

OVERVIEW OF THE MALAYSIAN OIL PALM INDUSTRY IN 2025

FOREWORD

The Malaysian oil palm industry registered a strong performance in 2025, underpinned by higher production, sustained price levels and resilient export earnings. Crude palm oil (CPO) production reached a historic milestone of 20.28 million tonnes; the highest level recorded in a decade. With the exception of exports, all other key indicators registered growth during the period.

Oil palm planted area expanded modestly by 1.6% to 5.70 million hectares from 5.61 million hectares in 2024, mainly attributed to the expansion of immature palm areas following the implementation of replanting activities. The record-high CPO production represented a 4.9% increase from 19.34 million tonnes in 2024, supported by stronger yields and improved oil extraction rates (OER). The improved labour situation in the oil palm plantation sector contributed to a 6.4% rise in fresh fruit bunch (FFB) yield of oil palm estates to 17.77 tonnes per hectare as against 16.70 tonnes per hectare achieved in the preceding year. Meanwhile, the national OER performance rose by a marginal of 0.4% to 19.74 percent vis-à-vis 19.67 percent in 2024 mainly due to a higher proportion of ripe/quality FFB processed by CPO producers.

On the other hand, Malaysia's palm oil exports reached 15.27 million tonnes in 2025, lower by 9.6% compared to 16.90 million tonnes recorded in 2024. India retained its position to be the Malaysia's largest export destination, maintaining its leading position for the twelfth consecutive year since 2014, importing 2.66 million tonnes or 17.4% of total Malaysian palm oil exports. Notably, Kenya emerged as the second-largest palm oil market, surpassing both the EU and China, with imports of 1.21 million tonnes (7.9%). Exports of palm oil to the EU stood at 1.03 million tonnes (6.8%), followed by China 0.90 million tonnes (5.9%), Türkiye 0.75 million tonnes (4.9%), the Philippines 0.72 million tonnes (4.7%) and Japan 0.59 million tonnes (3.9%). These seven (7) major combined markets accounted for 7.86 million tonnes or 51.5% of total Malaysian palm oil exports in 2025.

The average prices of oil palm products demonstrated an overall upward trend in 2025, supported primarily by firmer global soybean oil prices and positive market sentiment regarding Indonesia's planned implementation of B50 biodiesel mandate in 2026. The average CPO price rose by 2.7% to RM4,292.50 per tonne compared to RM4,179.50 per tonne in 2024. The average prices of palm kernel and CPKO increased significantly by 29.4% and 33.9%, reaching RM3,424.50 per tonne and RM7,329.50 per tonne, respectively, driven by supply tightness and stronger lauric oil prices in the global market. The average FFB price at 1% OER also increased by 5.4% to RM47.39 from RM44.98 in 2024, thus, improving the income levels of smallholders and estates. The firmer CPO price had resulted total export earnings rose by 3.0% to RM112.64 billion compared to RM109.39 billion attained in 2024.

Palm oil ending stocks reached 3.05 million tonnes, a significant 78.5% increase over the 1.71 million tonnes recorded in December 2024. This surge was driven by robust CPO production, which expanded by 4.9% (or 0.95 million tonnes), outpacing export that fell by 9.7% (or 1.65 million tonnes). Additionally, a sharp increase in imports of 201.7% (or 0.51 million tonnes) further contributing to the build-up in stocks.

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**SUMMARY OF THE PERFORMANCE OF THE MALAYSIAN OIL PALM INDUSTRY,
2025 & 2024**

INDICATOR	2025	2024	DIFFERENCE	
			VOLUME/ VALUE	(%)
OIL PALM PLANTED AREA (HECTARES)*				
MALAYSIA	5,700,050	5,612,852	87,198	1.6
PENINSULAR MALAYSIA	2,543,636	2,504,786	38,850	1.6
SABAH	1,496,558	1,483,699	12,858	0.9
SARAWAK	1,659,857	1,624,366	35,490	2.2
CPO PRODUCTION (TONNES)				
MALAYSIA	20,283,475	19,338,266	945,209	4.9
PENINSULAR MALAYSIA	11,376,845	10,891,417	485,428	4.5
SABAH	4,410,291	4,274,440	135,851	3.2
SARAWAK	4,496,339	4,172,409	323,930	7.8
CLOSING STOCKS (TONNES)				
CRUDE PALM OIL	1,821,781	894,330	927,451	2-folds
PROCESSED PALM OIL	1,229,366	814,426	414,940	50.9
TOTAL PALM OIL	3,051,147	1,708,756	1,342,391	78.6
EXPORTS (TONNES)				
PALM OIL	15,272,823	16,902,595	(1,629,772)	(9.6)
PALM KERNEL OIL	1,082,925	1,151,104	(68,179)	(5.9)
PALM KERNEL CAKE	2,431,495	2,396,517	34,978	1.5
PALM-BASED OLEOCHEMICALS	2,760,862	2,993,592	(232,730)	(7.8)
BIODIESEL	353,780	255,669	98,111	38.4
PALM-BASED FINISHED PRODUCTS	587,231	585,764	1,467	0.3
OTHER PALM PRODUCTS	2,337,699	2,375,206	(37,507)	1.6
TOTAL EXPORTS (TONNES)	24,826,816	26,660,448	(1,833,632)	(6.9)
EXPORT REVENUE (RM MILLION)				
PALM OIL	71,632.49	72,952.58	(1,320.09)	(1.8)
PALM KERNEL OIL	9,209.13	6,787.45	2,421.68	35.7
PALM KERNEL CAKE	1,303.49	1,496.60	(193.11)	(12.9)
PALM-BASED OLEOCHEMICALS	19,594.40	17,409.76	2,184.64	12.5
BIODIESEL	1,856.18	1,253.27	602.91	48.1
PALM-BASED FINISHED PRODUCTS	4,866.53	4,313.02	553.51	12.8
OTHER PALM PRODUCTS	4,179.21	5,178.60	(999.39)	(19.3)
TOTAL REVENUE (RM MILLION)	112,641.42	109,391.29	3,250.13	3.0
IMPORT (TONNES)				
PALM OIL	764,863	253,485	511,377	3-folds
PALM KERNEL OIL	142,261	153,384	(11,124)	(7.3)

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,
2025 & 2024**

INDICATOR	2025	2024	DIFFERENCE	
			VOLUME/ VALUE	(%)
PRICE (RM/TONNE)				
FFB (MILL GATE)	930.00	875.00	55.00	6.3
CPO (LOCAL DELIVERED)	4,292.50	4,179.50	113.00	2.7
PALM KERNEL (EX-MILL)	3,424.50	2,645.50	779.00	29.4
CPKO (LOCAL DELIVERED)	7,329.50	5,475.50	1,854.00	33.9
RBD PALM OIL (FOB)	4,456.50	4,400.00	56.50	1.3
RBD PALM OLEIN (FOB)	4,471.50	4,417.00	54.50	1.2
RBD PALM STEARIN (FOB)	4,353.50	4,425.50	(72.00)	(1.6)
PFAD (FOB)	4,175.00	3,802.00	373.00	9.8
OER (%)				
MALAYSIA	19.74	19.67	0.07	0.4
PENINSULAR MALAYSIA	19.62	19.46	0.16	0.8
SABAH	20.31	20.53	(0.22)	(1.1)
SARAWAK	19.51	19.37	0.14	0.7
FFB YIELD OF ESTATES (TONNES/HECTARE)				
MALAYSIA	17.77	16.70	1.07	6.4
PENINSULAR MALAYSIA	19.49	18.42	1.07	5.8
SABAH	16.76	15.74	1.02	6.5
SARAWAK	15.98	14.89	1.09	7.3

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

Source: MPOB