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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 5	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	358,01	360,02	↘
Wholesale prices in EUR/t			
Rapeseed	379,00	373,00	↗
Rapeseed oil	738,00	736,00	↗
Rapseseed meal	243,00	242,00	↗
Rapeseed cake*	247,00	247,00	→
Rapeseed future	378,75	371,75	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	127,55	127,07	↗
Consumer prices in ct/l incl. VAT			
Diesel	123,40	125,46	↘
Futures in US-$/barrel			
WTI, Nymex	54,23	52,62	↗

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

Market Headlines

Oilseeds

- Rapeseed prices firmed temporarily, but lack of larger sales by farmers continued.
- US trade rapprochement with China fuelled hopes for larger US exports.

Oilseed meals and oilcakes

- Note: publication of prices for cold pressed rapeseed oil and rapeseed cake at the decentralised oil mills was discontinued at the turn of the year 2019. On page 2, you now find the price trends for rapeseed expeller.
- Sales of rapeseed meal picked up in the first half of January, but subsequently weakened; supply remains limited.
- Soybean meal prices were stable to slightly weaker based on steady sales.

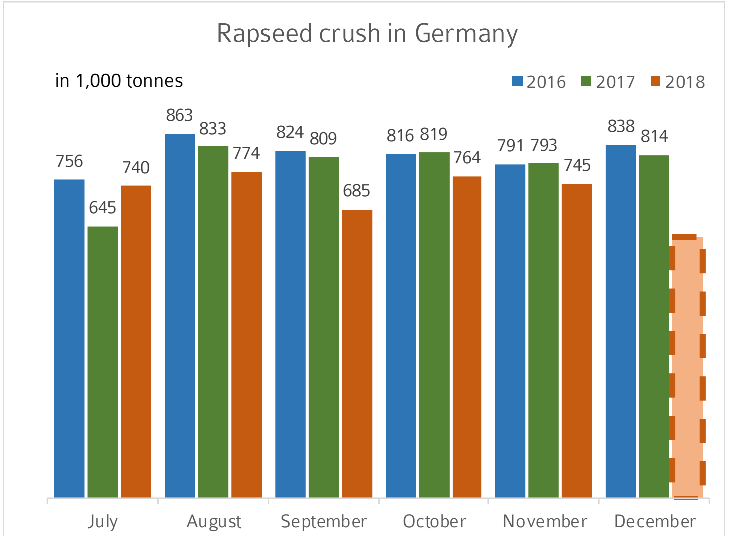
Vegetable oils

- Price spread between rapeseed and soybean oil narrowed.
- Palm oil prices headed downward because of record-high stocks in Malaysia.

Fuels

- January demand from the biodiesel industry was slow but steady with regular purchase requests for smaller quantities for prompt delivery.
- Crude oil prices benefited from prospects for decline in supply.

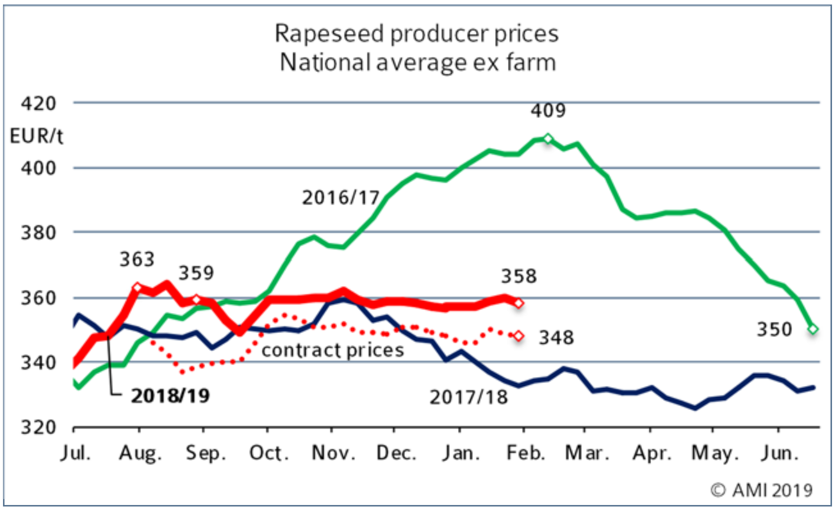
Chart of the week



Source: BLE, AMI

Edition february 2019

Market prices

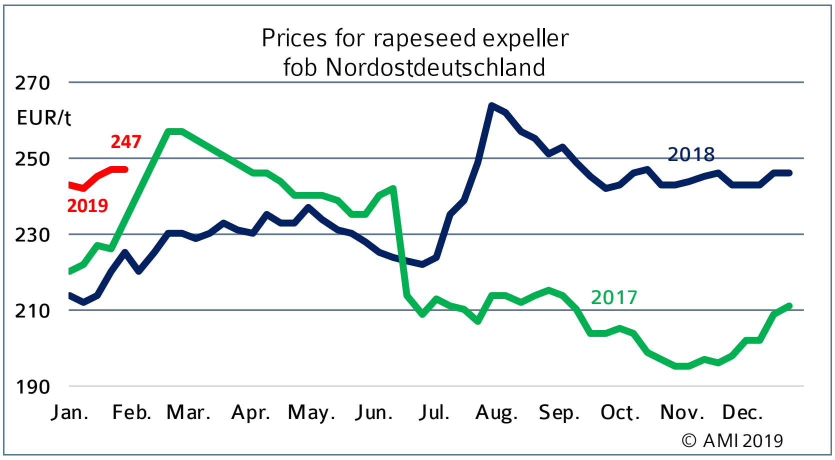


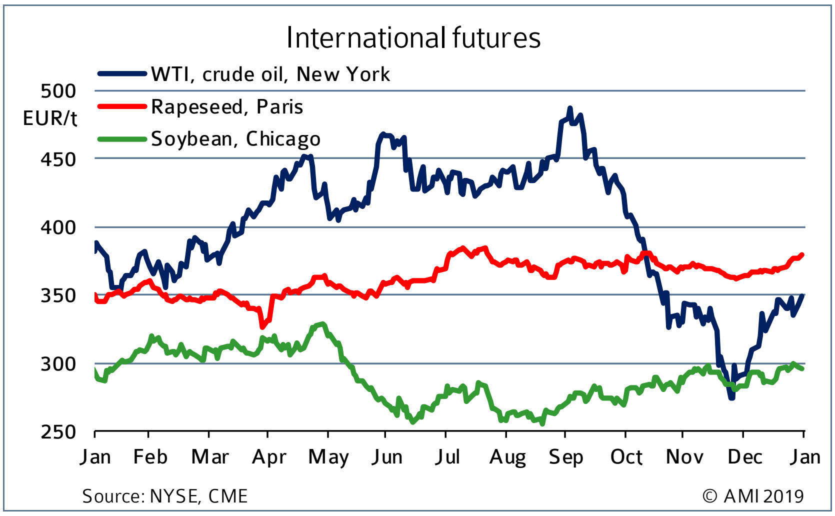
Wholesale prices

in EUR/t on 30.01.2019, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	379	243	738	468
Previous week	373	242	736	484

Source: AMI





Rapeseed

Firmer rapeseed futures in Paris also led to some movement in spot prices in Germany. Producer prices for rapeseed increased at the end of January, temporarily reaching EUR 360 per tonne. This price level prompted some producers to sell rapeseed. However, the lethargy in the market was quick to return. The reason was that most oil mills were stocked up well on nearby positions and producers hoped to implement significantly higher prices at the time of transition to the 2019 crop.

Rapeseed oil

Rapeseed oil prices jumped significantly at the beginning of January, rising EUR 38 per tonne to EUR 750 per tonne fob Hamburg in only one trading week. However, the level could not be maintained. The price last reported was EUR 738 per tonne. The main reason for the price drop was presumably the weakness in palm oil prices. By contrast, soybean oil firmed substantially, but rapeseed oil did not benefit from this trend.

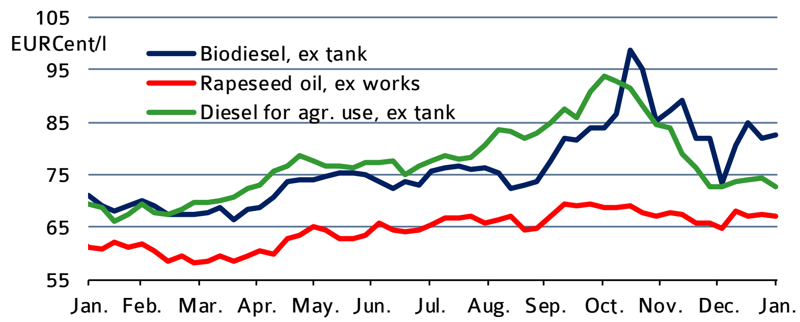
Rapeseed expeller

Rapeseed expeller is produced by a hot pressing process without using solvents (which are used to make extracted rapeseed meal). Rapeseed expeller has a crude protein content of 30-35 per cent, a crude fat content of 8-12 per cent and a crude fibre content of 10-14 per cent. To ensure good storability of rapeseed expeller, the product is dried to a residual moisture level of 14 per cent after production.

Rapeseed expeller fob North-East Germany has increased EUR 4 per tonne to EUR 247 per tonne since the turn of the year. Rapeseed meal fob Hamburg most recently cost EUR 243 per tonne. This translates to a rise of EUR 4 per tonne over January. Market participants reported that rapeseed meal supply at oil mills continued to be scarce on nearby positions. Those who were in urgent need of rapeseed meal had to reckon with surcharges or opt to fill smaller shortfalls with rapeseed cake instead.

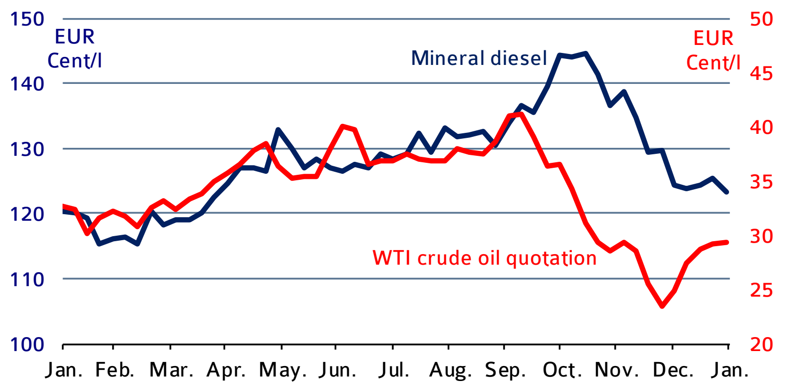
Biodiesel/ mineral Diesel

Wholesale prices excl. VAT



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agriculural use is taxed at 25.26 cent per litre. All prices exclude freight charges.

Prices at the pump incl. tax & crude oil quotes



Wholesale prices

January biodiesel prices rose significantly. Market participants reported that buying interest continued with a clear focus on positions in the first quarter of 2019. Sales could be described as steady, although quantities traded were not large. The focus was on winter diesel, along with UCOME biodiesel, which is always in demand. Until mid April winter diesel with a higher stability at low temperatures will be used for blending before transition will be made to summer diesel fuel.

Prices at the pump

Prices of crude oil firmed driven by reports on a falloff in Saudi Arabian oil deliveries to the USA, cuts in production in Russia and increasing confidence as regards the trade dispute between China and the USA. However, mineral oil prices in Germany remained virtually unchanged, even trending slightly downwards compared to the previous month.

Consumption

Biodiesel

November 2018 biodiesel incorporation slumped although consumption of diesel was stable. According to BAFA, consumption amounted to 173,438 tonnes, the lowest level in 22 months. The incorporation rate dropped to 5.3 per cent. November prices for diesel and biodiesel showed contrasting trends.

Domestic consumption in 2018

in 1.000 t

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	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	173,4	2.147,3	2.041,8
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	3.099,9	32.525,7	33.619,9
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	3.273,4	34.673,1	35.661,6
Share biodiesel	6,5 %	6,1 %	6,5 %	6,2 %	6,7 %	6,3 %	7,0 %	6,2 %	6,0 %	5,6 %	5,3 %	6,2 %	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	7,2	103,4	104,1
Bioethanol for blending	94,7	78,8	85,7	87,8	95,3	93,2	94,8	101,7	84,0	88,0	86,5	990,5	952,1
Bioethanol total	106,0	88,5	99,3	96,6	106,9	103,0	104,9	109,7	92,6	95,9	93,7	1.093,9	1.056,2
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	1.396,7	15.514,3	15.815,1
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	1.490,4	16.608,2	16.871,3
Share bioethanol	7,3 %	6,2 %	6,4 %	6,5 %	6,9 %	6,5 %	6,8 %	7,0 %	6,4 %	6,3 %	6,3 %	6,6 %	6,3 %

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

Whereas diesel prices gradually decreased, prices for biodiesel jumped, peaking at just less than EUR 1.44 per litre in mid November. This resulted in a sharp decline in use which likely continued in December. Moreover, low water in rivers impaired fuel shipments considerably. As a result, December figures are likely to show a significant drop also in ethanol incorporation. A year earlier, a sharp rise in prices did not occur until December. As a consequence, November 2017 saw a considerably higher biodiesel consumption of 194,000 tonnes.

Bioethanol

November 2018 consumption of bioethanol was around 93,700 tonnes, of which 86,537 tonnes were used for blending. This was down from the previous month, but clearly exceeded the previous year's amount. By contrast, there was less demand for bioethanol as an additive (ETBE). Consumption dwindled both month-on-month and year-on-year. Since consumption of petrol also decreased, the percentage of bioethanol in blends remained stable at 6.3 per cent.

November total consumption of biofuels amounted to 267,140 tonnes. This was down 5 per cent month-on-month and the lowest level since February 2017. The volumes of diesel and petrol fuel declined 3 per cent and 2 per cent respectively from a year earlier. By contrast, 2018 consumption of biofuels rose year-on-year – biodiesel by around 5.2 per cent and bioethanol by 3.6 per cent.