UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 44	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	366,28	364,63	↗
Wholesale prices in EUR/t			
Rapeseed	388,00	380,00	↗
Rapeseed oil	806,00	800,00	↗
Rapseseed meal	188,00	190,00	↘
Rapeseed cake*	206,00	205,00	↗
Rapeseed future	381,50	375,00	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	123,49	121,98	↗
Consumer prices in ct/l incl. VAT			
Diesel	126,90	124,34	↗
Futures in US-$/barrel			
WTI, Nymex	55,54	54,16	↗

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

Market Headlines

Oilseeds

- Rapeseed prices weakened; oil mills are stocked up well till year-end.
- Price quotes for rapeseed in Paris benefited from harvest delays in Canada and weak forecasts for Australia.
- Rapeseed imports continued to have a determining influence on the market; imports from the Black Sea are expected to continue to be large till year-end.
- US soybean production picked up pace but is poised to fall significantly short of the previous year.

Oilseed meals and oilcakes

- Feed compounders bought little oilseed meal and rapeseed expeller.

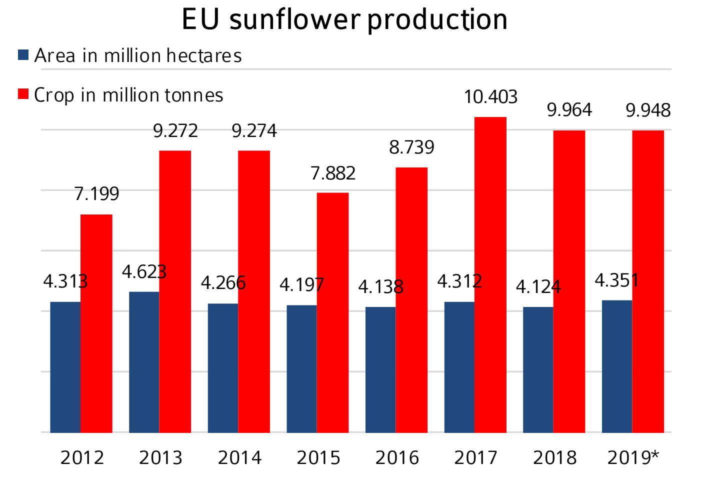
Vegetable oils

- Demand from the biodiesel industry for rapeseed oil was restrained.
- Palm oil prices recently climbed significantly supported by firm forward prices.

Fuels

- Demand for biodiesel slowed, but new market stimulation is in prospect by year-end.
- Crude oil prices increased on support from prospects for a settlement in US-China conflict.

Chart of the week



Source: EU Commission Note: * = estimated

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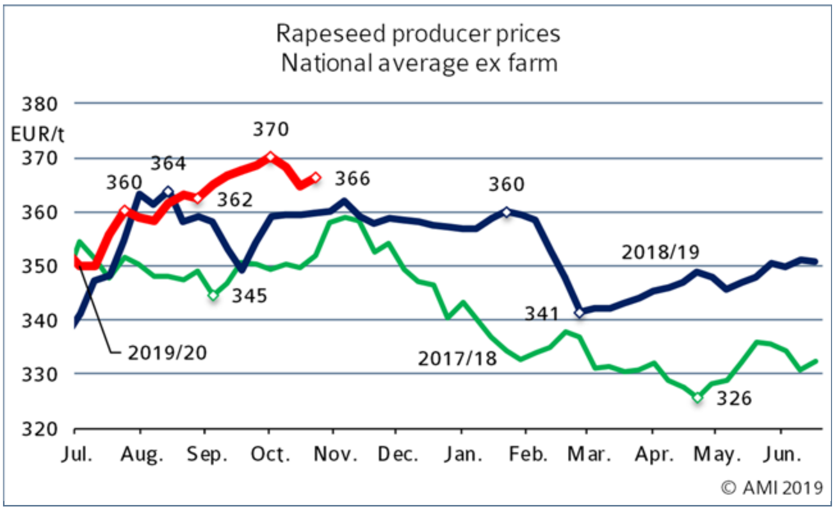
Market prices

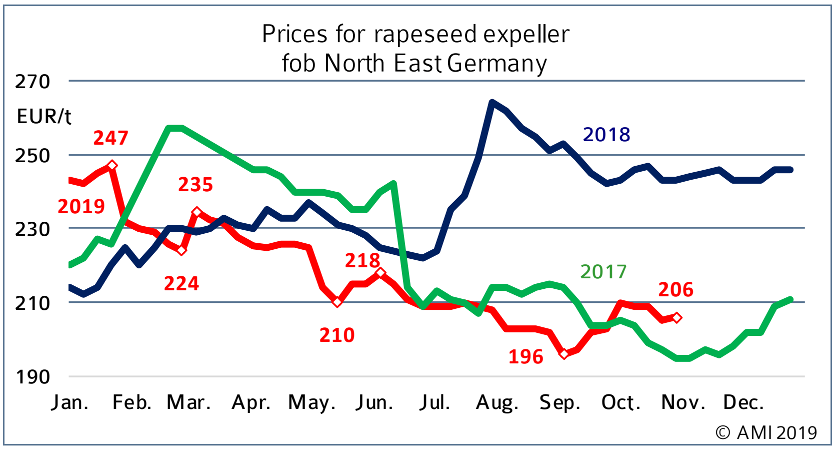


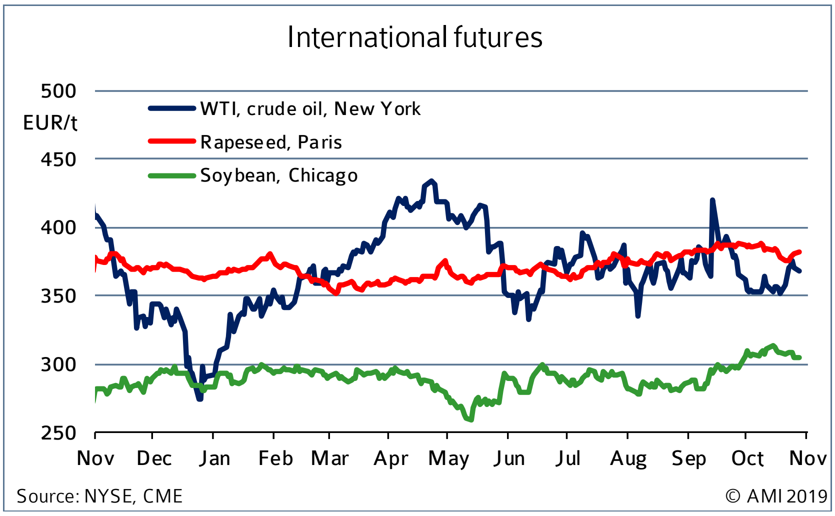
Wholesale prices

in EUR/t on 30.10.2019, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	388	188	806	555
Previous week	380	190	800	516

Source: AMI





Rapeseed

October producer prices for rapeseed in Germany weakened and fell from the high level of EUR 370 per tonne on German average. German oil mills are well supplied with rapeseed till year-end. Occasional gaps are mainly filled with imports, first and foremost from the Ukraine. This could change if Ukrainian deliveries lose some of their competitive advantage due to a change in sales taxation after the turn of the year. Also, Australia expects to bring in a moderate rapeseed harvest that will only allow for small exports.

Rapeseed oil

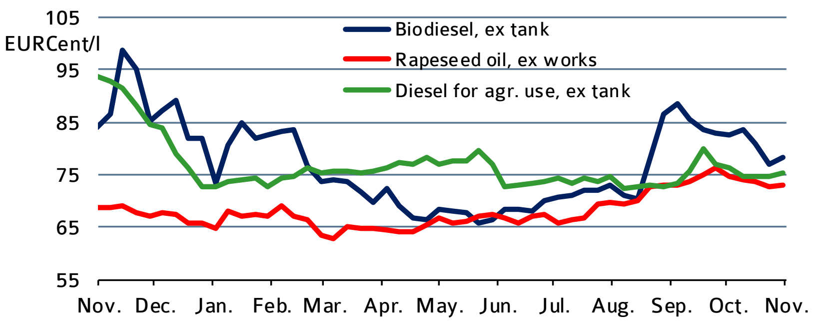
Rapeseed was recently reported at EUR 806 per tonne fob Hamburg. This was up EUR 6 per tonne from the previous week, but a sharp drop from the high price level of EUR 840 per tonne five weeks earlier. Market participants said that demand for rapeseed oil for food uses picked up, but at the same time demand from the biodiesel industry waned. However, palm oil was on an upward trend, recently jumping almost 8 per cent.

Rapeseed expeller

The October rapeseed meal market was very slow. As feed compounders were adequately supplied, they ordered little, whereas some German oil mills had plenty of rapeseed meal on offer on nearby positions. This situation caused prices to flag. Interest in buying rapeseed expeller was also weak. The price level of EUR 210 per tonne fob North-East Germany as at the beginning of the month could not be maintained.

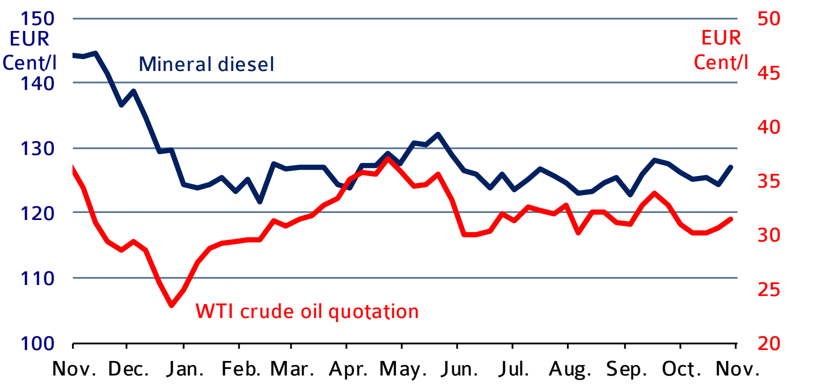
Biodiesel/ mineral Diesel

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.

Prices at the pump incl. tax & crude oil quotes



Domestic consumption in 2019

in 1.000 t									cumulated	
	Jan.	Feb.	March	April	May	June	July	Aug.	2019	2018
Biodiesel for blending	193,0	152,8	175,1	185,0	183,0	194,3	226,6	218,4	1.528,3	1.597,6
Diesel	2.763,4	2.798,1	2.925,4	3.044,0	3.087,1	2.829,2	3.174,4	3.020,2	23.624,6	23.274,5
Biodiesel + diesel	2.956,4	2.950,9	3.100,5	3.229,1	3.270,1	3.023,5	3.401,0	3.238,6	25.152,9	24.872,1
Share biodiesel	6,5 %	5,2 %	5,6 %	5,7 %	5,6 %	6,4 %	6,7 %	6,7 %	6,1 %	6,4 %
Bioethanol ETBE a)	7,6	4,2	8,4	9,1	9,1	8,4	6,5	5,5	58,8	79,6
Bioethanol for blending	92,1	83,3	74,9	82,1	94,1	92,5	95,0	89,5	703,7	730,7
Bioethanol total	99,7	87,5	83,3	91,2	103,3	100,9	101,5	95,1	762,5	810,3
Gasoline	1.262,0	1.187,3	1.386,3	1.382,8	1.477,1	1.435,1	1.513,8	1.517,9	11.155,6	11.150,0
Gasoline + bioethanol	1.361,7	1.274,8	1.469,7	1.473,9	1.580,4	1.536,0	1.615,3	1.613,0	11.918,1	11.960,3
Share bioethanol	7,3 %	6,9 %	5,7 %	6,2 %	6,5 %	6,6 %	6,3 %	5,9 %	6,4 %	6,8 %

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 standard biodiesel was slow to steady, whereas UCOME continued to attract buyer interest. UCOME offers a comparatively high GHG saving potential, but has become very scarce. Many producers were said to be completely sold out for November. Suppliers refrained from making market forecasts for the coming two months. The market is calm at the moment, but the past has shown that this situation won't necessarily continue until year-end.

Prices at the pump

October crude oil prices mainly benefited from the rapprochement between China and the US. The two parties have been in a seemingly endless trade dispute for months. However, an agreement seems almost within reach now. This enhances prospects of a normalisation of world trade and of strengthening the economy, which could ultimately also boost international demand for crude oil. Further positive signals came from declining crude oil supplies in the US and reports that Saudi Arabia was prepared to cut production further. German prices for mineral diesel benefited from firmer crude oil prices and recently climbed again.

Consumption

Biodiesel

In August 2019, around 218,400 tonnes of biodiesel were used for blending. This translates to 3.6 per cent drop from the previous month, but means a 2.9 per cent rise from August 2018. August consumption exceeded the January to July 2019 average by as much as 16.7 per cent. Not only biodiesel for blending was in decline, but so was diesel fuel consumption. Consequently, the incorporation rate remained stable at the high level of 6.7 per cent. In the 2019 calendar year to date, biodiesel use has amounted to 1.5 million tonnes, declining 4.3 per cent from the year-earlier period.

Bioethanol

The use of bioethanol in ETBE plunged more than 14 per cent in August compared to the previous month. The use in blends sank almost 6 per cent. The decline from the previous year is even sharper, at 31 per cent and 12 per cent respectively. Total bioethanol consumption in August amounted to 95,100 tonnes, falling short of the current seasonal average. In the 2019 calendar year to date, bioethanol use has amounted to 762.500 million tonnes. This translates to a 6 per cent drop from the same period the previous year.