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

ufop

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 38	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	353,00	358,04	↘
Wholesale prices in EUR/t			
Rapeseed	366,00	375,00	↘
Rapeseed oil	710,00	740,00	↘
Rapseseed meal	233,00	241,00	↘
Rapeseed cake*	250,00	255,00	↘
Rapeseed future	365,75	372,00	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	117,81	117,41	↗
Consumer prices in ct/l incl. VAT			
Diesel	132,48	132,07	↗
Futures in US-$/barrel			
WTI, Nymex	71,12	70,37	↗

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

Market Headlines

Oilseeds

- Rapeseed prices traded lower; farmers held back on sales.
- US and China imposed additional high punitive tariffs, impacting soybean prices negatively.

Oilseed meals and oilcakes

- Oilseed meal prices declined. Demand from compound feeders has waned as most are stocked up till year-end.
- In the wake of falling soy meal prices, rapeseed cake also dropped.

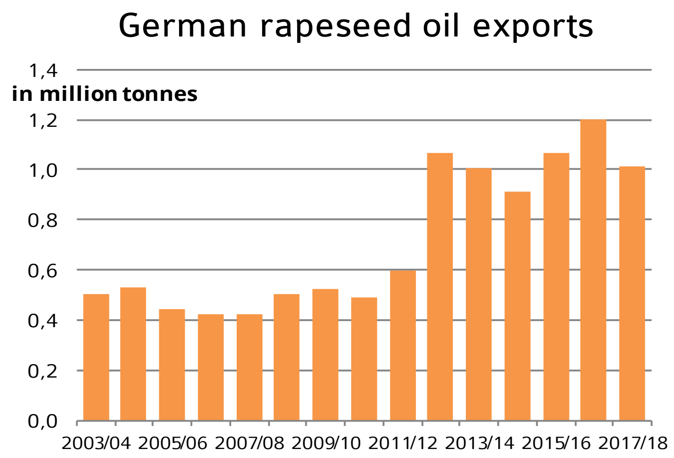
Vegetable oils

- Rapeseed oil prices weakened due to lower forward prices; oil mills hoped for purchases through the biodiesel industry.
- Demand for cold pressed rapeseed oil was virtually non-existent; prices were stable.

Fuels

- Higher prices for biodiesel were reported for deliveries from October onwards; focus was on winter diesel (RME); demand increased.
- Diesel prices climbed on the back of firming crude oil prices.

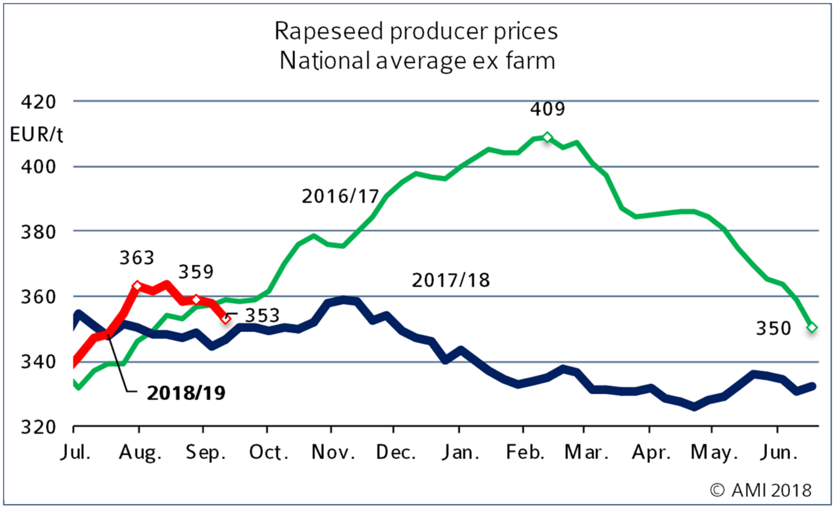
Chart of the week



Source: Federal Statistical Office, AMI

Edition october 2018

Market prices



Wholesale prices

In EUR/t on 19.09.2018, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	366	233	710	492
Previous week	375	241	740	484

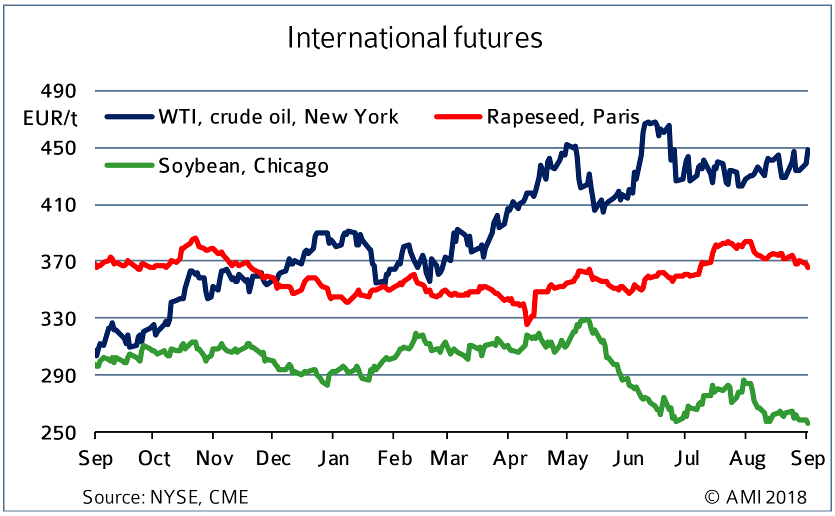
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 18.09.2018)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l	
Monthly production	Price range	Previous month	Feed oil	DIN 51605
< 100 t	245-255	250-265	85,50	86,50
> 100 t	-	250-255	pm: 85,75	pm: 86,50

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



Rapeseed

The rapeseed market lacked momentum. Oil mills were well stocked up with rapeseed with the result that demand slowed. Moreover, forward prices of rapeseed were under pressure and impacted spot prices. Bids were still above the year-ago level, but already below the level of 2016/17. Consequently, farmers were very reluctant to sell.

Rapeseed oil

Not only feedstock, but also by-products were under pressure in September. Rapeseed oil flagged considerably mid-month, following the weakness in rapeseed prices. Oil millers are now hoping for stimulus from the biodiesel industry. From October onwards, demand for RME could pick up substantially, especially because GHG emission reduction requirements must be complied with by the end of December 2018. Demand for rapeseed oil from biodiesel producers could pick up as a result.

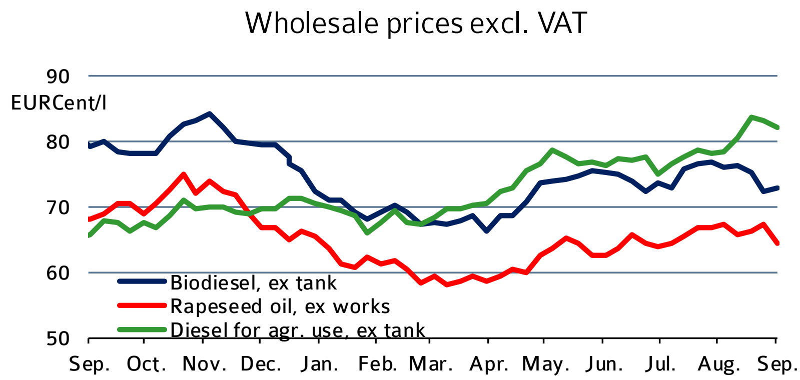
Rapeseed cake

Given decreasing feedstock costs and declining demand, oil mills can no longer apply the previous asking prices for rapeseed cake. Spot rapeseed expeller ex works North-East Germany slid back to a level below EUR 250 per tonne in mid-September. Average prices paid in September were EUR 249.30 per tonne. This was EUR 8.50 per tonne less than the previous month. Nevertheless, wholesale prices of rapeseed cake were just about one fifth up from the previous year's level.

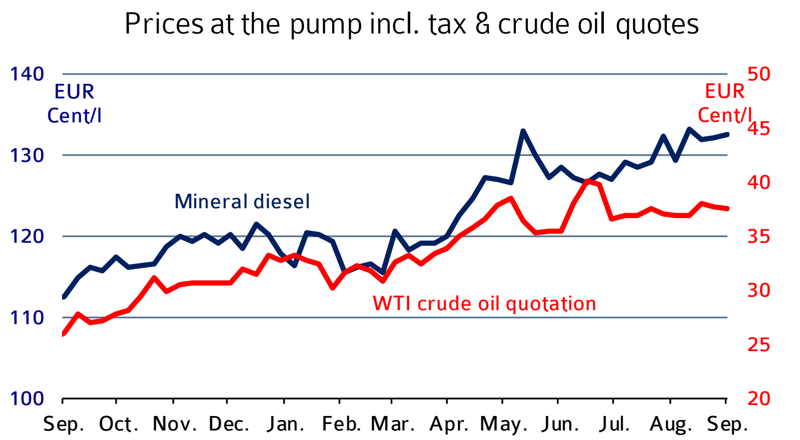
Cold pressed rapeseed oil

Due to extremely low demand for cold pressed rapeseed oil and pressure from dwindling vegetable oil prices on the cash market, suppliers lowered their asking prices somewhat. However, price reductions were insignificant at 0.13 euro cent per litre. On average, prices asked in September 2018 amounted to 86 euro cents per litre. In other words, cold pressed rapeseed oil continued to be more expensive than agricultural diesel and was consequently left without a chance of being used as agricultural fuel. Incidentally, September prices of diesel increased, rising a full 8 per cent from the previous month to 57.4 euro cents per litre net. By contrast, rapeseed oil ex works fell just less than 1 per cent.

Biodiesel/ mineral Diesel



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.



Domestic consumption in 2018

in 1.000 t

	Jan.	Feb.	March	April	Mai	June	July	cumulated 2018	2017
Biodiesel for blending	182,8	176,1	203,3	197,8	204,9	197,1	225,2	1.386,4	1.250,5
Diesel	2.625,1	2.701,4	2.943,2	2.977,0	2.873,2	2.925,7	2.972,0	20.129,6	21.080,4
Biodiesel + diesel	2.807,9	2.877,5	3.146,5	3.174,8	3.078,2	3.122,7	3.197,1	21.516,0	22.330,9
Share biodiesel	6,5 %	6,1 %	6,5 %	6,2 %	6,7 %	6,3 %	7,0 %	6,4 %	5,6 %
Bioethanol ETBE a)	11,3	9,7	13,6	8,8	11,6	9,9	10,1	71,6	66,5
Bioethanol for blending	94,7	78,8	85,7	87,8	95,3	93,2	94,8	630,3	596,5
Bioethanol total	106,0	88,5	99,3	96,6	106,9	103,0	104,9	701,9	663,0
Gasoline	1.341,3	1.328,6	1.454,7	1.394,0	1.433,4	1.470,7	1.445,1	9.871,0	9.990,7
Gasoline + bioethanol	1.447,3	1.417,1	1.554,0	1.490,6	1.540,2	1.573,7	1.550,0	10.572,9	10.653,7
Share bioethanol	7,3 %	6,2 %	6,4 %	6,5 %	6,9 %	6,5 %	6,8 %	6,6 %	6,2 %

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

Remaining quantities of summer diesel fuel (SME, PME) offered in September for prompt delivery usually did not succeed in attracting buyers because, in view of the winter season, blenders increasingly focussed on rapeseed oil-based biodiesel (RME). Market participants anticipate one or another wave of purchases in the fourth quarter of 2018. The chances are that these purchases will support prices.

Prices at the pump

Crude oil prices trended firmer. The rise was based on smaller supply from Iraq and Venezuela due to sanctions the US imposed against the two countries. Saudi Arabia could boost its production to fill the gap, although the country is not expected to do so. As the global economy is generally on an upswing, demand for crude oil is also increasing. Together, both factors are contributing towards an upward price trend. Prices of diesel also firmed recently.

Consumption

Biodiesel

In July 2018, more than 225,000 tonnes of biodiesel were used for blending. This was the highest amount ever and exceeded the record seen seven years ago. The increase from the previous month amounted to 14 per cent. At the same time, demand for diesel increased around 1.6 per cent to 2.97 million tonnes. This raised the incorporation rate to more than 7 per cent, the second highest rate since 2012. The high consumption of biodiesel in the running year exceeds the volume used in the same period last year by 11 per cent, but remains slightly below the 2012 figure.

Bioethanol

July use of bioethanol was relatively high at just less than 105,000 tonnes. This was up 2 per cent from the previous month. However, consumption both in January and May had been higher, as was July 2017 consumption (by 1.3 per cent). However, since at the same time consumption of petrol declined, the incorporation rate rose to 6.8 per cent, exceeding the figures both of the previous month and the same month the previous year.