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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 05	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	334,39	337,03	↘
Wholesale prices in EUR/t			
Rapeseed	350,00	346,00	↗
Rapeseed oil	675,00	695,00	↘
Rapseseed meal	208,00	203,00	↗
Rapeseed cake*	220,83	232,50	↘
Rapeseed future	350,25	342,25	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	116,17	116,03	↗
Consumer prices in ct/l incl. VAT			
Diesel	120,38	116,36	↗
Futures in US-$/barrel			
WTI, Nymex	64,73	65,61	↘

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

Market Headlines

Oilseeds

- Oil millers complained about low processing margins as rapeseed prices flagged; farmers failed to find sales inducements.
- Soybean prices benefited from drought in Argentina.

Oilseed meals and oilcakes

- Firming of soybean meal prices cooled buying interest; demand was only for rapeseed meal.
- Feed compounders will be stocked up well in the coming weeks.
- Demand for oilseed cake increased due to firm soy meal prices.

Vegetable oils

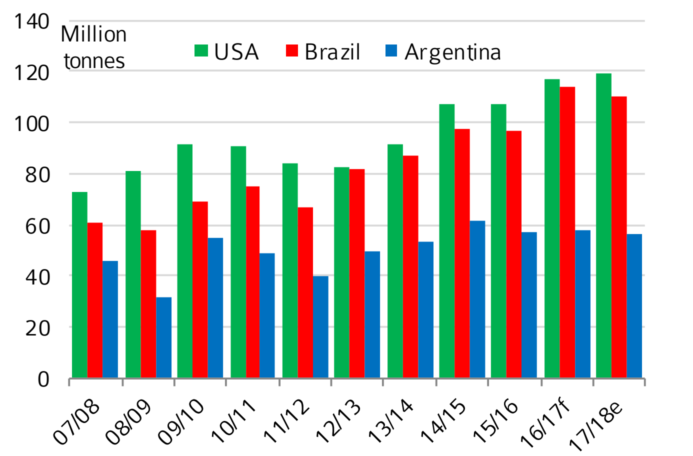
- Rapeseed oil prices hit 18-month low due to lack of demand from biodiesel industry.
- Prices for cold pressed rapeseed oil continued to be stable.

Fuels

- Crude oil prices firmed as supply and demand converged; however, US recently increased oil output.
- Demand for biodiesel, especially RME, continued to be slack.
- Mineral oil groups preferred UCOME and low-priced SME from overseas.

Chart of the week

Soybean crops in the top producing countries

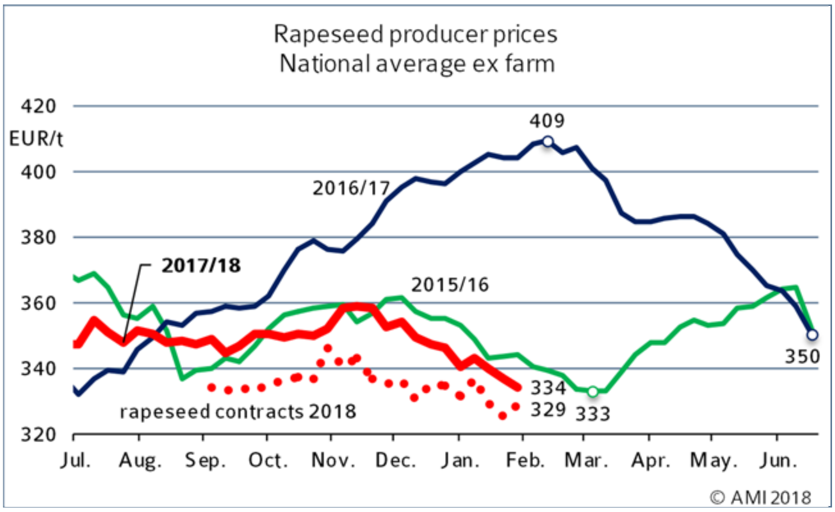


Source: USDA, AMI

Note: f = forcast , e = estimate

Edition february 2018

Market prices



Wholesale prices

In EUR/t on 31.01.2018, (collected at mills and trade)

	Rapeseed 2017 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	350	208	675	539
Previous week	346	203	695	547

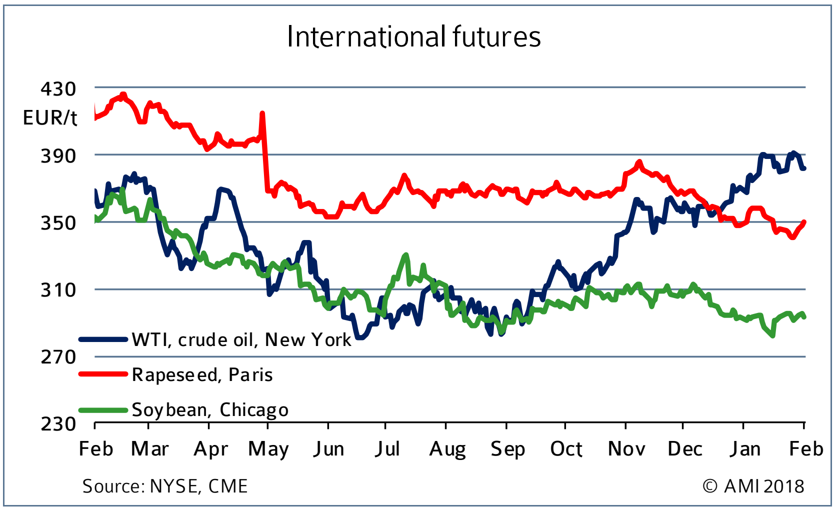
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 23.01.2018)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	225-235	200-230	84,33	86,00	-
> 100 t	210-215	205-215	Vm: 85,17	Vm: 86,17	-

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



Rapeseed

Trading in rapeseed was virtually non-existent. German oil millers continued to complain about unsatisfactory processing margins. Marketing possibilities for rapeseed meal improved, but sales of rapeseed oil to the biodiesel industry were still slow. Low-priced rapeseed imports and Argentinian biodiesel deliveries weighed on trading. Farmers showed little willingness to sell.

Rapeseed oil

Prices for rapeseed oil recently hit an 18-month low. The reason was small sales to the biodiesel industry which itself complained about a lack of rapeseed methyl ester-based income possibilities. Extensive deliveries of soy methyl ester from Argentina generated strong competition with domestic biodiesel.

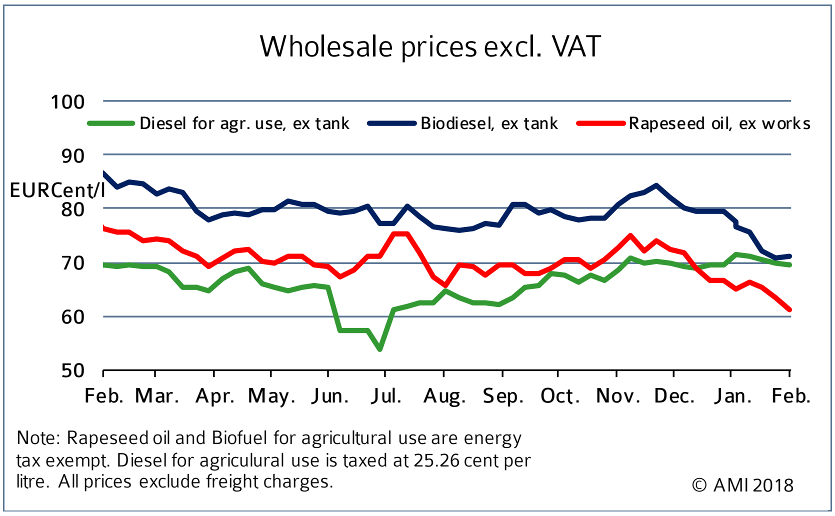
Rapeseed cake

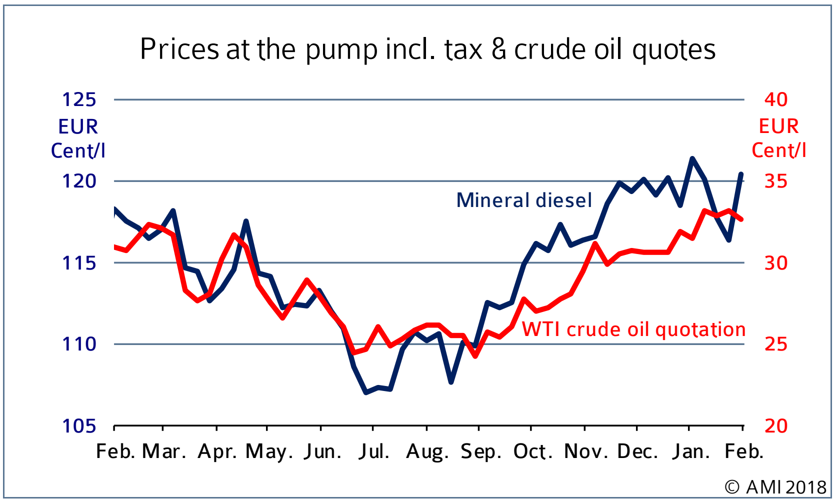
Decentralised oil mills charged on average EUR 221 per tonne in mid January. This was up EUR 7.50 per tonne from the previous month. The increase was driven by a sharp rise in rapeseed meal prices and the associated boost in demand for alternatives. At the same time, supply of rapeseed cake was moderate. Livestock farmers paid EUR 222 per tonne of conventional rapeseed meal in January. This was only 0.50 per tonne less than for higher-quality rapeseed cake.

Cold pressed rapeseed oil

Whereas wholesale prices for rapeseed oil fob German oil mill slid markedly, losing 7 per cent in value from the previous month, prices decentralised oil mills asked for cold pressed rapeseed oil were relatively stable. Prices eased on average 0.50 euro cents per litre to 85.17 euro cents per litre. Demand was extremely limited and the decline in prices had a negative impact on profitability. For this reason, the decentralised oil mills tried to keep prices stable for as long as possible. However, in the coming weeks cold pressed rapeseed oil will likely follow the same downward track as other vegetable oils.

Biodiesel/ mineral Diesel





Wholesale prices

Trading at the biodiesel market continued to be very slow in January. The mineral oil groups had continual demand for UCOME biodiesel with particularly high GHG saving potential, while virtually neglecting rapeseed methyl ester (RME). One of the reasons for this could be the surge in supply of soy methyl ester (SME) from Argentina in the wake of the lowering of EU import duties. However, RME can at least benefit from its higher stability at low temperatures compared to SME and PME (palm methyl ester).

Prices at the pump

Crude oil continued to rise. Prices even hit a three-year high. Although Russia and Saudi Arabia announced their intention to extent the cap on production till year-end, the US boosted its production activities due to the attractive price level.

Consumption

Biodiesel

In November 2017, 193,448 tonnes of biodiesel were used for blending. This was up one fifth year on year. In other words, consumption of biodiesel rose just over 2 per cent in 2017. This means that there was a substantial increase in the second half of the year which more than offset the January to June decline. In November 2017, the amount used in blends was also up 2 per cent from the previous month. Since consumption of diesel rose only marginally, the incorporation rate increased to just less than 5.8 per cent.

Domestic consumption in 2017

in 1.000 t

												cumulated	
	Jan.	Feb.	March	April	Mai	June	July	Aug.	Sept.	Oct.	Nov.	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	193,4	2.033,4	1.989,6
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	3.146,6	33.569,7	32.888,8
Biodiesel + diesel	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	3.340,1	35.603,1	34.878,4
Share biodiesel	5,2 %	4,7 %	5,9 %	5,5 %	5,4 %	5,7 %	6,2 %	6,1 %	6,3 %	5,7 %	5,8 %	5,7 %	5,7 %
Bioethanol ETBE a)	8,7	8,0	8,8	10,7	12,1	7,2	9,1	9,3	9,7	10,0	8,6	104,2	116,5
Bioethanol for blending	76,5	69,4	79,8	89,2	93,4	88,2	97,2	93,7	86,3	92,6	83,0	949,5	955,7
Bioethanol total	85,3	77,4	88,6	99,9	105,5	95,5	106,3	103,0	96,1	102,6	91,6	1.053,7	1.072,2
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	1.424,7	15.984,0	15.664,7
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	1.516,2	17.037,7	16.736,9
Share bioethanol c)	6,1 %	5,9 %	5,5 %	6,6 %	6,4 %	5,9 %	6,7 %	6,3 %	6,5 %	6,6 %	6,0 %	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

By contrast, the use of bioethanol virtually collapsed. At 82,981 tonnes, the blending amount fell a good 10 per cent from the previous month. Demand for ETBE even plummeted almost 15 per cent. This was also a decline compared to November 2016. In other words, the consumption of bioethanol diverged more and more from the previous year's figures. The volumetric incorporation rate sagged from 6.6 per cent in October to 6 per cent in November 2017.