

EU rapeseed imports tumbled to one third below previous year's level

UFOP: development of producer prices requires change in double counting of biofuels from wastes and residues

Berlin, 29 February 2024 – EU-27 rapeseed imports in the current crop year 2023/24 (July-February) amount to 3.5 million tonnes, falling as much as one third short of the previous year's volume. However, imports rose substantially the previous season. Also, the somewhat larger EU rapeseed harvest reduced import demand. The import volume exceeds that of the 2021/22 season by 6 per cent.

According to information published by Agrarmarkt Informations-Gesellschaft (mbH) (AMI), Ukraine has maintained its top position among the key rapeseed suppliers to the EU in the current crop year despite the continuing war. With 2.4 million tonnes, just under 13 per cent down on the same period a year earlier, the country accounts for 67 per cent of EU rapeseed imports. This share compares to 52 per cent in 2022/23. Australia contributed much less due to a smaller harvest, but nevertheless ranks second most important supplier to the EU with 768,000 million tonnes and a share of 22 per cent. A year earlier, the country delivered 2.0 million tonnes - more than twice the amount supplied in the current crop year. Imports from Canada also plummeted. At 42,500 tonnes, the EU received only a fraction of the previous year's amount of 230,800 tonnes. In other words, Canada's share in total EU imports dropped 3 percentage points to 1.2 per cent. Moldova and Serbia gained noticeably in importance as rapeseed suppliers to the EU and increased their imports many times over to 233,100 tons and 107,200 tons respectively. Taking Moldova as an example, it can be assumed that most rapeseed exported to the EU originates from Ukraine, as Moldova itself produced approximately 75,000 tons of rapeseed in 2023.

The Union zur Förderung von Oel- und Proteinpflanzen e. V. (UFOP) has noted that Ukraine is a key supplier of rapeseed and must continue to be in the future in order to cover EU oil mills' rapeseed requirements. The UFOP has emphasised this need in view of the current critical debates and responses relating to imports from Ukraine. According to the association, the issue of currently low producer prices for rapeseed is first and foremost due to the strong rise in biodiesel imports from China, which imports can be counted double towards greenhouse gas quota obligations in Germany. Biodiesel based on rapeseed or waste oils in accordance with Annex IX, Part B, of the Renewable Energy Directive (Red II), on the other hand, can only be counted once. What is more, these volumes are subject to a cap (4.4 per cent cultivated biomass / 1.9 per cent waste oils). The biodiesel imports from China result in physical commodity being squeezed out of the market due to the crediting of virtual



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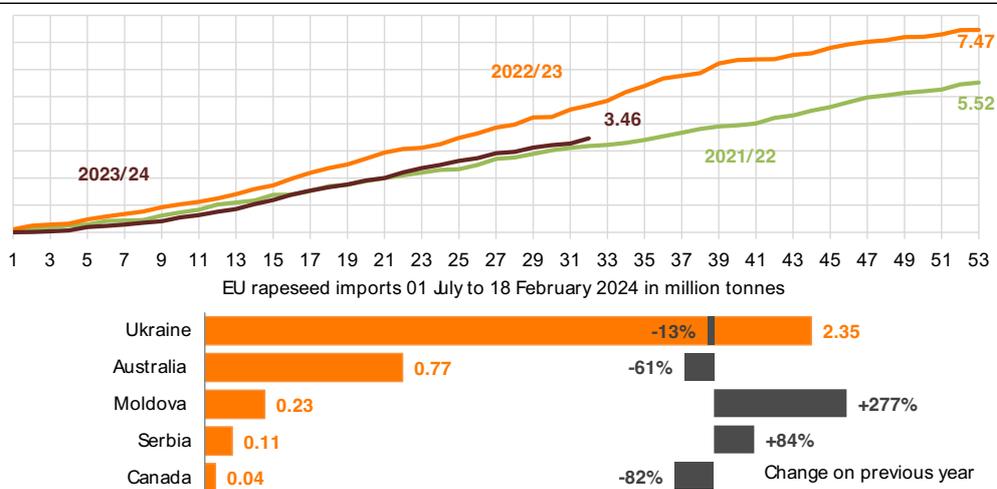
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quotas. Consequently, demand for biodiesel feedstock is in decline and price pressure on the rapeseed and vegetable oil market is increasing.

The UFOP has called on the Federal Ministry for the Environment to use its regulatory powers in a forward-looking manner for the purposes of complying with climate change mitigation commitments by raising greenhouse gas quota obligations prematurely. Otherwise, a cap will also have to be introduced for biofuels from Annex IX, Part A, of the Directive. The biodiesel imports from China, which are suspected of being fraudulent, have clearly revealed the shortcomings in regulation and enforcement with regard to on-site inspections. This needs to be tightened up urgently, for example by amending trade agreements. The UFOP has emphasised the need for action in view of the implementation of RED III, in the process of which implementation other member states, such as Austria, will introduce a greenhouse gas quota obligation.

Weekly rapeseed imports to the EU-27
by marketing-year weeks in million tonnes



Source: EU Commission

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Quick information on UFOP e. V.:

The Union for the Promotion of Oil and Protein Plants e. V. (UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein plants in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new recycling opportunities in the food, non-food and feed sectors. UFOP public relations aim to promote the marketing of domestic oil and protein plant end products.