UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 35	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	347,37	348,15	↘
Wholesale prices in EUR/t			
Rapeseed	359,00	357,00	↗
Rapeseed oil	765,00	745,00	↗
Rapseseed meal	180,00	184,00	↘
Rapeseed cake*	245,71	236,43	↗
Rapeseed future	370,50	367,50	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	122,11	122,37	↘
Consumer prices in ct/l incl. VAT			
Diesel	109,88	110,10	↘
Futures in US-$/barrel			
WTI, Nymex	45,96	48,41	↘

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

Market Headlines

Oilseeds

- German rapeseed producers were hardly prepared to sell at the current price level, especially since prices were lower than 2016.
- Mills did not raise rapeseed premiums, complaining about unsatisfactory profits from co-product sales.
- Positive prospects for US soybean crop beat down prices in Chicago, but demand from China slowly picked up.

Oilseed meals and oilcakes

- Demand for soybeans was low as many feed compounders were well supplied and awaited US soybean harvest.
- Rapeseed meal continued to be the preferred source of protein in feed for its price and went up as a result.
- Prices of rapeseed cake were lower; more decentralised oil mills gave up business.

Vegetable oils

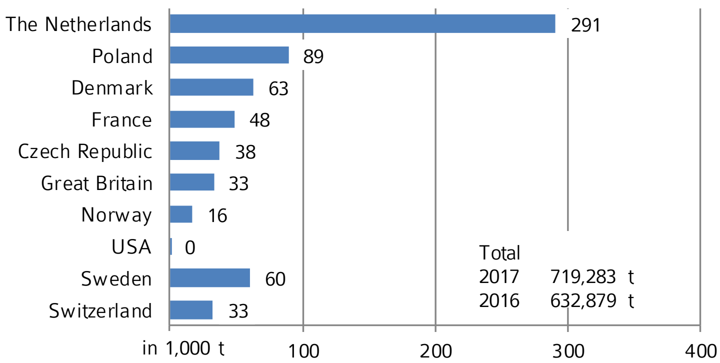
- Prices of rapeseed oil firmed, developing contrary to other vegetable oil prices.
- Palm oil was under pressure from increasing production in Southeast Asia, sliding to an 18-month low.
- Cold pressed rapeseed oil went down; demand continues at a moderate level.

Fuels

- Demand for biodiesel was low because of the upcoming decision on anti-dumping tariffs; market participants don't expect demand to rise until October.

Chart of the week

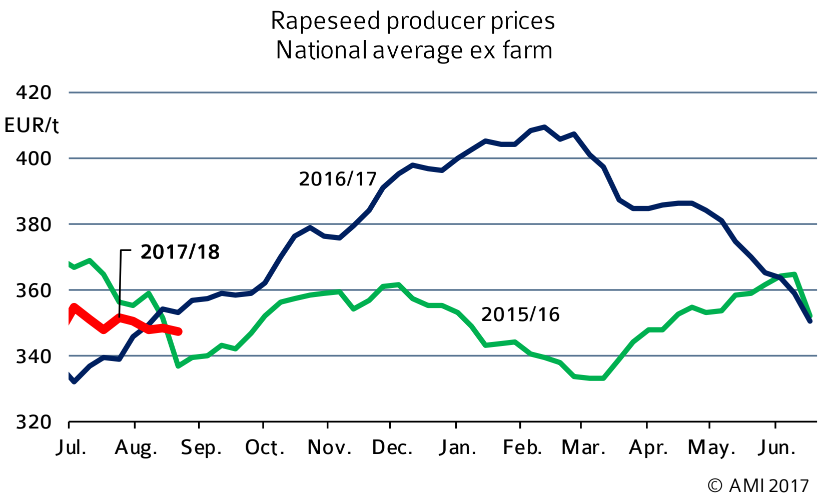
Top recipient countries of German biodiesel
German exports from January to June 2017



Quelle: Statistisches Bundesamt

Edition september 2017

Market prices



Wholesale prices

In EUR/t on 30.08.2017, (collected at mills and trade)

	Rapeseed 2017 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	359	180	765	571
Previous week	357	184	745	597

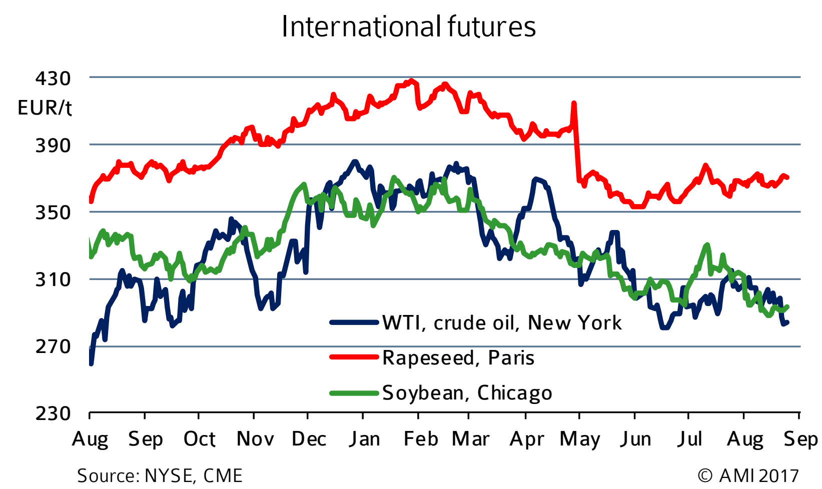
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 22.08.2017)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	225-260	245-260	86,50	87,58	-
> 100 t	210-230	235-240	pm: 87	pm: 85-88	-

Note: pm = previous month; crude rapeseed oil excl. tax
Source: AMI



Rapeseed

Weak yields cut German rapeseed production 2017 to 4.3 million tonnes, down just less than 15 per cent from the long-standing average. By contrast, the EU forecast of 21.9 million tonnes is absolutely encouraging. Unfortunately for German rapeseed producers, rapeseed prices in Paris consequently went down. As a result, the price level was too low to encourage farmers to sell.

Rapeseed oil

Rapeseed oil prices firmed towards the end of the month, but remained significantly below the previous month's level. Oil mill profits did not improve, with prospects being disagreeable. Soybean oil was under pressure from a high forecast for the US crop. Palm oil was also on a downward trend due to the increase in production.

Rapeseed cake

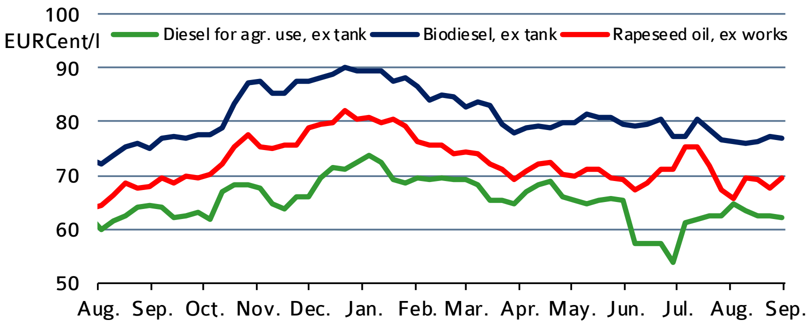
Decentralised oil mills lowered their asking prices for rapeseed cake to around EUR 232 per tonne. Consequently, nearby supplies were down EUR 16 per tonne from the previous month. Supply was increasingly limited as some decentralised oil mills stopped production. Millers are no longer prepared to bear the certification costs they can hardly earn from the transport or heating fuels business. However, in many cases sales of feed oil and rapeseed cake are not high enough to pay for the mills' operation. Consequently, millers stop rapeseed processing altogether. At the wholesale level, asking prices for rapeseed cake were stable at a slightly higher level of around EUR 214 per tonne. Demand was steady and supply on the decline in some cases, with the result that prices for nearby supplies even climbed recently, whereas further forward positions went down on pressure from weak rapeseed prices.

Cold pressed rapeseed oil

Asking prices for cold pressed rapeseed oil were lowered slightly from the previous month, following the trend on the rapeseed oil market, but declining significantly less. Rapeseed oil fob mills cost on average 68.28 euro cents per litre in August, 4.13 euro cents per litre less than the previous month. The reasons for the interim fall in prices were abundant supply and lack of demand from the biodiesel sector. Concerns about the EU's import duties on foreign biodiesel that are to be decided on in September weighed down and crippled biodiesel production.

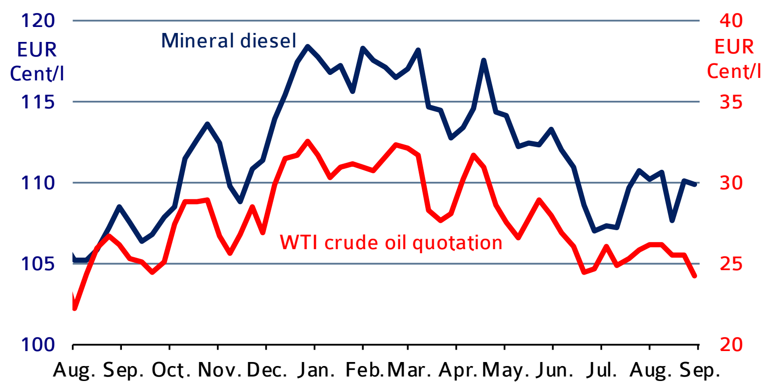
Biodiesel/ mineral Diesel

Wholesale prices excl. VAT



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agricultural use is taxed at 25.26 cent per litre. All prices exclude freight charges.

Prices at the pump incl. tax & crude oil quotes



Domestic consumption in 2017

in 1.000 t

	Jan.	Feb.	March	April	Mai	June	cumulated 2017	cumulated 2016
Biodiesel for blending	150,5	134,4	206,3	175,3	178,2	189,9	1.038,0	1.115,6
Biodiesel total	150,5	134,4	206,3	175,3	178,2	189,9	1.038,0	1.115,6
Pure plant oil (PPO) b)	0,1	0,0	2,5	0,0	0,0	0,0	0,0	0,0
Biodiesel & PPO	150,6	135,0	211,1	175,3	178,2	189,9	1.038,0	1.115,6
Diesel	2.754,5	2.724,6	3.365,5	3.034,2	3.147,4	3.123,0	18.055,6	17.150,6
Biodiesel share in blending	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	5,4 %	6,1 %
Biodiesel + diesel + PPO	2.905,1	2.859,6	3.576,6	3.209,4	3.325,7	3.312,9	19.093,6	18.266,3
Share biodiesel & PPO	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	5,4 %	6,1 %
Bioethanol ETBE a)	8,7	8,0	8,8	10,7	12,1	7,2	55,6	61,7
Bioethanol for blending	76,5	69,4	79,8	89,2	93,4	88,2	496,9	498,0
Bioethanol total	85,3	77,4	88,6	99,9	105,5	95,5	552,5	559,7
Gasoline	1.318,5	1.244,6	1.522,3	1.417,1	1.549,6	1.535,3	8.642,8	8.335,1
Gasoline + bioethanol c)	1.403,8	1.322,0	1.610,9	1.517,0	1.655,1	1.630,8	9.195,3	8.894,8
Share bioethanol c)	6,1 %	5,9 %	5,5 %	6,6 %	6,4 %	5,9 %	6,0 %	6,3 %

Note: a) Volume percent of bioethanol in ETBE = 47 %; b) source: Statistisches Bundesamt, 'Taxation of energy products', chapter II: energy products (excluding heating fuels); taxation without amounts according to § 46 and § 47 EnergieStG; c) The proportion of gasoline fuels contained in bioethanol fuels have been offset; cumulated figures include (unpublished) revised monthly BAFA data
Source: Federal Office for Economic Affairs and Export Control, AMI

Wholesale prices

Trading at the biodiesel market continued to be slow in August. Supply was adequate, but buyers held back. There were hardly any movements in prices as trading was moderate. Market participants awaited the imminent energy policy decisions on import levies on biodiesel in the EU-28 in September and in the US. Until then, business dealings are likely to be put on the back burner.

Prices at the pump

At the end of July, crude oil prices had climbed to above the USD 50 per bbl mark, but could not hold their ground. They came down considerably in August based on pressure from reports about a decline in global demand for crude oil. In the last week of August, Hurricane Harvey was the topic dominating the market. Texan Refiners closed down after being flooded. This caused US demand for crude oil to collapse and sent prices tumbling as a result.

Consumption

Biodiesel

Rising use of biodiesel combined with a slight decline in consumption of diesel drove up the use of biodiesel in blends to 5.7 per cent in June. This was the best result in 2017 second to the March 2017 figure. Total consumption of biodiesel in the first half year amounted to 1.04 million tonnes, which was down 7 per cent year-on-year. In the period from January to June 2016, the incorporation rate was above 6 per cent. This figure was not achieved this year, because demand for diesel reached around 18.1 million tonnes in the first six months. This translates to a 5 per cent rise from the previous year's amount.

Bioethanol

June 2017 saw a drop in bioethanol use. Demand amounted to just less than 95,500 tonnes. The use of petrol also went down. However, the decline was only small, with the result that the incorporation rate shrank to 5.9 per cent. In the first half year of 2017, consumption of bioethanol amounted to 552,500 tonnes, decreasing 1.3 per cent year-on-year.