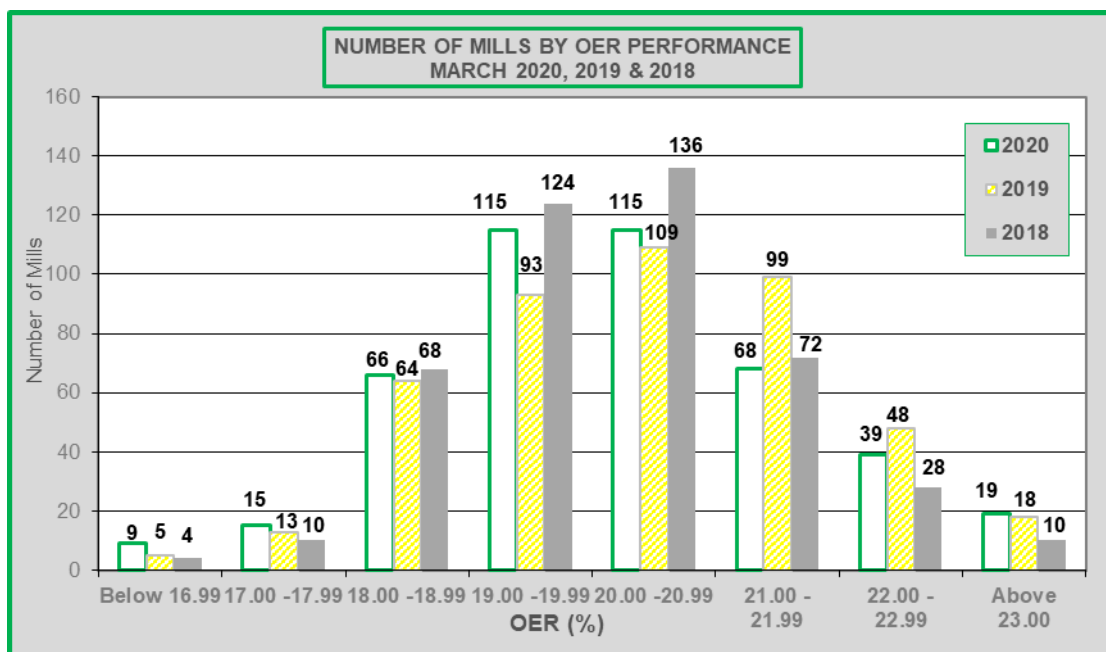
OER PERFORMANCE BY STATES FEBRUARY AND MARCH 2020 (%)

STATES	FEBRUARY	MARCH	DIFF. (Actual)
JOHOR	19.87	20.20	0.33
KEDAH	18.58	18.95	0.37
KELANTAN	20.23	20.09	-0.14
N. SEMBILAN	19.82	18.04	-1.78
PAHANG	19.35	19.59	0.24
PERAK	19.19	19.33	0.14
SELANGOR	18.65	19.08	0.43
TERENGGANU	19.49	19.83	0.34
OTHER STATES	18.96	18.82	-0.14
P. MALAYSIA	19.46	19.58	0.12
SABAH	20.50	19.00	-1.50
SARAWAK	19.98	20.04	0.06
SABAH/SARAWAK	20.26	19.47	-0.79
MALAYSIA	19.81	19.53	-0.28

The number of mills which recorded increases in OER performance in March 2020 exceeded the number of mills which recorded decreases, with 313 mills (70.2%) against 123 mills (27.6%), while 10 other mills recorded the same level of OER as in February 2020.

Within the month, there were 19 mills (4.3%) achieved OER above 23.00 percent as compared to 18 mills (4.0%) in March 2019. Another 107 mills (24.0%) registered OER between 21.00 percent and 22.99 percent, 115 mills (25.8%) registered OER between 20.00 percent and 20.99 percent and 115 mills (25.8%) between 19.00 percent and 19.99 percent. Another 66 mills (14.8%) recorded OER between 18.00 percent and 18.99 percent and the remaining of 24 mills (5.4%) recorded OER below 18.00 percent. (Refer Chart 1)

Chart 1.



The highest individual OER in Malaysia in March 2020 was recorded at 25.91 percent by a mill in Sarawak, while the lowest OER performance registered by a mill in Perak at 12.97 percent. Meanwhile, the highest increase in OER as against the previous month's OER, recorded by a mill in Sabah, i.e. higher by 2.36 percent, while the highest decline was recorded by a mill in Negeri Sembilan, which was drop by 3.15 percent.