

# Market Report

Ver. October 2023



# Indonesian Palm Oil Production and Price Outlook

## 1. Actual results

In all FFB-producing provinces, September 2023 FFB prices increased compared to August 2023 FFB prices; the highest FFB price was 2,520.40 Rp/kg for average 10-20 year old trees in West Sumatra province, and the lowest was 1,909.59 Rp/kg in West Papua province. Meanwhile, the highest CPO price was recorded in NAD at 11,029.18 Rp/kg and the lowest in West Sulawesi at 10,216.70 Rp/kg.

## 2. Outlook

The ongoing drought in almost all parts of Indonesia is having a significant impact on oil palm production. Oil palm requires an average of 2,000-2,500 mm of rainfall per year, whereas BMKG estimates that rainfall has decreased to an average of 1,200 mm per year. Decreased rainfall is considered the main factor limiting oil palm yield potential.

