UNION ZUR FÖRDERUNG VON OEL- UND PROTEINPFLANZEN E.V.

ufop

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 48	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	352,66	358,19	↘
Wholesale prices in EUR/t			
Rapeseed	367,00	375,00	↘
Rapeseed oil	798,00	815,00	↘
Rapseseed meal	175,00	175,00	→
Rapeseed cake*	214,58	232,50	↘
Rapeseed future	369,00	376,50	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	127,18	129,24	↘
Consumer prices in ct/l incl. VAT			
Diesel	119,28	119,89	↘
Futures in US-$/barrel			
WTI, Nymex	57,30	58,02	↘

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

Market Headlines

Oilseeds

- November demand for rapeseed temporarily picked up.
- Prices came down again, dampening farmers' willingness to sell.
- Soybean market focused its attention on sowings in South America.

Oilseed meals and oilcakes

- Compound feed industry's demand for oilseed meal was low; prices were guided by US-soybean prices.
- Interest in buying rapeseed cake waned; mills curtailed processing due to low margins.

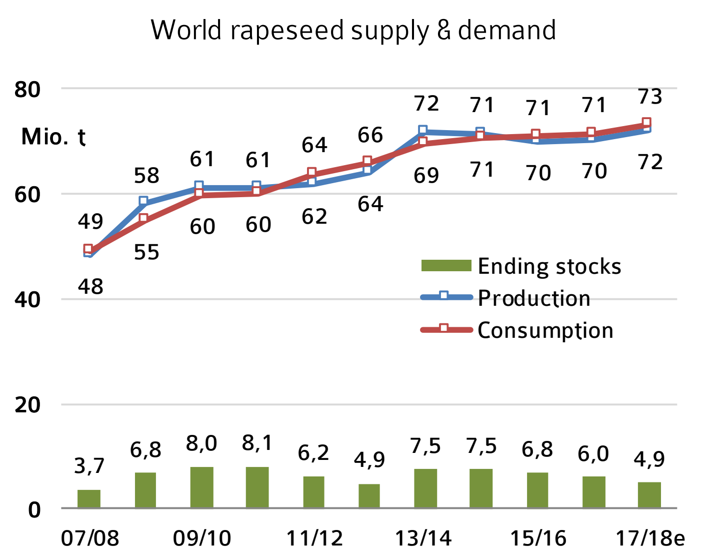
Vegetable oils

- Rapeseed oil prices dropped behind, weighed down by strong euro and weak international vegetable oil prices.
- Prices for cold pressed rapeseed oil firmed despite scant demand.

Fuels

- Extension of OPEC cap on production supported crude oil prices and mineral oil prices.
- Demand for RME slowed following short-time welter of buying.
- Incorporation rates for biofuels rose in September.

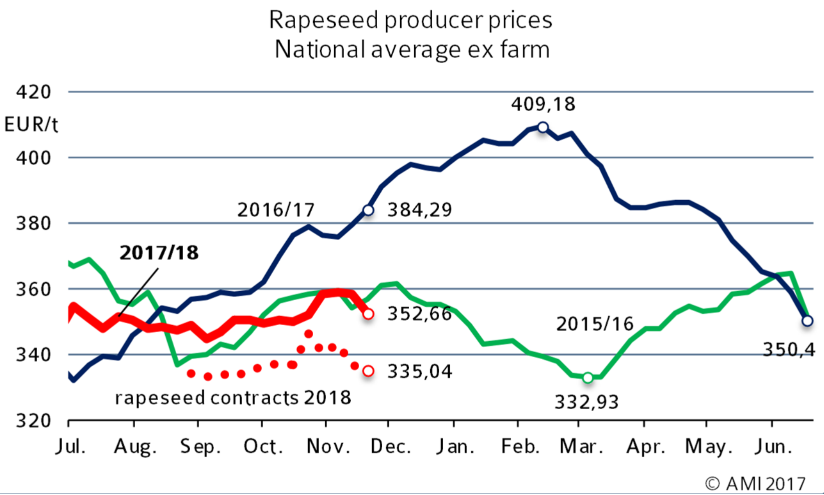
Chart of the week



Source: USDA, AMI 2017 Note: e = estimate

Edition december 2017

Market prices



Wholesale prices

In EUR/t on 29.11.2017, (collected at mills and trade)

	Rapeseed 2017 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	367	175	798	580
Previous week	375	175	815	603

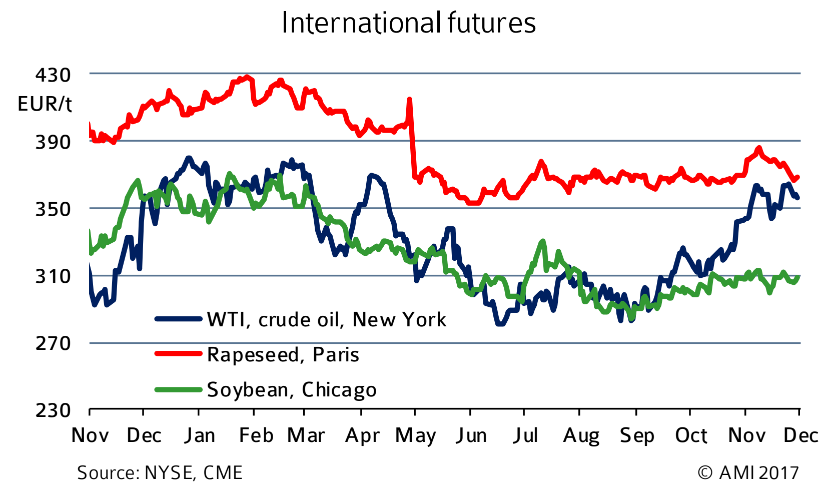
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 21.11.2017)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	200-220	200-240	86,83	88,17	-
> 100 t	210-220	210-220	pm: 86,50	pm: 87,50	-

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



Rapeseed

At the beginning of November producer prices for rapeseed rose considerably, climbing to just less than EUR 360 per tonne. This was well below the previous year's level, but encouraged one or two farmers to sell. The key stimulus for the firming of prices came from rising demand in the biodiesel market. However, the whole thing lasted no longer than one week. Prices softened again and farmers' willingness to sell declined.

Rapeseed oil

The beginning of November saw a brief surge in interest in buying rapeseed methyl ester, which drove up rapeseed oil prices. However, the boom did not last for long. Recently prices rolled back to the previous month's level. Pressure came from reduced demand for biodiesel, the strong euro and falling international vegetable oil prices.

Rapeseed cake

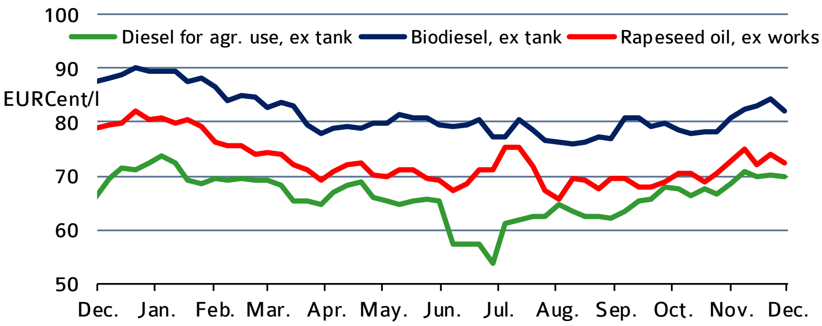
The unsatisfactory value added from rapeseed products increasingly curbed rapeseed processing in decentralised oil mills. Oil millers already accepted the fact that oil business was slow, but interest in buying rapeseed cake was also starting to wane. Whereas in the summer, numerous gaps in dairy cow feeding with GMO-free feed stimulated demand for rapeseed cake, livestock farmers were apparently stocked up well with contract rapeseed cake and did not look for the commodity on the spot market. Selling prices for rapeseed cake slid to on average EUR 214.60 per tonne, which was EUR 3.50 per tonne below the previous month's level.

Cold pressed rapeseed oil

Asking prices for cold pressed rapeseed oil increased in November 2017. Decentralised oil mills asked on average 87.50 euro cents per litre, which was 0.6 per cent more than the previous month. However, slack demand limited the increase in prices. In other words, the trend reflected the price rise in rapeseed oil only partially, because the oil mill industry charged just less than 5 per cent more for crude rapeseed oil. However, rapeseed oil fuel did not lose competitiveness, because diesel prices increased even more sharply. November diesel (untaxed) cost on average 7 per cent more than the previous month. In the wake of rising feedstock costs and increasing prices of competing products, biodiesel also fetched 5.7 per cent more than the previous month.

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.

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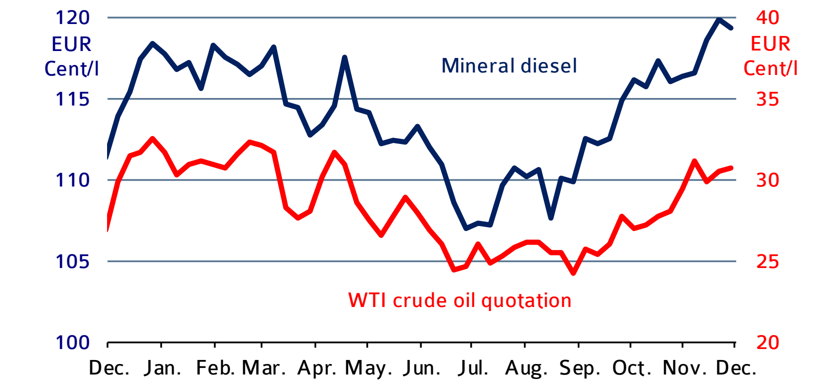
Prices at the pump incl. tax & crude oil quotes



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Wholesale prices

Following a short-time pick-up in demand, the biodiesel market levelled off. Although there were some recent occasional transactions, market participants did not expect any larger sales to be made until year end. Experience shows that most buyers will pull back mid December. The only thing that could stimulate business is considerable reductions in price. However, such reductions would not apply to December deliveries as these are already in the accounts.

Prices at the pump

Prospects that the OPEC and Russia could extend their caps on production till the end of 2018 supported crude oil prices in November. Moreover, US crude oil stocks declined. Firmer crude forward prices pulled up diesel prices to just about 120 euro cents per litre.

Consumption

Biodiesel

The biodiesel incorporation rate reached the highest level in 2017 at 6.3 per cent. The reason was not a larger quantity of biodiesel, but a sharp drop in consumption of diesel. In September, 200,000 tonnes of biodiesel were used for blending. This was down 3.2 per cent from the previous month. At the same time, diesel consumption dropped just less than 7 per cent, increasing the incorporation rate. Consumption of biodiesel increased from the same month a year earlier three months running (July to September). Biodiesel consumption from July to September 2017 amounted to just less than 613,000 tonnes. This was up 58,800 tonnes on the same period a year earlier. However, biodiesel consumption over the year as a whole fell 1.1 per cent short of the previous year's figure.

Domestic consumption in 2017

in 1.000 t										cumulated	
	Jan.	Feb.	March	April	Mai	June	July	Aug.	Sept.	2017	2016
Biodiesel for blending	150,5	134,4	206,3	175,3	178,2	189,9	205,7	206,9	200,3	1.650,8	1.669,7
Biodiesel total	150,5	134,4	206,3	175,3	178,2	189,9	205,7	206,9	200,4	1.654,4	1.669,9
Pure plant oil (PPO) b)	0,1	0,0	2,5	0,0	0,0	0,0	0,0	0,1	0,3	0,0	0,0
Biodiesel & PPO	150,6	135,0	211,1	175,3	178,2	189,9	205,7	206,9	200,3	1.650,8	1.669,7
Diesel	2.754,5	2.724,6	3.365,5	3.034,2	3.147,4	3.123,0	3.119,8	3.186,1	2.976,8	27.321,9	26.613,0
Biodiesel share in blending	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	6,1 %	6,3 %	5,7 %	5,9 %
Biodiesel + diesel + PPO	2.905,1	2.859,6	3.576,6	3.209,4	3.325,7	3.312,9	3.325,5	3.393,0	3.177,1	28.972,6	28.282,7
Share biodiesel & PPO	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	6,1 %	6,3 %	5,7 %	5,9 %
Bioethanol ETBE a)	8,7	8,0	8,8	10,7	12,1	7,2	9,1	9,3	9,7	85,6	94,0
Bioethanol for blending	76,5	69,4	79,8	89,2	93,4	88,2	97,2	93,7	86,3	774,0	777,3
Bioethanol total	85,3	77,4	88,6	99,9	105,5	95,5	106,3	103,0	96,1	859,6	871,3
Gasoline	1.318,5	1.244,6	1.522,3	1.417,1	1.549,6	1.535,3	1.484,8	1.539,6	1.387,8	13.113,5	12.801,1
Gasoline + bioethanol c)	1.403,8	1.322,0	1.610,9	1.517,0	1.655,1	1.630,8	1.591,1	1.642,6	1.483,9	13.973,1	13.672,4
Share bioethanol c)	6,1 %	5,9 %	5,5 %	6,6 %	6,4 %	5,9 %	6,7 %	6,3 %	6,5 %	6,2 %	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

Bioethanol

The September 2017 incorporation rate of bioethanol was also up from the previous month. However, the figure established by the Federal Office for Economic Affairs and Export Control (BAFA) of 6.48 per cent failed to hit the record seen in July 2017. The use of bioethanol for blending dropped to around 86,300 tonnes. This was less than both the previous month and the same month a year earlier. By contrast, the use of bioethanol in ETBE went up 4.8 per cent. The 9,745 tonnes reported exceeded the previous year's figure by 4.4 per cent. In contrast, consumption of petrol declined just 10 per cent from the previous month.