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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 31	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	360,39	355,91	↗
Wholesale prices in EUR/t			
Rapeseed	369,00	371,00	↘
Rapeseed oil	768,00	765,00	↗
Rapseseed meal	200,00	203,00	↘
Rapeseed cake*	208,00	209,00	↘
Rapeseed future	371,25	376,75	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	118,21	117,22	↗
Consumer prices in ct/l incl. VAT			
Diesel	124,51	125,57	↘
Futures in US-$/barrel			
WTI, Nymex	58,58	55,88	↗

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

Market Headlines

Oilseeds

- Rapeseed prices temporarily reached EUR 380 per tonne – the highest level since November 2018 –, but weakened most recently
- EU rapeseed crop projected at 17 to 18 million tonnes
- Large supply expected from Ukraine despite reports about lower yields and oil content
- Crop development on US soybean fields lagged behind that of last year and the crop's state was not convincing either

Oilseed meals and oilcakes

- Prices for rapeseed meal and expeller remained virtually unchanged; firmer feedstock prices were offset by slack demand

Vegetable oils

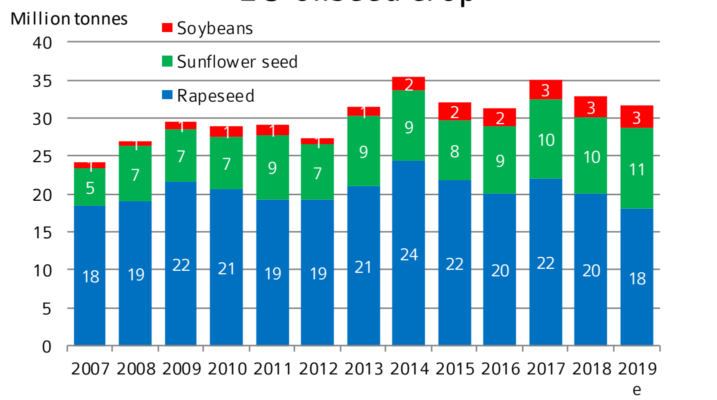
- Rapeseed oil prices benefited from low crop forecast
- World market prices for vegetable oils firmed

Fuels

- Biodiesel prices slightly firmed from week to week; demand was highest for UCOME
- Extension of OPEC+ cuts lent support to crude oil prices; diesel prices came under pressure in the second half of the month

Chart of the week

EU oilseed crop



Source: EU-Commission

Note: e = estimate

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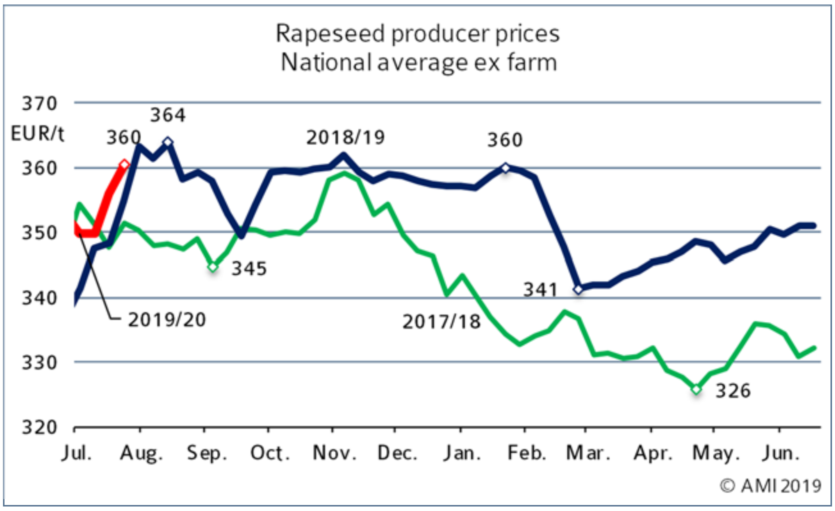
Market prices

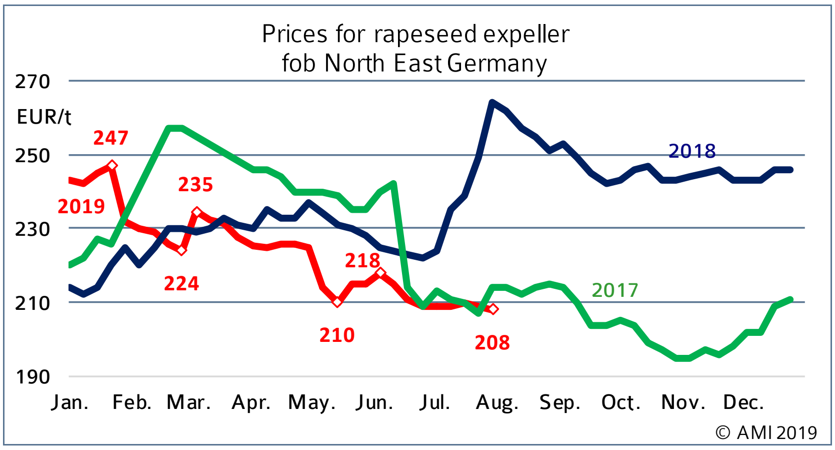


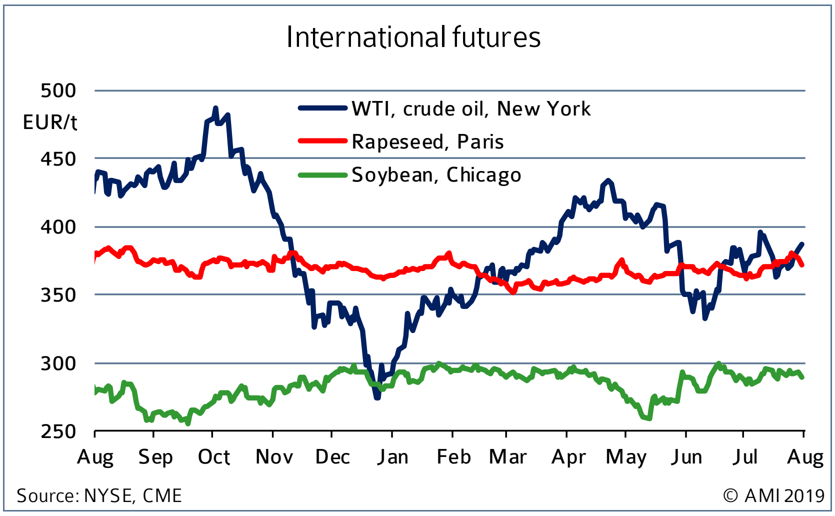
Wholesale prices

in EUR/t on 01.08.2019, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	369	200	768	458
Previous week	371	203	765	443

Source: AMI





Rapeseed

Prospects of small rapeseed crops in Germany and the EU sent ex-farm prices on a sharp rise at the start of the season. Support came from firm rapeseed prices in Paris, which temporarily reached EUR 380 per tonne. Prices even continued to increase as support from Paris ceased at month-end. Nevertheless, the rapeseed market did not pick up. In view of the weak output, farmers wanted to see higher prices, but oil mills didn't play along as they were generally well supplied. Many processors were reported to have stocked up extensively for the coming months with contract rapeseed from Ukraine.

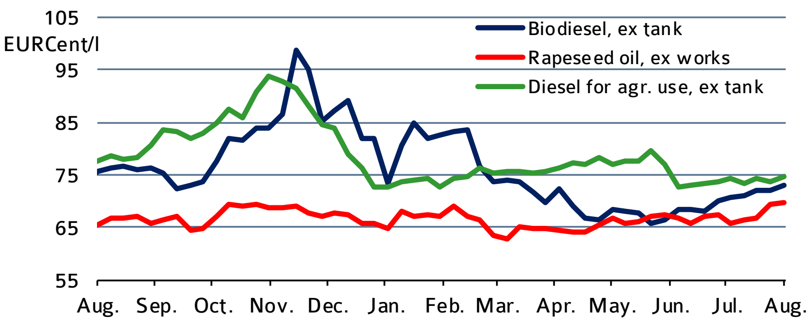
Rapeseed oil

Rapeseed oil rose on firm prices for feedstock. The recent asking price of EUR 768 per tonne fob Hamburg translates to a EUR 42 per tonne increase from the previous month. Such a strong price rise is surprising at first glance, considering that demand from the biodiesel industry is seasonally low. However, prices were driven by prospects of tight rapeseed supply in 2019/20 and firm vegetable oil prices.

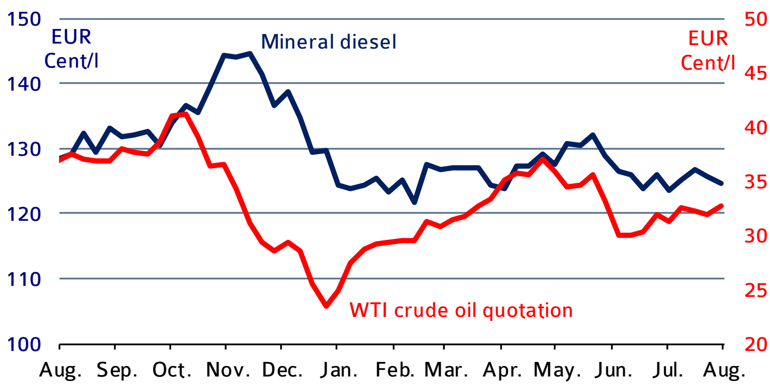
Rapeseed expeller

Over the past four weeks, the movement of prices for rapeseed expeller was similar to that for rapeseed meal. There were no significant fluctuations. The weak rapeseed crop outlooks for Germany and the EU, which suggested tighter supply of feedstock for processing, failed to provide a lift to expeller prices. The reason was that compound feed manufactures still hardly enquired any expeller from oil mills. Demand was not pressing as buyers were waiting for reductions in prices.

Biodiesel/ mineral Diesel



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.



Domestic consumption in 2019

in 1.000 t

	Jan.	Feb.	March	April	May	cumulated 2019	2018
Biodiesel for blending	192,8	152,8	175,3	185,0	183,0	888,8	963,2
Diesel	2.783,6	2.790,8	2.869,2	2.981,7	3.092,1	14.627,4	14.109,8
Biodiesel + diesel	2.976,4	2.943,6	3.044,5	3.166,7	3.275,0	15.516,3	15.073,0
Share biodiesel	6,5 %	5,2 %	5,8 %	5,8 %	5,6 %	5,7 %	6,4 %
Bioethanol ETBE a)	7,6	4,2	8,4	9,1	9,1	38,4	51,7
Bioethanol for blending	92,1	83,3	55,4	82,1	92,8	425,3	441,0
Bioethanol total	99,7	87,5	63,8	91,2	101,9	463,7	492,7
Gasoline	1.258,3	1.203,9	1.408,5	1.360,2	1.464,2	6.686,1	6.706,3
Gasoline + bioethanol	1.358,0	1.291,5	1.472,3	1.451,4	1.566,1	7.149,8	7.198,9
Share bioethanol	7,3 %	6,8 %	4,3 %	6,3 %	6,5 %	6,5 %	6,8 %

Note: a) Volume percent of bioethanol in ETBE = 47 %;gacumulated figures include (unpublished) revised
Source: Federal Office for Economic Affairs and Export Control, AMI

Wholesale prices

July trading in UCO biodiesel was steady to brisk. After all, UCO biodiesel has a comparatively high GHG saving potential and, in some cases, it was even sought after because supply was limited. By contrast, sales of vegetable oil-based biodiesel were slower. Demand for rapeseed methyl ester will not pick up until October, when northern EU countries need fuel with a higher stability at low temperatures. July prices for biodiesel went up continuously.

Prices at the pump

International crude oil prices firmed in July. The rise was supported by the extension of the cap on production by OPEC+ and prospects of declining supply from Iraq. It was limited by the expansion of US production. In Germany, pump prices for mineral diesel recently no longer found support in the firm market prices. Nevertheless, they saw a small increase compared to the previous month to 124.51 euro cents per litre.

Consumption

Biodiesel

According to information published by the Federal Office for Economic Affairs and Export Control (BAFA), May 2019 consumption of fuels and biofuels increased, with one exception: biodiesel. Whereas all other items in the consumption table showed at least a slight rise, the May 2019 figure for biodiesel was lower than a month earlier and, what's more, also relative to the same month a year earlier. At just less than 183,000 tonnes, the amount of biodiesel used in blends was down 1.1 per cent from April. The drop from the previous year was even bigger, at 11 per cent. At the same time, the price relationship between biodiesel and diesel – 67.34 euro cents per litre compared to 52.24 euro cents per litre – was much more favourable in 2019 than the previous year, when wholesale prices of biodiesel stood at 72.20 euro cents per litre and those for diesel at 50.67 euro cents per litre.

Bioethanol

According to BAFA, the use of bioethanol showed a typical seasonal rise, reaching just less than 102,000 tonnes in May 2019. At the same time, the use of bioethanol in ETBE only went up slightly by 0.7 per cent, whereas the use in blends increased 13 per cent compared to the previous month. By contrast, consumption of petrol only rose 7.6 per cent, which resulted in an incorporation rate of 6.5 per cent.