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

ufop

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 01	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	340,51	346,35	↘
Wholesale prices in EUR/t			
Rapeseed	352,00	363,00	↘
Rapeseed oil	715,00	722,00	↘
Rapseseed meal	187,00	185,00	↗
Rapeseed cake*	213,33	232,50	↘
Rapeseed future	357,75	355,50	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	121,69	124,47	↘
Consumer prices in ct/l incl. VAT			
Diesel	121,36	118,46	↗
Futures in US-$/barrel			
WTI, Nymex	62,01	61,63	↗

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

Market Headlines

Oilseeds

- Trading on the rapeseed market was slow, while demand was steady but very low over the turn of the year.
- Rapeseed prices slid towards year-end to EUR 50 per tonne below year-ago level; farmers' willingness to sell was virtually non-existent.
- Soybean prices collapsed, losing 6 per cent in value in December due to lower US exports and South American weather market.

Oilseed meals and oilcakes

- Sluggish demand for oilseed meal on the spot market and in forward trading. Soybean meal prices peaked early December, but declined over the month; rapeseed meal was clearly more expensive.
- Prices of oilseed cake from decentralised oil mills were competitive; wholesale prices firmed on increasingly scarce supply.

Vegetable oils

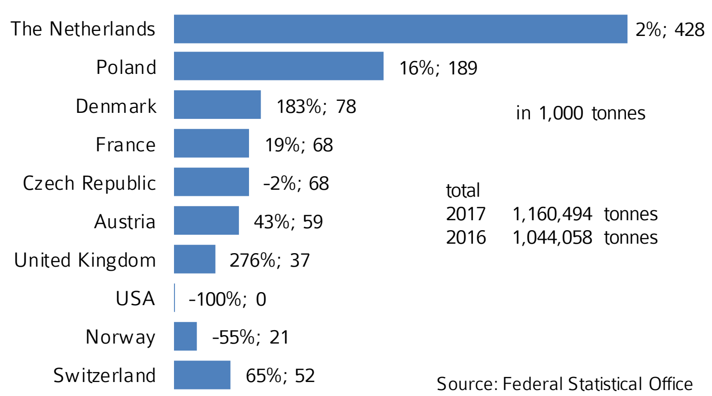
- Rapeseed oil came under downward pressure from falling palm oil prices and very slack demand.
- Prices of cold pressed rapeseed oil declined.

Fuels

- Political disturbances in Nigeria and Iran as well as a leak in the Brent pipeline system led crude oil prices on a sharp rise.
- Blenders purchased UCOME rather than RME; prices dropped significantly.
- October saw average consumption of biodiesel.

Chart of the week

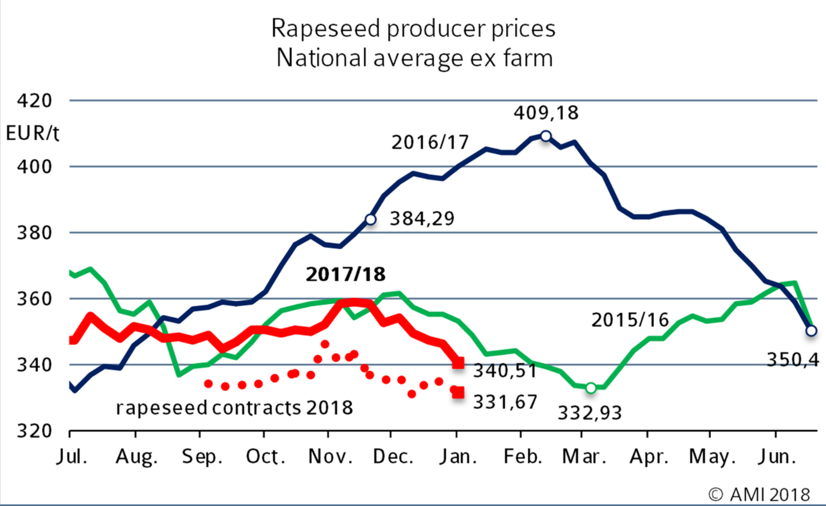
Top recipient countries of German biodiesel
German exports from January to September 2017



Source: Federal Statistical Office

Edition january 2018

Market prices



Wholesale prices

In EUR/t on 03.01.2018, (collected at mills and trade)

	Rapeseed 2017 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	352	187	715	568
Previous week	363	185	722	564

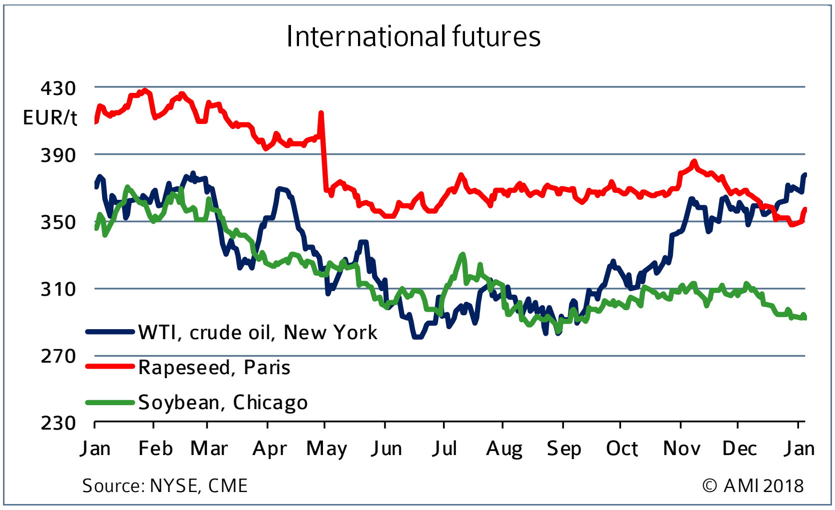
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 19.12.2017)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	200-230	200-220	85.17	86.17	-
> 100 t	205-215	210-220	pm: 86.83	pm: 88.17	-

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



Rapeseed

Rapeseed prices slid substantially at the end of the year as a lack in buying interest coincided with very low willingness to sell. Speculation about abundant rapeseed imports and concerns about a slump in demand for rapeseed oil weighed down prices.

Rapeseed oil

Although rapeseed oil prices came down, the decline failed to stimulate buyer interest. Biodiesel producers were not interested in rapeseed oil, provoking a need to increase exports. However, the very high euro exchange rate and low-priced palm oil reduced the competitive advantage of rapeseed oil and complicated exports.

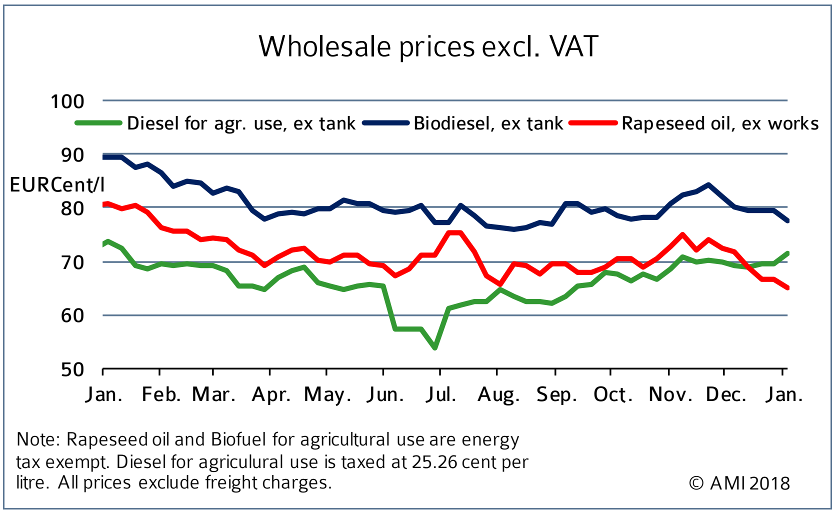
Rapeseed cake

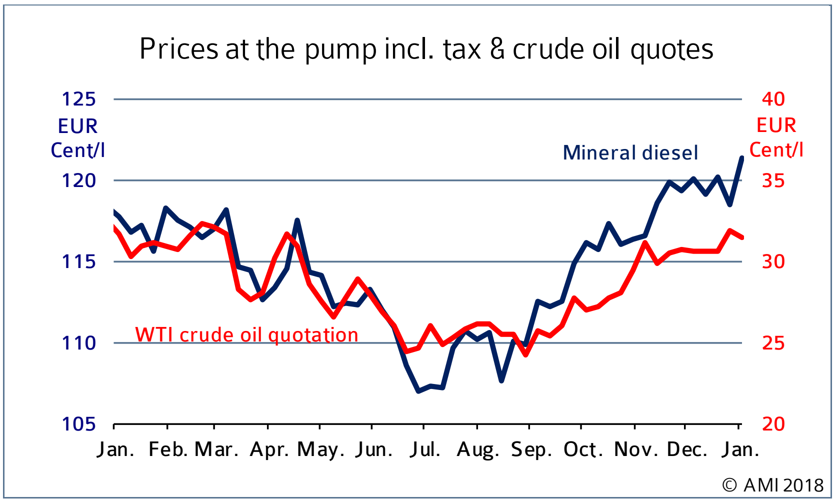
Rapeseed cake became increasingly cheaper. At the end of the month, a scarcity of supply for nearby positions drove prices, but left demand virtually unchanged. Decentralised oil mills in South Germany asked on average EUR 218.75 per tonne ex farm. This was only EUR 2 per tonne above prices asked for conventional rapeseed cake, which was valued at EUR 216.70 per tonne in Germany in December 2017.

Cold pressed rapeseed oil

In December, South German decentralised oil millers obtained on average 85.17 euro cents per litre of cold pressed rapeseed oil. This was down just over 1.5 per cent from the previous month. In other words, asking prices followed the trend in the vegetable oil markets, where a downward price trend took hold. More specifically, the German oil mill industry charged on average 70.40 euro cents per litre for crude rapeseed oil in December. This was in fact almost 4 per cent down from the previous month. The slide was driven by a sharp drop in palm oil prices that also pulled down other vegetable oil prices.

Biodiesel/ mineral Diesel





Wholesale prices

Whereas plenty of UCOME was ordered in December to satisfy blending quota requirements, demand for RME was extremely weak. From spring onwards, asking prices for biodiesel, which are currently low, are likely to drop further seasonally. More importantly, the chances are that 2018 will be a difficult year for biodiesel producers, because large shiploads of soy methyl ester are expected to arrive from Argentina from spring onwards.

Prices at the pump

Crude oil rose sharply. Declining US production and the recent political disturbances in Iran drove prices in New York to more than USD 62 per bbl, the highest level since December 2014. Meanwhile, a leak in the North Sea pipeline and political disturbances in Nigeria caused prices to firm.

Consumption

Biodiesel

The October 2017 percentage of biodiesel blended in diesel was average, reaching just less than 5.7 per cent. The reason was contrary trends in diesel and biodiesel consumption. Whereas biodiesel showed a 5.4 per cent drop from a month earlier, diesel consumption went up 5.4 per cent. In October 2017, around 189,500 tonnes of biodiesel were used for blending. This was a full 20 per cent up from October 2016, with the result that the January to October 2017 total of 1.84 million tonnes exceeded the previous year's figure by around 0.6 per cent.

Domestic consumption in 2017

in 1.000 t

											cumulated	
	Jan.	Feb.	March	April	Mai	June	July	Aug.	Sept.	Oct.	2017	2016
Biodiesel for blending	150,5	134,4	206,3	175,3	178,2	189,9	205,7	206,9	200,3	189,5	1.840,0	1.828,7
Biodiesel total	150,5	134,4	206,3	175,3	178,2	189,9	205,7	206,9	200,4	189,5	1.840,0	1.828,7
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	0,0
Biodiesel & PPO	150,6	135,0	211,1	175,3	178,2	189,9	205,7	206,9	200,3	189,5	1.840,0	1.828,7
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	3.138,9	30.421,8	29.716,1
Biodiesel share in blending	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	6,1 %	6,3 %	5,7 %	5,7 %	5,8 %
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	3.328,5	32.261,8	31.544,8
Share biodiesel & PPO	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	6,1 %	6,3 %	5,7 %	5,7 %	5,8 %
Bioethanol ETBE a)	8,7	8,0	8,8	10,7	12,1	7,2	9,1	9,3	9,7	10,0	95,6	106,1
Bioethanol for blending	76,5	69,4	79,8	89,2	93,4	88,2	97,2	93,7	86,3	92,6	866,5	866,5
Bioethanol total	85,3	77,4	88,6	99,9	105,5	95,5	106,3	103,0	96,1	102,6	962,2	972,6
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	1.443,5	14.559,3	14.235,8
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	1.546,1	15.521,5	15.208,4
Share bioethanol c)	6,1 %	5,9 %	5,5 %	6,6 %	6,4 %	5,9 %	6,7 %	6,3 %	6,5 %	6,6 %	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 October 2017 incorporation rate of bioethanol rose substantially from the previous month. The rate of 6.64 per cent recorded by the Federal Office for Economic Affairs and Export Control (BAFA) fell just short of the July 2017 peak. The use of bioethanol for blending increased to 92,300 tonnes. This was a 7.2 per cent rise from the previous month and up 3.8 per cent from the same month a year earlier. At the same time, the use of bioethanol in ETBE went up 3 per cent from the previous month. However, the reported 10,024 tonnes were down 17.4 per cent from the previous year's figure. October 2017 consumption of petrol amounted to 1.44 million tonnes. This translates to a 4 per cent rise month-on-month. Overall January to October 2017 bioethanol use amounted to nearly 962,200 tonnes. This was down 1.1 per cent from the same period in 2016.