

OVERVIEW OF THE MALAYSIAN OIL PALM INDUSTRY IN 2024

FOREWORD

The Malaysian oil palm industry experienced a mixed performance in 2024 compared to the previous year. The oil palm planted area saw a slight decline, primarily due to ongoing site preparations for replanting initiatives, as well as the conversion of oil palm land to alternative agricultural or developmental uses, such as coconut cultivation and residential, commercial, or industrial projects.

Crude palm oil (CPO) production, however, saw a modest increase of 4.2%, reaching 19.34 million tonnes, up from 18.55 million tonnes in 2023. This growth was driven by improved labour availability in the plantation sector, which shortened harvesting intervals and enhanced maintenance activities. Additionally, the more efficient labour situation contributed to a 5.8% rise in Fresh Fruit Bunches (FFB) yield, which reached 16.70 tonnes per hectare, compared to 15.79 tonnes per hectare in 2023.

On the other hand, the oil extraction rate (OER) declined by 1.0%, falling to 19.67% from 19.86% in 2023. This reduction was largely due to a lower proportion of ripe and high-quality FFB being processed by palm oil mills. Furthermore, adverse weather conditions, particularly heavy rainfall in June, July, and the last quarter of the year, led to flooding in certain areas, further affecting OER performance.

The decrease in palm oil stocks was a result of higher export activity. In 2024, Malaysia's palm oil exports rose to 16.90 million tonnes, up from 15.14 million tonnes in 2023. India remained the largest importer of Malaysian palm oil for the 11th consecutive year, receiving 3.03 million tonnes, or 17.9% of total exports. Other significant markets included China (1.39 million tonnes, 8.2%), the European Union (1.29 million tonnes, 7.7%), Kenya (1.26 million tonnes, 7.5%), Turkey (0.91 million tonnes, 5.4%), the Philippines (0.69 million tonnes, 4.1%), and Japan (0.60 million tonnes, 3.6%). These seven markets collectively accounted for 54.2% of total Malaysian palm oil exports in 2024, amounting to 9.17 million tonnes.

The average prices of oil palm products continued their upward trend in 2024, driven primarily by stronger export demand, lower palm oil stocks, and Indonesia's planned implementation of the B40 biofuel program in 2025. The average CPO price increased by 9.7%, reaching RM4,179.50 per tonne, compared to RM3,809.50 in 2023. The highest and lowest monthly average CPO prices were recorded in December and January, at RM5,119.50 per tonne and RM3,783.50 per tonne, respectively.

The prices of palm kernel and crude palm kernel oil also saw significant increases, rising by 31.2% to RM2,645.50 per tonne and RM5,475.50 per tonne, respectively. This surge was driven by supply tightness and higher lauric oil prices in the global market. The average price of FFB at 1% OER rose by 13.5%, or RM5.36, to RM44.98 per tonne, compared to RM39.62 per tonne the previous year, thereby boosting the income of both smallholders and estates.

As a result of the higher CPO prices, total export earnings surged by 15.2%, reaching RM109.39 billion, up from RM94.95 billion in 2023.

Palm oil ending stocks closed lower in December 2024 after three consecutive years of increases, reaching 1.71 million tonnes—a decline of 0.58 million tonnes, or 25.4%, compared to 2.29 million tonnes in December 2023. This decrease was driven by a reduction in palm oil imports by 0.65 million tonnes, along with a 1.77 million tonne increase in palm oil exports compared to the previous year.

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Director General of MPOB

**SUMMARY OF THE PERFORMANCE OF THE MALAYSIAN OIL PALM INDUSTRY,
2024 & 2023**

INDICATOR	2024	2023	DIFFERENCE	
			VOLUME/ VALUE	(%)
PLANTED AREA (HECTARES)*				
MALAYSIA	5,612,852	5,652,569	(39,717)	(0.7)
PENINSULAR MALAYSIA	2,504,786	2,518,883	(14,098)	(0.6)
SABAH	1,483,699	1,510,025	(26,325)	(1.7)
SARAWAK	1,624,366	1,623,661	706	0.04
CPO PRODUCTION (TONNES)				
MALAYSIA	19,338,266	18,551,950	786,316	4.2
PENINSULAR MALAYSIA	10,891,417	9,825,140	1,066,277	10.9
SABAH	4,274,440	4,507,460	(233,020)	(5.2)
SARAWAK	4,172,409	4,219,350	(46,941)	(1.1)
CLOSING STOCKS (TONNES)				
CRUDE PALM OIL	894,330	1,197,668	(303,338)	(25.3)
PROCESSED PALM OIL	814,426	1,093,125	(278,699)	(25.5)
TOTAL PALM OIL	1,708,756	2,290,793	(582,037)	(25.4)
EXPORTS (TONNES)				
PALM OIL	16,902,595	15,135,026	1,767,569	11.7
PALM KERNEL OIL	1,151,104	981,799	169,305	17.2
PALM KERNEL CAKE	2,396,517	2,311,506	85,012	3.7
PALM-BASED OLEOCHEMICALS	2,993,592	2,864,004	129,588	4.5
BIODIESEL	255,669	244,793	10,876	4.4
PALM-BASED FINISHED PRODUCTS	585,764	527,013	58,751	11.1
OTHER PALM PRODUCTS	2,375,206	2,422,905	(47,698)	(2.0)
TOTAL EXPORTS (TONNES)	26,660,448	24,487,045	2,173,403	8.9
EXPORT REVENUE (RM MILLION)				
PALM OIL	72,952.58	62,600.84	10,351.74	16.5
PALM KERNEL OIL	6,787.45	4,993.09	1,794.36	35.9
PALM KERNEL CAKE	1,496.60	1,667.21	(170.61)	(10.2)
PALM-BASED OLEOCHEMICALS	17,409.76	15,998.82	1,410.94	8.8
BIODIESEL	1,253.27	1,310.49	(57.22)	(4.4)
PALM-BASED FINISHED PRODUCTS	4,313.02	3,602.05	710.97	19.7
OTHER PALM PRODUCTS	5,178.60	4,776.46	402.14	8.4
TOTAL REVENUE (RM MILLION)	109,391.29	94,948.96	14,442.33	15.2
IMPORT (TONNES)				
PALM OIL	253,485	898,806	(645,321)	(71.8)
PALM KERNEL OIL	153,384	152,635	749	0.5

Note : *The figures have been rounded to the nearest whole number and percentage calculated based on full figure

Source: MPOB

**SUMMARY OF THE PERFORMANCE OF THE MALAYSIAN OIL PALM INDUSTRY,
2024 & 2023**

INDICATOR	2024	2023	DIFFERENCE	
			VOLUME/ VALUE	(%)
PRICE (RM/TONNE)				
FFB (MILL GATE)	875.00	774.00	101.00	13.0
CPO (LOCAL DELIVERED)	4,179.50	3,809.50	370.00	9.7
PALM KERNEL (EX-MILL)	2,645.50	2,016.00	629.50	31.2
CPKO (LOCAL DELIVERED)	5,475.50	3,896.00	1,579.50	40.5
RBD PALM OIL (FOB)	4,400.00	3,945.00	455.00	11.5
RBD PALM OLEIN (FOB)	4,417.00	4,018.00	399.00	9.9
RBD PALM STEARIN (FOB)	4,425.50	3,781.00	644.50	17.0
PFAD (FOB)	3,802.00	3,424.00	378.00	11.0
OER (%)				
MALAYSIA	19.67	19.86	(0.19)	(1.0)
PENINSULAR MALAYSIA	19.46	19.64	(0.18)	(0.9)
SABAH	20.53	20.40	0.13	0.6
SARAWAK	19.37	19.83	(0.46)	(2.3)
FFB YIELD (TONNES/HECTARE)				
MALAYSIA	16.70	15.79	0.91	5.8
PENINSULAR MALAYSIA	18.42	16.09	2.33	14.5
SABAH	15.74	16.39	(0.65)	(4.0)
SARAWAK	14.89	14.75	0.14	0.9

Note : FOB - Free on Board
FFB - Fresh Fruit Bunches
RBD - Refined, Bleached, Deodourised
PFAD - Palm Fatty Acid Distillate
HRBD - Hydrogenated RBD

Source: MPOB