UFOP Market Information Oilseeds and Biofuels

Contents

Market Headlines

Oilseeds

- German producer prices for rapeseed dipped further, in fact sliding below the level of the 2020/21 season.
- Uncertainty among producers increased.
- US soybeans came under downward pressure, weighed down by Brazilian competition.

Oilseed meals and oilcakes

- Rapeseed meal prices declined as supply far outstripped demand.
- Soybean meal prices fell in March; market participants were waiting for arrival of the first new-crop shipments from Brazil.

Vegetable oils

- Rapeseed oil was temporarily the lowest-priced oil on the market.
- March palm oil prices moved up and down, resisting the trend at the Kuala Lumpur stock exchange.

Fuels

- Ample supply amid restrained demand put pressure on biodiesel.
- Crude oil prices firmed at the turn of the month; concerns about demand curbed latest gains.

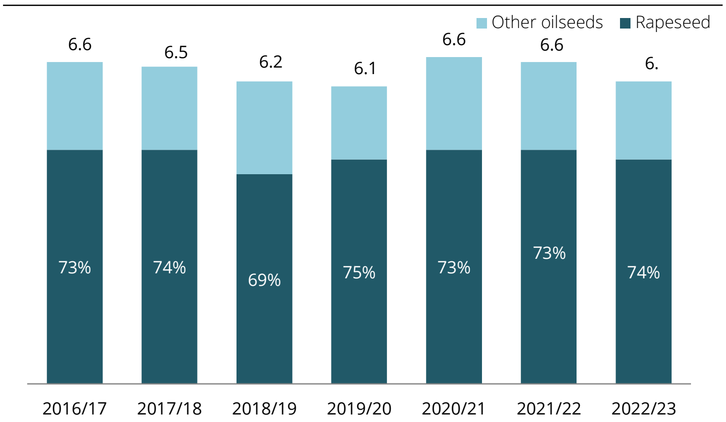
Price trends

Mean price	Week 13	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	433,00	437,04	↘
Wholesale prices in EUR/t			
Rapeseed	467	436	↗
Rapeseed oil	925	855	↗
Rapseseed meal	318	321	↘
Rapeseed cake*	370	373	↘
Rapeseed future	479,50	430,50	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	167,44	168,35	↘
Consumer prices in ct/l incl. VAT			
Diesel	167,40	167,15	↗
Futures in US-$/barrel			
WTI, Nymex	72,97	70,90	↗

* = compared with previous month, selling prices by mills, rapeseed cake with at least 10 % fat, rapeseed meal 0 %

Chart of the week

German oil mills' access to oilseeds
in the first half of the marketing year, in million tonnes



Source: BLE, AMI

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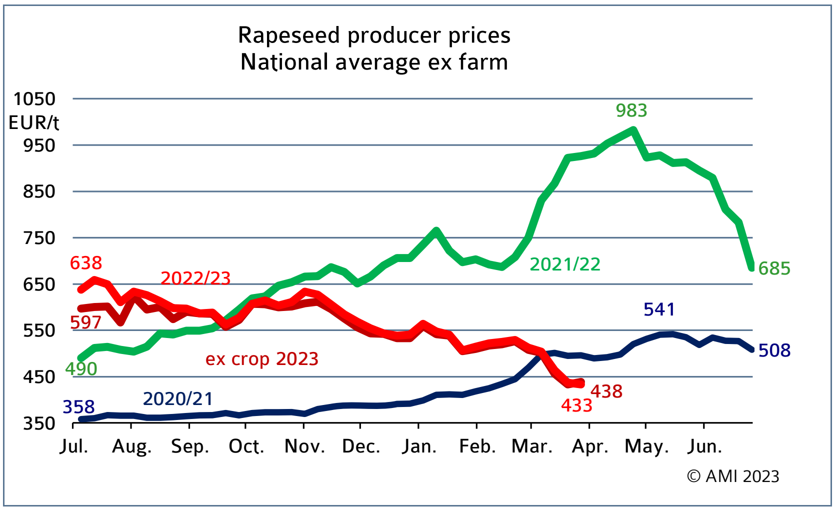
Market prices

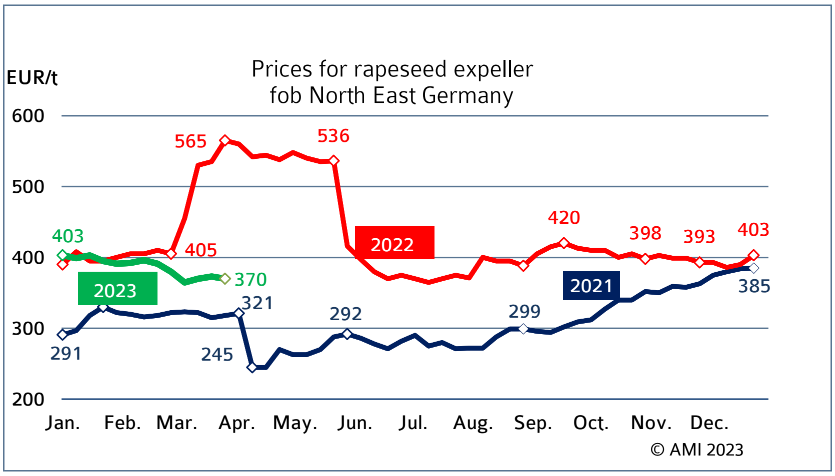


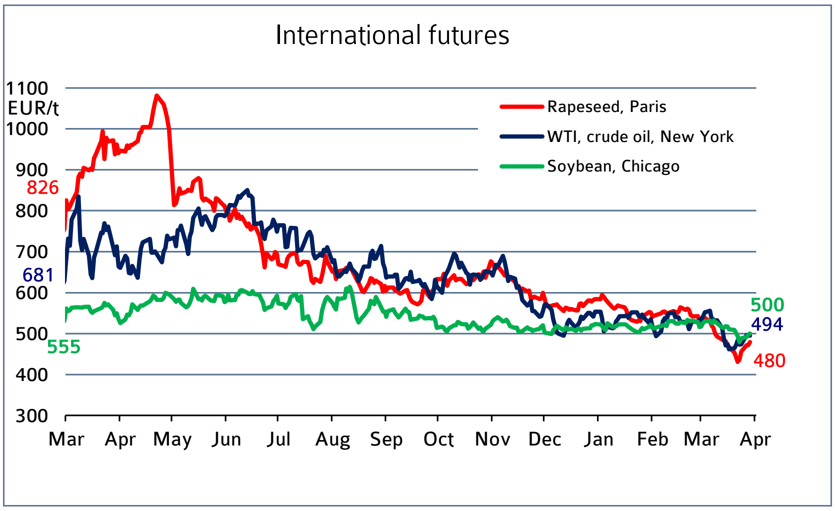
Wholesale prices

in EUR/t on 29.03.2023, (collected at mills and trade)

	Rapeseed 2022 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	467	318	925	946
Previous week	436	321	855	946

Source: AMI





Rapeseed

There were no fundamental changes in the German rapeseed market in March. Nobody believed in another price increase in the transition to the 2023 crop any longer. In other words, producers' uncertainty about how much residual stock from the 2022 crop regionally still remained in storage increased. In the falling market, buying interest remained low and day-to-day business was determined by transactions of contracts. Although futures market quotations in Paris rose sharply recently, prices on the domestic rapeseed market did not altogether follow the trend. Consequently, trading continued to be slow.

Rapeseed oil

The continuing weak trend – rapeseed oil temporarily fell to the lowest level since December 2020 –was used mid-month to order some batches for delivery in the coming season. This especially applies to the food retail sector. Shipments of rapeseed oil to China also picked up pace, with abundant supply swiftly meeting demand. However, calm returned at the end of the month in view of the recent firming trend. Trading on the part of the power sector remained slow after bids for biodiesel had been reduced considerably.

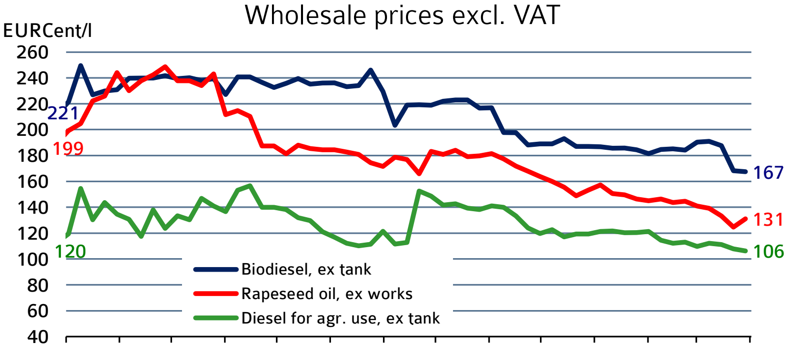
Rapeseed expeller

Bids for rapeseed expeller remained unchanged in March, resisting the feestock's general price movements. More specifically, recent asking prices fob North Germany were around EUR 370 per tonne. This translates to a EUR 5 per tonne increase on four weeks earlier. Market participants acted with restraint for the moment, observing further developments.

Wholesale prices

Strong imports from China, in particular of UCOME, increased the already abundant supply of biofuel and put significant downward pressure on asking prices. In other words, around 167.44 euro cents per litre were asked for biodiesel at the end of March. This was down 23 euro cents per litre on four weeks earlier. In the falling market, buyers adopted a wait-and-see stance. As a result, buyers were hard to find both for spot and further forward positions.

Biodiesel/ mineral Diesel



Note: Agricultural diesel, rapeseed oil and biodiesel for use in agriculture partially taxed at 25.56 cents/l, from 01.06.2022 until 31.08.2022 at 11.52 cents/l (tank rebate), all prices excluding transport costs
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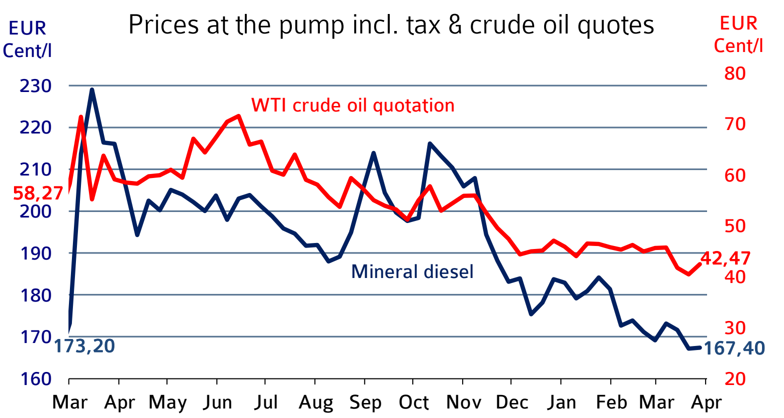

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Domestic consumption in 2023

in 1.000 t		cumulated	
	Jan.	2023	2022
Biodiesel for blending	195,4	195,4	183,0
Diesel	2.261,9	2.261,9	2.531,0
Biodiesel + diesel	2.457,3	2.457,3	2.713,9
Share biodiesel	8,0	8,0	6,7
Bioethanol ETBE a)	9,3	9,3	10,7
Bioethanol for blending	80,7	80,7	84,4
Bioethanol total	90,0	90,0	95,1
Gasoline	1.208,5	1.208,5	1.155,0
Gasoline + bioethanol	1.298,6	1.298,6	1.250,1
Share bioethanol	6,9	6,9	7,6

Note: a) Volume percent of bioethanol in ETBE = 47 %; cumulated figures include (unpublished) revised monthly BAFA data

Source: Federal Office for Economic Affairs and Export Control, AMI.

Prices at the pump

Crude oil prices largely continued their weaker trend in March, but firmed somewhat at the end of the month. The turmoil in the banking sector unsettled the market and fuelled concerns of a downturn in economic activity which could also have a negative impact on demand for crude oil. As a consequence of falling crude oil prices, prices at the pump also eased. Within one month, mineral diesel dropped 1.75 euro cents per litre to 167.40 euro cents per litre.

Consumption

Biodiesel

In January 2023, around 195,400 tonnes of biodiesel were used for blending in Germany. This was down around 9 per cent on December 2022, but up just over 7 per cent on January 2022. The decline in consumption of diesel fuel was more pronounced. January 2023 consumption amounted to just less than 2.3 million tonnes, which compares to just under 2.7 million tonnes a month earlier. This translates to a drop of 15 per cent. Compared to the same month a year earlier, this was a decline of just less than 11 per cent. The incorporation rate to satisfy the cap on greenhouse gas emissions was 8.0 per cent, which compares to 7.5 per cent the previous month and 6.7 per cent in January 2022.

Bioethanol

January 2023 use of bioethanol totalled 90,000 tonnes. Bioethanol for blending accounted for the lion's share (90 per cent). The remaining 10 per cent was bioethanol for use in ETBE. Taken together, January 2023 consumption of bioethanol in Germany dropped 10 per cent compared to the previous month. It also fell 5 per cent short of consumption recorded the same month the previous year. Consumption of petrol declined just over 2 per cent on December 2022 to 1.2 million tonnes. Compared to January 2022, it rose 5 per cent. The incorporation rate dropped 0.5 per cent to 6.9 per cent compared to December 2022.