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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 18	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	342,24	338,46	↗
Wholesale prices in EUR/t			
Rapeseed	376,00	372,00	↗
Rapeseed oil	695,00	715,00	↘
Rapseseed meal	215,00	212,00	↗
Rapeseed cake*	230,00	225,00	↗
Rapeseed future	357,75	350,00	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	102,31	105,11	↘
Consumer prices in ct/l incl. VAT			
Diesel	110,48	113,30	↘
Futures in US-$/barrel			
WTI, Nymex	20,31	24,49	↘

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

Market Headlines

Oilseeds

- Drought diminished rapeseed producers' willingness to sell, prices received hardly any support, demand was missing.
- Oil mills were stocked up well, especially because rapeseed processing was ramped down.
- Rapeseed imports were surprisingly large in February 2020; most came from Australia.
- US soybeans trended weaker, weighed down by larger area sown and unfulfilled hopes for exports to China.

Oilseed meals and oilcakes

- Low demand from compound feed manufacturers led to decline in rapeseed meal prices.

Vegetable oils

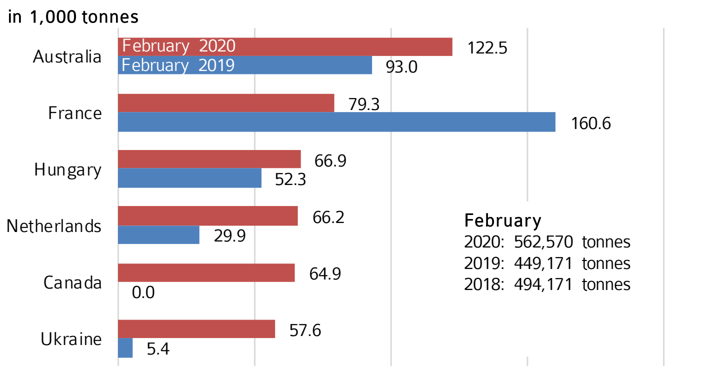
- Vegetable oil prices dropped significantly in April; palm oil collapsed due to a nearly 20 per cent slump in demand.

Fuels

- Biodiesel was ordered only sporadically; supply clearly exceeded demand.
- Crude oil prices fell to 21-year low, weighed down by scarce storage capacity, surplus and low buying interest.

Chart of the week

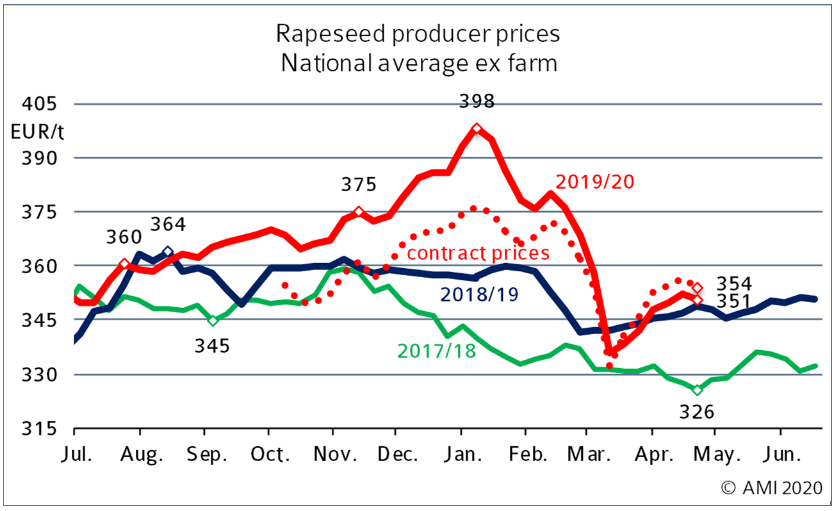
German rapeseed imports in February



Source: Destatis © AMI 2020

Edition may 2020

Market prices

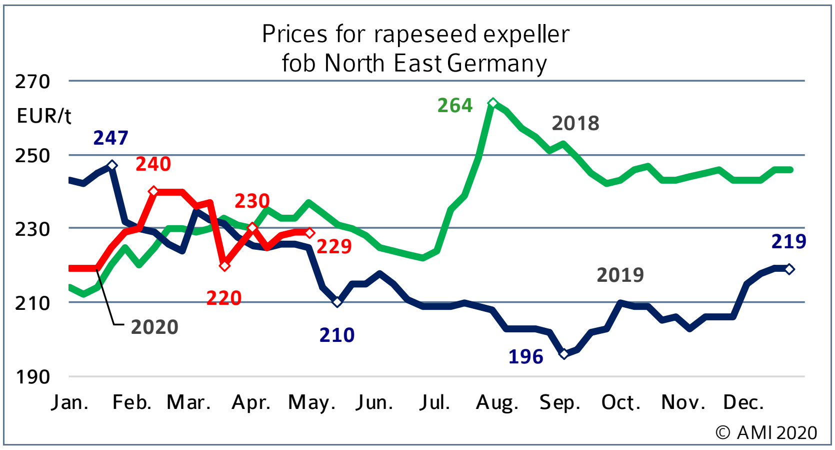


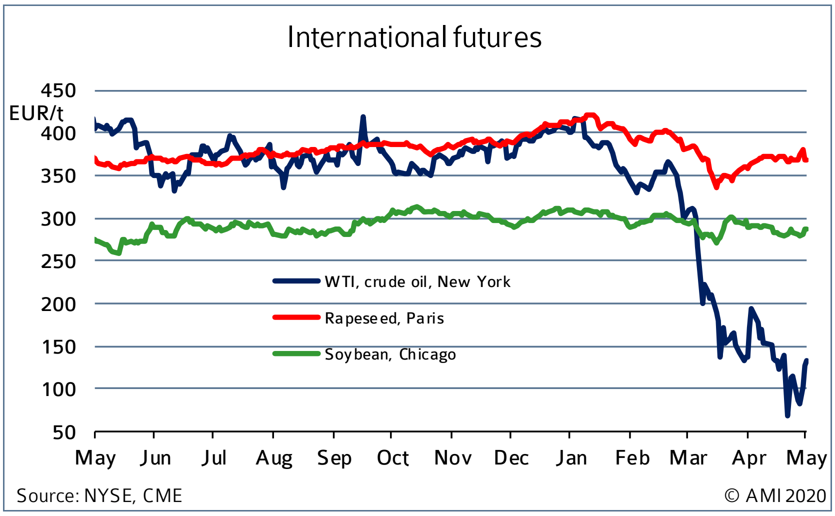
Wholesale prices

in EUR/t on 29.04.2020, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	376	215	695	492
Previous week	372	212	715	498

Source: AMI





Rapeseed

April rapeseed prices climbed significantly on support from futures market prices. However, there was little or no trading at the higher price level. Due to waning buyer interest, oil mills had hardly any demand from the biodiesel industry. Producers were long since out of old crop and had little interest in concluding forward contracts. Bids were unattractive and 2020 rapeseed yields were difficult to anticipate due to the drought. However, forward contract prices already exceeded old-crop prices clearly. In standard years, this is not the case this early.

Rapeseed oil

Rapeseed oil firmed slightly at the beginning of the month, but then lost significantly in value. Most recently, it stood at EUR 695 per tonne fob Hamburg. This translates to a 1.1 per cent drop from the previous month. The reason was that demand from the biodiesel sector collapsed in the course of the month. Prospects of a reduction in feedstock in the coming marketing year curbed the decline in prices.

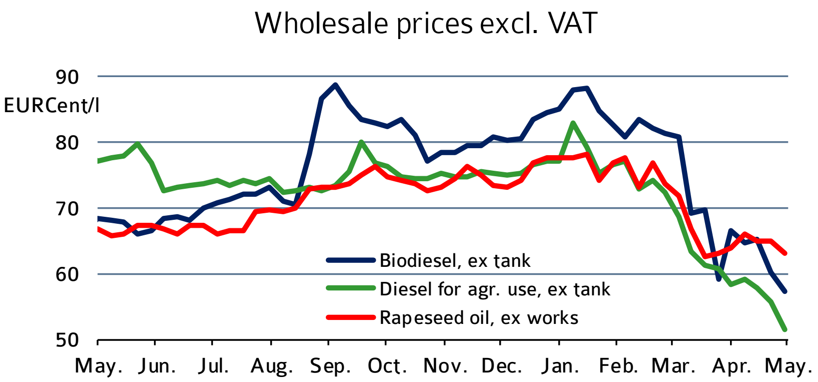
Rapeseed expeller

At the end of March, compound feeders' stocking up on rapeseed meal sent prices on a sharp rise. However, prices did not remain at this high level, because the wave of purchasing soon ebbed away. Demand for the commodity on nearby positions was only sporadic and that on further forward positions moved completely out of focus. Rapeseed meal lost just about EUR 20 per tonne month on month to recently settle at EUR 264 per tonne. By contrast, prices of rapeseed expeller stabilised in April on moderate supply.

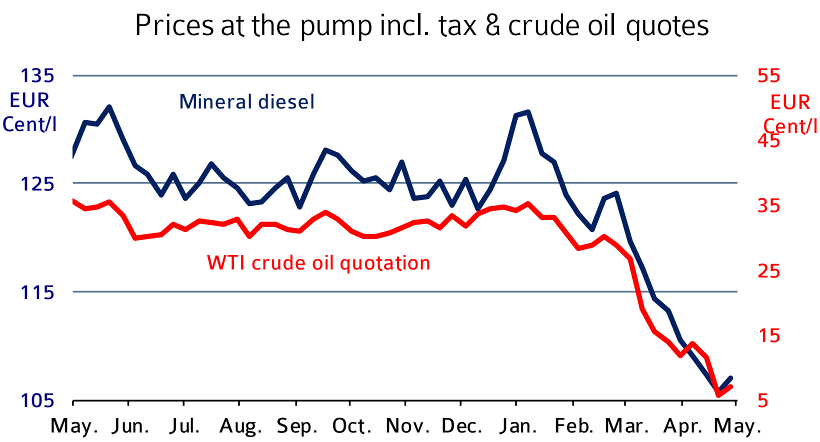
Wholesale prices

Weaker crude oil prices and a massive decline in demand caused April prices of biodiesel to slump. Because of the corona crisis, blenders did not want to tie themselves down in the long term and therefore only made purchases to meet their direct needs, if any. The focus was mostly on UCOME. Contract business was also on hold. Due to the low buying interest, a large surplus built up. It is expected to grow further soon as Argentine shipments of soy methyl ester arrive.

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 2020

in 1.000 t			cumulated	
	Jan.	Feb.	2020	2019
Biodiesel for blending	221,7	212,7	434,4	336,3
Diesel	2.713,9	2.665,2	5.376,0	5.583,5
Biodiesel + diesel	2.935,7	2.877,9	5.810,4	5.919,8
Share biodiesel	7,6 %	7,4 %	7,5 %	5,7 %
Bioethanol ETBE a)	8,2	8,8	17,1	11,8
Bioethanol for blending	94,0	86,7	180,7	173,8
Bioethanol total	102,2	95,5	197,7	185,6
Gasoline	1.357,8	1.279,3	2.637,3	2.461,1
Gasoline + bioethanol	1.460,0	1.374,8	2.835,0	2.646,7
Share bioethanol	7,0 %	6,9 %	7,0 %	7,0 %

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

Prices at the pump

The slump in demand in the wake of the corona pandemic put continued pressure on crude oil prices and have given German motorists the lowest prices at the filling station since 2005. Diesel was available at less than EUR 1 per litre at the pump. Meanwhile, crude oil prices have not yet finished their downward slide. On 21 April 2020, they were listed at USD 10 per bbl in New York, a level last seen in February 1999. The reason was not only prospects of low demand due to the pandemic, but also excessive supply despite the scaling back of production. Storage capacities have been getting so low that no one wants to buy crude any more. The current sabre rattling by the US over Iran has mitigated the price slide somewhat.

Consumption

Biodiesel

The total amount of biodiesel for blending in diesel fuel amounted to 212,700 tonnes in Germany in February 2020. This was down 4.1 per cent from the previous month, but up 39.2 per cent from February 2019. The incorporation rate of biodiesel in diesel showed a similar trend: at 7.4 per cent, it was down 0.2 percentage from the previous month, but clearly exceeded the February 2019 rate of 5.2 per cent. Market participants reported that demand for biodiesel was unusually brisk in January and even into February. For this reason, the high biodiesel consumption figures and incorporation rates did not come as a surprise. However, this was not only the result of an increase in the use of biodiesel, but also of lower consumption of mineral diesel. February 2020 use of diesel fuel amounted to around 2.67 million tonnes. This was down 2 per cent from the previous month and 2.5 per cent year-on-year.

Bioethanol

Based on quantity, the use of bioethanol for blending in petrol is the most important use of bioethanol. It amounted to 86,700 tonnes in February 2020. This translates to a 7.7 per cent decline from the previous month, but also implies a 4.1 per cent rise over the February 2019 figure. However, not just did the use of bioethanol decline compared to the previous month, but so did consumption of petrol. These two trends nearly offset each other, with the result that the incorporation rate was only minimally smaller than the previous month.