UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 36	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	359,15	358,30	➚
Wholesale prices in EUR/t			
Rapeseed	372,00	370,00	➚
Rapeseed oil	730,00	725,00	➚
Rapseseed meal	245,00	237,00	➚
Rapeseed cake*	255,00	251,25	➚
Rapeseed future	375,75	371,25	➚
Wholesale prices in ct/l, excl. VAT			
Biodiesel	120,37	121,36	➘
Consumer prices in ct/l incl. VAT			
Diesel	131,83	133,06	➘
Futures in US-$/barrel			
WTI, Nymex	68,72	69,51	➘

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

Market Headlines

Oilseeds

- Rapeseed producers made few purchases, waiting for stimuli from oil mills or the futures market.
- 2018 EU rapeseed crop fell below 20 million tonnes.
- Trade conflict between the US and China remained a key factor in the oilseed market.

Oilseed meals and oilcakes

- August soybean meal prices dropped significantly. Demand was brisk.
- Feed compounders were stocked up well with rapeseed meal; prices barely remained stable at a high level.
- Rapeseed cake rose significantly.

Vegetable oils

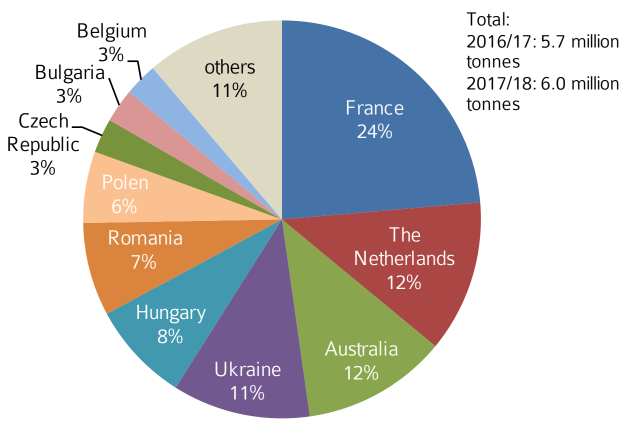
- Rapeseed oil prices increased despite decline in demand.
- Prices for cold pressed rapeseed oil remained virtually unchanged; sales continued sluggish.

Fuels

- Biodiesel market slowed slightly, but demand for RME (winter diesel) is expected to pick up in October.
- Diesel prices continued to firm, crude oil prices were indecisive.

Chart of the week

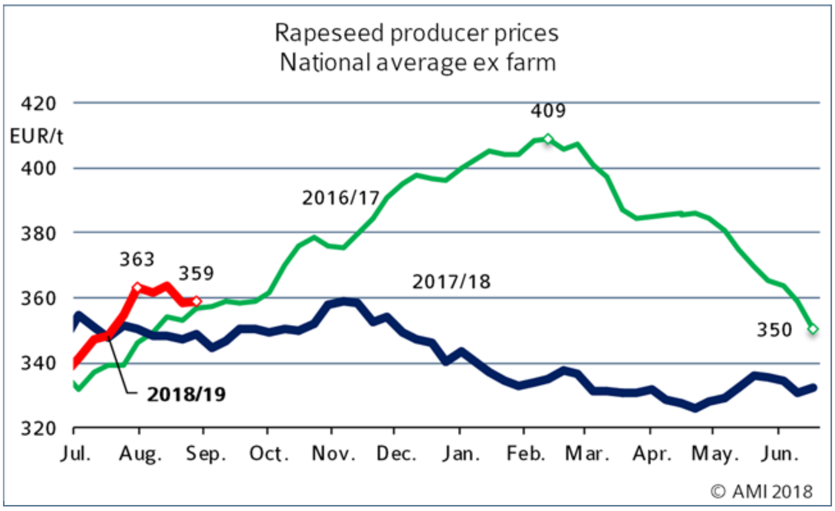
Origins of German rapeseed imports 2017/18



Source: Federal Statistic Office, AMI

Edition september 2018

Market prices



Wholesale prices

In EUR/t on 05.09.2018, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	372	245	730	502
Previous week	370	237	725	494

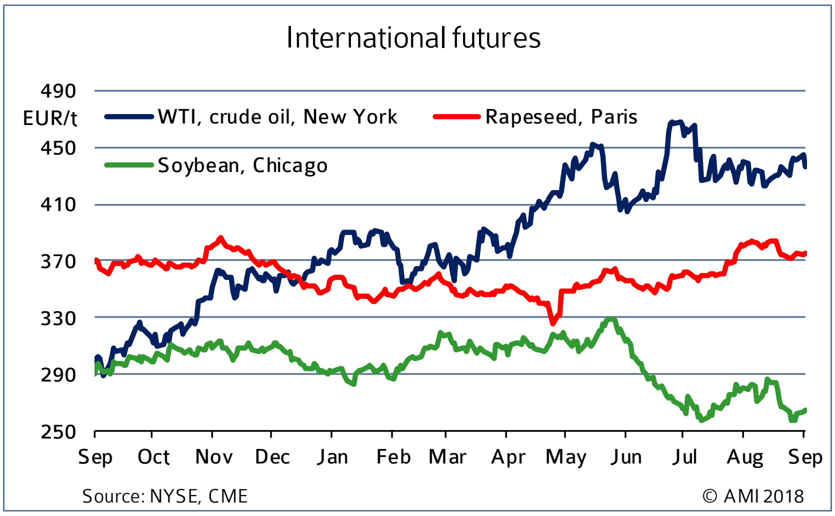
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 21.08.2018)

	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

The rapeseed market continued to be slow because oil millers kept their premiums unchanged, not offering any sales inducements to rapeseed producers in Germany. Rapeseed spot prices were guided by the reference prices on the futures market. However, August prices were indecisive without leaps and bounds.

Rapeseed oil

Rapeseed oil prices most recently stood at EUR 730 per tonne fob Hamburg. This was up EUR 5 per tonne from the previous week. Although there was a lack of demand from the biodiesel industry and trading in the industry was very moderate, prices remained stable at a high level. The reason was the scarcity of feedstock and the upcoming seasonal rise in demand for biodiesel (RME) in the autumn.

Rapeseed cake

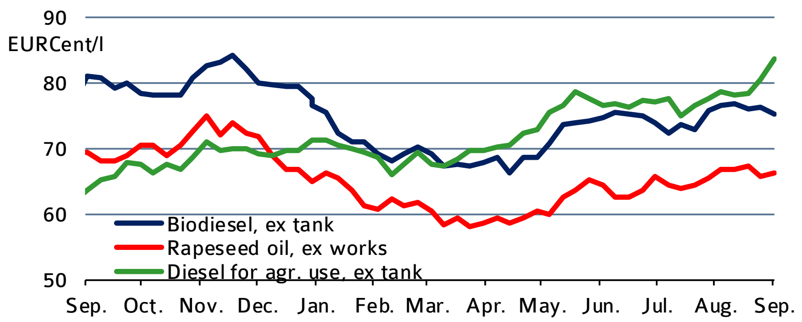
In the wake of a strong surge in feedstock prices due to the small 2018 rapeseed harvest, asking prices for rapeseed cake were raised. However, the level could not be maintained because rapeseed prices gradually declined over the month. In other words, rapeseed expeller fob North-East Germany dropped EUR 3 per tonne from the previous week, to EUR 252 per tonne. This was down EUR 12 per tonne from the beginning of the month. Decentralised oil mills in Germany asked on average EUR 255 per tonne from their direct clients. This was up just over EUR 7.70 per tonne from the previous month. Consequently, the price gap over traditional rapeseed meal widened further. Farmers paid EUR 272.65 per tonne for rapeseed meal delivered free to yard in mid August.

Cold pressed rapeseed oil

The decentralised oil mills had little opportunity to adjust their asking prices for cold pressed rapeseed oil upwards as sales continued to be sluggish and were limited to longer-term deliveries for animal feeding. Average August prices were reported at 85.75 euro cents per litre for cold pressed rapeseed oil and 86.50 euro cents per litre (excluding tax) for fuel. This was around one cent per litre 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 agricilural use is taxed at 25.26 cent per litre. All prices exclude freight charges.

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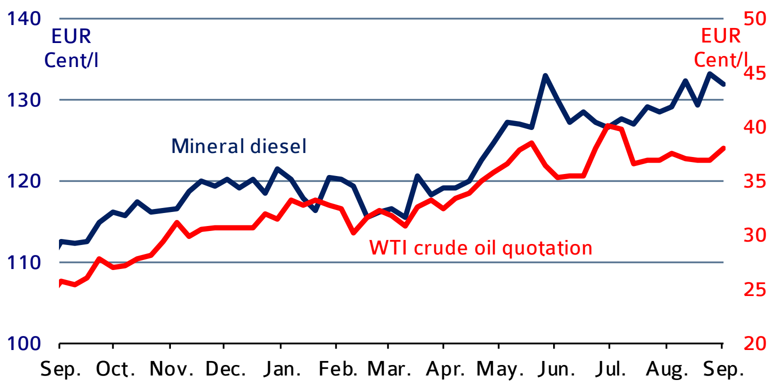
Prices at the pump incl. tax & crude oil quotes



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Domestic consumption in 2018

in 1.000 t

	Jan.	Feb.	March	April	Mai	June	cumulated 2018	2017
Biodiesel for blending	182,8	176,1	203,3	197,8	204,9	197,1	1.161,3	1.044,6
Diesel	2.625,1	2.701,4	2.943,2	2.977,0	2.873,2	2.925,7	17.157,6	17.986,5
Biodiesel + diesel	2.807,9	2.877,5	3.146,5	3.174,8	3.078,2	3.122,7	18.318,9	19.031,1
Share biodiesel	6,5 %	6,1 %	6,5 %	6,2 %	6,7 %	6,3 %	6,3 %	5,5 %
Bioethanol ETBE a)	11,3	9,7	13,6	8,8	11,6	9,9	61,5	57,3
Bioethanol for blending	94,7	78,8	85,7	87,8	95,3	93,2	535,5	499,3
Bioethanol total	106,0	88,5	99,3	96,6	106,9	103,0	597,0	556,6
Gasoline	1.341,3	1.328,6	1.454,7	1.394,0	1.433,4	1.470,7	8.426,0	8.513,0
Gasoline + bioethanol	1.447,3	1.417,1	1.554,0	1.490,6	1.540,2	1.573,7	9.023,0	9.069,6
Share bioethanol	7,3 %	6,2 %	6,4 %	6,5 %	6,9 %	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

Demand for biodiesel for prompt delivery waned somewhat. On the one hand, nearby demand had already been adequately covered in the past weeks and on the other hand, low water surcharges sent transport costs rising. The same also applies to vegetable oils that are used as feedstock in biodiesel production.

Prices at the pump

August crude oil prices were indecisive. New punitive tariffs between the US and China, large oil exports from Iraq and Libya's further ramp-up in production generated pressure on prices. This was contrasted by declining Iranian exports and a further increase in global demand. In this context, crude oil prices failed to surge further in August. However, diesel prices were somewhat independent, trending firmer compared to the previous month.

Consumption

Biodiesel

Although June 2018 use of biodiesel in blends was down from the previous month, at 197,075 tonnes, it was significantly above this year's average monthly figure to today of 193,655 tonnes and also the June 2017 blending amount. The June volumetric incorporation rate of 6.3 per cent was slightly down from the previous month, because consumption of diesel went up 1.4 per cent. However, the rate was significantly up from the June 2017 figure of 5.7 per cent. All in all, consumption of diesel in the first half year of 2018 fell 4.6 per cent short of the previous year.

Bioethanol

Demand for bioethanol developed in a similar way. The volume declined 3.6 per cent compared to the previous month, with the result that the incorporation rate dropped 6.5 per cent as consumption of petrol remained stable. In the first half year of 2018, consumption of bioethanol amounted to just less than 570,000 tonnes. This was up 7 per cent year on year.