# Palm oil, grains and soft commodities

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## Palm oil and the Singapore-based champions

Singapore grows almost no food, yet it is the headquarters of some of the largest agricultural trading groups in the world. The connection began with palm oil. Indonesia and Malaysia produce most of the world's palm oil, and Indonesia alone accounts for about half of world supply.[1] The groups that grow, process and trade this oil found in Singapore a neutral base between the two producing countries, with access to capital markets and a legal system that their bankers trusted.

Wilmar International is the largest of them. It was founded by Kuok Khoon Hong and Martua Sitorus on 1 April 1991 as a palm oil trading company and grew into a group that plants, refines, processes and sells palm oil, oilseeds, sugar, rice and flour across Asia and Africa. Listed on the Singapore Exchange and a component of the Straits Times Index, it reported revenue of US$73.4 billion for 2022.[2] The restructuring of 2007 brought in interests held by Archer Daniels Midland, a link that connects Wilmar with one of the four great grain traders.

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Golden Agri-Resources, controlled by the Widjaja family of the Indonesian Sinar Mas group, is the second Singapore-listed palm oil champion. It has been listed in Singapore since 1999 and manages plantations in Indonesia.[3] Its Singapore listing gives an Indonesian family business access to international equity and debt investors, while its operations remain in Indonesia. The model recurs throughout the sector: production in the neighbouring countries, headquarters, finance and trading in Singapore.

## Olam and the trading of softs

Olam represents another path. It began in 1989, when the Kewalram Chanrai Group established a non-oil export business in Nigeria. Olam International Limited was incorporated in Singapore on 4 July 1995 and listed on the main board of the Singapore Exchange on 11 February 2005. The group became a leading supplier of cocoa, coffee, cashews, cotton, rice and other agricultural products, sourced largely from Africa, Asia and Latin America. Temasek became a shareholder in 2003 and held close to 80 per cent after a voluntary general offer in 2014, while Mitsubishi Corporation acquired a 20 per cent stake in 2015.[4]

Olam's history includes a test of the Singapore market's resilience. In November 2012 the short seller Muddy Waters Research accused the group of excessive leverage and illiquid investments. Olam called the allegations baseless and sued for libel, although its shares fell sharply.[5] The backing of Temasek helped the company through the episode, which illustrates the role of state capital described in Chapter D.I.

In January 2020 Olam announced its division into a food ingredients business, ofi, and a global agribusiness, Olam Global Agri, which trades grains, oilseeds, edible oils, rice and cotton.[6] The agribusiness, now called Olam Agri, attracted the Saudi Agricultural and Livestock Investment Company (SALIC), the food investment arm of Saudi Arabia's Public Investment Fund, as an investor. On 27 April 2026 Olam Group completed the sale of a further 44.58 per cent of Olam Agri to SALIC for about US$1.88 billion, which left SALIC with 80.01 per cent. The remaining 19.99 per cent is to pass to SALIC within three years under put and call options.[7] The

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transaction illustrates a theme of Part I: capital from the Gulf and from Asia increasingly owns the trading houses that Singapore hosts, because food security has become a strategic objective of importing states.

## Rubber and the exchange

Rubber links the modern agricultural trade with the colonial economy described in Chapter B.IV. Singapore was for most of the twentieth century the principal market for Malayan and Indonesian rubber. The Singapore Commodity Exchange, known as SICOM, developed rubber futures and was acquired by the Singapore Exchange, which completed the purchase on 30 June 2008 and made SICOM a wholly owned subsidiary.[8] The SGX rubber contracts, based on technically specified rubber grades, are used by producers in Thailand, Indonesia and Malaysia and by tyre manufacturers to hedge their exposure. They compete with the rubber contracts of Shanghai and Osaka, which reflect the demand of Chinese and Japanese buyers.

## Grains and food security

The four great grain traders, Archer Daniels Midland, Bunge, Cargill and Louis Dreyfus, all maintain Asian operations in Singapore. Their principal markets lie in China, South-East Asia and the Middle East, which import soybeans, wheat and maize from the Americas, Australia and the Black Sea region. Singapore's trading role in grains is less conspicuous than in palm oil, because the large flows are managed partly from the groups' headquarters and partly from offices in China.

Food security gives Singapore a direct interest in the trade. The city imports more than 90 per cent of its food, and the government treats the reliability of supply chains as a strategic concern.[9] The export restrictions imposed by producing states in crises show why. On 28 April 2022 Indonesia banned exports of palm oil, a measure that it lifted the following month.[10] India and other states restricted exports of rice and wheat in the same period. For Singapore-based traders, such measures are a business risk and an opportunity at once, since a trader with diversified origins can supply buyers whose usual source has closed.

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# Notes

1. Wikipedia, “Palm oil production in Indonesia” (accessed November 2026): Indonesia produces “about half of the world’s supply”; production of 41.5 million tonnes in 2018. ↩
2. Wikipedia, “Wilmar International” (accessed November 2026): “Wilmar was founded by Kuok Khoon Hong and Martua Sitorus on 1 April, 1991” as a palm oil trading company; revenue “US$73.40 billion (2022)”; listed as “SGX: F34” and an STI component; restructuring in 2007 including interests of Archer Daniels Midland. ↩
3. Wikipedia, “Golden Agri-Resources” (accessed November 2026): “listed on the Singapore Stock Exchange since 1999”; Franky Widjaja “of the Sinar Mas family” as chief executive. ↩
4. Wikipedia, “Olam International” (accessed November 2026): Kewalram Chanrai Group established Olam Nigeria Plc in 1989; Olam International Limited “incorporated in Singapore on 4 July 1995”; “On 11 February 2005, Olam International Limited was listed on the main board of the Singapore Exchange.”. Wikipedia, “Olam International” (above): Temasek took a stake in 2003 and held close to 80 per cent by December 2014 after a voluntary general offer, falling to 53.4 per cent by 2020; “In 2015 Mitsubishi Corporation acquired a shareholding of 20%”. ↩
5. Wikipedia, “Olam International” (above): in November 2012 Carson Block of Muddy Waters accused Olam of “deciding to take huge leverage and invest in illiquid positions”; Olam called the allegations “baseless rumour-mongering”, sued for libel, and its shares fell 21 per cent. ↩
6. Wikipedia, “Olam International” (above): in January 2020 Olam announced the “division of its portfolio of diverse products into two new operating businesses”, “Olam Food Ingredients (OFI)” and “Olam Global Agri (OGA)”. ↩
7. Olam Group, news release “Olam Group announces completion of 44.58% stake sale in Olam Agri to SALIC”, Singapore, 27 April 2026 (olamgroup.com,

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PDF read November 2026): Tranche 1 sale of 44.58 per cent "for US$1.88 billion"; "Olam Agri becomes majority 80.01% owned by SALIC and a 19.99% owned associated company of Olam Group"; put and call options over the remaining 19.99 per cent exercisable on or before the third anniversary of completion. Wikipedia, "Olam International" (accessed November 2026), gives August 2026 as the date, which the company release does not support. ↩

8. Wikipedia, "Singapore Exchange" (accessed November 2026): SGX "completed the acquisition of Singapore Commodity Exchange Ltd (SICOM)" on 30 June 2008, which "now is a 100% subsidiary". ↩
9. Singapore Food Agency, statements on Singapore's import dependence of more than 90 per cent of its food (sfa.gov.sg). ↩
10. Wikipedia, "Palm oil production in Indonesia" (accessed November 2026): Indonesia would "effectively ban palm oil exports starting 28 April, until further notice". The Indonesian export ban was lifted on 23 May 2022. ↩

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