UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 39	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	350,60	346,80	↗
Wholesale prices in EUR/t			
Rapeseed	372,00	357,00	↗
Rapeseed oil	750,00	760,00	↘
Rapseseed meal	178,00	175,00	↗
Rapeseed cake*	222,50	232,50	↘
Rapeseed future	372,00	367,50	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	124,88	124,18	↗
Consumer prices in ct/l incl. VAT			
Diesel	114,87	112,49	↗
Futures in US-$/barrel			
WTI, Nymex	51,88	49,48	↗

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

Market Headlines

Oilseeds

- Rapeseed producer prices shot up but remained clearly below the year-ago level.
- Mills showed very little buying interest.
- Progress of US soybean harvest was somewhat slower than usual but had very good prospects.

Oilseed meals and oilcakes

- Prices for soybean meal went up as the euro weakened, whereas rapeseed meal slid in the wake of low demand.
- Interest in rapeseed cake was down; wholesale prices fell to 19-month low.

Vegetable oils

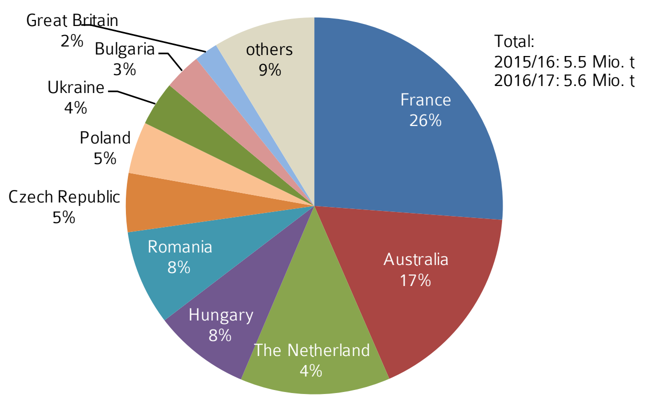
- September rapeseed oil prices remained, on average, at almost the level of August, but fell compared to the previous year. Soybean oil went up.
- Buyers of cold pressed rapeseed oil were hard to find. Premiums were no longer accepted at a time when there were hardly any extracted oil purchases even.

Fuels

- Mineral oil prices climbed significantly and domestic prices for diesel went up as the euro declined.
- End of anti-dumping tariffs for Argentinian biodiesel imports temporarily shook the European rapeseed market.
- July 2017 biofuel consumption rose significantly.

Chart of the week

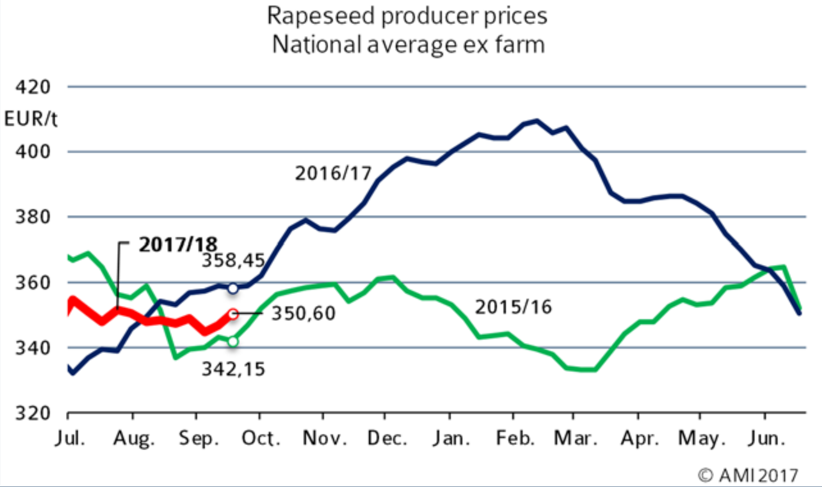
Origins of German rapeseed imports 2016/17



Source: Federal Statistic Office, AMI

Edition october 2017

Market prices



Wholesale prices

In EUR/t on 29.09.2017, (collected at mills and trade)

	Rapeseed 2017 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	372	178	750	610
Previous week	357	175	760	617

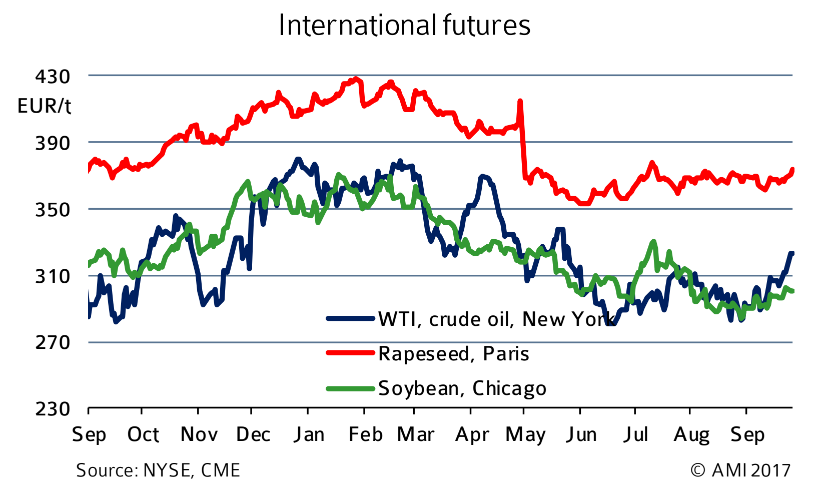
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 19.09.2017)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	200-240	225-260	86,13	87,04	-
> 100 t	210-230	210-230	pm: 86,50	pm: 87,58	-

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



Rapeseed

Firm crude oil and rapeseed prices drove up wholesale prices in Germany. However, producer prices failed to pick up. Sales were slow at every level of the market.

Rapeseed oil

Weaker prices for soybean oil and palm oil at the exchanges in Chicago and Kuala Lumpur weighed down spot prices. On the other hand, rapeseed oil benefited from rising price quotes for rapeseed and was also supported by demand from biodiesel producers.

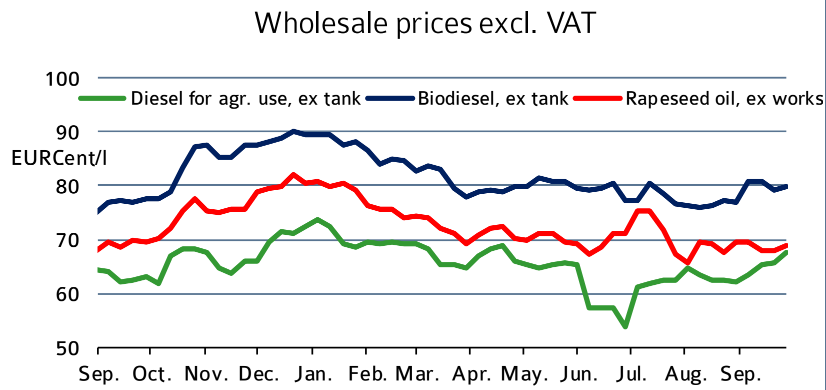
Rapeseed cake

Rapeseed meal prices lost considerable ground and also pulled down asking prices for oilseed cake. Demand was extremely low. On the one hand, feed compounders are stocked up well - at least for the coming weeks. On the other hand, a wait-and-see stance has prevailed for some time now. The market lacks guiding stimuli. Market players repeatedly waited for the day to come when new reports might set off a new trend. But this did not happen. And so the waiting continues, especially because the current downward trend suits buyers well. The September wholesale price for nearby rapeseed cake was reported at EUR 209 per tonne fob, down just about EUR 4 per tonne from the previous month. Prices even slid to EUR 204 per tonne towards the end of the month. This was the lowest level since March 2016.

Cold pressed rapeseed oil

Rapeseed oil prices at the decentralised oil mills were lowered slightly in September. The average asking price was 85.60 euro cents per litre. By contrast, wholesale prices at the oil mill industry remained at the same level of, on average, 68.70 cents per litre. Downward pressure on prices was, first and foremost, due to slack demand - at both the big and the small mills. Consequently, the competitive advantage of rapeseed oil improved, since diesel prices rallied markedly over the past few weeks. Transport fuel cost 40 euro cents per litre in September, 7 per cent more than in August.

Biodiesel/ mineral Diesel



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.

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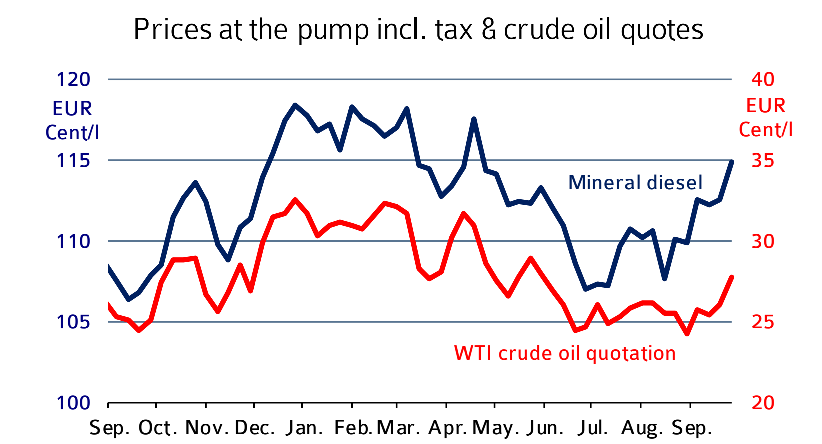

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Domestic consumption in 2017

in 1.000 t

	Jan.	Feb.	March	April	Mai	June	July	cumulated 2017	cumulated 2016
Biodiesel for blending	150,5	134,4	206,3	175,3	178,2	189,9	205,7	1.243,6	1.310,1
Biodiesel total	150,5	134,4	206,3	175,3	178,2	189,9	205,7	1.243,6	1.310,1
Pure plant oil (PPO) b)	0,1	0,0	2,5	0,0	0,0	0,0	0,0	0,0	0,0
Biodiesel & PPO	150,6	135,0	211,1	175,3	178,2	189,9	205,7	1.243,6	1.310,1
Diesel	2.754,5	2.724,6	3.365,5	3.034,2	3.147,4	3.123,0	3.119,8	21.159,1	20.296,5
Biodiesel share in blending	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	5,6 %	6,1 %
Biodiesel + diesel + PPO	2.905,1	2.859,6	3.576,6	3.209,4	3.325,7	3.312,9	3.325,5	22.402,8	21.606,7
Share biodiesel & PPO	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	5,6 %	6,1 %
Bioethanol ETBE a)	8,7	8,0	8,8	10,7	12,1	7,2	9,1	64,7	75,9
Bioethanol for blending	76,5	69,4	79,8	89,2	93,4	88,2	97,2	594,1	595,9
Bioethanol total	85,3	77,4	88,6	99,9	105,5	95,5	106,3	658,8	671,8
Gasoline	1.318,5	1.244,6	1.522,3	1.417,1	1.549,6	1.535,3	1.484,8	10.127,8	9.829,4
Gasoline + bioethanol c)	1.403,8	1.322,0	1.610,9	1.517,0	1.655,1	1.630,8	1.591,1	10.786,7	10.501,2
Share bioethanol c)	6,1 %	5,9 %	5,5 %	6,6 %	6,4 %	5,9 %	6,7 %	6,1 %	6,4 %

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

Activities in the biodiesel market were fairly limited over the past few weeks. Demand did exist - sometimes more, sometimes less. However, enquiries were almost exclusively for B90 biodiesel with a high GHG saving potential. As the year is coming to an end, blenders endeavour to secure the quantities they need to meet quota requirements. Firmer crude oil prices also added to improving the competitiveness of biodiesel and supported the rise of asking prices from the previous weeks' level.

Prices at the pump

In view of rising mineral oil prices, prices at the pump also saw a sharp increase, especially because the euro trended weaker and therefore added to pushing up prices for crude oil imports.

Consumption

Biodiesel

Just about 207,000 tonnes biodiesel were used in blends in July 2017. This was the second largest quantity in 2017 and up just over 8 per cent from the previous month. At the same time, demand for diesel fuel declined slightly from June 2017. The Federal Office for Economic Affairs and Export Control (BAFA) put biodiesel demand at 3.1 million tonnes. Consequently, the incorporation rate increased to 6.2 per cent, the highest level since June 2016.

Bioethanol

Bioethanol consumption between January and July 2017 totalled around 658,820 tonnes. This was down just less than 2 per cent year-on-year. The drop in biodiesel use was even sharper. At 1.24 million tonnes, biodiesel consumption fell 5 per cent short of the previous year.