

Market Report

Ver. June 2023



Indonesian Palm Oil Production and Price Outlook

1. Actual results

CPO selling prices were on a downward trend at the end of 2022 and have been declining since the beginning of 2023.

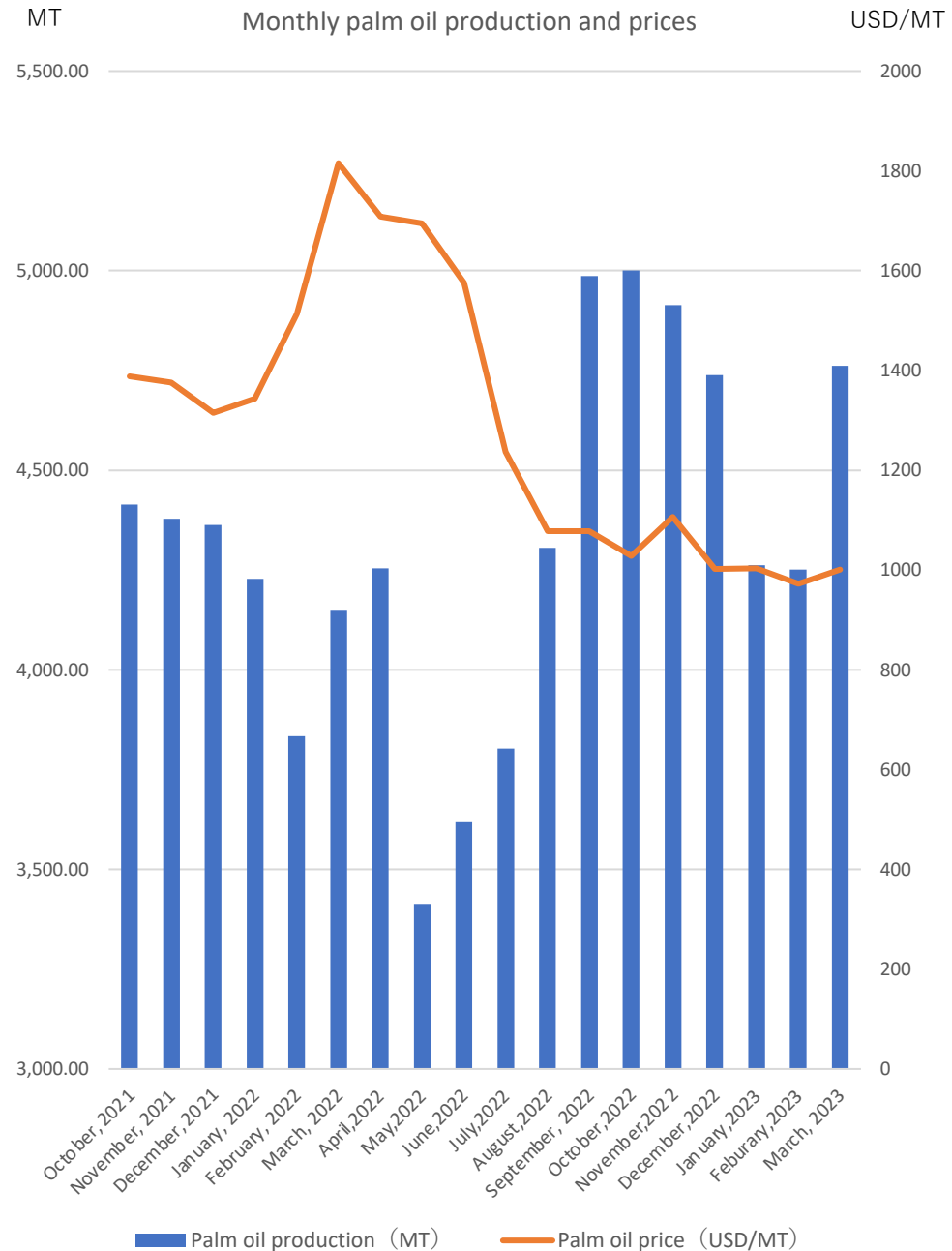
Palm oil production was declining until February 2023, but increased by 510 MT in March compared to February.

2. Outlook

Going into 2023, export quotas are being restricted by the Indonesian government's Domestic Market Obligation (DMO) mechanism, which is designed to provide inexpensive edible oil to local communities, and is expected to limit the amount of CPO exports.

It is also expected that the EU passed a law this year banning imports of products related to deforestation, which will hurt palm oil in Indonesia and Malaysia.

The forecast for CPO production in June 2023 is 3,823 MT, which is expected to be 654 MT lower than last year's actual production of 3,169 MT in June.



PKS export volume and export value forecast from Indonesia

1. Actual results

In March 2023, Indonesia recorded 499,819 MT of PKS exports with a foreign currency value of USD 56,905,608. In April, on the other hand, the export volume amounted to 303,968 MT, a significant decrease of 39.18% (195,850 MT) compared to March, and the export value also decreased.

The largest export destination in April 2023 was Japan, with export volume of 273,349 MT and market share of 89.92%.

2. Outlook

As CPO mill operations fell, including during Ramadan and Lebaran, PKS supply is expected to be tight and prices are expected to remain high.

Export taxes are also expected to increase as CPO prices are expected to rise slightly, although the latest export tax is \$8.

