

**ANNUAL REPORT
FOR THE YEAR ENDING
31st DECEMBER 2011**

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CHAIRMAN: EN. WAN MOHD ZAIN WAN ISMAIL

VICE-CHAIRMAN: Y. BHG. DATO' ER KOK LEONG

2ND VICE-CHAIRMAN: MR. RAJ KUMAR SHAH

HONORARY TREASURER: MR. D. CHANDRAMOHAN

MEMBERS: MS. LINDA KEE SAW EAN
MR. V. CHANDRA NAIDU
MS. LEE YOKE HUI
TN. HJ. OTHMAN WALAT
EN. MUHAMMAD HAKIM SEE
EN. HARIS FADZILLAH HASSAN
(25 May 2011 – 22 March 2012)
EN. MUMTAZ FISAL
(Effective from 23 March 2012)
MR. RICHARD GOH MIN TUCK
MR. LING CHEN ENG

ALTERNATE MEMBERS: MR. NG KAM TOONG
ALTERNATE TO Y. BHG. DATO' ER KOK LEONG
MR. WILLIAM TSEN
ALTERNATE TO TN. HJ. OTHMAN WALAT
MR. B. SUBRAMANY
ALTERNATE TO MR. D. CHANDRAMOHAN
MR. TAN ENG HUN
ALTERNATE TO MR. V. CHANDRA NAIDU
EN. MUMTAZ FISAL
ALTERNATE TO EN. HARIS FADZILLAH
HASSAN (Until 22 March 2012)

BOARD OF TRUSTEES: EN. MOHD KASSIM SALLEH
EN. KHAMIS BABA
MR. WONG CHEW YIN

CEO/SECRETARY:	EN. MOHAMMAD JAAFFAR AHMAD
AUDITOR:	Y.M. WONG & CO/QMS TAX SERVICES SDN BHD 11-2-4, SUITE 1, BLOCK B MEGAN SALAK PARK, JALAN 1/125G DESA PETALING 57100 KUALA LUMPUR
BANKER:	CIMB BANK (M) BERHAD NO. 6, JALAN TUN PERAK 50400 KUALA LUMPUR.
SOLICITORS:	M/S SHEARN DELAMORE & CO ADVOCATES & SOLICITORS FLOOR, WISMA HAMZAH-KWONG HING LEBOH AMPANG 50704 KUALA LUMPUR M/S NAZRI AZIZ & WONG ADVOCATES & SOLICITORS 8.8, 8 FL. HERITAGE HOUSE, 33 JALAN YAP AH SHAK 50300 KUALA LUMPUR
REGISTERED OFFICE:	801C / 802A, BLOCK B EXECUTIVE SUITES, KELANA BUSINESS CENTRE 97, JALAN SS 7/2 47301 KELANA JAYA SELANGOR DARUL EHSAN

PORAM MANAGEMENT BOARD REPORT FOR THE YEAR ENDING 31ST DECEMBER 2011

A. GENERAL

The 33rd Annual General Meeting (AGM) was held on 25th May 2011 at Sunway Resort Hotel and Spa, Bandar Sunway, Petaling Jaya, Selangor Darul Ehsan. One of the key objectives of the AGM is to provide a platform for a review and interaction between the Board and PORAM Members. Reports on financial performance and activities of the Association were presented to Members for approval.

En. Haris Fadzillah Hassan (Sime Darby Jomalina Sdn. Bhd) had later resigned from the Board. En. Mumtaz Fisal (Sime Darby Jomalina Sdn. Bhd.) was appointed to fill the vacancy.

A total of three Board meetings were held in 2011. The Board meetings were convened on a scheduled basis in July, October and December to receive financial reports, for the Secretariat to apprise the Board on the operations of the Association and to discuss matters and issues arising under the purview of the Board.

Management Board Members	Attendance of Meetings
En. Wan Mohd Zain Wan Ismail (Chairman)	3 out of 3
Y. Bhg. Dato' Er Kok Leong	3 out of 3
Mr. Raj Kumar Shah	2 out of 3
Mr. D. Chandramohan	3 out of 3
Mr. V. Chandra Naidu	3 out of 3
En. Haris Fadzillah Hassan	1 out of 2
En. Mumtaz Fisal	1 out of 1
Ms. Lee Yoke Hui	3 out of 3
Ms. Linda Kee	2 out of 3
Tuan Hj. Othman Walat	1 out of 3
En. Muhammad Hakim See	2 out of 3
Mr. Richard Goh	1 out of 3
Mr. Ling Chen Eng	1 out of 3

B. MARKET REVIEW

The Malaysian palm oil industry has shown a much improved performance in terms of crude palm oil (CPO) production, palm oil exports and total revenue in 2011. Total CPO production increased by 11.3% to 18.91 million tonnes, palm oil exports rose to 17.99 million tonne and total export revenue from palm oil jumped 34.8% from RM44.85 billion in 2010 to RM60.47 billion in 2011. The total revenue received from export of all palm oil and palm products increased by RM20.61 billion to RM80.41 billion mainly because of higher prices of all the products marketed.

The total oil palm planted area has touched 5.0 million hectares in 2011. The largest expansion in the planted area is in Sarawak which recorded an increase of 11.0% or 102,169 hectares. Sabah is still the largest oil palm planted state with 1.43 million hectares or 28.6% of total planted area.

With the increased in CPO production, correspondingly the crude palm kernel oil (CPKO) also increased, amounting to 9.7% to 2.14 million tonnes. Improved weather condition as well as more areas coming into peak production had contributed to the increased production for both CPO and CPKO.

Total exports of palm oil, palm kernel oil, palm kernel cake, oleo-chemicals, biodiesel and finished products showed an overall improvement by 5.25% to 24.27 million tonnes compared to 23.06 million tonnes in 2010. However, in terms of percentage, there were a drop of 44.2% for export of biodiesel, 8.84% for palm kernel cake and 1.9% for oleo-chemicals. The export of finished products also declined by 6,450 tonnes or 1.58%.

The increase in palm oil export was mainly due to higher export volume to China PR, India, the Philippines, Turkey, Vietnam, South Africa and Sri Lanka. China PR imported a total of 3.98 million tonnes, an increase of 14.3%. India imported about half a million tonnes more to 1.66 million tonnes mainly in the form of CPO which attracts lower import duty. Of interest is a phenomenal increase in palm oil export to the Philippines (1.5 folds), Turkey (5 folds) and Jordan (3 folds). Indonesia continues to be our competitor in many major markets including the EU, India and Pakistan.

The exports of palm kernel oil increased marginally by 1.0% to reach 1.17 million tonnes in 2011. The USA continue to be the major export market with 24.6% of the total palm kernel oil export followed by China PR (15.3%), the EU (11.9%) and Japan (8.5%).

The average annual CPO locally delivered price was impressive at RM3,219 per tonne. As a result, the average export price for processed palm oil (PPO) also increased correspondingly, namely RBD Palm Oil (FOB) at US\$1,134 per tonne, RBD Palm Olein (FOB) at US\$1,148 and RBD Palm Stearin (FOB) at US\$1,029 per tonne. The cheapest product namely Palm Fatty Acid Distillate (PFAD) was traded at US\$830 per tonne FOB. Both RBD Palm Oil and RBD Palm Olein recorded an average increase of almost 30% compared to 2010 prices.

The average price of locally delivered crude palm kernel oil (CPKO) increased by 26.8% or RM974 to RM4,611 per tonne in 2011. The higher price is attributed to the higher palm kernel price and firmer lauric oil price world-wide.

The oil extraction rate (OER) for the country remains steady at 20.35% while there is marginally improvement in fresh fruit bunches (FFB) yield to 19.69 tonnes per hectare and oil yield increased to 4.01 tonnes per hectare in 2011.

B. LIAISON AND CONSULTATION WITH THE GOVERNMENT

PORAM continued to have close cooperation with the Ministry and other Government agencies. PORAM and its Members supported and participated in various meetings and activities organized by the Ministry of Plantation Industries and Commodities (MPIC), Ministry of International Trade and Industry (MITI), Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC).

I. Ministry of Plantation Industries and Commodities (MPIC)

The Ministry has been supportive of PORAM interests. Throughout the year, PORAM had participated in several meetings conducted by MPIC on:

- CPO Duty – Free Export Quota
- Indonesian Export Duty Differential

II. Malaysian Palm Oil Board (MPOB)

PORAM continued to support MPOB in various programmes organized throughout the year namely the Palm Oil Familiarization Programme (POFP); Programme Advisory Committee (PAC); MPOB TAS Interaction Session with the Malaysian Palm Oil Industry; MPOB Oil Palm Products Surveying Course; National Seminar on Palm Oil Milling, Refining, Technology, Quality and Environment; and MPOB International Palm Oil Conference (PIPOC 2011). PORAM contribution was in terms of member's participation, in working committees and presentation of papers at some of the events.

The Association was also represented in various committees and/or working groups in MPOB on:

- MPOB Sub-Working Group on Palm Oil (SWGPO) on Malaysia-Indonesia Bilateral Cooperation.
- MPOB Working Group on Cooking Oil Price Stabilisation Scheme (COSS)
- MPOB Committee on Oils and Fats Standards
- MPOB Main Steering Committee for Oil Palm Products Surveying Course
- MPOB Surveyor's Examination Panel
- MPOB Committee on Code of Practices
- Jawatankuasa Sistem Pemantauan Sawit MPOB Bersama Industri
- Malaysian Standard on Sustainable Palm Oil (MSSPO)

PORAM Representatives also sit in MPOB Board.

III. Malaysian Palm Oil Council (MPOC)

At MPOC, PORAM continued to forge regular cooperation and interaction with the Council especially on the market developments and promotional activities. Members were kept informed about palm oil developments through various publications disseminated by MPOC. The Council had sponsored PORAM Annual Forum 2011, PORAM Directory and had also extended support and assistance to PORAM in organizing the Malaysian Palm Oil Industry Golf Challenge 2011 and the Annual Dinner.

PORAM Members participated in various MPOC programmes including:

- Reach & Teach Friends of the Industry: Challenges and Opportunities in 2011, Putrajaya.
- Palm International Nutra-Cosmeceutical Conference (PINC 2011), Kuala Lumpur
- Sustainable Aviation Fuel from Oil Palm Workshop, Kuala Lumpur
- Palm Oil Trade Awareness Programme (POTAP), Kuala Lumpur
- Palm Oil Industry Leadership Award (PILA), Kuala Lumpur.

IV. Ministry of International Trade and Industry (MITI)

PORAM was actively consulted by MITI and had attended several meetings on:

- Rules of Origin
- Trade in Good
- Free Trade Areas Negotiations (FTA)
- New Merged Document – Invoice & Packing List

C. LIAISON WITH INTERNATIONAL AND LOCAL ORGANIZATIONS

In order to keep up with the developments of the vegetable oils and fats industry, PORAM maintained close working relationship with several organizations both locally and internationally. PORAM attended the ASEAN Vegetable Oils Club (AVOC) meetings in Manila in March and later in Kuala Lumpur in October 2011.

As part of the on-going activities signed under a Memorandum of Understanding (MoU) with the Solvent Extractors' Association of India (SEA), PORAM continues to exchange technical and trade information in order to enhance palm oil trade relation between the two countries. PORAM is actively involved in the activities of the Federation of Oils, Seeds and Fats Associations Limited (FOSFA International). The Chief Executive Officer of FOSFA International gave a paper on 'An Update on Issues before FOSFA's Committees' at PORAM Annual Forum in October 2011.

Consultation and work cooperation were continuously maintained with the Malaysian Edible Oil Manufacturers Association (MEOMA), Malaysian Palm Oil Association (MPOA), Malaysian Oleochemical Manufacturers Group (MOMG) and Malaysian Biodiesel Association (MBA). In June 2011, PORAM presented a paper on 'Optimizing Storage and Shipping to Enhance Palm Oil Value Chain' at the 9th Integrated Society of Planters (ISP) National Seminar in Penang. For the second year in running, Bursa Malaysia Derivatives (BMD) was a major sponsor for the PORAM Annual Dinner and a contributive supporter of the PORAM Annual Forum. BMD presented a paper on 'Hedging Crude Palm Oil with Options' at the forum. As an affiliate member of a Roundtable on Sustainable Palm Oil (RSPO), the Association continues to monitor the discussion and the development of sustainable palm oil.

E. COMMITTEES

I. COMMERCIAL AND TECHNICAL COMMITTEE

A total of four scheduled Commercial and Technical Committee (C&T) meetings were held during the year in January, May, October and December. Representatives from the Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC) also attended these meetings regularly on the invitation of the Committee. Their participation was important particularly to update the Committee on new research developments, regulatory, environmental and market issues. At the same time, both MPOB and MPOC were briefed on issues of concern affecting the progress of the industry that could be taken up and addressed by the respective authorities.

Minutes of each meeting were distributed to all Members of the Committee and matters of importance were referred to the Management Board.

Members/Alternate	Attendance of meetings
Y. Bhg. Dato' Er Kok Leong (<i>Chairman</i>) Intercontinental Specialty Fats Sdn Bhd	4 out of 4
Assar Refinery Edible Oils Sdn Bhd – En. Muhammad Hakim See	1 out of 1
Cargill Palm Products Sdn Bhd – Mr. B. Subramany	4 out of 4
Felda Vegetable Oil Products Sdn Bhd – En. Mohd Saodi Hj Husin / En. Abu Mansur	1 out of 4
Fuji Oil Co. Ltd – Mr. Arima Atsuhiko	1 out of 1
IOI Edible Oils Sdn Bhd - Ms Lee Yoke Hui / Mr. Siew Ching Wai	4 out of 4
Keck Seng (M) Sdn Bhd – Mr. Woh Siew Leong/ Mdm Ho See See	0 out of 4
Kirana Palm Oil Refinery Sdn Bhd – Mr. Alvin Lau / Mr. Terry Ng Kian Kee	0 out of 4
KL-Kepong Edible Oils Sdn Bhd - Mr. Yee Kwee Lin / Ms. Kelly Foong	3 out of 4
Kwantas Oil Sdn. Bhd. – Mr. Christopher Chai	0 out of 4
Lam Soon Edible Oils – Mr. Vincent Yong/ Mr.Poon Kin Lok	0 out of 4
Ngo Chew Hong Oils & Fats Sdn Bhd – Dr Lee Poh Hoon / Ms. Leong Lai Chuan	2 out of 4
Pal maju Edible Oils Sdn. Bhd. – Mr. Hoshina Takafumi / Mr. Ng Siew Kwan	4 out of 4
PGEO Edible Oils Sdn Bhd - Mr. Tan Eng Hun / Mr. Loi Khai Cheng	4 out of 4

Southern Edible Oils Sdn Bhd – Ms. Linda Kee	1 out of 4
Sime Darby Austral Sdn Bhd – En Mohd Ruzaidie Yahya / Mr. Lint Undis	4 out of 4
Sime Darby Jomalina Sdn Bhd – Mr. Sandeep Singh / Mr. L Kesavan	2 out of 4
Sime Darby Kempas Sdn Bhd – Mr. Billy Tan/ Mr. E.T. Ong	3 out of 4
Unitata Berhad – Mr. Jughdev S. Dillon	0 out of 4
Zurex Corporation Sdn. Bhd – Mr. Yong Khai Weng / Mr. Wong Kai Fatt	0 out of 1

Following are some of the important subject matters deliberated by the Committee during the year:

a. Updates on 3-MCPD Esters

MPOB continued to update PORAM on the current developments on 3-MCPD Esters and Glycidyl Esters. There is still no international standard method of measurement agreed. However, the indirect GC/MS methods are the most acceptable method with ‘Acid Hydrolysis Method’ being the most accurate and acceptable by most researchers.

MPOB had used ‘Acid Hydrolysis Method’ to evaluate samples from mills and refineries. Test on CPO showed hardly any presence of 3-MCPD Esters. Test on PPO showed a range from 0 to 5.7 ppm for various product ranges. For RBD Palm Oil and RBD Palm Olein, the value range between 4.2 to 4.3 ppm. For RBD Palm Stearin, the range is between 0.3 to 1.8 ppm. Nonetheless, the European studies showed much higher value of 3-MCPD Esters from 10 to 14 ppm. MPOB is currently studying sample of oils from different stages of refining process as well as at different stages of CPO extraction.

In order to reduce the formation of 3-MCPD Esters in the refining process, MPOB has recommended the following:-

- i. Reduce the temperature during the deodorization.
- ii. Degumming with phosphoric and followed by water washing, prior to bleaching.
- iii. Use of natural clay; or
- iv. Wash acidic clay to remove surface acidity.

It was informed that the main precursor is the presence of chlorides in the oil which cause the formation of 3-MCPD Esters. Chlorides can be found in the clay, water, phosphoric, citric acid and CPO.

b. Malaysian Standard on Sustainable Palm Oil (MSSPO)

PORAM Representatives sit in both the National Committee and Technical Committee on Malaysian Standard on Sustainable Palm Oil (MSSPO). The idea of MSSPO is for a certification system based on the sustainability requirements in the Malaysian Standard (to be developed). MSSPO can be made mandatory. For companies complying to the Malaysian Standard (MS) requirements, their products can be certified sustainable, while those that do not comply will continue to produce palm products but will not be certified sustainable. It was recommended that the MSSPO is to be aligned to ISO and MS GAP Standards in which the later standards have already been accepted internationally with the same features incorporated from RSPO, ISCC and RED. It was proposed that the MSSPO shall initially be a national standard and system, and will go for international recognition later.

PORAM is in support for the development of MSSPO to be developed as a voluntary certification system and to be complimentary to RSPO which is already been accepted by the industry.

c. Competitiveness of Malaysian Palm Oil Products – Export Duty Differential

PORAM had attended several consultative meetings with the Ministry and its agencies to discuss on the competitiveness of the Malaysian palm oil industry and how the downstream industry were being affected by the Indonesian's export duty differential. The Indonesian had revised its palm oil export duty structure effective 15th September 2011. As a result, Malaysian refiners have been badly affected in terms of margin and market competitiveness.

The Government is yet to agree on the ways to enhance the competitiveness of the palm oil downstream industry in the country. The only conclusive fall-back position agreed by the industry members during the 8th November 2011 meeting with the Ministry were on :-

- i. Maintain export duty on CPO and CPKO
- ii. Abolish duty free export quota for CPO and CPKO
- iii. Impose slightly lower export duty on semi-processed palm oils to prevent leakages.
- iv. Indirect assistance to smallholders to offset any reduction in FFB prices
- v. Establish industry adjustment fund for 2 years to address the difficulties faced by the downstream sector.

d. CODEX Updates

The Codex Alimentarius Commission (CAC) which was held in Geneva in July 2011 has agreed on the following:-

- i. The Commission has adopted the ‘Draft Amendment to the Code of Practice for the Storage and Transport of Edible Fats and Oils in Bulk: Criteria to Assess the Acceptability of Substance’ for inclusion in a List of Acceptable Previous Cargoes.
- ii. The Commission has adopted the ‘Proposed Draft List of Acceptable Previous Cargoes’.
- iii. The Commission has adopted the ‘Draft List of Acceptable Previous Cargoes’.

As the outcome of these CAC decisions, the List of Acceptable Previous Cargoes is now been listed as Appendix 2 in the Recommended International Code of Practice for the Storage and Transportation of Edible Fats and Oils in Bulk (CAC/RCP 36.1987 Rev. 4-2011). This decision will help in the development of healthy trade for vegetable oils and fats globally.

e. Licensing of Transporters

MPOB has amended its licensing regulations based on Act 582 and the Malaysian Palm Oil (Licensing) Regulations 2005 on the issuance of license to transportation companies and individuals that are involved in the moving and transporting of palm oil.

All transportation companies or individuals involved in the conveyance of palm oil must be licensed by MPOB. Movement of palm oil using barges especially in Sabah/Sarawak will also need to be licensed. However, its implementation is temporarily place on hold.

MPOB has also set up an Oil Palm Monitoring System (SPS) that will integrate all available systems to monitor the movement of all lorry tankers. All transportation companies are required to install GPS system approved by MPOB.

Transportation companies have been given a 6 months grace period until 3rd September 2011 but it has now been extended until 1st January 2012. The SPS system has been approved by MPOB and it is targeted that the use of GPS, Monitoring System and online MPOB L3 will start in April 2012.

II. ASSOCIATE MEMBERS COMMITTEE (AMC)

The Associate Members Committee (AMC) held a joint luncheon meeting with the Price Settlement Committee (PSC) on 28th September 2011. The meeting was co-chaired by Mr. Richard Goh and Mr. Chua Seow Yang. Both Committees were briefed about the current developments and activities being undertaken by PORAM. There was no immediate issue raised by both Committees. It was agreed that PORAM should continue to engage Associate Members for feedback and to consistently update them on PORAM activities and market developments.

III. PRICE SETTLEMENT COMMITTEE (PSC)

The Price Settlement Committee (PSC) held a joint luncheon meeting together with the Associate Members Committee (AMC) on 28th September 2011. Mr. Chua Seow Yang, Chairman of PSC reported that a total of five (5) Price Settlement Certificates were issued for the year 2011. The Committee will continue to provide the settlement price requests from the trade as well as from arbitrators for the purpose of settlement of trade disputes.

F. TRAINING AND EDUCATION

Following are some of the activities organised and coordinated by PORAM:

i. Course on Operational Aspects of Palm Oil Trade

The course was conducted on 11th and 12th July 2011 at Sunway Resort Hotel & Spa, Bandar Sunway, Selangor Darul Ehsan. It was attended by 140 participants from Malaysia, Singapore, Indonesia and India. The objective of the course was to provide the participants with an overview on the various operational and commercial aspects related to palm oil trade and issues confronting the industry. The course gave an opportunity for the speakers to share their knowledge and experiences with the participants. Besides the great learning experience, the course was an avenue for the participants to network with the speakers and other members of the industry.

ii. Vegetable Oils Contracts and Arbitration Workshop with The Solvent Extractors' Association of India (SEA)

The Vegetable Oils Contracts and Arbitration Workshop was held on 5th and 6th August 2011 in Mumbai, India.

PORAM was represented by Mr. Raj Kumar Shah of Josovina Commodities, Mr. P.R. Thakore of IFFCO (SEA), Mr. Francis Liao of KL Maritime, Mr. Siow Seng Toh of ITS Malaysia and Mr. Rajendra Navaratnam of Azman Davidson. En. Wan Mohd Zain, Chairman of PORAM gave an address during the Inaugural Session, while En. Mohammad Jaaffar, PORAM CEO made a short introduction about PORAM.

A workshop session was conducted by PORAM at the end of the session. A total of 75 participants attended the workshop.

iii. PORAM Interaction with Participants of MPOB Palm Oil Familiarisation Programme (POFP)

The annual PORAM Interaction Session with POFP participants was held at the Thistle Hotel, Johor Bahru on 30th September 2011. The event attended by PORAM members provided a networking platform between PORAM members and the foreign participants.

iv. MPOB Oil Palm Products Surveying Course

The annual event of MPOB Oil Palm Products Surveying Course was held from 27th June – 1st July 2011 at Kuantan, Pahang. PORAM was represented in the Steering Committee and Technical Sub-Committee set up by MPOB to assist in organising the MPOB Oil Palm Surveying Course. A total of six papers were presented by PORAM Members at this course.

G. ARBITRATION AND APPEAL

A total of 5 arbitration cases were filed with the PORAM Secretariat between January and December 2011.

H. PORAM WEBSITE AND FACEBOOK

PORAM website continues to serve as a major channel for disseminating market information. Continued efforts are being made to improve the website and to provide Members with exclusive on-line resources. PORAM website is also being promoted as a branded tool to inform the public about the roles and activities of PORAM.

PORAM Facebook was also launched in April 2011. This is an extension of news update, announcement and PORAM activities that can be accessed by Members and the public.

I. PORAM DIRECTORY

PORAM launched its first ever PORAM Directory on October 2011 during the PORAM Annual Forum 2011. The information contain therein are very useful for Malaysia to promote the palm oil industry. The Directory also includes useful information about PORAM and the industry; products applications, properties and handling; PORAM contracts, arbitration and guidelines; useful standards and regulations; and references. The Directory would be a useful reference material for further information about the Malaysian palm oil industry. PORAM Directory has been distributed to all overseas MITI, MATRADE and MIDA offices. The Directory has also been distributed to all foreign embassies, trade associations, relevant government agencies and universities/higher learning institutions in Malaysia. The Directory is available for sale.

J. MEMBERSHIP

The Association is pleased to welcome the following companies to the membership under the category of Full and Associate Members.

Full Members

1. Zurex Corporation Sdn. Bhd.

Associate Members

1. Berg & Schmidt (M) Sdn. Bhd.
2. EFKO Food Ingredients LLC
3. Fuji Oil Co. Ltd.
4. Go Chem Inspection (M) Sdn. Bhd.
5. Glory Ship Management Pte. Ltd.
6. The Iranian Vegetable Oil Industry Association
7. Macauley Gehler Pte. Ltd.
8. J. Aron & Company (Singapore) Pte. Ltd.
9. Ditali Sdn. Bhd.

During 2011, PORAM accepted the withdrawal of one Member.

Memberships Withdrawn / Terminated

1. Johan Shipping Sdn. Bhd.

As of 31st December 2011, there were a total of 26 Full Members, 85 Associate Members and 3 Supplementary Members.

K. VISITORS

The Secretariat continued to receive local and overseas visitors seeking more information on the palm oil products and Malaysian palm oil suppliers.

In October, PORAM hosted a visit of Indian Government Officials and Solvent Extractors' Association (SEA) Members.

L. SECRETARIAT

The Secretariat is headed by En. Mohammad Jaaffar Ahmad, the Chief Executive Officer. It strived to provide efficient secretarial support to the Board, the Committees, Working Groups and for the daily operations of the Association. The Secretariat is manned by eight personnel as at the end of 2011. This number is sufficient to meet the current operational needs.

M. ACKNOWLEDGEMENT

The Management Board wishes to thank all Members, the Malaysian Palm Oil Industry, Government Ministries and Agencies for their continuous support, contributions and participation in the activities organised by PORAM, throughout the year.

The Board also acknowledges its appreciation and gratitude to the following Board Member, En. Haris Fadzillah Hassan who retired on 22nd March 2011.

The Board would like to thank the Secretariat staff for their hard work and commitment towards PORAM and the Malaysian Palm Oil Industry.

**MANAGEMENT BOARD
PORAM**

Date: 17th May 2012

Place: Kelana Jaya, Selangor Darul Ehsan

NAME OF COMPANY	DATE OF JOINING
1. SIME DARBY KEMPAS SENDIRIAN BERHAD <i>(Formerly known as Kempas Edible Oil Sdn Bhd)</i>	10.09.1975
2. SOUTHERN EDIBLE OIL INDUSTRIES (M) SDN. BHD	10.09.1975
3. UNITATA BERHAD	10.09.1975
4. FELDA VEGETABLE OIL PRODUCTS SDN. BHD.	29.07.1976
5. SIME DARBY JOMALINA SDN. BHD. <i>(Formerly known as Golden Jomalina Food Industries Sdn. Bhd.)</i>	03.09.1976
6. LAM SOON EDIBLE OIL SDN. BHD. / INTERCONTINENTAL SPECIALTY FATS SDN. BHD.	06.06.1979 26.07.2001
7. PGEO EDIBLE OILS SDN. BHD	26.06.1980
8. KL-KEPONG EDIBLE OILS SDN. BHD	01.06.1981
9. CARGILL PALM PRODUCTS SDN. BHD.	20.01.1982
10. NGO CHEW HONG OILS AND FATS (M) SDN. BHD	28.06.1989
11. KECK SENG (M) BERHAD	29.10.1991
12. WILMAR EDIBLE OILS SDN. BHD	03.09.1999
13. IOI EDIBLE OILS SDN. BHD./ IOI LODERS CROCKLAAN OILS SDN. BHD PAN-CENTURY EDIBLE OILS SDN. BHD.	17.02.2000 30.08.1979 12.01.1978
14. PACIFIC OILS AND FATS INDUSTRIES SDN. BHD.	28.11.2002
15. MALAYSIA VEGETABLE OIL REFINERY SDN. BHD.	01.01.2006
16. ASSAR REFINERY SERVICES SDN. BHD.	26.01.2007
17. GLOBAL BIODIESEL SDN. BHD.	01.09.2007
18. SIME DARBY AUSTRAL SDN. BHD. <i>(Formerly known as Austral Edible Oil Sdn. Bhd.)</i>	22.07.2008
19. KIRANA PALM OIL REFINERY SDN. BHD.	01.11.2008
20. KWANTAS OIL SDN. BHD.	01.01.2009
21. KUNAK REFINERY SDN.BHD.	01.01.2009
22. PALMAJU EDIBLE OIL SDN. BHD.	01.01.2010
23. PREMIUM VEGETABLE OILS BERHAD	01.01.2010
24. FELDA IFFCO SDN. BHD.	24.10.2010
25. SOP EDIBLE OILS SDN. BHD.	24.10.2010
26. ZUREX CORPORATION BHD.	13.10.2011

NAME OF COMPANY		DATE OF JOINING
1.	MATTHES AND PORTON (M) SDN. BHD	28.01.1986
2.	ITS TESTING SERVICES (M) SDN. BHD	25.02.1986
3.	SGS (M) SDN. BHD.	25.02.1986
4.	MITSUBISHI CORPORATION LED	25.02.1986
5.	EASTPORT MARITIME PTE. LTD.	08.04.1986
6.	CARGILL INTERNATIONAL TRADING PTE. LTD.	08.04.1987
7.	INSPECTORATE (MALAYSIA) SDN. BHD.	19.02.1987
8.	MITSUMI & CO. LTD.	19.05.1987
9.	MISC BERHAD	19.05.1987
10.	ED & F MAN SDN. BHD.	19.05.1987
11.	RITCHIE & BISSET SDN. BHD.	12.10.1988
12.	CONSOLIDATED LABORATORY (M) SDN. BHD.	23.02.1988
13.	MARPRO OILS AND GRAINS SDN BHD	24.05.1988
14.	LOUIS DREYFUS ASIA PTE. LTD.	03.08.1988
15.	JOSOVINA COMMODITIES SDN. BHD.	09.08.1988
16.	STOLT-NIELSEN TRANSPORTATION GROUP PTE. LTD	17.08.1991
17.	AARHUSKARLSHAMN (M) SDN. BHD.	27.08.1991
18.	JAWALA CORPORATION SDN. BHD.	01.12.1992
19.	TROPICAL OIL PRODUCTS BROKERAGE PTE. LTD.	01.04.1993
20.	LINK SURVEY (M) SDN. BHD.	01.06.1993
21.	WILMAR TRADING PTE. LTD.	17.09.1993
22.	AURORA TANKERS MANAGEMENT PTE. LTD.	29.03.1995
23.	ICOF (Malaysia) Sdn Bhd (<i>Formerly known as Musim Mastika Sdn Bhd</i>)	24.08.1995
24.	LADANG PETRI TENGGARA SDN. BHD.	12.07.1996
25.	GMS LINE CO. LTD. TOKYO	25.03.1997
26.	PACIFIC INTER-LINK SDN. BHD	20.11.1997
27.	SCHUTTER (MALAYSIA) SDN. BHD	04.09.1998
28.	NEDERKOORN SHIPBROKING PTE. LTD	20.11.1998
29.	PACIFIC RIM PLANTATION SERVICES PTE. LTD.	03.09.1999
30.	AAA OILS & FATS LTD.	11.01.2001
31.	GOLDEN AGRI INTERNATIONAL PTE. LTD.	11.01.2001
32.	FELCRA BERHAD	05.10.2001
33.	KL-MARITIME (M) SDN. BHD.	05.10.2001

34.	UNILEVER (MALAYSIA) HOLDINGS SDN. BHD.	05.10.2001
35.	FELDA-JOHORE BULKERS SDN. BHD.	30.05.2002
36.	PT BINA KARYA PRIMA	25.07.2002
37.	SINARAN PALM SERVICES PTE. LTD.	09.10.2002
38.	AGRI COMMODITIES INTERNATIONAL PTE. LTD.	31.07.2003
39.	NOBLE RESOURCES PTE. LTD.	18.03.2004
40.	MM VITAOILS SDN. BHD.	01.06.2004
41.	ALAMI VEGETABLES OIL PRODUCTS SDN. BHD.	01.06.2004
42.	BIPORT BULKERS SDN. BHD.	03.05.2005
43.	WAWASAN TEBRAU SDN. BHD.	01.01.2006
44.	TOKYO MARINE CO. LTD.	01.01.2006
45.	BONASABA SDN. BHD.	25.05.2006
46.	ADMIRAL TESTING SERVICES SDN. BHD.	01.09.2006
47.	INDELAB SDN. BHD.	01.12.2006
48.	MAREX COMMODITIES	02.04.2007
49.	MJ VEGEOILS SERVICES SDN. BHD.	02.04.2007
50.	THE NISSHIN OILLIO GROUP, LTD.	01.09.2007
51.	OMEGA CHARTERING PTE. LTD.	01.09.2007
52.	BURSA MALAYSIA DERIVATIVES BERHAD	30.04.2008
53.	IFFCO (S.E.A) SDN. BHD.	30.04.2008
54.	UNIVERSAL MARITIME CARRIER SDN. BHD.	30.06.2008
55.	KL PALM SERVICES SDN. BHD.	30.06.2008
56.	SYARIKAT TIWAS SDN. BHD.	30.06.2008
57.	MALINDO PALM BROKERAGE SDN. BHD	01.07.2008
58.	JUST COMMODITY SOFTWARE SOLUTION PTE. LTD	01.07.2008
59.	ECOOILS LIMITED	18.07.2008
60.	TRAFIGURA PTE LTD	01.01.2009
61.	CAROTINO SDN BHD	01.01.2009
62.	TAN SANG HUAT SDN BHD	01.01.2009
63.	KS NATURAL RESOURCES PTE LTD	01.05.2009
64.	MORGAN STANLEY CAPITAL GROUP SINGAPORE	01.05.2009
65.	VIRGOZ OILS & FATS PTE LTD	01.05.2009
66.	BELL SAWIT SDN. BHD	30.07.2009
67.	NESTE OIL SINGAPORE PTE LTD	30.07.2009
68.	BUNGE AGRIBUSINESS SINGAPORE PTE LTD	24.10.2009
69.	MIGHTY OCEAN SDN. BHD.	24.10.2009

70.	NGO CHEW HONG EDIBLE OIL PTE LTD	24.10.2009
71.	WS OIL SDN. BHD.	24.10.2009
71.	TIMURAN ENTERPRISE SDN. BHD.	01.01.2010
72.	ITOCHU SINGAPORE PTE. LTD.	24.05.2010
73.	TRIPLE POINT ASIA PTE. LTD.	24.05.2010
74.	ABLE PERFECT SDN. BHD.	02.08.2010
75.	INAI SETIA SDN. BHD.	02.08.2010
76.	PAKISTAN EDIBLE OIL REFINERS ASSOCIATION OF MALAYSIA (PEORA)	02.08.2010
77.	BERG & SCHMIDT	01.01.2011
78.	EFKO FOOD INGREDIENTS LLC	01.01.2011
79.	FUJI OIL CO., LTD.	01.01.2011
80.	GEO CHEM	01.01.2011
81.	GLORY SHIP MANAGEMENT PTE. LTD.	01.01.2011
82.	THE IRANIAN VEGETABLE OIL INDUSTRY ASSOCIATION	01.01.2011
83.	MACULEY GEHLER PTE. LTD.	01.01.2011
84.	J. ARON & COMPANY (SINGAPORE) PTE.	01.04.2011
85.	DITALI SDN. BHD.	09.05.2011

**PORAM REPRESENTATION ON VARIOUS ANNUAL REPORT 2011
BOARDS AND WORKING COMMITTEES IN 2011**

1.	MALAYSIAN PALM OIL BOARD (MPOB)	Y. Bhg. Dato' Er Kok Leong Alt: Mr. Richard Goh Min Tuck
2.	MALAYSIAN PALM OIL COUNCIL (MPOC)	Y. Bhg. Dato' Er Kok Leong
3.	MPOB MAIN STEERING COMMITTEE FOR OIL PALM PRODUCTS SURVEYING COURSE	Mr. Siow Seng Toh En. Mohammad Jaaffar Ahmad
4.	MPOB SURVEYOR'S EXAMINATION PANEL	Mr. Wong Ung Kwong En. Kamaraddin Selamat Alt: Dr. Lee Poh Hoon Alt: Mr. B. Subramany
5.	MPOB WORKING GROUP ON COOKING OIL PRICE STABILIZATION SCHEME (COSS)	En. Mohammad Jaaffar Ahmad
6.	MPOB TECHNICAL COMMITTEE ON PALM OIL MILLING, REFINING, ENVIRONMENT & QUALITY (POMREQ)	En. Mohammad Jaaffar Ahmad
7.	ASEAN VEGETABLE OILS CLUB (AVOC)	En. Wan Mohd Zain Wan Ismail Alt: En. Mohammad Jaaffar Ahmad
8.	NATIONAL CODEX COMMITTEE ON FATS AND OILS	En. Mohammad Jaaffar Ahmad
9.	MALAYSIA-INDONESIA BILATERAL COOPERATION – SUB WORKING GROUP ON PALM OIL (SWGPO)	En. Mohammad Jaaffar Ahmad
10.	JAWATANKUASA PERUNDING BAGI PELABUHAN JOHOR	En. Wan Mohd. Zain Wan Ismail
11.	MALAYSIAN STANDARD ON SUSTAINABLE PALM OIL (MSSPO)	En. Mohammad Jaaffar Ahmad

ASSOCIATE MEMBERS COMMITTEE (AMC)		
1.	Mr. Richard Goh Min Tuck (Chairman)	KL-Maritime (M) Sdn Bhd
2.	Capt. JB Chiang	Admiral Testing Services Sdn Bhd
3.	En. Jamil Haron	Alami Vegetable Oil Products Sdn Bhd
4.	Mr. Uchiyama	GMS Line Co. Ltd
5.	Mr. Khoo Soon Tee	ITS Testing Services (M) Sdn Bhd
6.	Mr. Yap Eng Kwee	ICOF (Malaysia) Sdn Bhd <i>(Formerly known as Musim Mastika Sdn. Bhd.)</i>
7.	Mr. Tan Ah Hooi/ Mr. N Mahendran	Link Survey (M) Sdn Bhd

PRICE SETTLEMENT COMMITTEE (PSC)		
1.	Mr. Chua Seow Yang (Chairman)	Mapro Oils and Grains Sdn. Bhd.
2.	Mr. S. Subramany	Cargill Palm Products Sdn. Bhd.
3.	En. Mohd Amin Che Bakar	Felda Marketing Services Sdn. Bhd.
4.	Mr. Yap Eng Kwee	ICOF (Malaysia) Sdn Bhd
5.	Mr. Nicholas Chan	IOI Edible Oils Sdn. Bhd.
6.	Mr. S.K. Mohta	Intra Oils & Fats Sdn. Bhd.
7.	Mdm Ho See See	Keck Seng (M) Berhad
8.	Mr. Alvin Lau Lee Jen	Kirana Palm Oil Refinery Sdn. Bhd.
9.	Mr. Ling Chen Eng	KL Palm Services Sdn. Bhd.
10.	Mr. Christopher Chai	Kwantas Oil Sdn. Bhd.
11.	Mr. Peter Wong Tat Kwai	Malindo Palm Brokerage Sdn. Bhd.
12.	Mr. Takafumi Hoshino	Pal maju Edible Oil Sdn. Bhd.
13.	Mr. Francis Xavier	Virgoz Oils & Fats Pte. Ltd.
14.	Mr. Wong Kai Fatt	Zurex Corporation Sdn. Bhd.

ARBITRATION RULES EXECUTION COMMITTEE (AREC)	
1.	En. Wan Mohd Zain Wan Ismail
2.	Mr. Raj Kumar Shah
3.	Mr. David Khoo Hock Sin
4.	En. Mohamed Abd. Majed

CONTRACT WORKING GROUP (CWG)		
1.	Mr. P.R. Thakore (Chairman)	IFFCO (S.E.A.) Sdn. Bhd.
2.	Mr. D. Chandramohan	Cargill Palm Products Sdn Bhd
3.	En. Wan Mohd Zain Wan Ismail	Felda Vegetable Oil Products Sdn. Bhd.
4.	Mr. Yap Eng Kwee	ICOF (Malaysia) Sdn Bhd
5.	Mr. Siow Seng Toh	ITS Testing & Control (M) Sdn. Bhd.
6.	Mr. Raj Kumar Shah	Josovina Commodities Sdn Bhd
7.	Mr. Ling Chen Eng	KL Palm Services Sdn Bhd
8.	Mr. Yee Kwee Lin	KL-Kepong Edible Oil Sdn. Bhd.
9.	Mr. Joe Lim	KL Maritime (M) Sdn. Bhd.
10.	Mr. S. Sitambaram	Malindo Palm Brokerage Sdn Bhd
11.	Mr. V. Chandra Naidu	PGEO Marketing Sdn Bhd
12.	Ms. Linda Kee Saw Ean	Southern Edible Oil Industries Sdn Bhd
13.	Mr. Sandeep Singh	Sime Darby Jomalina Sdn. Bhd.
14.	Mr. Tan Eng Hun	Wilmar Trading Pte Ltd

SOME IMPORTANT STATISTICS ON MALAYSIAN PALM OIL INDUSTRY
TABLE 1 - MALAYSIA: PLANTED AREA, PRODUCTION AND EXPORTS

Year	Oil Palm Planted Area (hectares)	Production of Crude Palm Oil (tonnes)	Exports of Palm Oil (tonnes)		
			Crude Palm Oil	Processed Palm Oil	Total
1960	54,634	91,793	97,568	-	97,568
1965	96,947	150,411	141,477	-	141,477
1970	291,263	431,069	401,930	-	401,930
1975	641,797	1,257,573	937,411	215,151	1,152,562
1980	1,023,306	2,573,173	197,659	2,073,563	2,271,222
1985	1,482,399	4,134,463	13,051	3,420,974	3,434,025
1990	2,029,464	6,200,000	93,949	5,633,502	5,727,451
1991	2,094,028	6,141,353	89,879	5,483,344	5,573,223
1992	2,197,660	6,373,461	71,624	5,493,408	5,565,032
1993	2,305,925	7,403,498	58,674	6,058,498	6,117,172
1994	2,411,999	7,220,631	55,114	6,695,124	6,750,238
1995	2,515,842	7,810,546	17,274	6,495,682	6,512,956
1996	2,692,286	8,385,886	68,999	7,142,910	7,211,909
1997	2,819,316	9,068,728	31,303	7,458,667	7,489,970
1998	3,078,116	8,319,682	41,418	7,423,507	7,464,925
1999	3,313,393	10,553,918	262,123	8,650,272	8,912,395
2000	3,376,664	10,842,095	398,352	8,683,201	9,081,553
2001	3,499,012	11,803,788	1,275,732	9,349,098	10,624,830
2002	3,670,243	11,909,298	1,165,881	9,720,378	10,886,259
2003	3,790,636	13,354,769	1,239,578	11,026,486	12,266,064
2004	3,875,327	13,976,182	1,324,479	11,257,313	12,581,792
2005	4,051,374	14,961,658	1,611,621	11,833,890	13,445,511
2006	4,165,215	15,880,487	2,376,542	12,046,626	14,423,168
2007	4,304,914	15,823,368	1,935,927	11,801,965	13,737,892
2008	4,487,957	17,734,439	2,336,577	13,075,935	15,412,512
2009	4,691,160	17,564,937	2,537,423	13,343,311	15,880,744
2010	4,853,766	16,993,717	2,739,786	13,924,282	16,664,068
2011	5,000,109	18,911,520	3,477,599	14,515,666	17,993,265

Source: MPOB

TABLE 2 – MALAYSIA: EXPORTS OF PALM OIL BY SELECTED COUNTRIES

Country	2010		2011		Difference	
	Tonnes	%	Tonnes	%	Tonnes	%
China, P.R	3,483,779	18.60	3,982,128	22.13	498,349	14.30
European Union	2,064,247	11.02	2,006,093	11.15	-58,154	-2.82
Pakistan	2,134,604	11.40	1,821,009	10.12	-313,595	-14.69
India	1,169,998	6.25	1,667,908	9.27	497,910	42.56
USA	1,028,048	5.49	1,054,997	5.86	26,949	2.62
Egypt	938,722	5.01	710,421	3.95	-228,301	-24.32
Ukraine	264,376	1.41	136,713	0.76	-127,663	-48.29
Japan	551,614	2.95	541,439	3.01	-10,175	-1.84
Singapore	401,340	2.14	477,264	2.65	75,924	18.92
Benin	376,742	2.01	270,672	1.50	-106,070	-28.15
Iran	272,967	1.46	342,423	1.90	69,456	25.44
South Korea	318,471	1.70	355,652	1.98	37,181	11.67
Vietnam	346,163	1.85	420,104	2.33	73,941	21.36
Russia	163,154	0.87	107,196	0.60	-55,958	-34.30
UAE	447,792	2.39	402,378	2.24	-45,414	-10.14
Myanmar	179,509	0.96	244,353	1.36	64,844	36.12
Taiwan	153,792	0.82	146,799	0.82	-6,993	-4.55
Australia	125,986	0.67	118,104	0.66	-7,882	-6.26
Philippines	204,731	1.09	512,218	2.85	307,487	150.19
South Africa	151,216	0.81	201,441	1.12	50,225	33.21
Bangladesh	168,117	0.90	150,095	0.83	-18,022	-10.72
Sri Lanka	69,616	0.37	110,682	0.62	41,066	58.99
Togo	230,545	1.23	154,017	0.86	-76,528	-33.19
Yemen	52,733	0.28	65,984	0.37	13,251	25.13
Ghana	100,914	0.54	110,471	0.61	9,557	9.47
Djibouti	162,557	0.87	117,359	0.65	-45,198	-27.80
Turkey	17,604	0.09	106,574	0.59	88,970	505.40
Kenya	29,641	0.16	30,616	0.17	975	3.29
Jordan	5,327	0.03	21,620	0.12	16,293	305.86
Others	3,114,010	16.63	1,606,535	8.93	498,618	-48.41
TOTAL	18,728,315	100	17,993,265	100	1,271,043	

Source: MPOB 2012

TABLE 3: SELECTED PRICES OF PROCESSED PALM OIL (US\$/TONNE)*

Month	RBD PALMOIL		RBD PALMOLEIN		RBD PALMSTEARIN		PFAD	
	2010	2011	2010	2011	2010	2011	2010	2011
January	780	1245	788	1249	714	1218	686	1017
February	767	1285	774	1297	734	1255	682	1011
March	801	1212	814	1212	787	1154	698	902
April	804	1169	812	1169	797	1124	669	762
May	799	1190	808	1200	791	1113	658	737
June	784	1174	792	1171	765	1078	634	741
July	791	1107	791	1122	766	947	608	693
August	890	1112	901	1153	837	907	631	789
September	904	1101	913	1111	867	861	660	843
October	944	947	980	975	940	830	778	794
November	1073	1026	1090	1056	1051	929	924	857
December	1180	1034	1173	1055	1124	933	993	816
Average	876	1134	886	1148	848	1029	718	830

**All prices are based on average for Malaysia*

Source: MPOB Monthly Price Statistics

