Market Headlines

Oilseeds
- Rapeseed prices stabilise at a level 17 per cent lower than 2013; German statistics office confirms large crop at 6.2 million tonnes.
- Farmers hold back rapeseed; oil mill owners stock up with imports; in general, slow trading on the rapeseed market.

Oilmeals and oilcake
- Decline in prices for rapeseed meal stopped; soybean meal prices slide; start of harvest ends shortage in the US.
- New season starts with significantly lower oilcake prices.

Vegetable oils
- Vegetable oils drop sharply; price gap between rapeseed and palm oil widens.
- Prices for cold pressed oil plummet sharply.

Biofuel
- 27% increase in German biodiesel exports in 2013/14.
- Attractive prices prompt early transition to pure RME.

Chart of the week

2014 German rapeseed production by state

Source: Federal Statistical Office, AMI
Market prices

Rapeseed
There is hardly any trading on the German rapeseed market. Oil mill owners are interested in spot commodities. However, farmers find that discounts are too big compared to further forward positions.

Rapeseed oil
Due to steady demand, rapeseed oil lost clearly less than other vegetable oils. Palm oil costs EUR 83 per tonne less than the previous month. Rapeseed oil is down EUR 7 per tonne.

Rapeseed cake
The new season starts with significantly lower selling prices for byproducts. This reduction is possible because new-crop feedstock also costs less. Prices asked for rapeseed cake alone dropped on average by EUR 20 per tonne. While livestock farmers paid around EUR 256 per tonne in July 2014, prices were down to EUR 238 per tonne in August. In other words, prices followed rapeseed meal prices (which also saw a considerable drop), but lost some of their competitive advantage. Prices of surplus rapeseed cake sold to compound feed manufacturers sagged even more, by EUR 24 per tonne from the previous month.

Cold pressed rapeseed oil
Cold pressed rapeseed oil also continues weak. Asking prices were on average down 5 euro cents per liter from the previous month. At 65-80 euro cents per liter, the spread of selling prices for feed oil is relatively large. In contrast, DIN 51605 rapeseed oil for technical purposes is offered at a very consistent level of 80-81 euro cents per liter. Compared to wholesale prices, selling prices at the decentralised oil mills have recently been less firm. In August 2014, crude rapeseed oil fob oil mill was valued on average at 58 euro cents per liter, down 2.5 euro cents per liter from the previous month.
Wholesale prices

August 2014 demand for biodiesel was primarily focused on next year positions. Interest in nearby material did exist, but was relatively moderate, especially because there was hardly any difference in price between these positions. In August, biodiesel cost on average 68 euro cents per liter, around 10 cents more than mineral diesel.

Prices at the pump

Due to the school holidays and sometimes firm crude oil prices, August 2014 diesel prices at the pump were up nearly 2 euro cents per litre from the previous month, at 137 euro cents per litre. By contrast, prices for Super E10 saw a slight drop, to an average of 152.60 euro cents per litre.

Fuel consumption

June 2014 biodiesel consumption remained largely stable compared to the same month a year ago. However, there was a sharp drop in demand of almost 13 per cent from May 2013. May 2014 was the month with the highest consumption so far this year. Demand for mineral diesel also declined in June, by approximately 7 per cent compared to the previous month. As a result, the volume of biodiesel in blends decreased from 7.1 per cent in May to 6.6 per cent in June. However, this figure still exceeds the annual average so far this year. June 2014 consumption of pure vegetable oil climbed significantly compared to the previous month and the same month a year ago, while nevertheless remaining at a very low level of quantity.