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

ufop

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 27	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	332,28	330,92	↗
Wholesale prices in EUR/t			
Rapeseed	357,00	344,00	↗
Rapeseed oil	725,00	700,00	↗
Rapseseed meal	221,00	224,00	↘
Rapeseed cake*	251,06	251,25	↘
Rapeseed future	359,50	351,50	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	118,85	119,95	↘
Consumer prices in ct/l incl. VAT			
Diesel	126,48	127,08	↘
Futures in US-$/barrel			
WTI, Nymex	73,72	72,76	↗

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

Market Headlines

Oilseeds

- Rapeseed prices rallied sharply.
- First crop figures confirmed low rapeseed yields.
- Producers hardly sold any rapeseed, hoping for price increases.
- Trade conflict between the US and China sent soybean prices sliding.

Oilseed meals and oilcakes

- Soybean meal prices declined; feedstock came down; demand picked up temporarily.
- Trading in rapeseed meal was slow as oil millers and feed compounders failed to find common ground as regards prices.
- Rapeseed cake followed weak soy meal prices.

Vegetable oils

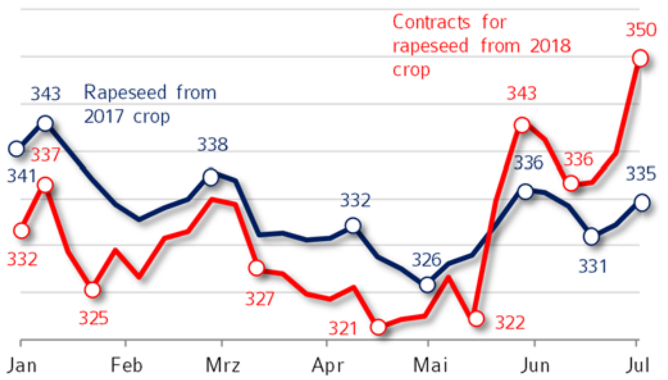
- Rapeseed oil prices rose on support from brisk demand for biodiesel and prospects for low rapeseed yields in the EU.
- Prices for cold pressed rapeseed oil were recently lowered.

Fuels

- Biodiesel sales were temporarily brisk and prices firmed.
- Sharp rise in crude oil prices stabilised petroleum diesel.

Chart of the week

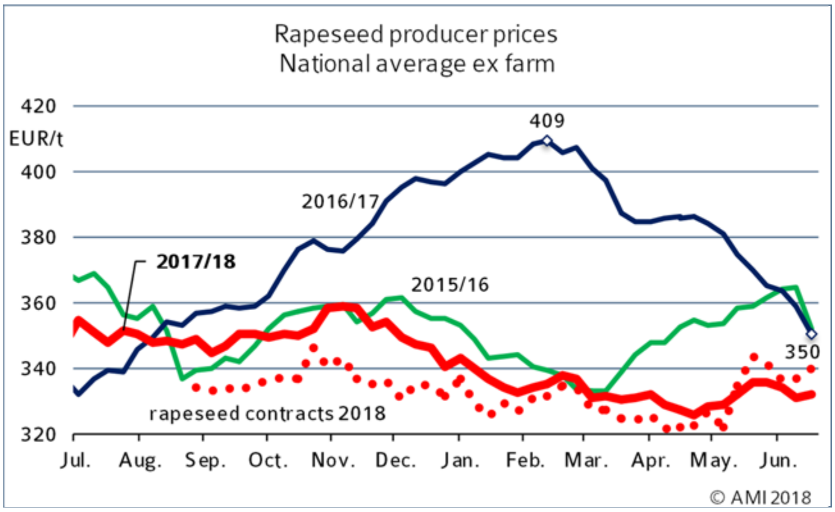
Development of rapeseed prices
Ex-farm prices



Source: AMI

Edition july 2018

Market prices



Wholesale prices

In EUR/t on 04.07.2018, (collected at mills and trade)

	Rapeseed 2017 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	357	221	725	528
Previous week	344	224	700	523

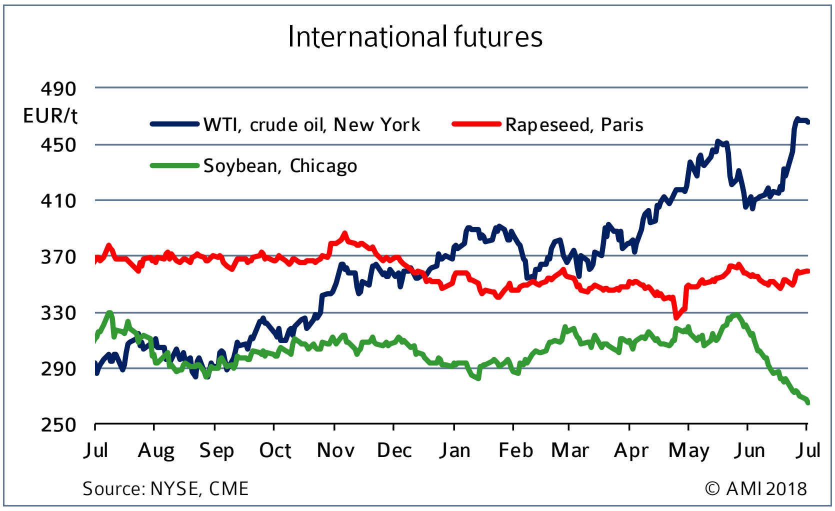
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 19.06.2018)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l	
Monthly production	Price range	Previous month	Feed oil	DIN 51605
< 100 t	246-260	255-260	85,25	86,75
> 100 t	245-250	241-246	pm: 85,50	pm: 87,00

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



Rapeseed

Producer prices for rapeseed firmed slightly in June and sharply in July. The lowering of harvest outlooks made itself felt. In the north and east of Germany, the drought had severe effects on rapeseed crops. Expectations of sharp declines in yield seemed to be confirmed by the first figures for crops grown on lighter soils. However, the results are not representative until the main harvest is brought in. In view of potential drops in yield, rapeseed producers hardly sold their rapeseed, relying on rising prices over the coming weeks.

Rapeseed oil

June rapeseed oil prices firmed. The reason was steady demand from biodiesel producers who wanted to satisfy short-term demand from blenders. In addition, firm crude oil prices lent some support. The surge in rapeseed prices in Paris, based on concerns over a disappointing EU harvest in 2018, also had repercussions on asking prices for rapeseed oil. However, there were no reports of large sales volumes.

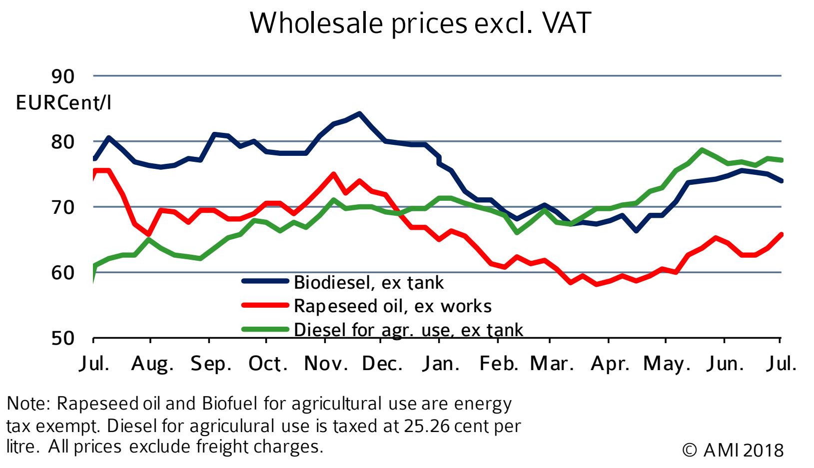
Rapeseed cake

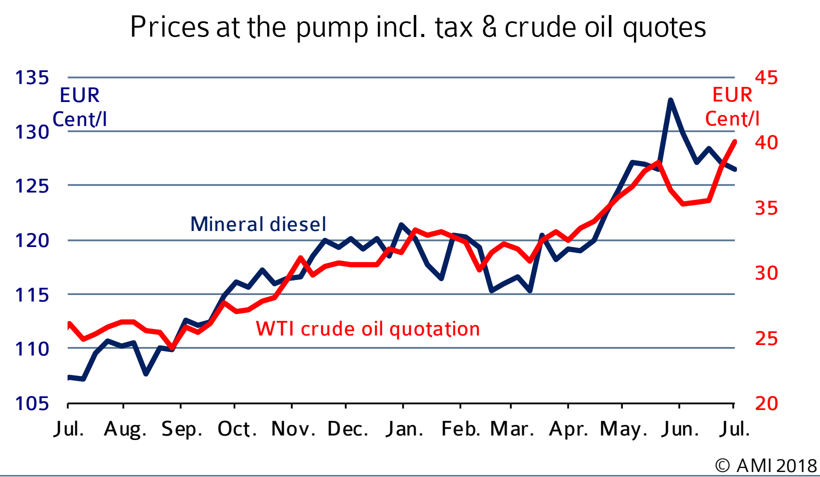
Wholesale prices for rapeseed cake fob North-East Germany were lowered and consequently headed in the same direction as all current meal prices. Pressure from the weak soybean market also weighed down prices for meal and cake. Asking prices recently amounted to EUR 223 per tonne. This was down EUR 8 per tonne from a month earlier. Nevertheless, prices were comparatively high, because a year earlier wholesale prices for rapeseed cake for delivery from August stood at EUR 208 per tonne.

Cold pressed rapeseed oil

Decentralised oil mills lowered their asking prices and especially complained about the sharp decline in demand from farmers. The ongoing state aid proceedings for the approval of tax benefits (refunds) has caused farmers to pull out of using rapeseed oil fuel. Approval has been granted until the end of 2020. It remains to be seen whether former and new users can be motivated to use rapeseed oil fuel.

Biodiesel/ mineral Diesel





Domestic consumption in 2018

in 1.000 t

	Jan.	Feb.	March	April	cumulated 2018	cumulated 2017
Biodiesel for blending	182,3	175,9	203,3	197,8	760,0	676,0
Diesel	2.618,0	2.700,1	2.943,2	2.977,0	11.246,2	11.692,2
Biodiesel + diesel	2.800,3	2.876,0	3.146,5	3.174,8	12.006,2	12.368,2
Share biodiesel	6,5 %	6,1 %	6,5 %	6,2 %	6,3 %	5,5 %
Bioethanol ETBE a)	11,3	9,7	13,6	8,8	43,4	38,0
Bioethanol for blending	94,7	78,8	85,7	87,8	347,0	317,7
Bioethanol total	106,0	88,5	99,3	96,6	390,4	355,7
Gasoline	1.344,5	1.326,1	1.454,7	1.394,0	5.484,2	5.517,0
Gasoline + bioethanol	1.450,5	1.414,6	1.554,0	1.490,6	5.874,6	5.872,6
Share bioethanol	7,3 %	6,3 %	6,4 %	6,5 %	6,6 %	6,1 %

Note: a) Volume percent of bioethanol in ETBE = 47 %;gacumulated figures include (unpublished) revised monthly BAFA data

Source: Federal Office for Economic Affairs and Export Control, AMI

Wholesale prices

June prices initially rose because many blenders stocked up on biodiesel. As the month ended, demand waned and wholesale prices for biodiesel declined. However, buying interest could soon surge again, because the competitive advantage of biodiesel grows as crude oil prices climb.

Prices at the pump

June crude oil forward prices jumped, driven by the decreasing number of active US drilling rigs and a strong decline in US crude oil supplies. Production downtimes in Libya and Kazakhstan also contributed to the price rise. Prices at German pumps remained unaffected by the strong surge in international crude oil prices. Diesel prices recently stood at 126.50 euro cents per litre, down 2.6 per cent from the previous month.

Consumption

Biodiesel

Like virtually every year, biodiesel consumption was lower in April than in March. It failed to repeat the March 2018 peak. On average, biodiesel consumption from January to April 2018 was up 21,000 tonnes from 2017. At the same time, consumption of pure diesel fuel declined. Total use to date in 2018 amounts to around 11.2 million tonnes. This translates to an almost 4 per cent drop from the same period in 2017. Consequently, the incorporation rate climbed further, reaching an annual average of 6.3 per cent, the highest value since 2014.

Bioethanol

The use of bioethanol also dipped slightly in April 2018. Bioethanol for ETBE production accounted for the greatest part of the decline. Its consumption slumped 36 per cent from March 2018 and was also significantly lower compared to 2017. By contrast, the use of bioethanol in blends increased. Since the use of petrol declined at the same time, the April 2018 incorporation rate amounted to around 6.5 per cent.