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**Oil Palm Production Economics, Cost of Production**

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**Market Research**





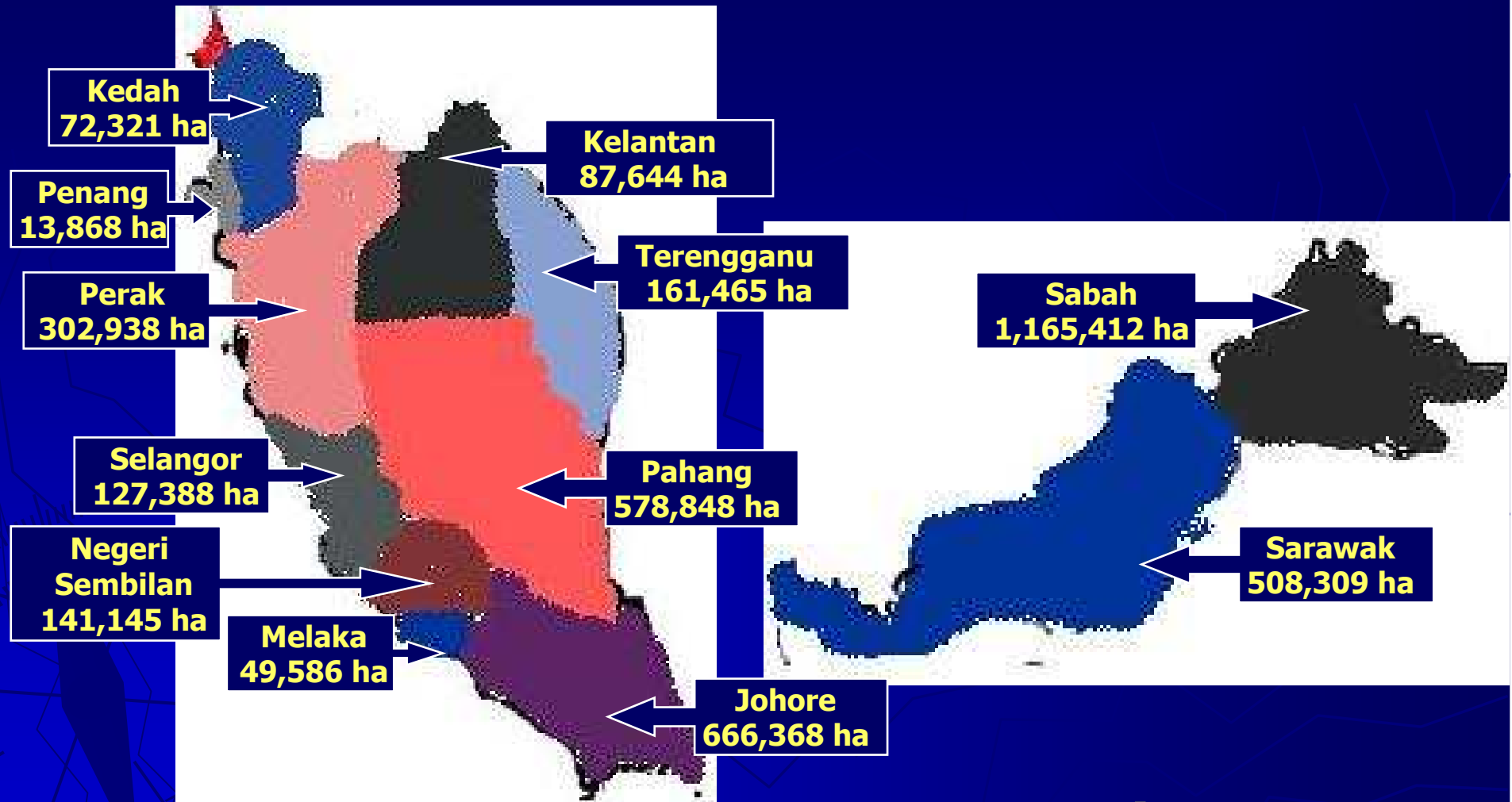
# Malaysian Palm Oil Industry

## 3 Distinct Soil Types

- ▶ **Coastal Alluvial**
- ▶ **Inland**
- ▶ **Peat**



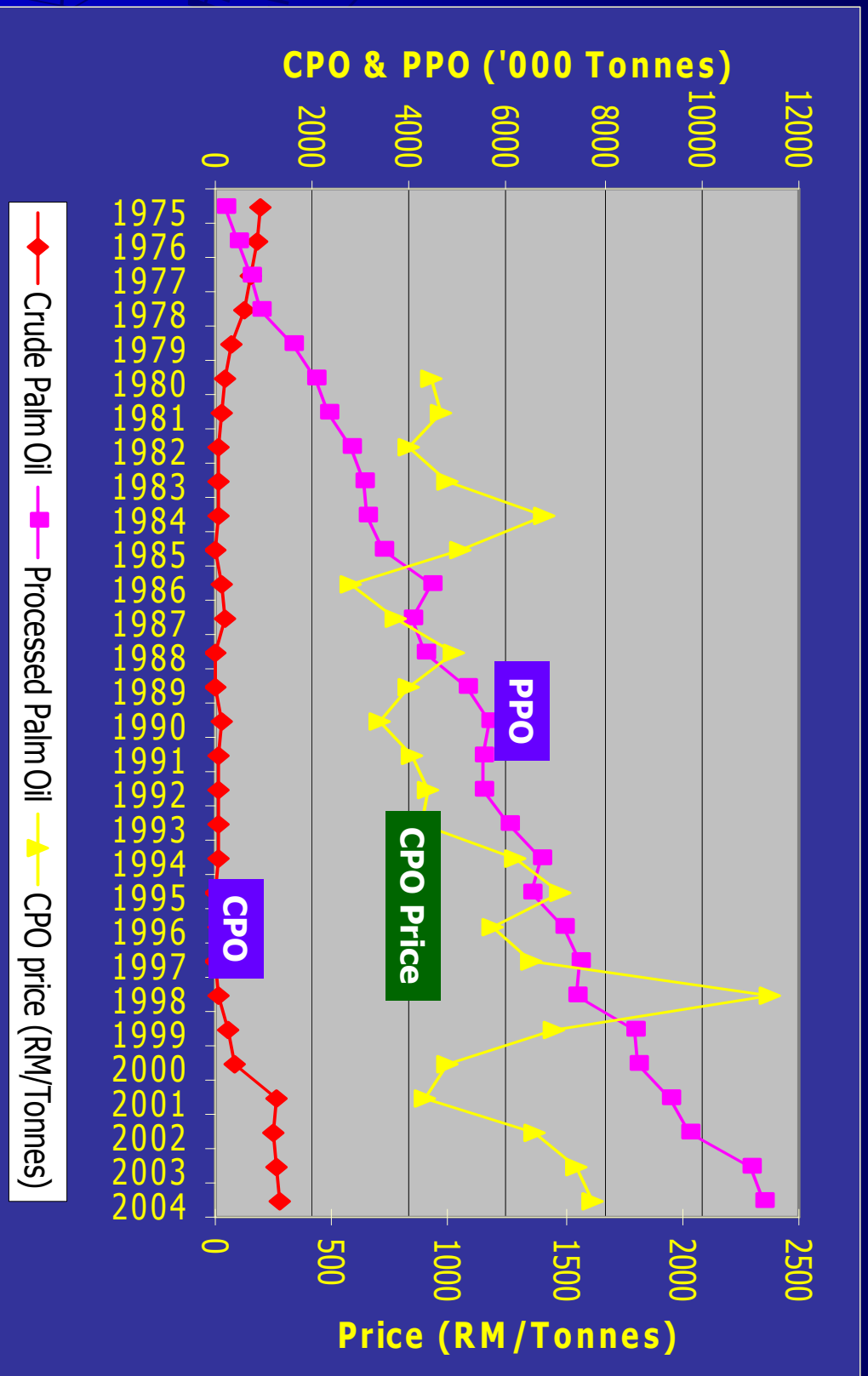
# Oil Palm Planted Area Malaysia, 2004



**Malaysia**  
**3,875,327 hectares**



# Structure of Malaysian Palm Oil Export



# Farm Structure

## ► 2 Systems

### 1. Large Plantations

i.e more than 40.7 hectares (100 acres)

### 2. Smallholders

Less than 40.7 hectares (100 acres)



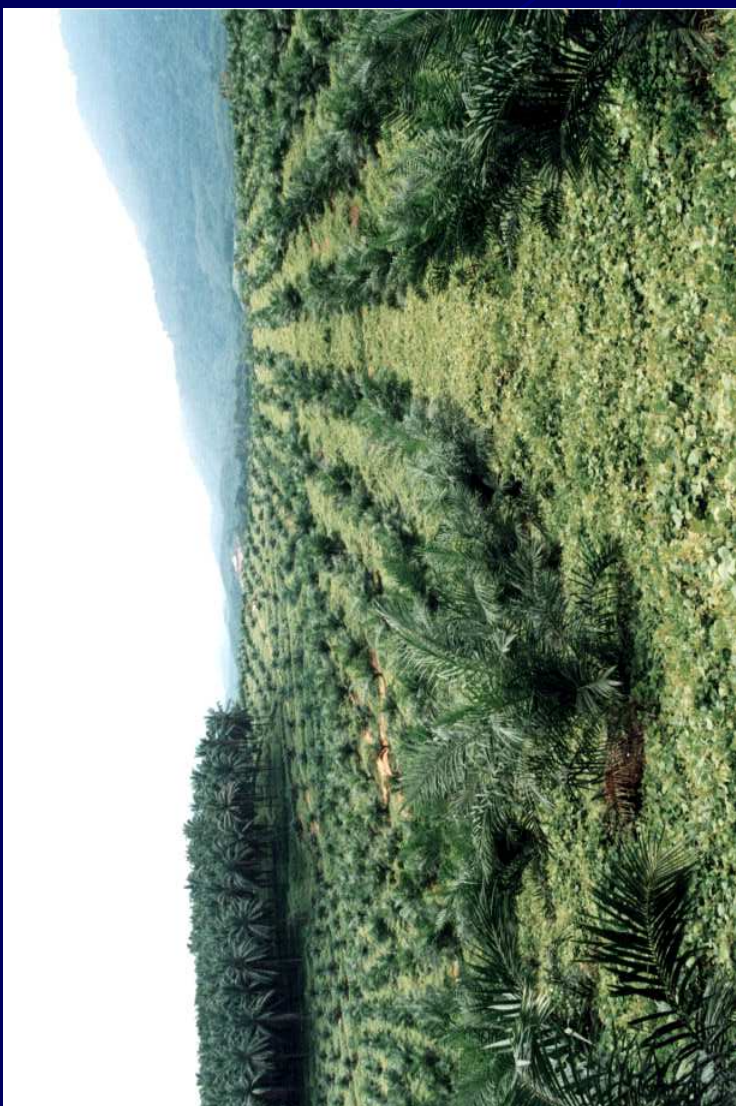
# Oil Palm Planted Area by Category, 2004

Category	Hectares	%
Private Estates	2,333,631	60.22
Government Schemes:		
FELDA	611,759	15.78
FELCRA	160,314	4.14
RISDA	80,778	2.08
State Schemes	322,359	8.32
Smallholders	366486	9.46
Total	3,875,327	100.00

# CROPPING SYSTEM

- ▶ **Plantations – high technology, high input and high productivity**
- ▶ **Smallholders - low input, low productivity**







## MECHANISED FERTILISER SPREADER



Malaysian Palm Oil Board







# Future Increase in Production

- ▶ **New but marginal area**
- ▶ **Productivity improvement**
- ▶ **Use of Biomass**
- ▶ **Downstream processing**



# Thank You

