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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 1	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	357,23	357,45	↘
Wholesale prices in EUR/t			
Rapeseed	369,00	369,00	→
Rapeseed oil	709,00	724,00	↘
Rapseseed meal	238,00	239,00	↘
Rapeseed cake*	250,00	255,00	↘
Rapeseed future	364,50	362,75	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	118,26	127,09	↘
Consumer prices in ct/l incl. VAT			
Diesel	124,27	129,80	↘
Futures in US-$/barrel			
WTI, Nymex	46,54	46,22	↗

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

Market Headlines

Oilseeds

- Rapeseed prices were steady in a very calm market.
- Willingness to sell or buy was low in the industry; oil mills showed interest in deliveries from March onwards.
- Rapprochement between US and China fuelled hopes for larger US exports.

Oilseed meals and oilcakes

- Interest in buying soybean and rapeseed meal was insignificant; supply of spot rapeseed meal increased considerably.
- September to December soybean meal prices fluctuated slightly.

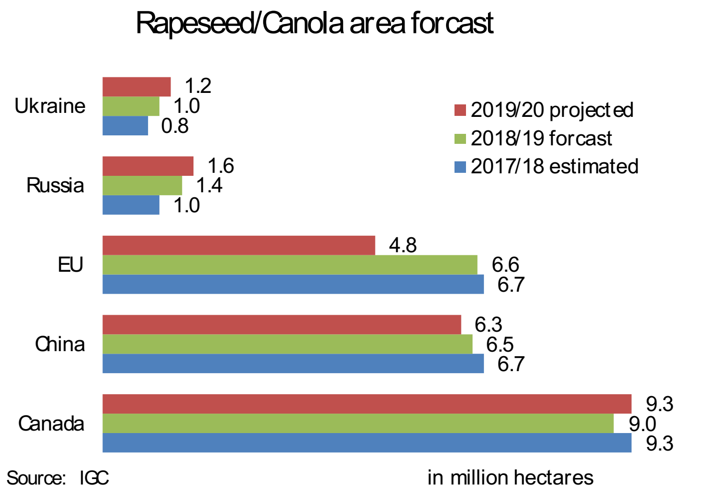
Vegetable oils

- Price spread between palm and rapeseed oil narrowed.
- December demand from the biodiesel industry waned.

Fuels

- Demand for biodiesel continued brisk, logistic bottlenecks due to low water in rivers were unblocked at the end of December.
- US financial crisis and negative signals coming from the European and Chinese economies weighed down crude oil prices.

Chart of the week



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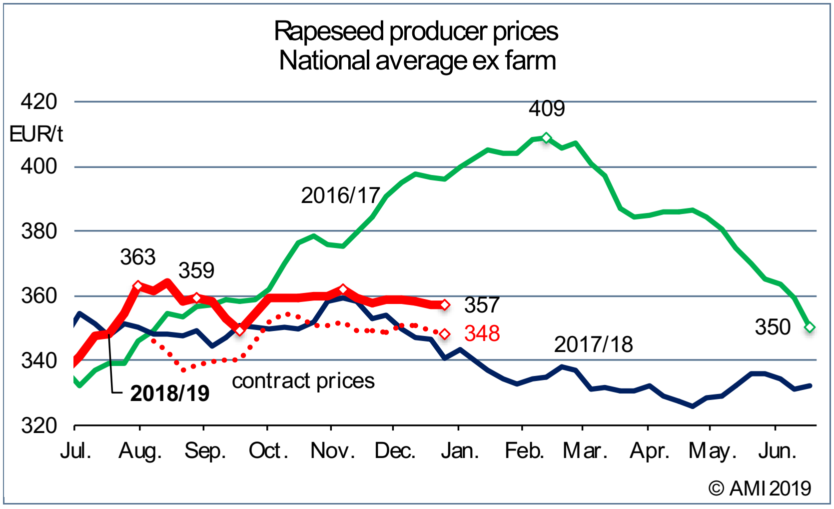
Market prices



Wholesale prices

in EUR/t on 02.01.2019, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	369	238	709	459
Previous week	369	239	724	429

Source: AMI

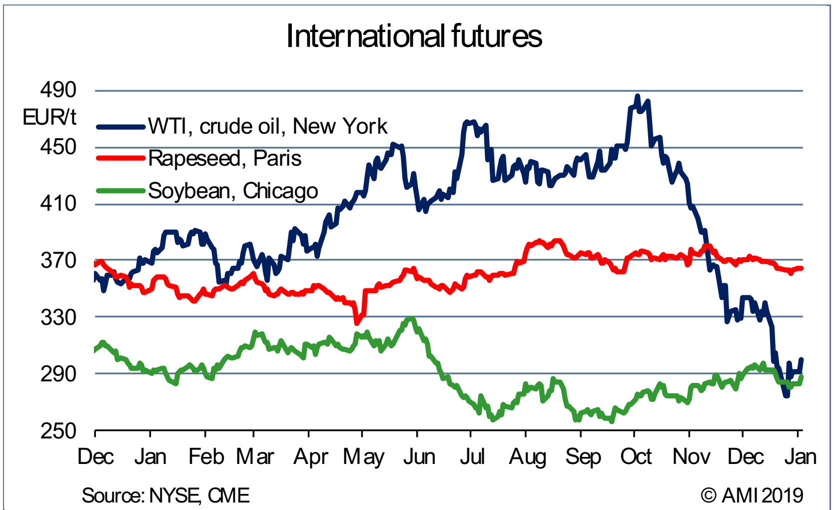
Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 17.12.2018)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l	
Monthly production	Price range	Previous month	Feed oil	DIN 51605
< 100 t	245-265	245-260	84,75	86,00
> 100 t	245-250	245-250	pm: 85,88	pm: 86,88

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

Source: AMI



Rapeseed

Paris rapeseed prices hardly responded to reports about a reduction in winter rapeseed areas in Germany and France. Also, oil mills kept their premiums unchanged. Consequently, rapeseed prices were stable to slightly weaker and producers did not find any sales incentives for the remaining quantities from the small 2018 harvest. Many producers will hold back their commodities until prices meet their expectations. However, for this to come true prices would have to rise around EUR 25 per tonne.

Rapeseed oil

Rapeseed oil prices came under pressure. Recent asking prices amounted to EUR 724 per tonne fob Hamburg. This was down EUR 20 per tonne from a week earlier and the lowest price level in approximately three months. One of the main reasons was sluggish demand for rapeseed oil from the biodiesel industry. There was also no support from the futures market.

Rapeseed cake

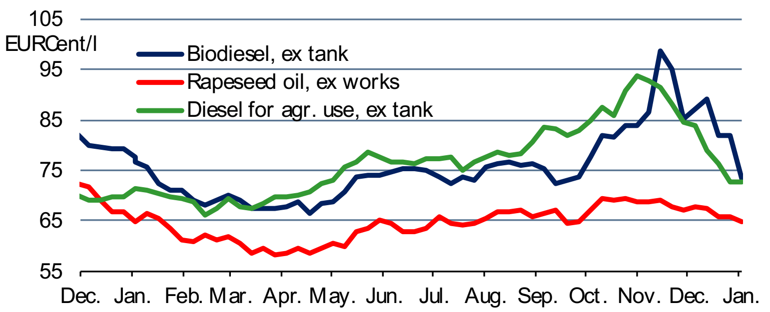
Buying interest picked up in waves, temporarily driving prices up. However, price movements for rapeseed cake were less pronounced than those for rapeseed meal. Demand for the latter was fairly limited, with prices stagnating at a level of EUR 243 per tonne for several weeks. There was virtually no change in the average monthly price fob North-East German oil mill. The same applies to selling prices at the decentralised oil mills in Bavaria, which remained unchanged from the previous month at EUR 250 per tonne.

Cold pressed rapeseed oil

Prices the decentralised oil mills asked for cold pressed rapeseed oil were lowered just over 1 per cent to on average 85.40 euro cents per litre, following the trend. Rapeseed oil and diesel also declined compared to the previous month. In the case of rapeseed oil, prices were weighed down by waning demand. In the case of mineral oil, downward pressure came from excessive supply which led to a massive drop in futures prices.

Biodiesel/ mineral Diesel

Wholesale prices excl. VAT



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.

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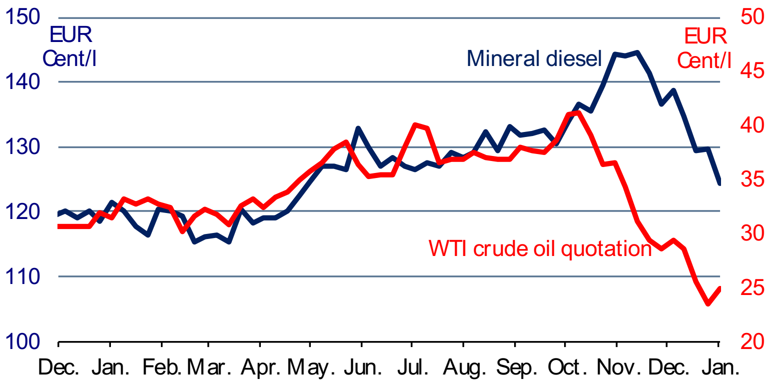
Prices at the pump incl. tax & crude oil quotes



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Wholesale prices

December interest in buying spot commodities was sporadic. Where it did exist, blenders had to dig deep into their pockets. The high price level paralysed trading, but most blenders were stocked up well anyway. Transactions increasingly focussed on the new year. Suppliers reported that they were receiving regular enquiries or even experiencing brisk trading of futures for the first half year of 2019. The reason was probably significantly lower prices. Prices for January were down virtually one fourth from the December level.

Prices at the pump

November prices of mineral diesel held up fairly well against the impact of weak crude oil prices. They actually increased. In December, however, crude oil prices dropped sharply and also pulled down diesel prices. Due to large global supply and extensive production in the US and Russia, with demand projected to decline at the same time, the market did not reach an equilibrium and prices continued to decline from week to week.

Consumption

Biodiesel

In October 2018 the incorporation rate of biodiesel dipped noticeably, reaching a 17-month low of 5.6 per cent. Consumption of biodiesel amounted to just less than 185,000 tonnes,

Domestic consumption in 2018

in 1.000 t

	Jan.	Feb.	March	April	Mai	June	July	Aug.	Sept.	Oct.	cumulated 2018	cumulated 2017
Biodiesel for blending	182,8	176,1	203,3	197,8	204,9	197,1	225,2	211,3	190,1	184,9	1.973,9	1.847,8
Diesel	2.625,1	2.701,4	2.943,2	2.977,0	2.873,2	2.925,7	2.972,0	3.177,3	2.985,9	3.091,6	29.382,4	30.462,8
Biodiesel + diesel	2.807,9	2.877,5	3.146,5	3.174,8	3.078,2	3.122,7	3.197,1	3.388,6	3.176,1	3.276,5	31.356,3	32.310,5
Share biodiesel	6,5 %	6,1 %	6,5 %	6,2 %	6,7 %	6,3 %	7,0 %	6,2 %	6,0 %	5,6 %	6,3 %	5,7 %
Bioethanol ETBE a)	11,3	9,7	13,6	8,8	11,6	9,9	10,1	8,0	8,7	8,0	96,3	95,5
Bioethanol for blending	94,7	78,8	85,7	87,8	95,3	93,2	94,8	101,7	84,0	88,0	904,0	869,1
Bioethanol total	106,0	88,5	99,3	96,6	106,9	103,0	104,9	109,7	92,6	95,9	1.000,2	964,6
Gasoline	1.341,3	1.328,6	1.454,7	1.394,0	1.433,4	1.470,7	1.445,1	1.454,8	1.355,8	1.430,1	14.146,0	14.376,7
Gasoline + bioethanol	1.447,3	1.417,1	1.554,0	1.490,6	1.540,2	1.573,7	1.550,0	1.564,5	1.448,5	1.526,0	15.146,2	15.341,4
Share bioethanol	7,3 %	6,2 %	6,4 %	6,5 %	6,9 %	6,5 %	6,8 %	7,0 %	6,4 %	6,3 %	6,6 %	6,3 %

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

Source: Federal Office for Economic Affairs and Export Control, AMI which was down 2.7 per cent from the previous month. At the same time, consumption of diesel went up 3.5 per cent to 3.091 million tonnes. Despite the decline in blending use, the use of biodiesel of 1.98 million tonnes in the period January to October 2018 significantly exceeded the 1.85 million tonnes in the year-earlier period.

Bioethanol

Overall October use of bioethanol was up 3.6 per cent from the previous month. Whereas the use of bioethanol for ETBE production dropped 8 per cent, that of bioethanol in blends increased around 4.7 per cent to just less than 88,000 tonnes. Nevertheless, the incorporation rate fell to just less than 6.3 per cent, because consumption of petrol rose 5.5 per cent.