

**CROSSROADS**  
ASIA PACIFIC



**KUALA LUMPUR**  
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# The Malaysian Fertilizer Market

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Fertilizer Industry Association of Malaysia

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Fertilizer Industry Association of Malaysia

## FERTILIZER INDUSTRY ASSOCIATION OF MALAYSIA (FIAM)

### Objectives of FIAM

FIAM was established on August 13, 1987 with the objectives of:-

1. To promote and develop the fertilizer industry, i.e. import, manufacture, produce, process and/or distribute fertilizers.
2. To co-operate with and offer advice to Authorities on matters related to the fertilizer industry.
3. To inform members on the existing or proposed legislation and Government or scientific committees reports which affect the fertilizer industry.
4. To promote proper and efficient handling and usage of fertilizers.
5. To establish liaison with similar organization and agriculture associations in Malaysia or overseas.
6. To encourage, support and inform members on commercial or technical developments related to the fertilizer industry.
7. To foster the development and utilization of fertilizer products in Malaysia.
8. To conduct industry meetings and conventions.



## FERTILIZER INDUSTRY ASSOCIATION OF MALAYSIA (FIAM)

### FIAM Members

- |                                    |  |
|------------------------------------|--|
| 1. Agrifert Malaysia Sdn Bhd       | 11. Minerals & Chemicals Corporation Sdn Bhd |
| 2. AgroBridge (Malaysia) Sdn Bhd   | 12. PETRONAS Chemicals Group Berhad          |
| 3. Agromate (M) Sdn Bhd            | 13. Pertubuhan Peladang Kebangsaan           |
| 4. Agro-Tech NPK (M) Sdn Bhd       | 14. PK Fertilizers Sdn Bhd                   |
| 5. All Cosmos Industries Sdn Bhd   | 15. Twin Arrow Fertilizers Sdn Bhd           |
| 6. Behn Meyer AgriCare (M) Sdn Bhd | 16. Union Harvest Sdn Bhd                    |
| 7. CCM Fertilizers Sdn Bhd         | 17. Union Harvest (M) Sdn Bhd                |
| 8. FPM Sdn Bhd                     | 18. Yara International (M) Sdn Bhd           |
| 9. Gransea (M) Sdn Bhd             | 19. Yinpolin Agriculture Sdn Bhd             |
| 10. Hap Seng Fertilizers Sdn Bhd   |  |

*\* as of September 30, 2015 (in alphabetical order)*



## THE MALAYSIAN FERTILIZER MARKET

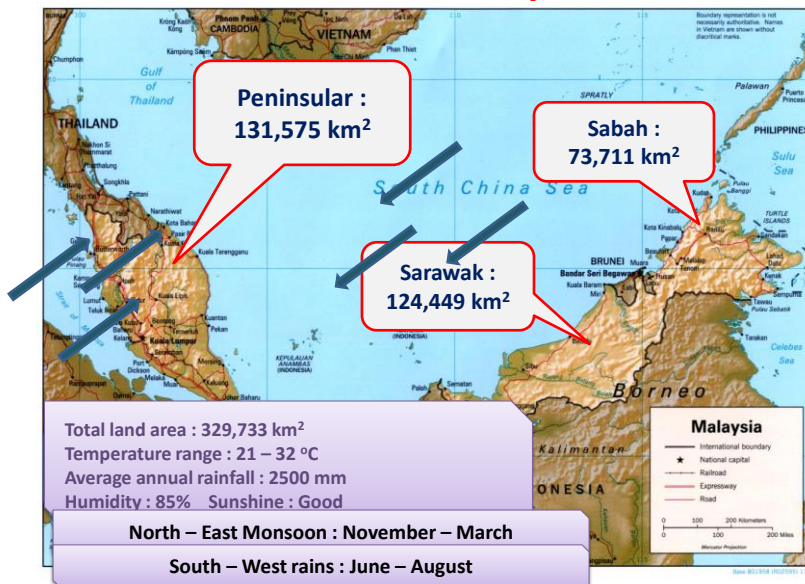
### Profile of Malaysia

Malaysia has a total land area of 327,733 square kilometers. The soils are highly leached infertile acid tropical soils and as such fertilizer application is essential in Malaysian agriculture. Large tracts of land are cultivated with perennial tree crops such as oil palm where large quantities of fertilizers are required annually to sustain high crop yields and ultimately profitability. Besides oil palm, the other cultivations are rubber, paddy and others.



## THE MALAYSIAN FERTILIZER MARKET

### Profile of Malaysia

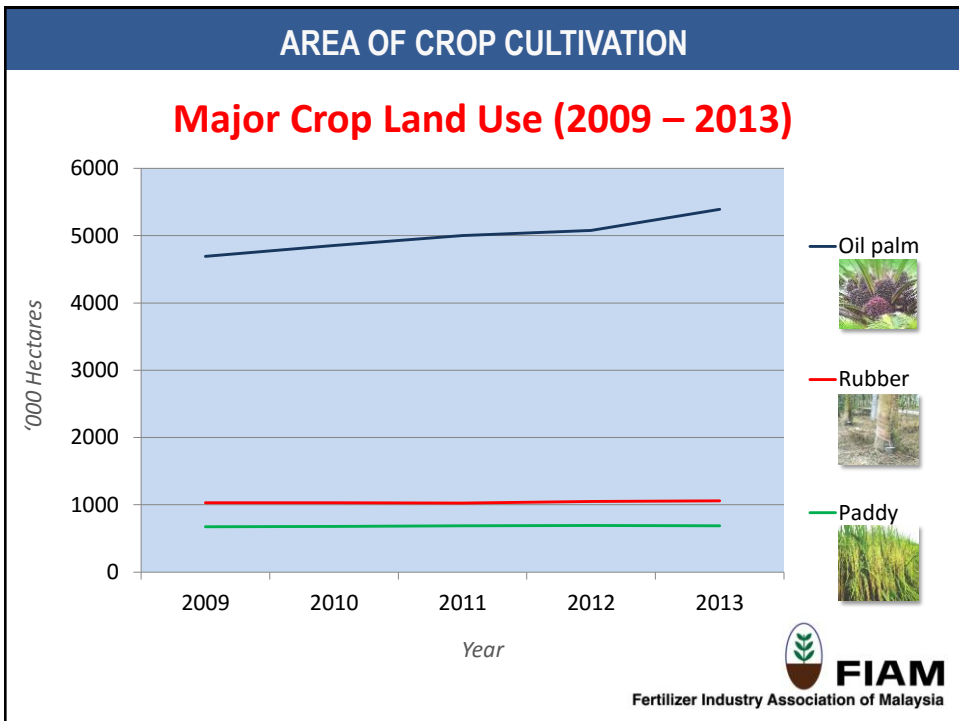


### AREA OF CROP CULTIVATION

## Total Area of Crop Cultivation in Malaysia (2009 – 2013)

| Industrial Crops | (' 000 Hectares) |        |        |        |        |
|------------------|------------------|--------|--------|--------|--------|
|                  | Year             |        |        |        |        |
|                  | 2009             | 2010   | 2011   | 2012   | 2013   |
| Oil palm         | 4,691            | 4,853  | 5,001  | 5,076  | 5,392  |
| Rubber           | 1,032            | 1,029  | 1,026  | 1,048  | 1,060  |
| Rice (paddy)     | 574.9            | 677.9  | 687.5  | 692.3  | 688.2  |
| Cocoa            | 17.4             | 19.4   | 20.5   | 21.7   | 20.59  |
| Sugarcane        | 14.73            | 14.24  | 14.68  | 14.67  | 14.67  |
| Tobacco          | 7.6              | 3.7    | 4.2    | 2.5    | 2.0    |
| Coffee           | 9.96             | 8.53   | 7.52   | 7.1    | 6.67   |
| Pepper           | 13.6             | 14.1   | 14.6   | 14.8   | 15.2   |
| Coconut          | 143.09           | 121.01 | 117.47 | 117.65 | 115.84 |

*Source: From various Malaysian Government Ministries and Departments including Malaysian Palm Oil Board (oil palm), Malaysian Rubber Board (rubber), Department of Agriculture, Malaysia (paddy), Malaysian Pepper Board (pepper), Malaysian Cocoa Board (cocoa), National Kenaf & Tobacco Board (tobacco)*



## AREA OF CROP CULTIVATION

### Yield of Major Crops (2009 – 2013)

(in metric tonnes)

|                       | 2009       | 2010       | 2011       | 2012       | 2013       |
|-----------------------|------------|------------|------------|------------|------------|
| <b>Palm Oil (CPO)</b> | 17,565,000 | 16,993,000 | 18,911,000 | 18,785,000 | 19,216,000 |
| <b>Rubber</b>         | 857,000    | 939,000    | 996,000    | 923,000    | 826,000    |
| <b>Rice (Paddy)</b>   | 1,620,000  | 1,588,000  | 1,660,000  | 1,774,000  | 1,847,000  |
| <b>Cocoa</b>          | 18,152     | 15,654     | 4,605      | 3,645      | 2,809      |
| <b>Pepper</b>         | 21,195     | 24,227     | 25,660     | 26,050     | 26,500     |

Source: Malaysian Palm Oil Board (oil palm), Malaysian Rubber Board (rubber), Department of Agriculture, Malaysia (paddy), Malaysian Pepper Board (pepper) & Malaysian Cocoa Board (cocoa)



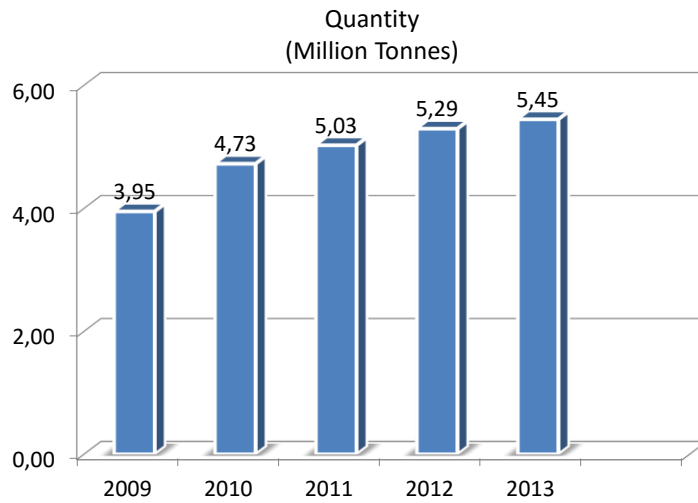
## FERTILIZER CONSUMPTION (2009 – 2013)

(in metric tonnes, fertilizer)

|      | Nitrogen (N) | Phosphorus (P) | Potassium (K) | Total     |
|------|--------------|----------------|---------------|-----------|
| 2009 | 2,005,000    | 821,000        | 1,169,000     | 3,995,000 |
| 2010 | 1,805,000    | 999,000        | 1,921,000     | 4,725,000 |
| 2011 | 1,865,000    | 1,072,000      | 2,088,000     | 5,025,000 |
| 2012 | 1,998,000    | 1,142,000      | 2,154,000     | 5,294,000 |
| 2013 | 2,065,000    | 1,178,000      | 2,204,000     | 5,447,000 |



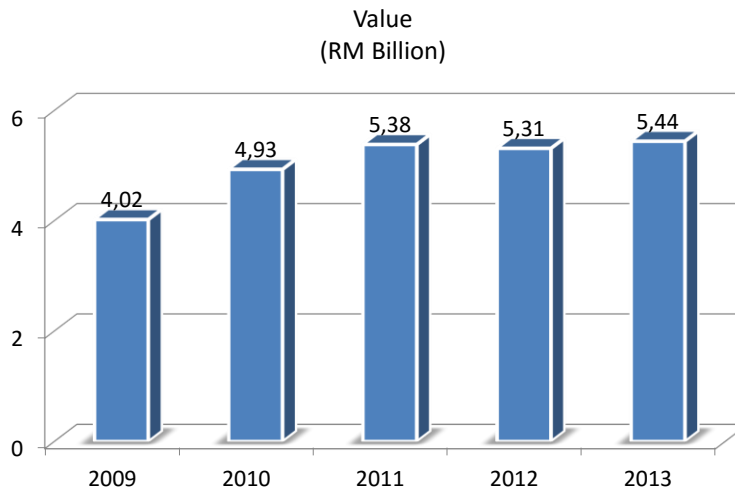
## FERTILIZER CONSUMPTION (2009 – 2013)



Source: Department of Statistics, Malaysia; FIAM and industry estimates

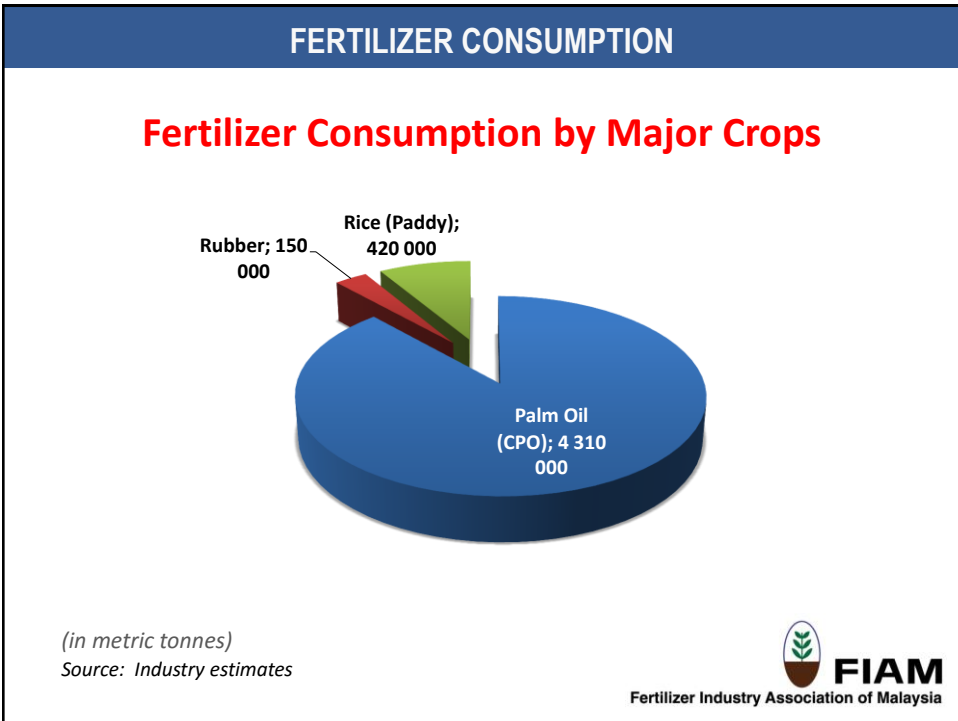
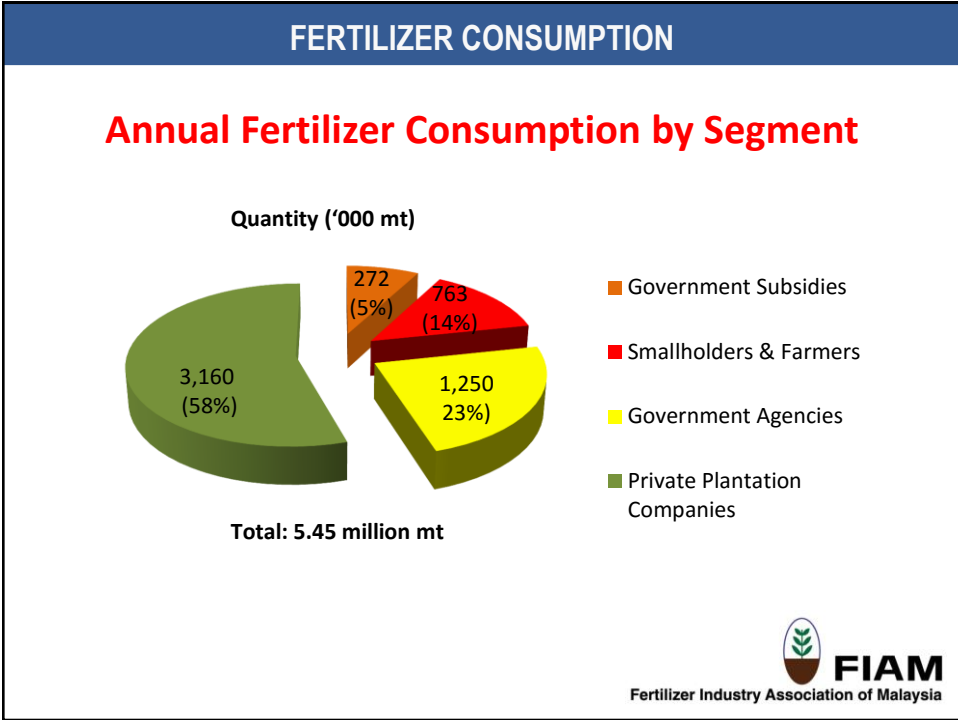


## FERTILIZER CONSUMPTION (2009 – 2013)



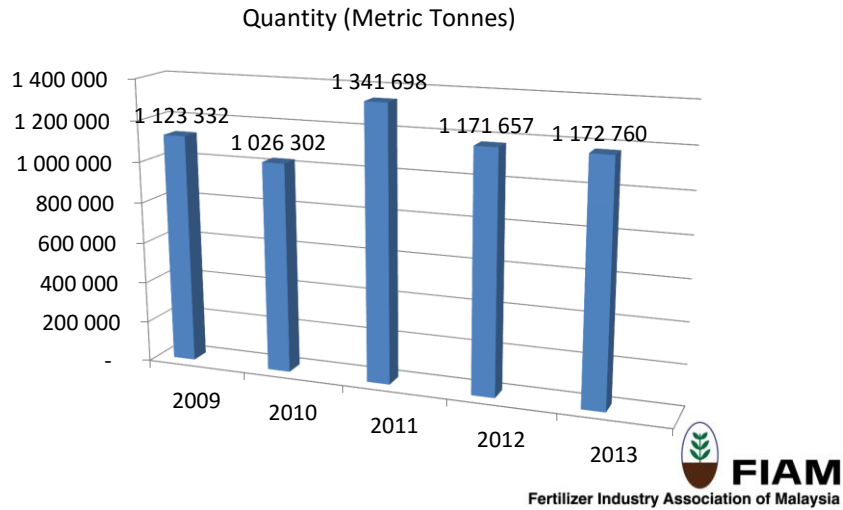
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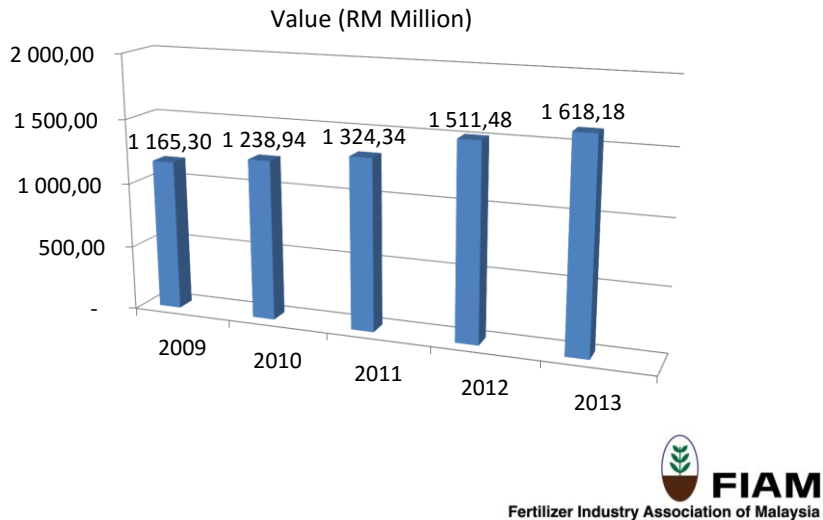
## FERTILIZER IMPORTS

### Import of Total Nitrogen Fertilizer (2009 – 2013)



## FERTILIZER IMPORTS

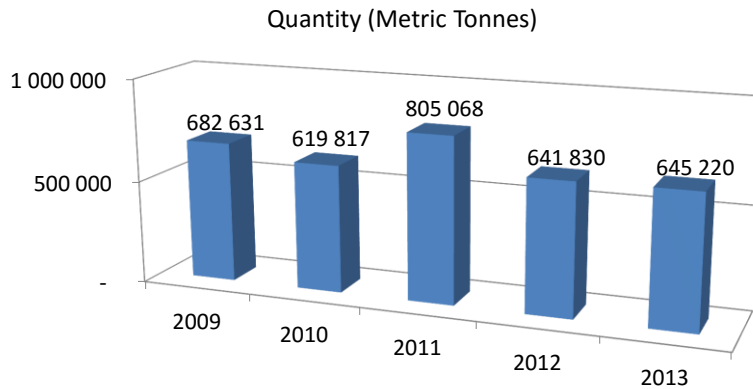
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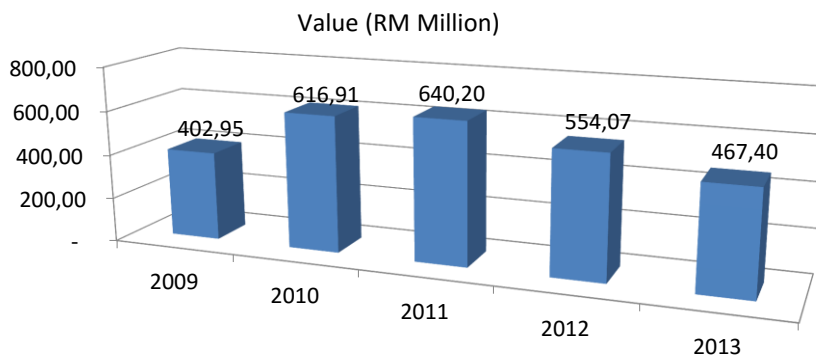
## FERTILIZER IMPORTS

## Import of Ammonium Sulphate (2009 – 2013)



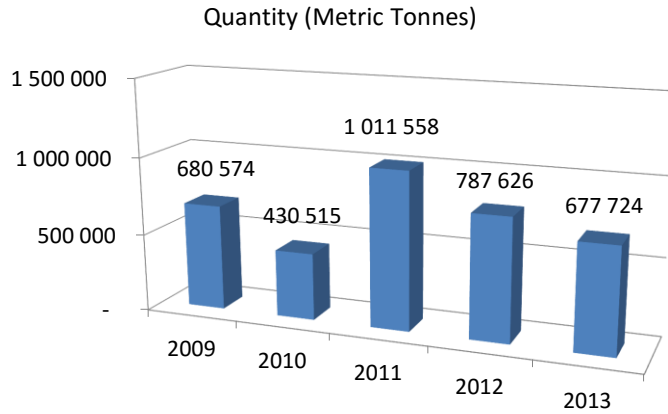
## FERTILIZER IMPORTS

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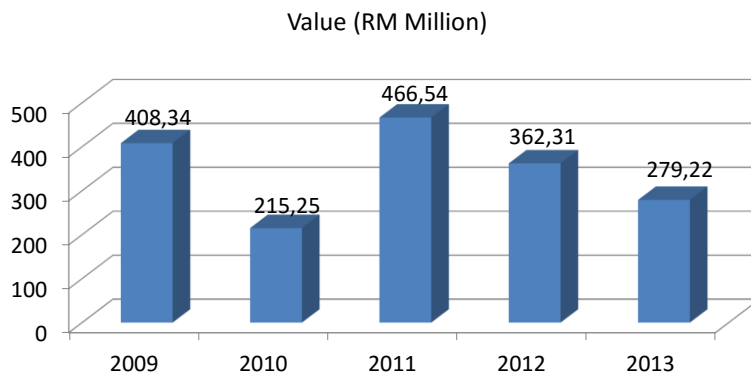
## FERTILIZER IMPORTS

### Import of Rock Phosphate Fertilizer (2009 – 2013)



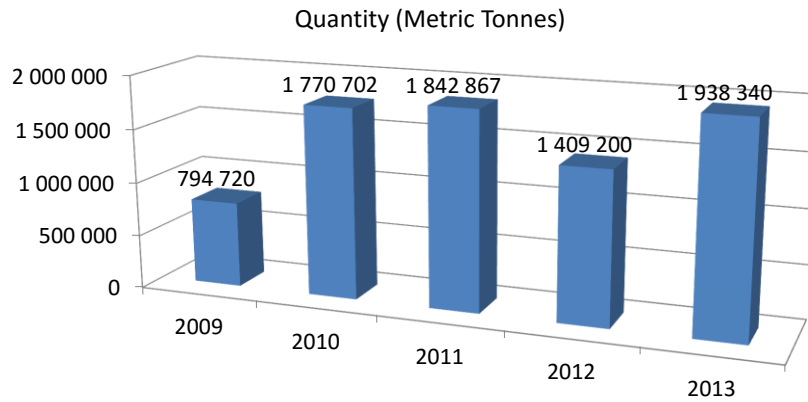
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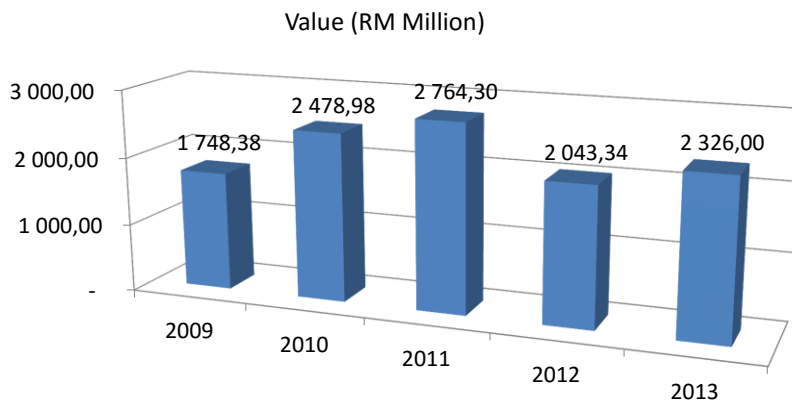
## FERTILIZER IMPORTS

### Import of Muriate of Potash (2009 – 2013)



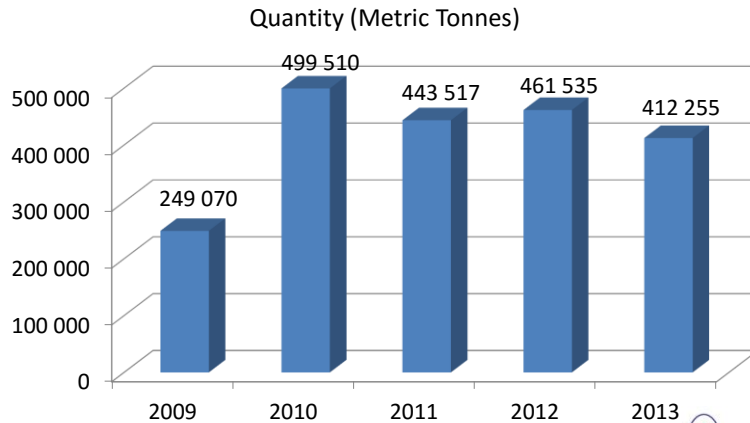
## FERTILIZER IMPORTS

### Import of Muriate of Potash (2009 – 2013)



## FERTILIZER IMPORTS

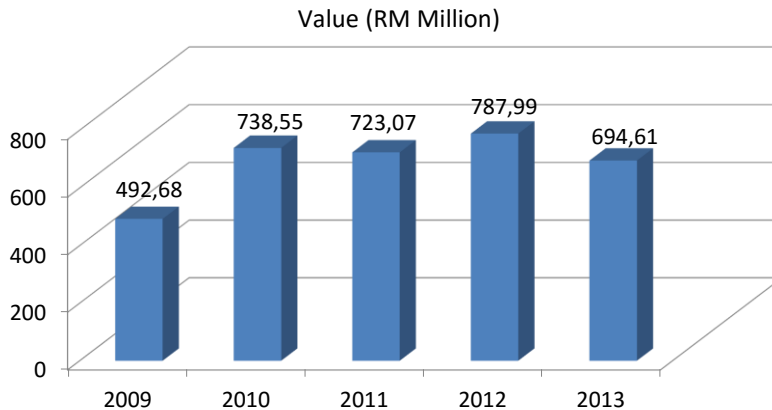
### Import of Compound Fertilizers – 2 or More Nutrients (2009 – 2013)



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Fertilizer Industry Association of Malaysia

## FERTILIZER IMPORTS

### Import of Compound Fertilizers – 2 or More Nutrients (2009 – 2013)



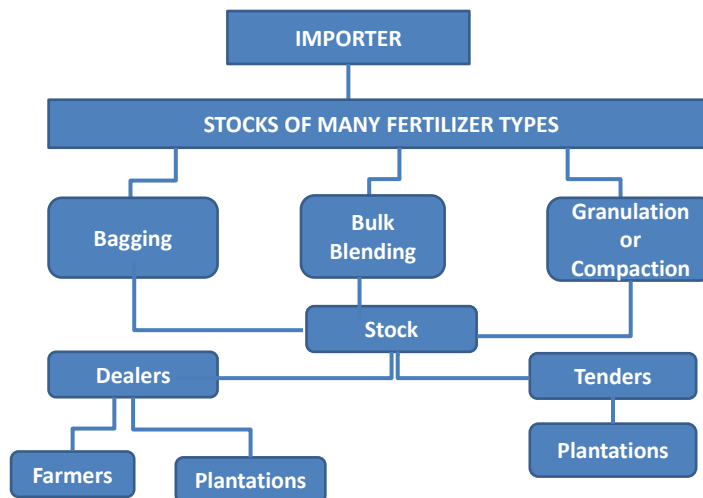
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Fertilizer Industry Association of Malaysia

## FERTILIZER IMPORTS

### Main Mineral Fertilizer Imports in 2013

| Types of Fertilizers    | Country of Origin  | Import to Malaysia (MT) |
|-------------------------|--|-------------------------|
| Muriate of Potash (MOP) | Canada, Russia, Germany, Belarus, Jordan                             | 1,938,340               |
| Ammonium Sulphate (SOA) | China, Korea, Japan, Russia, Taiwan                                  | 645,220                 |
| Rock Phosphate (RP)     | Australia (Christmas Island), Egypt, Morocco, China, Jordan and Peru | 677,724                 |
| Magnesium Sulphate      | Germany, China   | 250,000                 |

## FERTILIZER DISTRIBUTION IN MALAYSIA



## SUMMARY

1. With oil palm being the major plantation crop in Malaysia, large quantities of fertilizers are required annually to sustain the high crop yields.
2. The Government is speeding up the effort to replant the old and low yielding oil palm areas both in the plantation and the smallholders sector. This will result in increase of compound fertilizers consumption in the young areas but a possible reduction in the matured areas.



## SUMMARY

3. Moving forward to 2016 basing on current scenario:
  - a. CPO price has just moved upward from low RM1,800 per metric tonne in August 2015 to average of RM2,150 in October, many plantation companies are expected to maintain their fertilizer order volume in 2016.
  - b. However due to the uncertainty of the Malaysian Ringgit, most plantation companies are seen to be deferring their calling of tenders for 2016 to late October or November 2015. Normally it was done in September.



## SUMMARY

- c. As suppliers, FIAM members had agreed with the plantation companies that an adjustment on the award price will be made on three monthly interval should the exchange rate moves by 5% either way.



## ACKNOWLEDGEMENT

### **Special thanks to:**

1. IFA for inviting us to present this paper.
2. FIAM members in preparation of the paper.
3. The Department of Statistics, Malaysia for the figures
4. Other individuals and organizations for their assistance.



