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SOBRE **PALMA DE ACEITE**

21st International Oil Palm Conference

Palm & Laurics Market 2025-26

Dr. Sathia Varqa

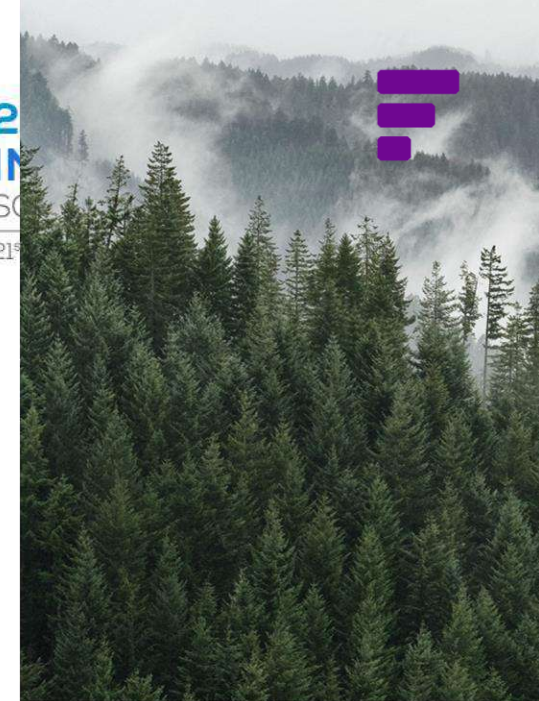
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2025

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OVERVIEW

- **Agricultural land and population growth**
- **Production in Malaysia and Indonesia**
- **CPO prices**
- **Biodiesel**
- **Laurics**



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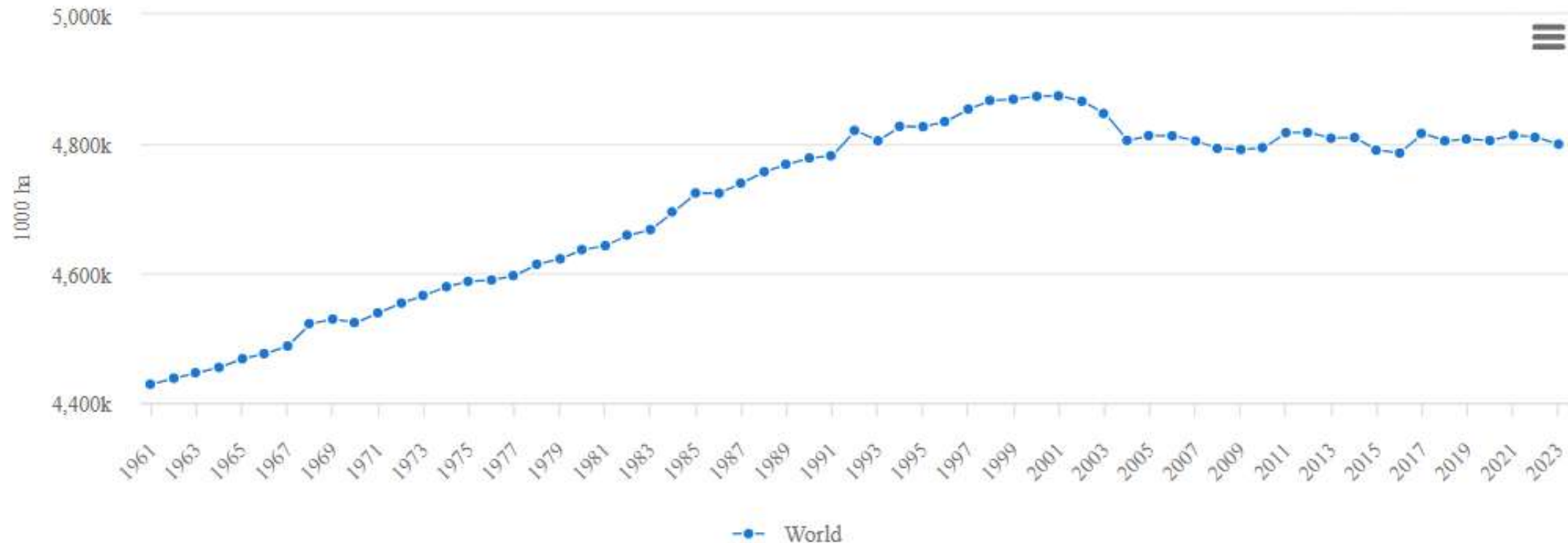
Agricultural land and population growth



Have we reached peak agricultural land use?
Peaked in 2000 and stabilised at approximately 4.8 billion hectares (ha)

- Agricultural land - Area (1000 ha)

1961 - 2023



Food production continued to rise while land use declined



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Global decoupling of agricultural land and food production

Agricultural land is the sum of cropland and pasture for grazing livestock.
Production is measured in constant 2015 international-dollars, which adjusts for inflation. Includes all crops and livestock.

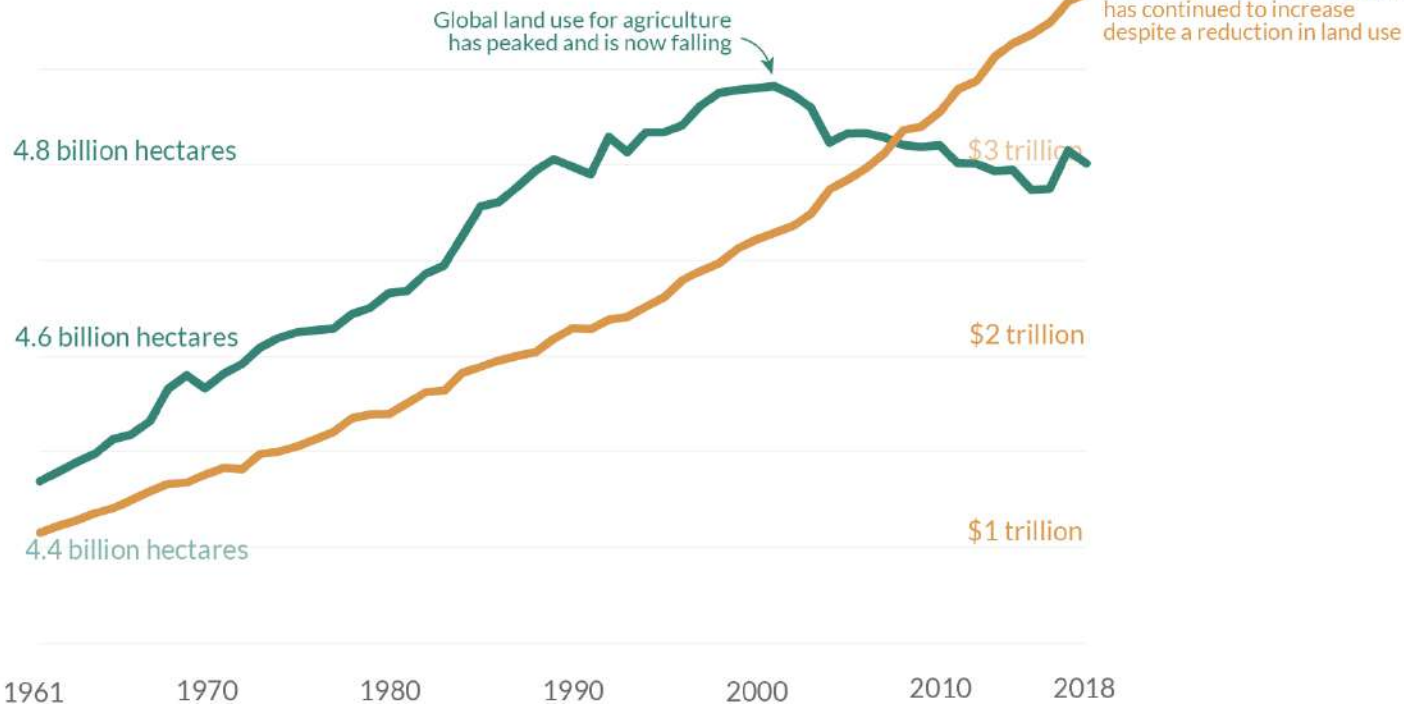
Our World
in Data

Global agricultural land use

5 billion hectares

Global agricultural production

\$4 trillion



Data source: Food and Agriculture Organization of the United Nations.
OurWorldinData.org – Research and data to make progress against the world's largest problems.

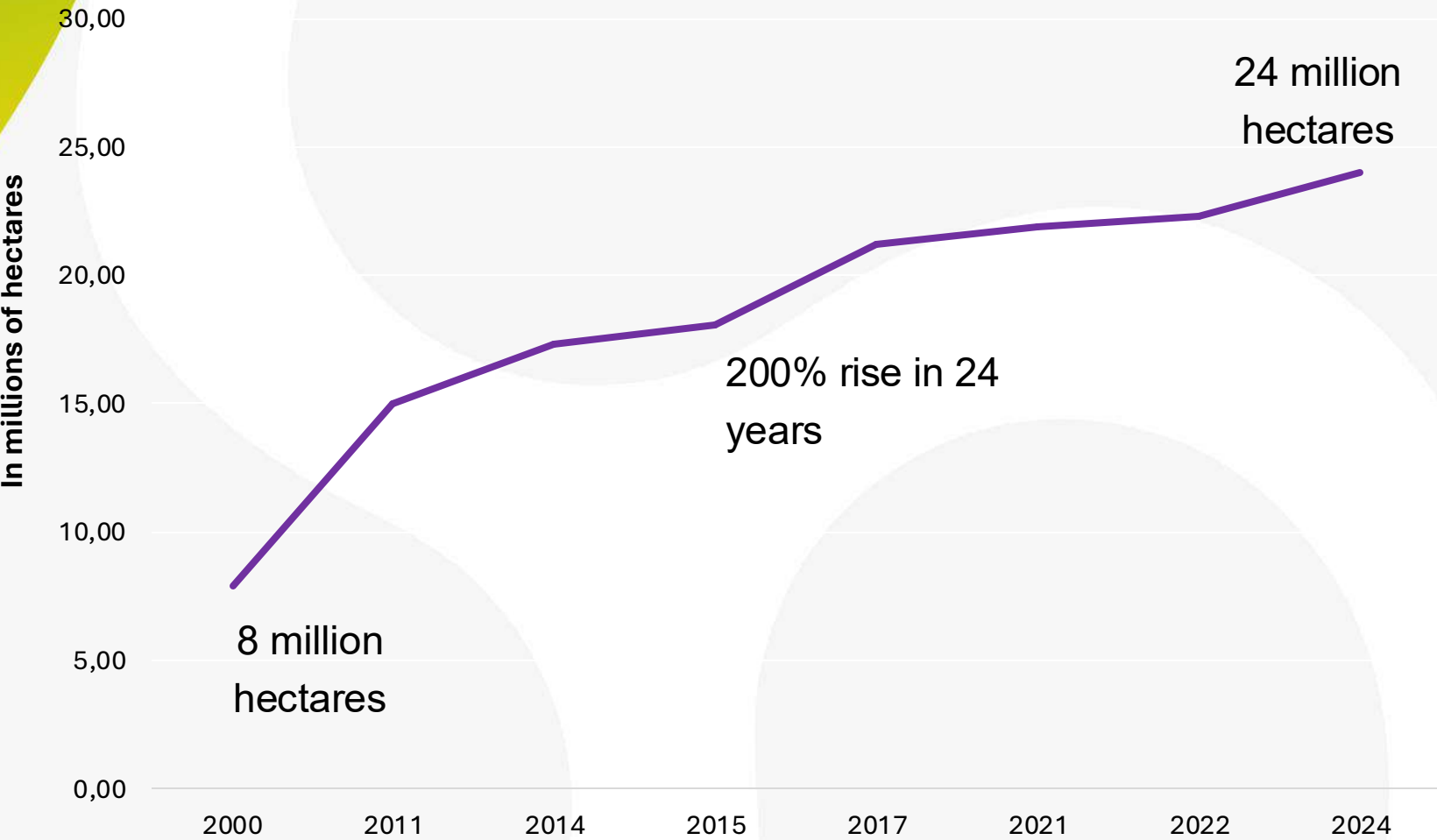
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- Efficiency improvements
- Landless alternative synthetic fibres
- Ethical concerns – changing food habits
- Landless substitutes
- Synthetic substitute
- Vertical farming

Palm planted area in Indonesia, Malaysia, Thailand and Colombia



Oil palm planted area



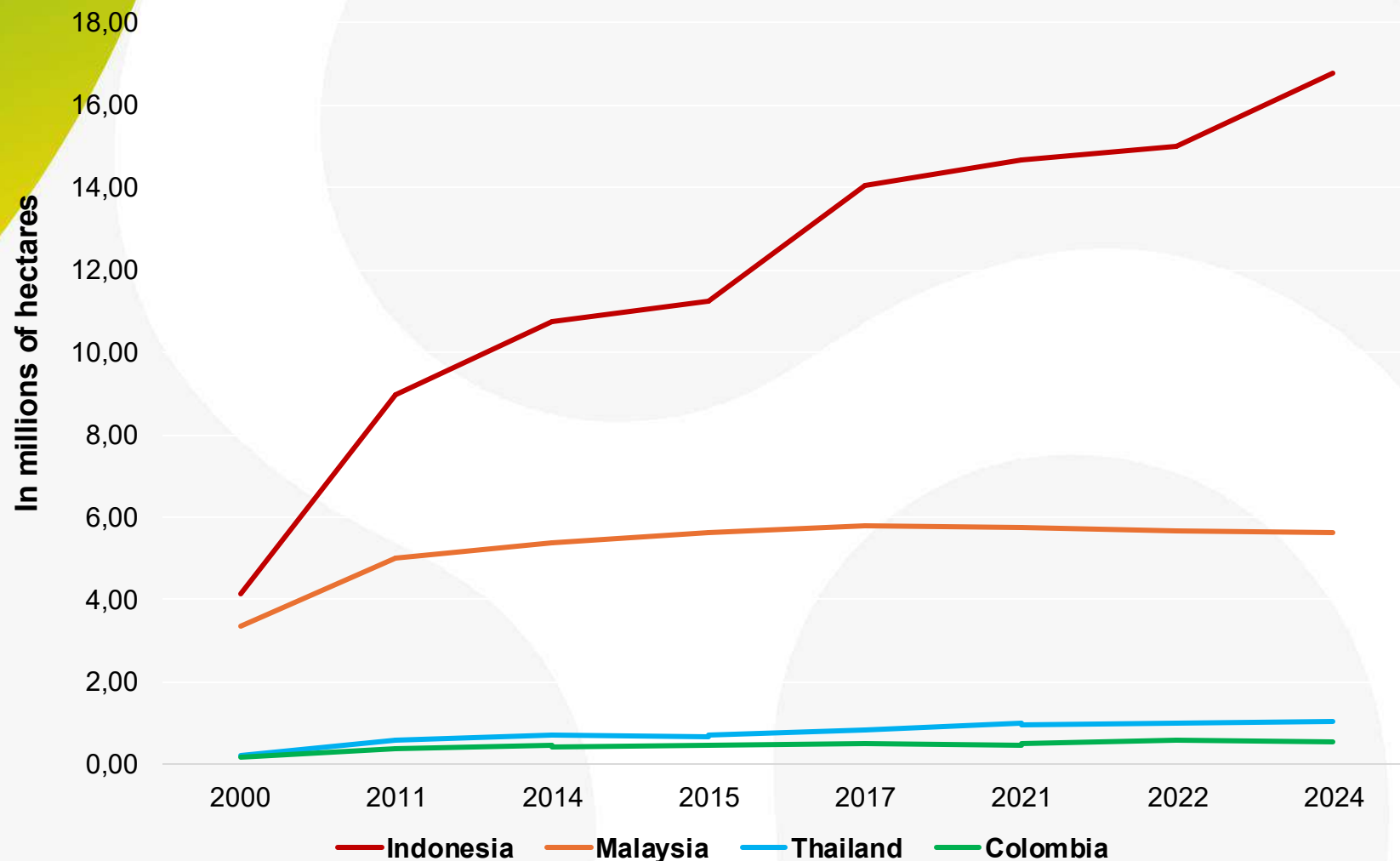
Top 4 palm oil producers in the world (in million tonnes) – 2024

- Indonesia: 48.00
- Malaysia: 19.34
- Thailand: 3.94
- Colombia: 1.90

Total 4: **73.18 million tonnes, which is 88% of global production**

The largest expansion growth is taking place in Indonesia

Oil palm planted area



Planted area growth (2000-2024) in hectares

Indonesia: 12.61 million (304%)

Malaysia: 2.24 million (67%)

Thailand: 822,000 (395%)

Colombia: 439,000 (280%)

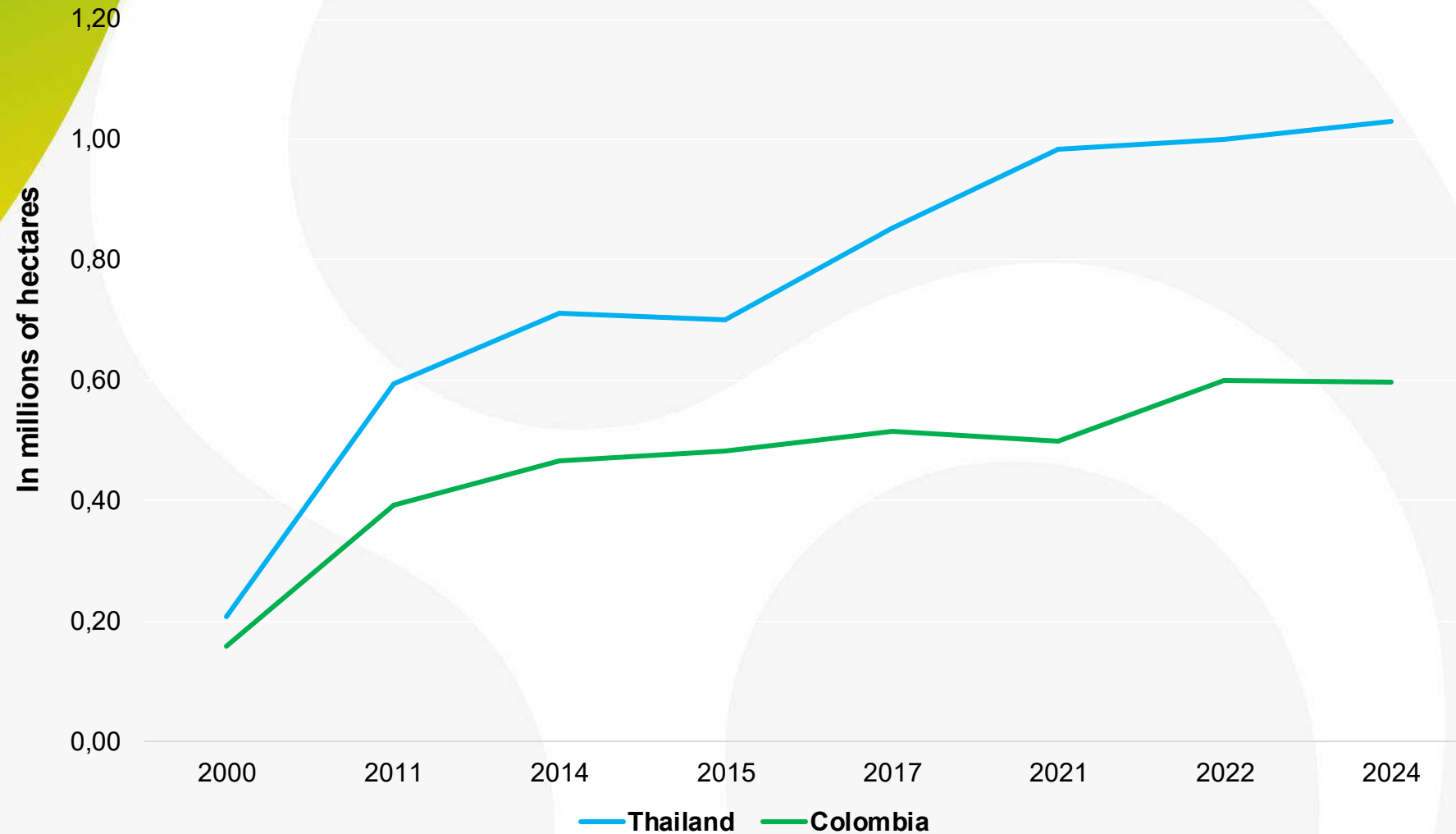
Total 4: **16.14 million increase or 205%**

Palm planted area is growing in Thailand and Colombia



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Oil palm planted area



Potential

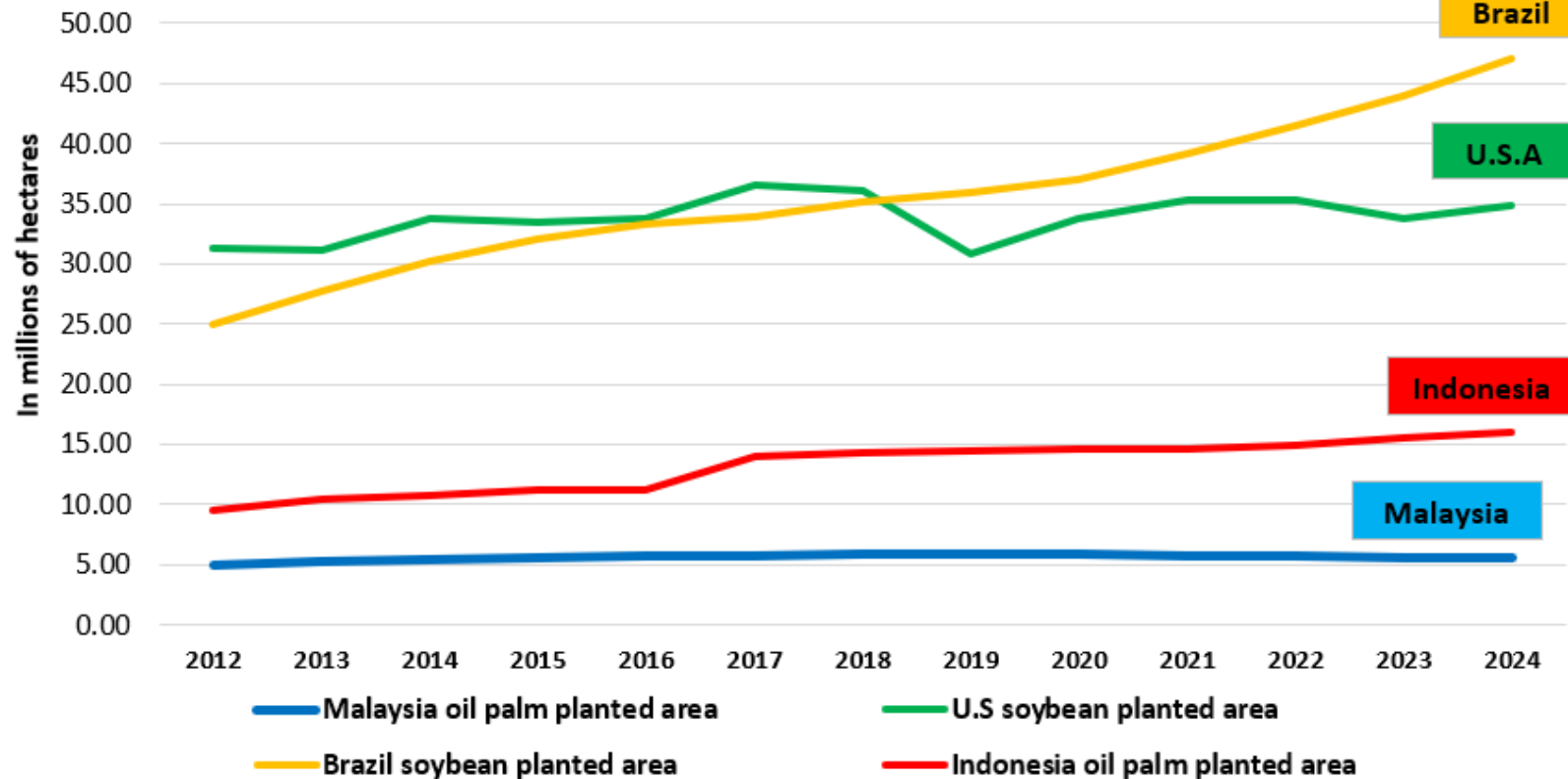
- Expand planted area
- Higher production
- Higher price (premium)



Palm planted area is stagnating compared to soybeans



Oil palm and soybean planted areas - Oil palm planted area stagnating while soybeans rising rapidly. Relentless rise in demand for soy protein and biodiesel is largely driving the area expansion. Brazil and the U.S command 70% of global soy production



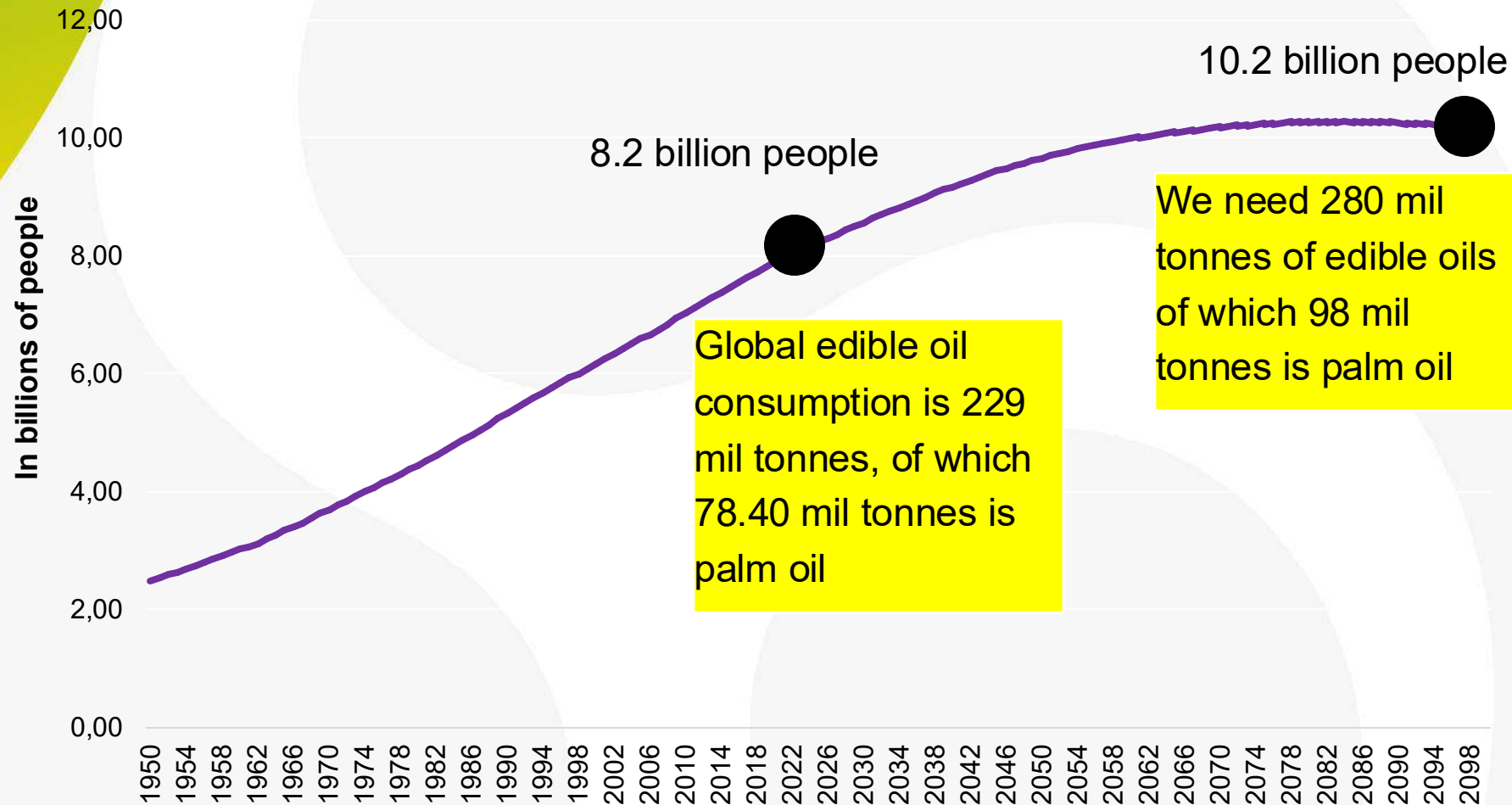
Global population to reach 10.20 billion people in 2100. Do we need more agricultural land?



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Global population

(Source: UN, World Population Prospects, 2024)



- Rising population
- Agricultural land growth may continue to decrease
- Food production will continue to rise
- Adoption of technology to rise -productivity and yield
- Competition from biofuels demand may see expansion of agri land, but not for food



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Production in Malaysia and Indonesia

HAS PRODUCTION PEAKED IN 2025?

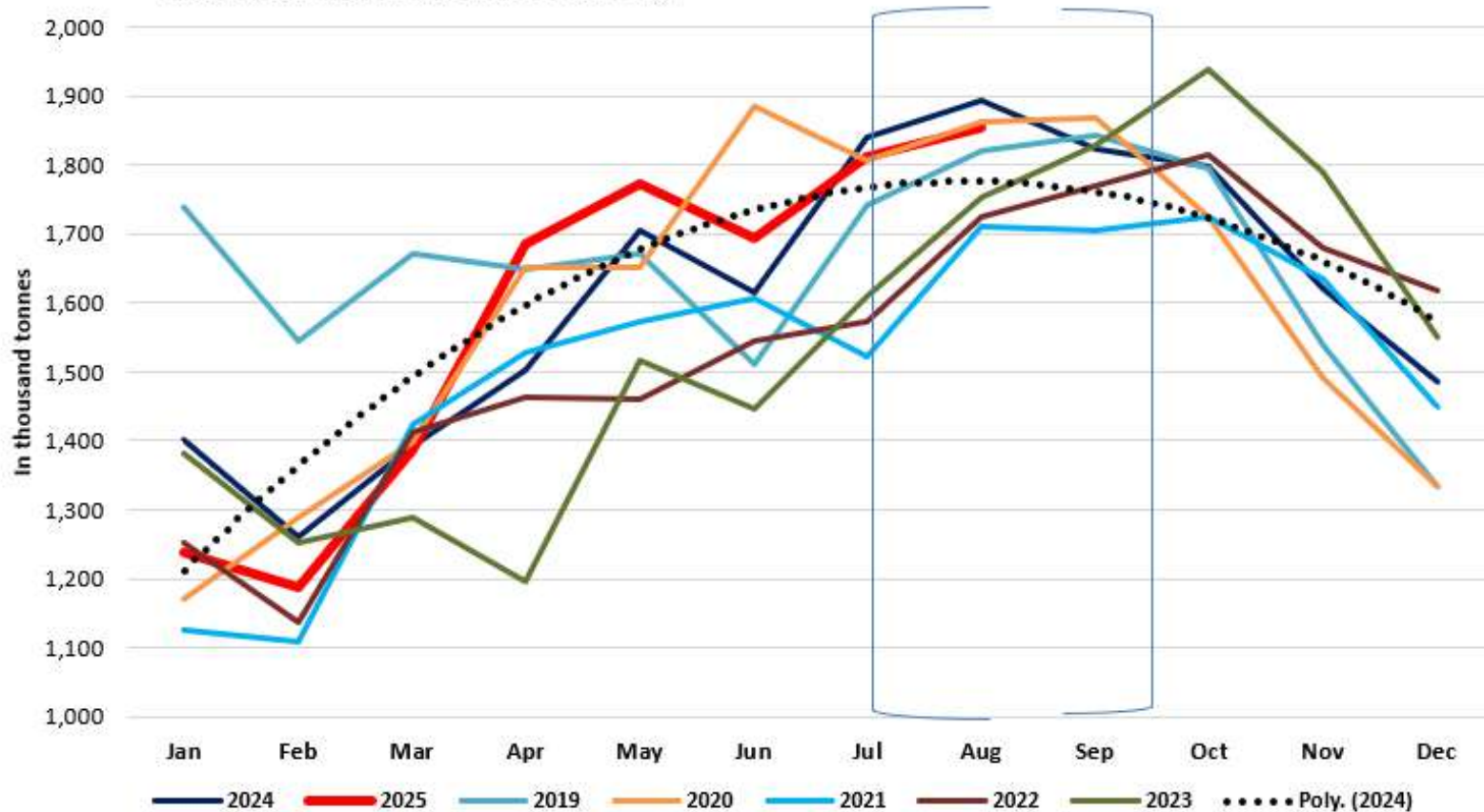


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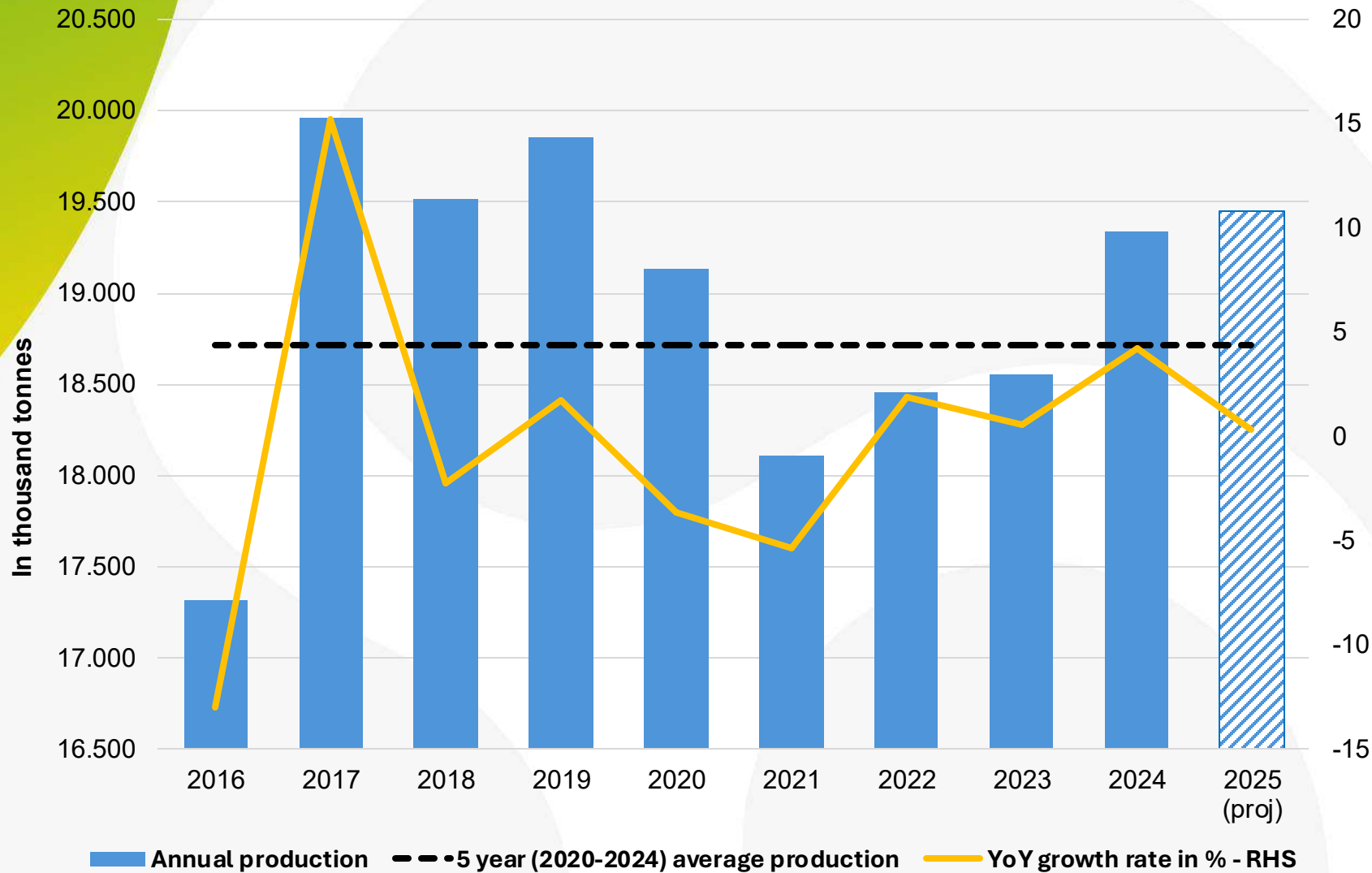


Malaysia CPO production - Annual time series

Production generally tend to peak from August to October accounting for 30% of annual production (Source: MPOB)



PALM PRODUCTION IN 2025 – MALAYSIA



Jan-Dec 2022 production :
18.45 million mt (1.88%)

Jan-Dec 2023 production :
18.55 million mt (0.55%)

Jan-Dec 2024 production :
19.34 million mt (4.23%)

Jan-Dec 2025 production :
Projected to be at 19.45 million
mt or just 0.32% growth from
2024

Jan-Dec 2026 production: 19.55
million mt

MALAYSIA PALM OIL SUPPLY AND DEMAND BALANCE



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MALAYSIA	2024 (actual)	2025 (estimate)	% change	2026 (projection)
Carry forward	2.29	1.71	-25.45	2.01
Production	19.34	19.45	0.57	19.55
Imports	0.25	0.30	18.35	0.32
TOTAL SUPPLY	21.88	21.46	-1.95	21.88
Exports	16.88	16.00	-5.21	16.75
Domestic consumption	3.29	3.30	0.18	3.20
Stocks	1.71	2.16	26.46	1.93
TOTAL DEMAND	21.88	21.46	-1.92	21.88

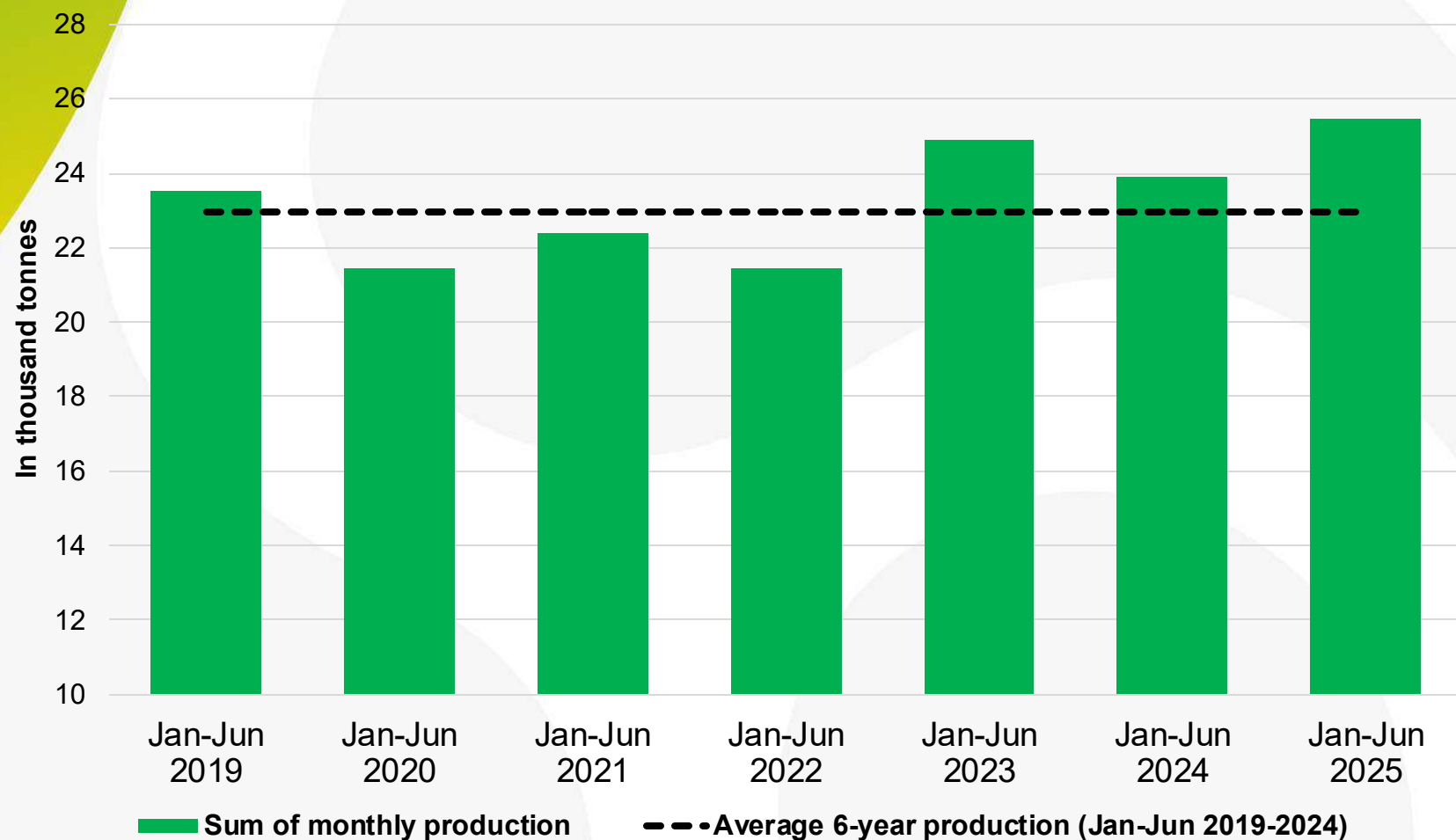
INDONESIA'S PRODUCTION IS LOOKING GOOD IN 2025



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Indonesia CPO production: Jan-Jun 2019 – 2025

(Source: GAPKI)



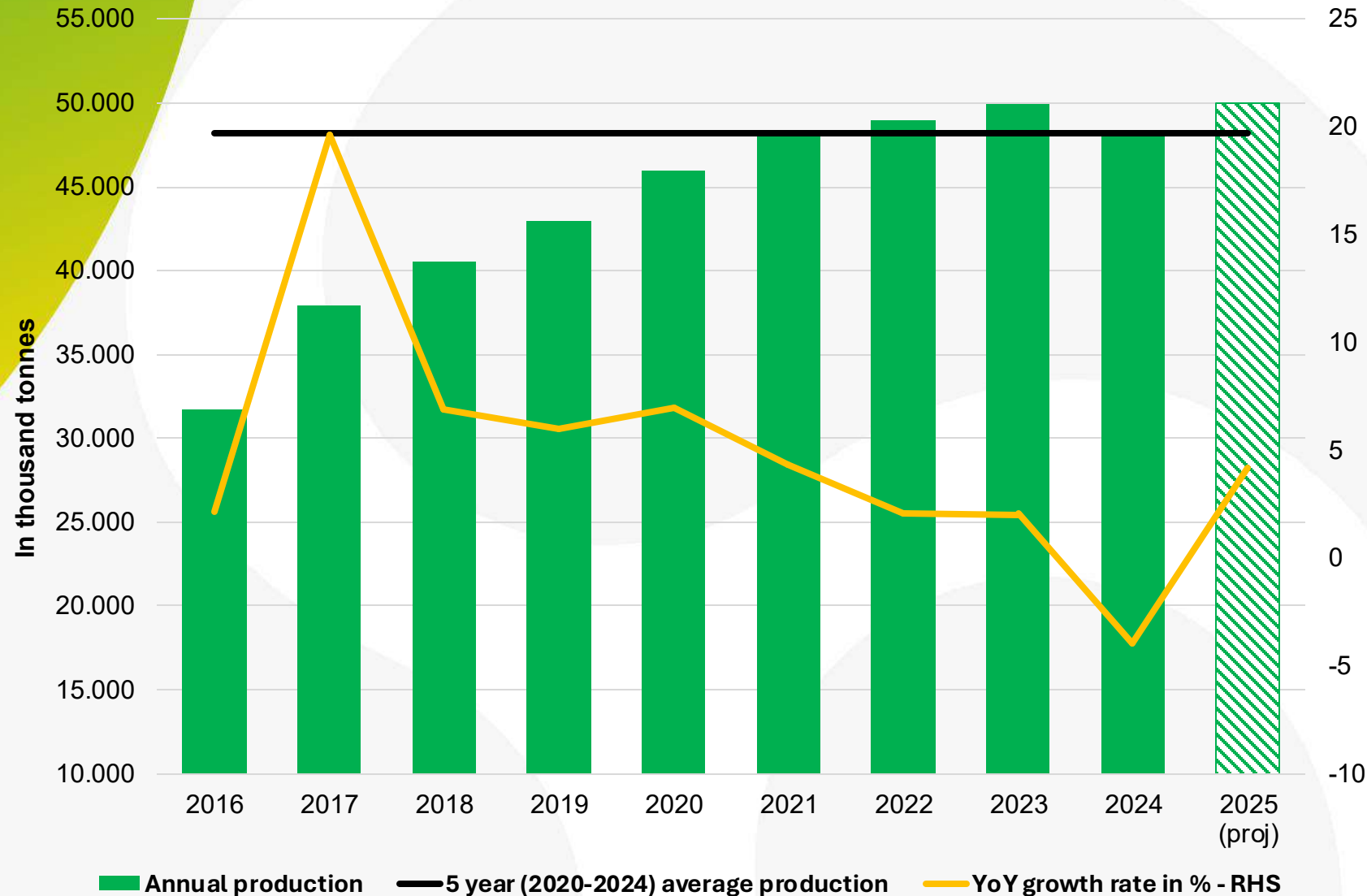
Jan-Jun 2025 CPO

production: 25.47 million mt
or up 1.56 mil tonnes (6.5%)
from last year Jan-Jun

-Favourable weather
conditions

-7 Indonesian listed
companies reported higher
FFB between **2 to 13%** in the
H1 of 2025 or Q1 of 2025
compared to the same period
last year.

PALM PRODUCTION IN 2025 - INDONESIA



Jan-Dec 2022 production:
49.00 million tons (+2.08%)

Jan-Dec 2023 production:
50 million tons

Jan-Dec 2024 production:
48 million tons

Jan-Dec 2025 production:
49.50 – 50 million tons or up
4.21% from 2024

INDONESIA PALM OIL SUPPLY AND DEMAND BALANCE



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INDONESIA	2024 (actual)	2025 (estimate)	% change
Carry forward	3.15	2.60	-17.36
Production (CPO+CPKO)	52.78	55.00	4.21
Imports	0.06	0.05	-16.67
TOTAL SUPPLY	55.99	57.65	2.97
Exports	29.53	29.00	-1.79
Domestic consumption	23.86	25.00	4.78
Stocks	2.60	3.65	40.38
TOTAL DEMAND	55.99	57.65	2.96

GLOBAL PALM OIL PRODUCTION TO RECOVER, BOOSTED BY RISE IN INDONESIAN PRODUCTION



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Global palm oil production	2021-22	2022-23	2023-24	2024-25	2025-26	Change	Change %
Indonesia	46.00	47.00	48.50	47.50	49.50	2.00	4.21
Malaysia	18.15	18.39	19.71	19.80	19.96	0.16	0.81
Thailand	3.38	3.33	3.60	3.33	3.40	0.07	2.10
Colombia	1.76	1.80	1.90	1.95	2.00	0.05	2.56
Nigeria	1.40	1.40	1.50	1.50	1.50	0.00	0.00
Other	6.47	6.65	6.57	6.73	6.86	0.13	1.87
TOTAL	77.16	78.57	81.78	80.81	83.22	2.41	2.98



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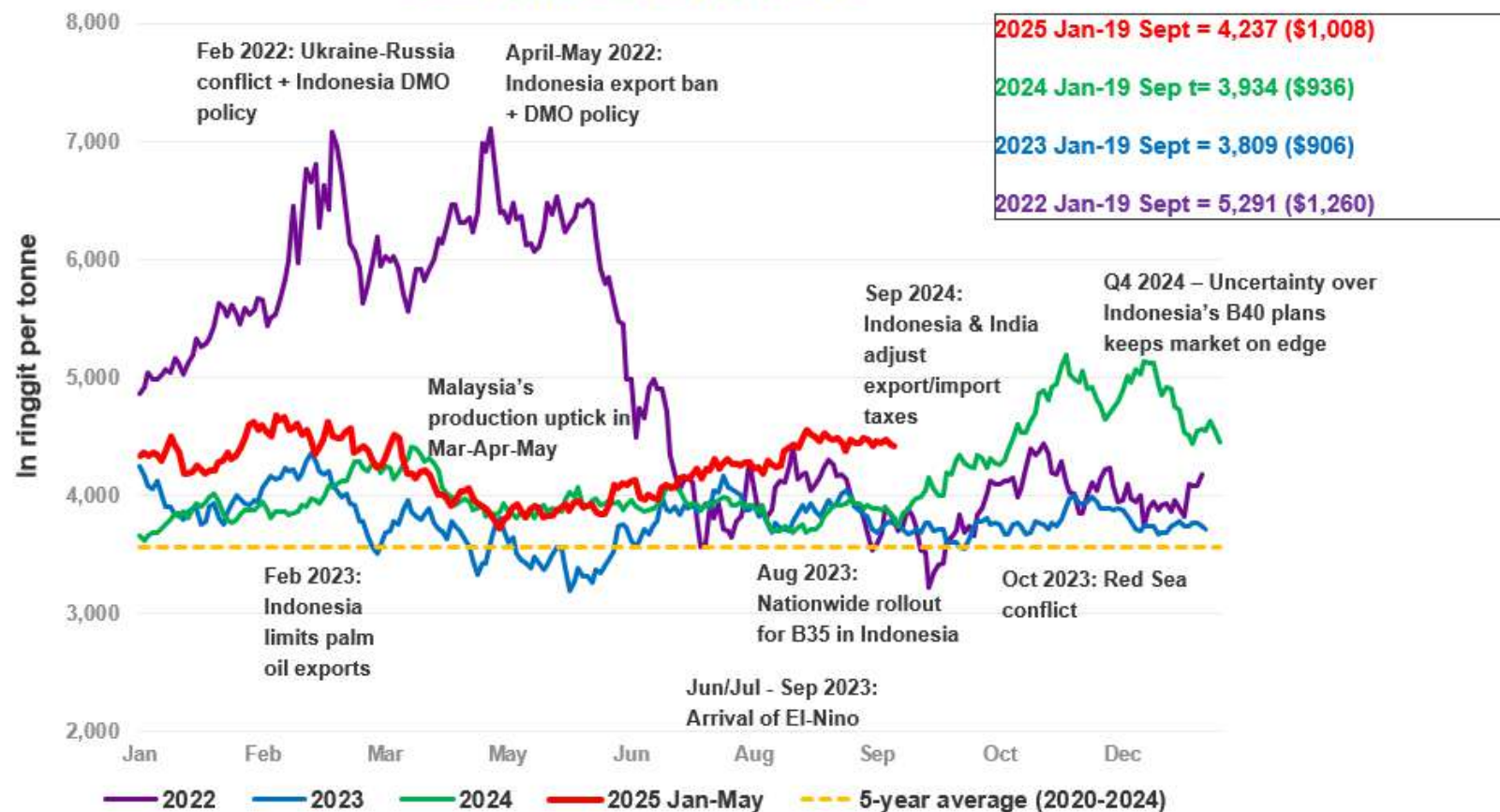
CPO prices

ERRATIC TRADE & UNCERTAINTY OVER BIOFUELS POLICIES ADDED VOLATILITY TO CPO PRICES



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BMD THIRD MONTH FCPO

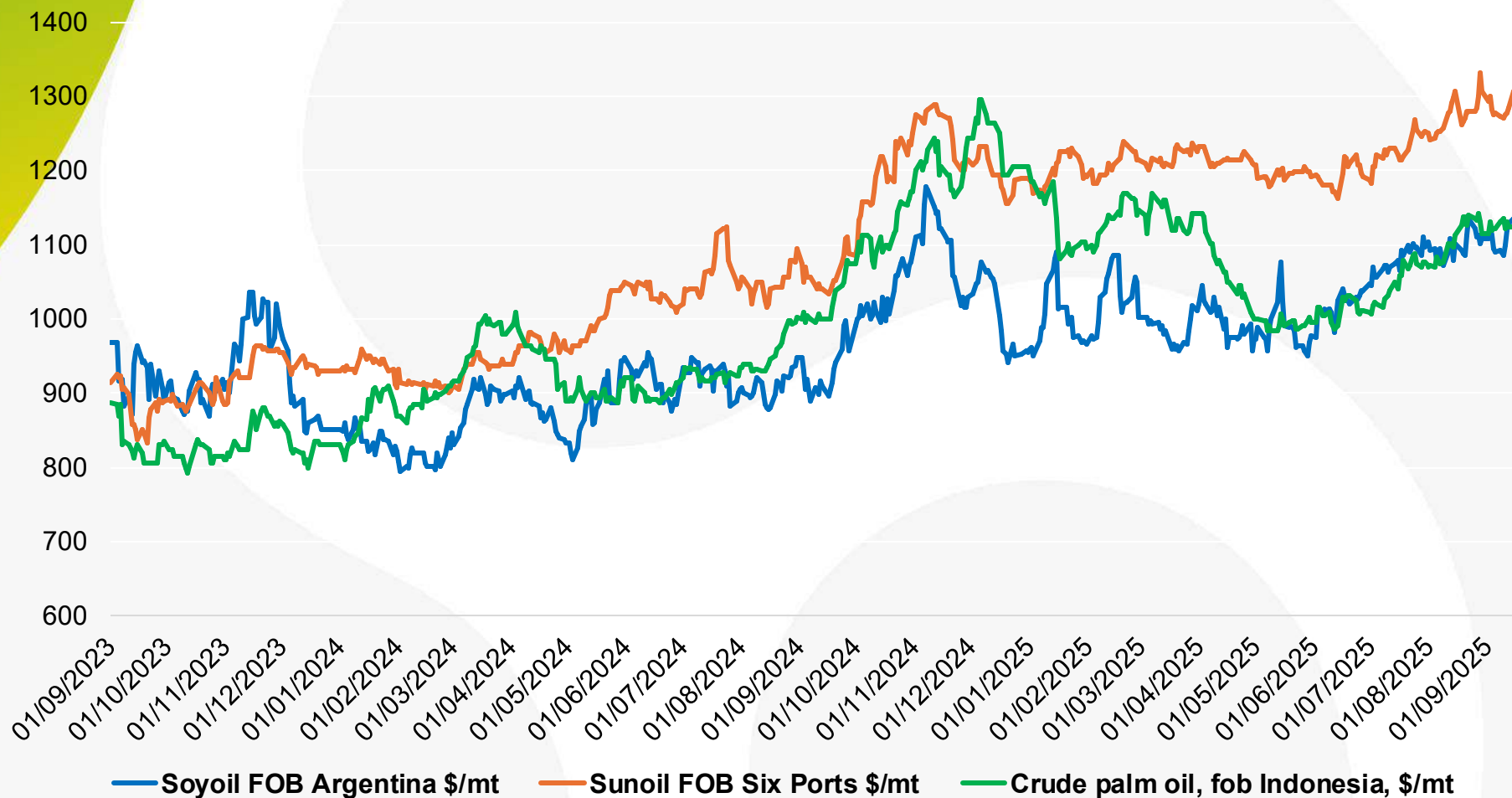


PALM OIL LOSING PRICE COMPETITIVENESS TO BEAN OIL



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Soyoil, sunflower oil and palm oil FOB prices





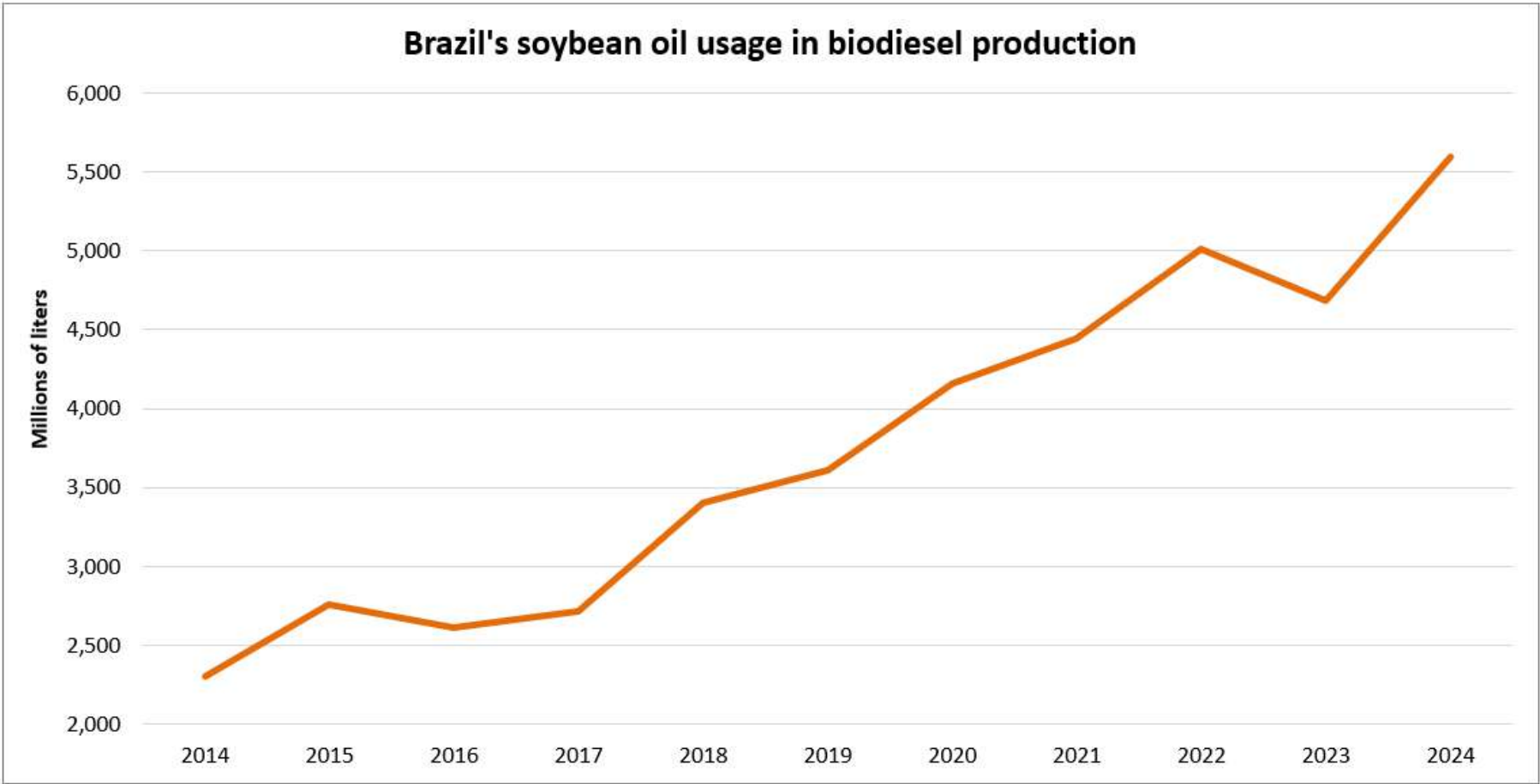
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Biodiesel

BRAZILIAN BIODIESEL PROGRAM SUPPORTED BY FEEDSTOCKS



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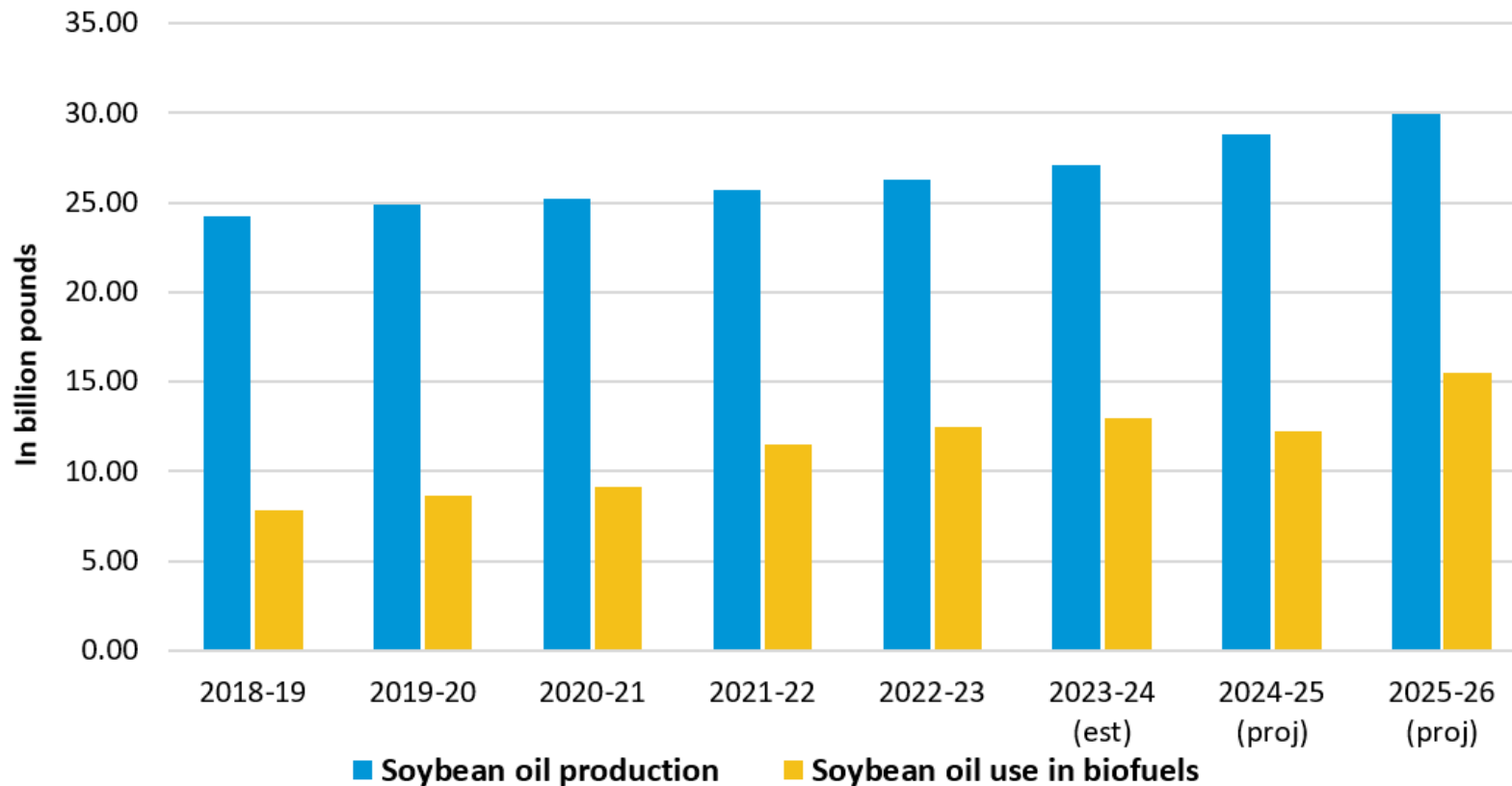
US SOYBEAN OIL USE IN BIODIESEL PRODUCTION GAINING MOMENTUM



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U.S Soybean oil production and use in biofuels

(Source: USDA)

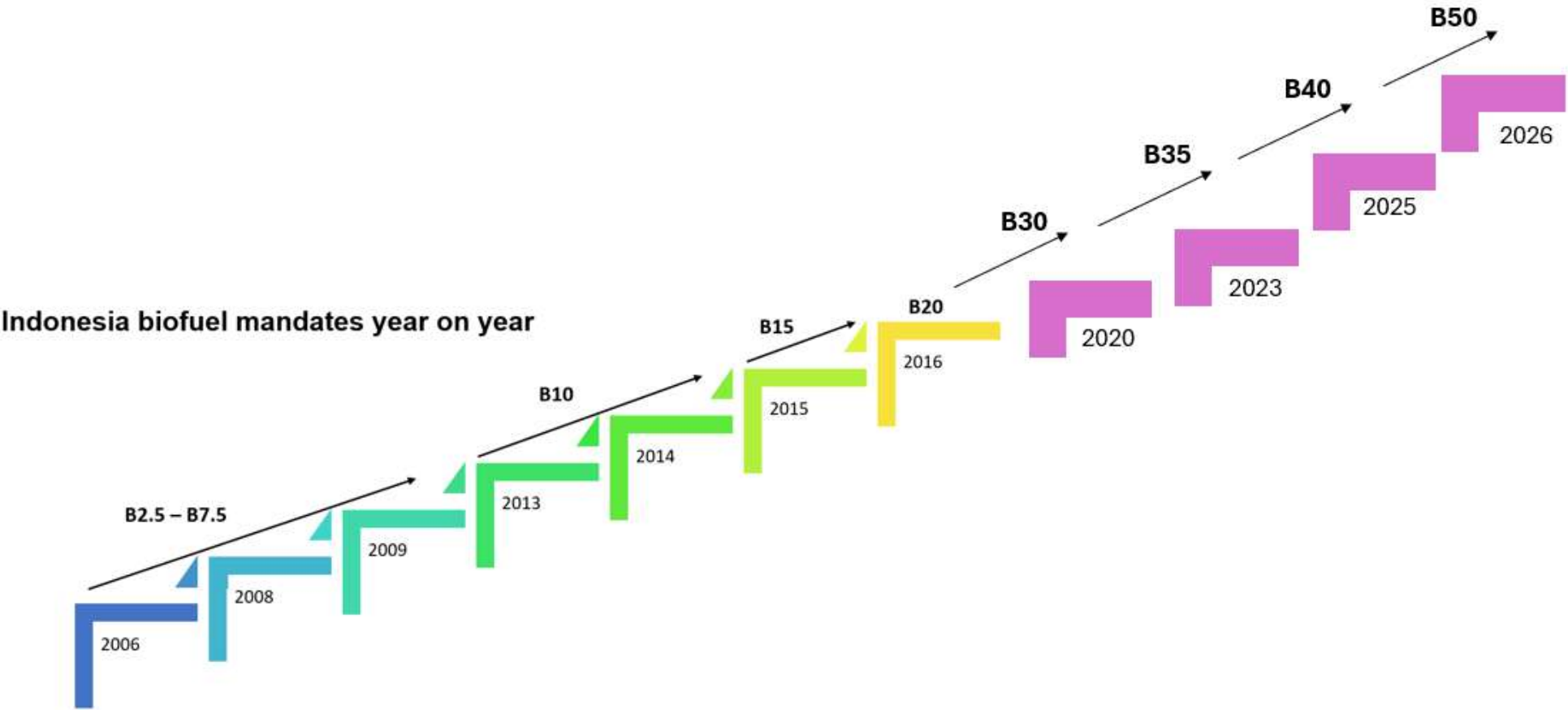


Soybean oil use in biofuels production is set to surpass 50% of the total production in 2025-26 in US from 32% 8 years ago and 44% - 5 years average

INDONESIA BIODIESEL PROGRAM SHOW NO SIGN OF SLOWDOWN BUT NEARING FULL CAPACITY



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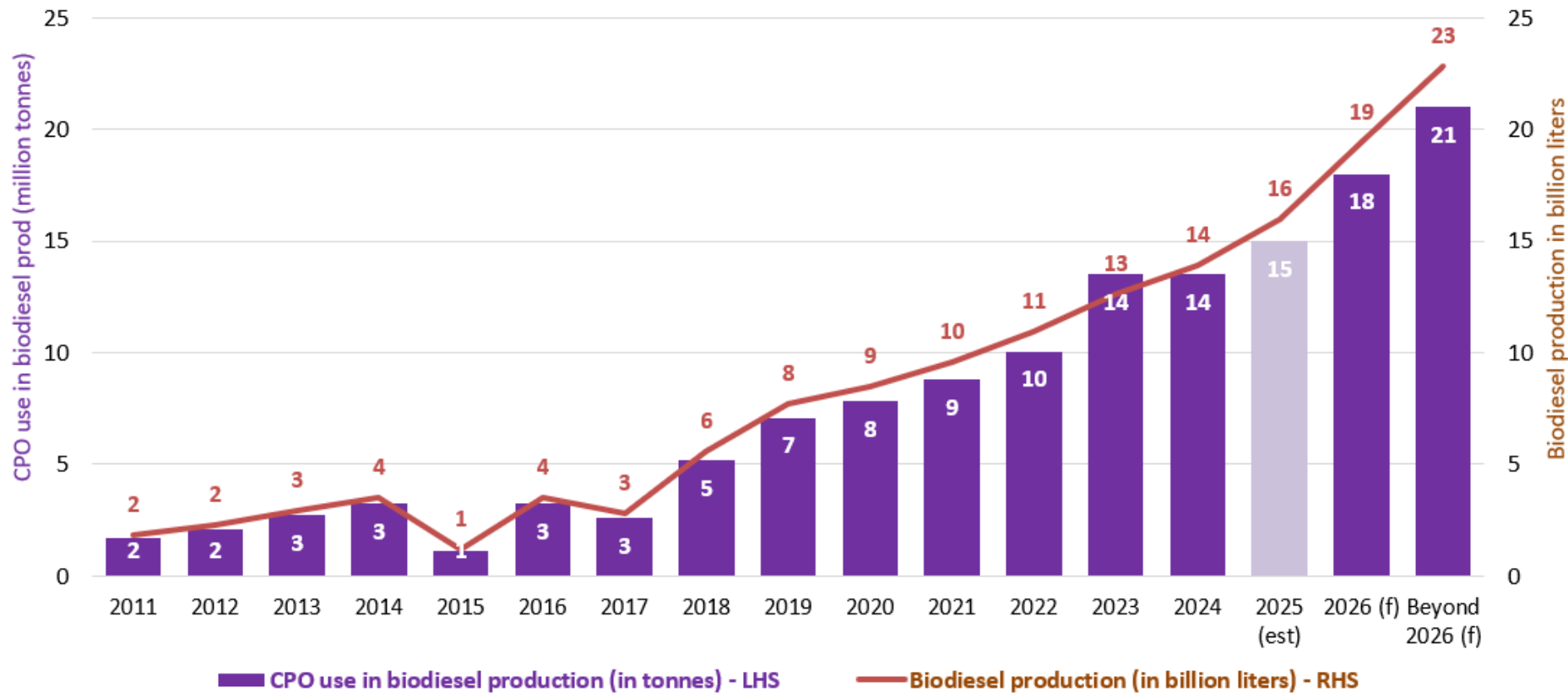


RISING MANDATES, HIGHER CPO USAGE BUT CAPACITY?



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Indonesia biodiesel production and CPO - Rising CPO use as feedstock in biodiesel production to meet the rising mandates but does Indonesia have sufficient capacity?

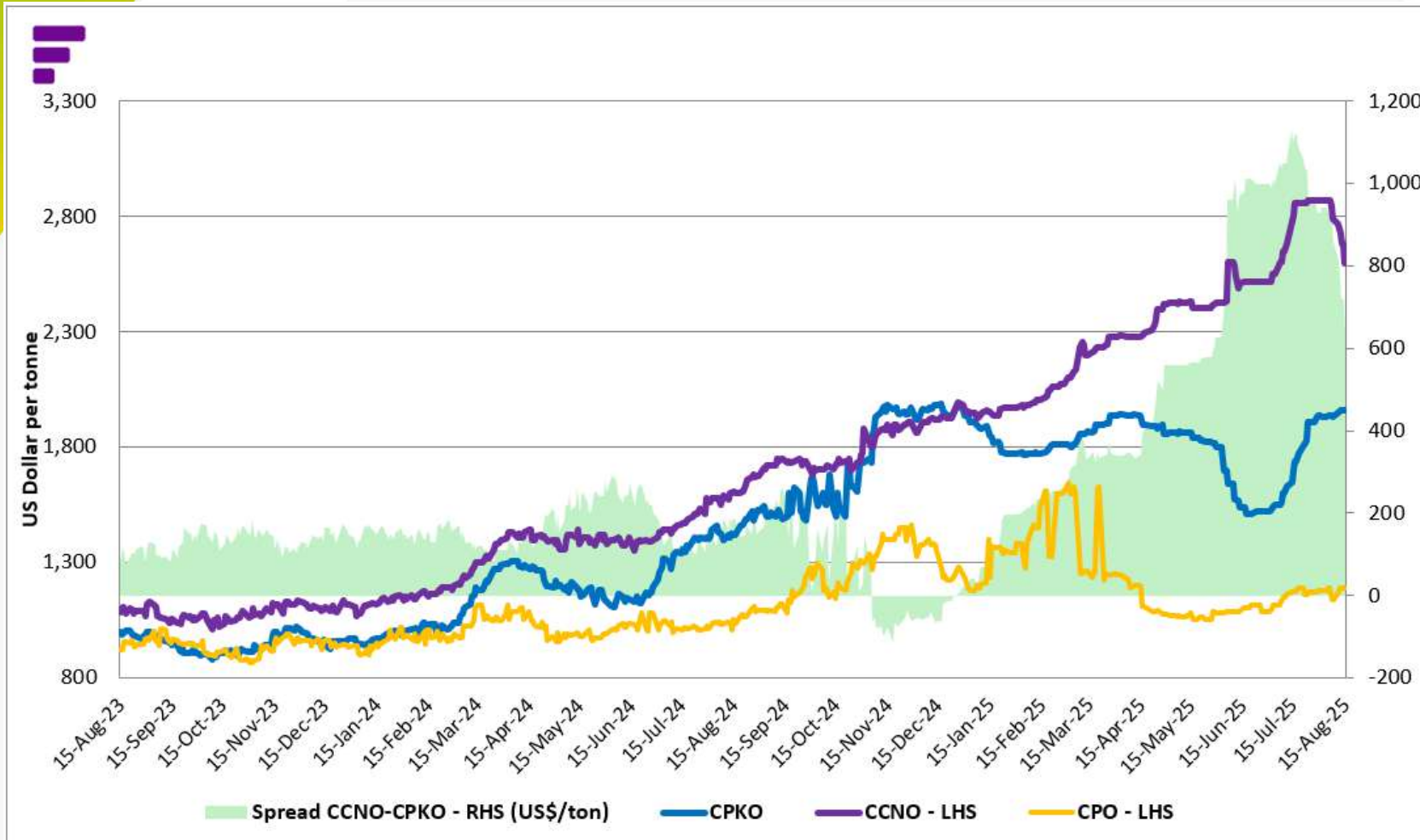




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Laurics

CCNO PREMIUM REMAIN UNSUSTAINABLE



CCNO premium to CPKO surged to unusually high levels of over \$1,000, due to coconut and copra supply problems from the Philippines

Coconut oil prices are in correction now. Spread down to \$500

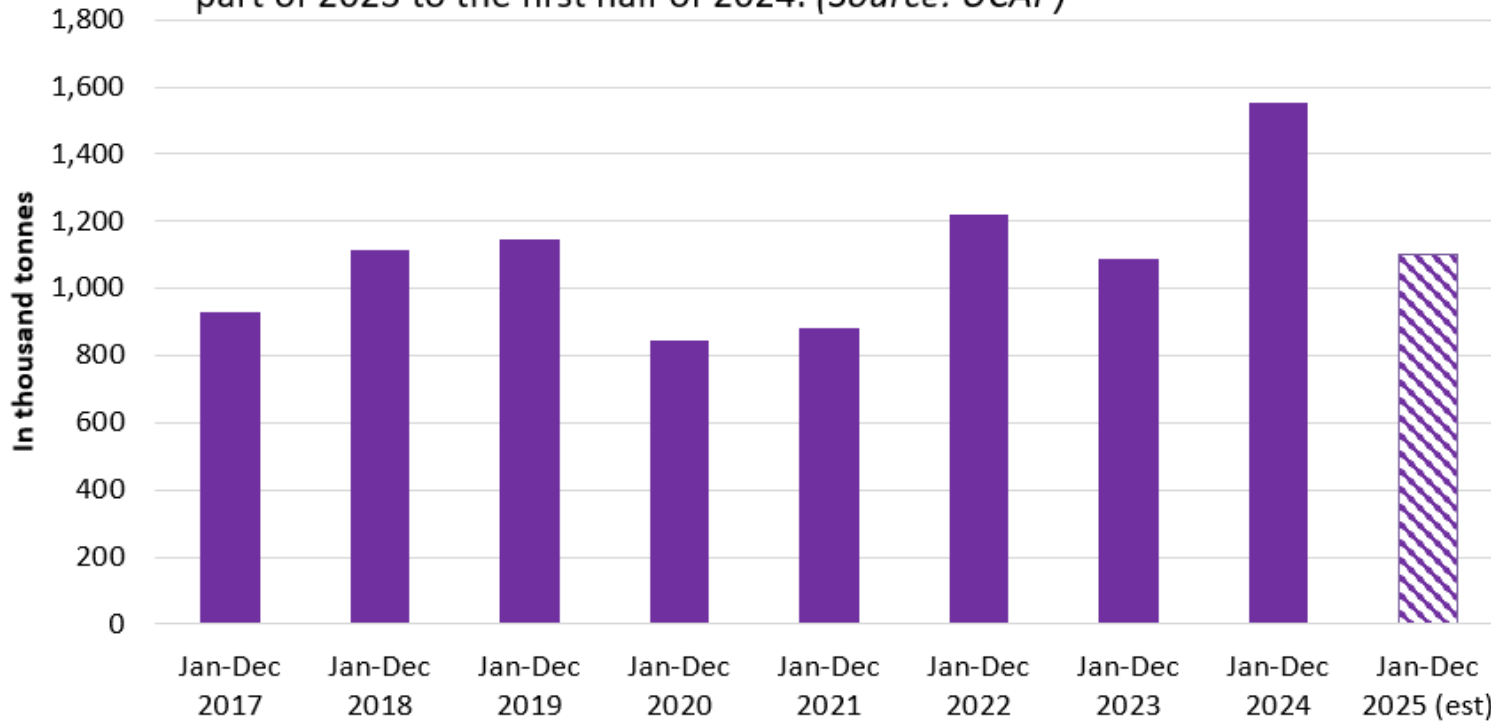
HIGH PRICES BUT LOW EXPORTS



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Philippines Crude Coconut Oil Export

2025 exports is forecast to fall by 29% to 1.10 million tonnes from 2024 on lower output due to the effect of the El Niño phenomenon in later part of 2023 to the first half of 2024. (Source: UCAP)



Copra output to fall to 3.07 million tonnes in 2025 from 3.59 million tonnes in 2024

Effect of El-Nino from the end of 2023 to H1 of 2024

SUMMARY



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- Global agricultural land is declining but oil palm planted area must grow to retain and expand market share.
- Palm cannot compete with the rising soybean planted area – biodiesel mandates, protein meal demand, and rising investment will fuel the rising supply
- However, rising domestic consumption of soybeans in the US and Brazil will squeeze supplies and help palm prices to remain competitive
- Malaysian production remains stagnant. Indonesia's production is expected to lead the recovery in global palm oil production to 83.22 million tonnes in 2025-26 from 80.81 million tonnes, or a 2.41 million tonnes growth
- Trade and biofuels policies are the two main determinants of palm pricing in 2026
- EUDR premium quotes on CPKO is seen between \$350-450 per tonne
- Palm futures active month is expected to be supported between 4,400-4,500 ringgit (\$1,050 – 1,070) per tonne based on weakening exports and rising output, but Q1 2026 is a seasonally low production month offering the prospect of higher prices.

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CPO futures hit 5 anchored on exp

Published by: Sathia Varqa, Gus Li
19 Aug 2025 @ 05:00 UTC

The latest Asia palm oil exch

Market commentary

Crude palm oil (CPO) futures
buying momentum fueled by
despite signs of a modest rec

Market sentiment was buoye
strength in related vegetable

Palm futures have been tren
(\$152) or 16%, supported by
rises in vegetable oils on the

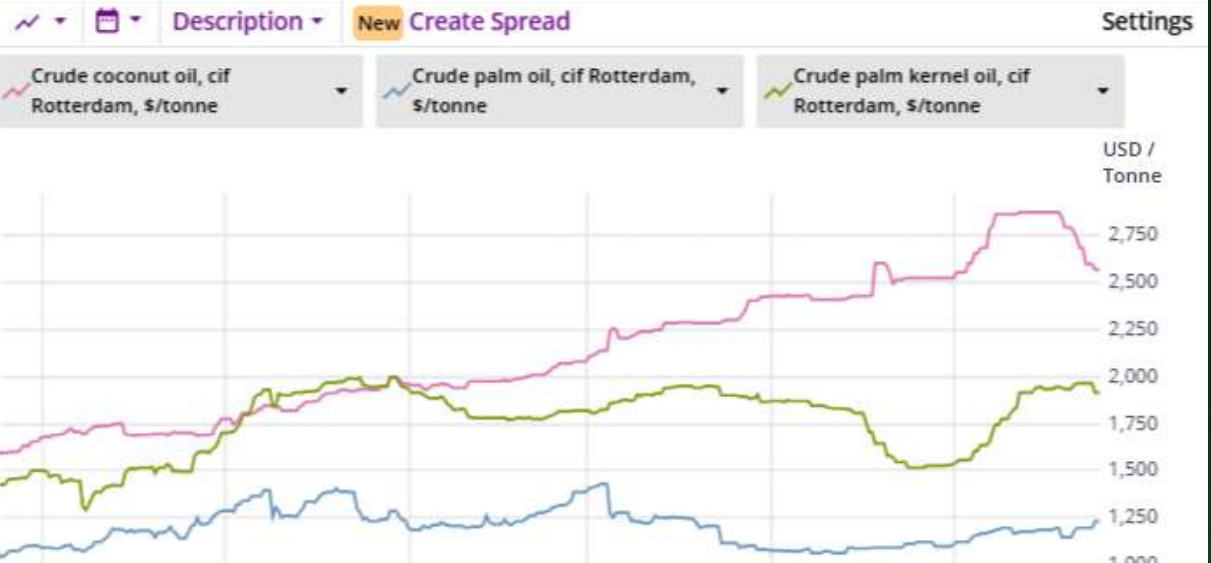
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Asia palm oil prices

Description ↑	Symbol	Assessment Date	Low	Mid	High	+/-	Monthly Average	Mi
Crude Palm Oil FOB Malaysia \$/mt	AG-PLM-0009	19 Aug 2025	1,153.25	1,153.25	1,153.25	-1.25	1,065.34	
Crude palm kernel oil, domestic Central Malaysia, ringgit/picul	AG-PLM-0025	19 Aug 2025	460.00	460.00	460.00	0.00	427.04	
Crude palm kernel oil, domestic South Malaysia, ringgit/picul	AG-PLM-0026	19 Aug 2025	462.00	462.00	462.00	-1.00	425.17	
Crude palm kernel oil, fob Indonesia, \$/tonne	AG-PLM-0027	18 Aug 2025	2,100.00	2,100.00	2,100.00	40.00	1,793.75	
Crude palm oil, Indonesia PTPN tender, rupiah/kg	AG-PLM-0017	19 Aug 2025	14,726.00	14,726.00	14,726.00	311.00	14,251.87	
Crude palm oil, cfr east coast India, \$/tonne	AG-PLM-0014	19 Aug 2025	1,160.00	1,160.00	1,160.00	2.50	1,083.63	
Crude palm oil, cfr west coast India, \$/tonne	AG-PLM-0013	19 Aug 2025	1,167.50	1,167.50	1,167.50	2.50	1,088.63	
Crude palm oil, domestic Malaysia, ringgit/tonne	AG-PLM-0008	19 Aug 2025	4,465.00	4,465.00	4,465.00	-10.00	4,144.65	
Crude palm oil, fob Indonesia, \$/tonne	AG-PLM-0011	19 Aug 2025	1,138.50	1,138.50	1,138.50	11.00	1,051.59	
Palm fatty acid distillate (PFAD), fob Indonesia, \$/tonne	AG-PLM-0024	19 Aug 2025	987.50	987.50	987.50	0.00	897.83	
Palm fatty acid distillate (PFAD), fob Malaysia, \$/tonne	AG-PLM-0023	19 Aug 2025	997.50	997.50	997.50	0.00	907.83	
Palm fatty acid distillate, fob Malaysia, \$/tonne	AG-PLM-0001	18 Aug 2025	1,000.00	1,002.50	1,005.00	17.50	913.35	
Palm stearin, RBD, fob Malaysia, \$/tonne	AG-PLM-0006	18 Aug 2025	1,085.00	1,087.50	1,090.00	17.50	994.89	
Refined bleached deodorised (RBD) palm kernel oil, fob Indonesia, \$/tonne	AG-PLM-0031	18 Aug 2025	2,050.00	2,050.00	2,050.00	60.00	1,770.00	
Refined bleached deodorised (RBD) palm kernel oil, fob Malaysia, \$/tonne	AG-PLM-0030	19 Aug 2025	2,005.00	2,005.00	2,005.00	-5.00	1,859.13	
Refined bleached deodorised (RBD) palm kernel olein, fob Indonesia, \$/tonne	AG-PLM-0029	18 Aug 2025	1,950.00	1,950.00	1,950.00	60.00	1,685.00	
Refined bleached deodorised (RBD) palm kernel olein, fob Malaysia, \$/tonne	AG-PLM-0028	19 Aug 2025	1,805.00	1,805.00	1,805.00	-5.00	1,659.13	
Refined bleached deodorised (RBD) palm kernel stearin, fob Indonesia, \$/tonne	AG-PLM-0033	18 Aug 2025	2,250.00	2,250.00	2,250.00	60.00	2,037.50	
Refined bleached deodorised (RBD) palm kernel stearin, fob Malaysia, \$/tonne	AG-PLM-0032	19 Aug 2025	2,205.00	2,205.00	2,205.00	-5.00	2,059.13	





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