LEADERSHIP BRIEF – RICE BRAN OIL DIVERSIFICATION

Supplier Concentration Analysis & Diversification Strategy

Total Category Spend 2025: USD 2,208,600

CURRENT STATE – SUPPLIER CONCENTRATION RISK

Metric	2025 Original
Supplier	Malaya Agri Oils
Supplier Location	Malaysia
Spend Share	65%
Key Risk	High supplier concentration (65%) and APAC supply corridor dependency

OVERALL RISK STATEMENT

Our current rice bran oil procurement involves 2 suppliers, with Malaya Agri Oils as the dominant supplier at 65% of total category spend (USD 1,441,800 of USD 2,208,600 in 2025). Other suppliers include: Borneo Nutrients (35%). All suppliers operate from Malaysia. We currently do not source rice bran oil from Mediterranean Oils, an already approved Edible Oils supplier in our system with operational presence across Spain, Ukraine, USA, Indonesia. This creates both a high supplier concentration risk and a correlated geographic concentration risk. It is recommended to activate rice bran oil with Mediterranean Oils to offset this dependency, introduce price competition, diversify geographic exposure, and enable alternate logistics routing, while continuing optimization and quarterly rebalancing.

STRATEGIC OUTCOME

- Reduce single-supplier concentration from 65% to 55% in Phase 1
- Activate 10% of spend via incumbent supplier (Mediterranean Oils) with multi-region presence
- Improve pricing leverage through supplier competition
- Reduce southeast asia supply corridor risk by ~25%
- Achieve estimated annual cost advantage of USD 79,509–198,774 while improving supply continuity

NEXT STEPS

1. Activate rice bran oil with Mediterranean Oils
2. Initiate 8–12 week pilot allocations
3. Benchmark pricing and delivery quarterly
4. Continue phased reduction based on pilot performance