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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 01	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	398,57	391,47	↗
Wholesale prices in EUR/t			
Rapeseed	429,00	416,00	↗
Rapeseed oil	885,00	875,00	↗
Rapseseed meal	290,00	267,00	↗
Rapeseed cake*	274,00	272,00	↗
Rapeseed future	429,75	418,00	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	134,69	132,99	↗
Consumer prices in ct/l incl. VAT			
Diesel	121,48	113,41	↗
Futures in US-$/barrel			
WTI, Nymex	50,63	48,40	↗

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

Market Headlines

Oilseeds

- Prices for rapeseed rose strongly on support from firm soybean and palm oil prices.
- German spot prices also increased, even for deliveries ex crop 2021.
- Stock clearance at rapeseed producers was well in progress.
- Oil mills only sporadically appeared as rapeseed buyers.
- Drought in South America has remained a key factor in the global oilseed market, USDA crop outlook is expected to be lowered.

Oilseed meals and oilcakes

- Prices for rapeseed meal and expeller rose sharply on support from tight supply.
- Soybean meal prices were on an upward trend based on dockers' strikes and harvest concerns in Argentina.

Vegetable oils

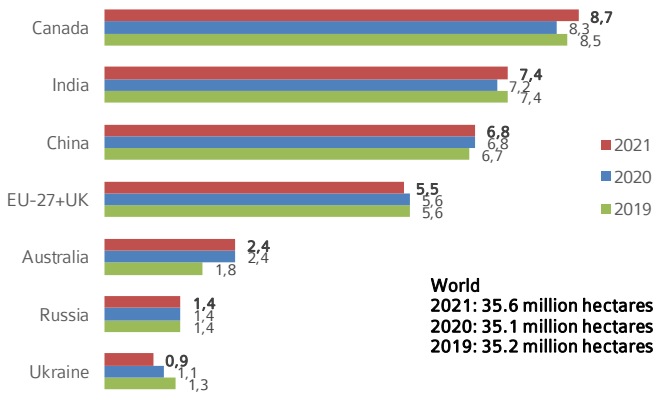
- Rapeseed oil increased, but palm oil and sunflower oil showed sharpest rise.

Fuels

- Demand for biodiesel was steady, while supply was limited and prices firmed.
- OPEC cap on production lent support to crude oil prices.
- Prices for mineral diesel rose sharply after the turn of the year.

Chart of the week

Rapeseed/canola area forecast in million hectares

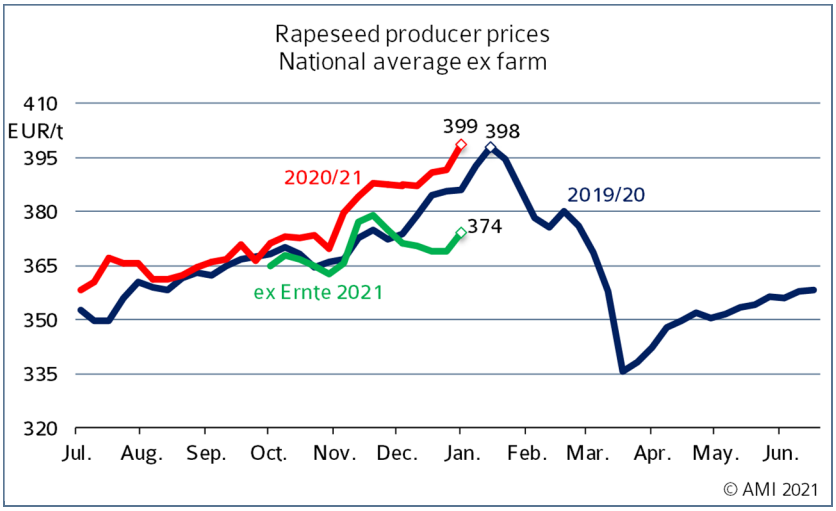


Source: IGC

Note: 2019 and 2020 estimated, 2021 projection

Edition january 2021

Market prices

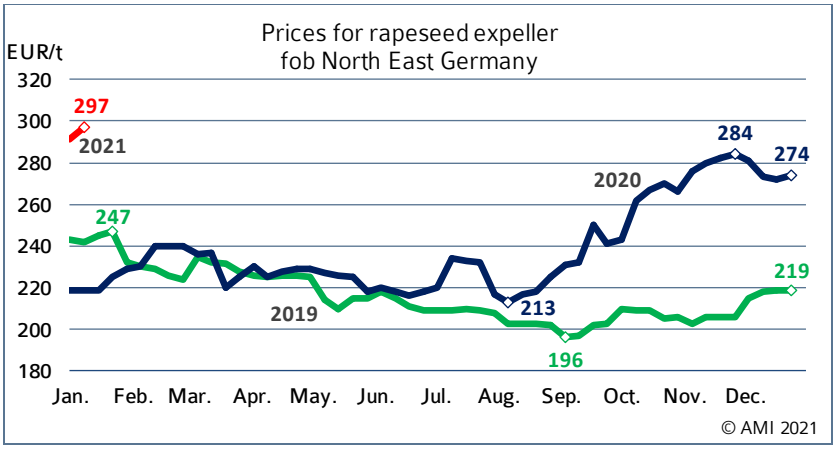


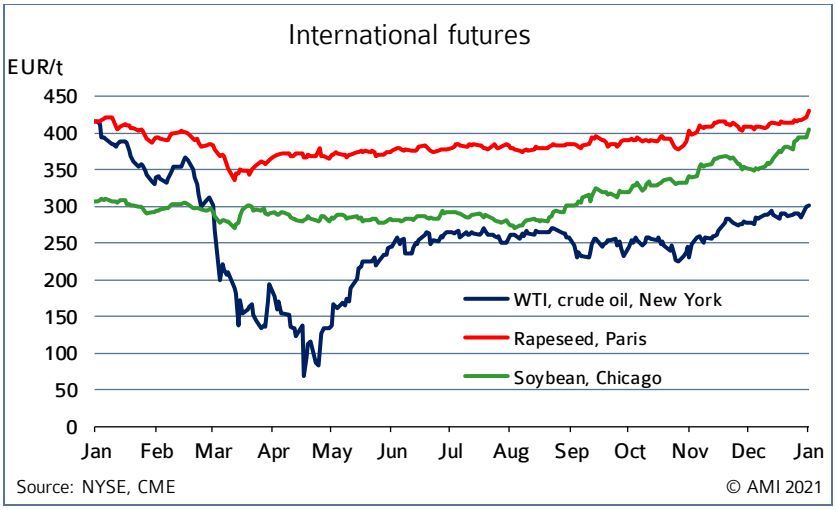
Wholesale prices

in EUR/t on 06.01.2021, (collected at mills and trade)

	Rapeseed 2020 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	429	290	885	884
Previous week	416	267	875	780

Source: AMI





Rapeseed

Prices in the German rapeseed market climbed significantly, but sales remained at a low level. Most oil mills were stocked up well, with warehouses filled and supplies for the coming weeks secured. There were only occasional rapeseed purchases to meet short-time shortages. At the same time, interest in selling was restrained, although prices were at a high level. The reason was that most producers had already made large sales at strong prices in November 2020. Marketing of the 2021 crop was also well under way.

Rapeseed oil

Rapeseed oil prices firmed in December. In the first week of January, they climbed to EUR 885 per tonne. Although this was below their November 2020 peak levels, the trend was upward. Support mainly came from pronounced price increases for palm oil. These were due to excessive rainfall and labour bottlenecks that curtailed production.

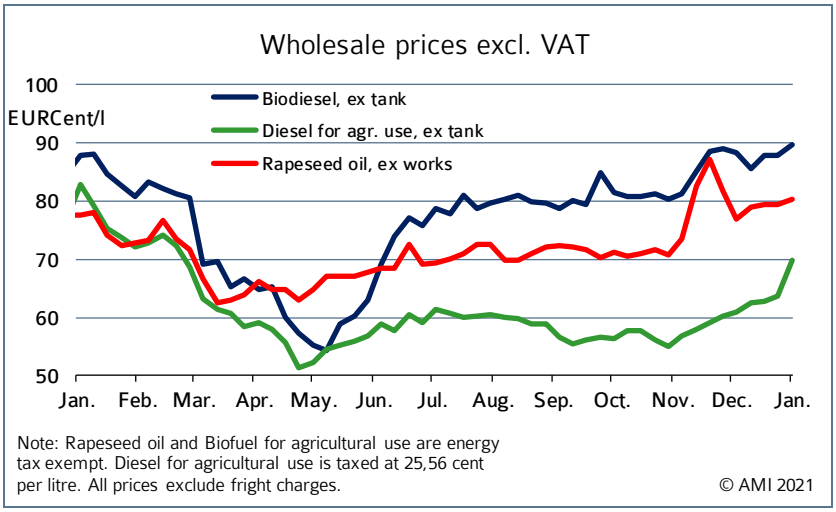
Rapeseed expeller

Rapeseed expeller prices leaped up in January, recently reaching just about EUR 300 per tonne fob North-East Germany. The same can be said of rapeseed meal, which currently averages EUR 275 per tonne in Germany. Demand from the compound feed industry was steady, but supply of rapeseed meal and expeller was limited. Soybean meal also had an impact on rapeseed expeller prices, as asking prices increased due to a new tightening of supply. In Argentina, the world's most important soy-exporting country, dock workers have been on strike for several weeks. Moreover, the South American 2021 soybean harvest could be smaller than previously assumed because of drought.

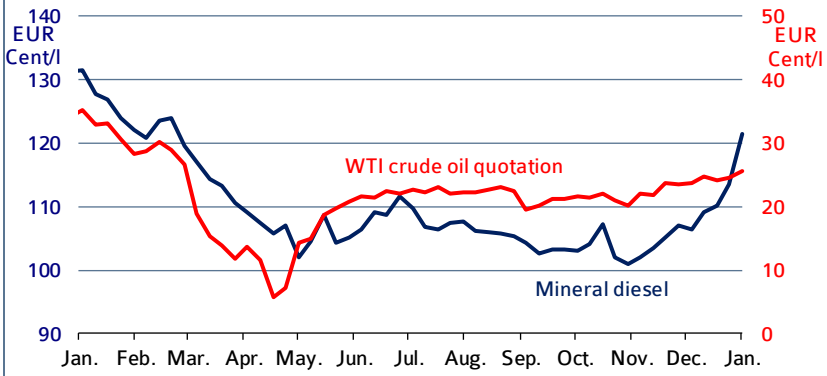
Wholesale prices

As usual, demand in the biodiesel market was slow to pick up after the turn of the year. Nevertheless, prices firmed both because vegetable oils went up and because supply of biodiesel was limited. Above all, UCOME was scarce and therefore expensive. Market participants anticipate that the carbon tax that has been imposed on fossil fuels could boost demand for biodiesel.

Biodiesel/ mineral Diesel



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agricultural use is taxed at 25,56 cent per litre. All prices exclude fright charges.



Prices at the pump

Since 01 January 2021, companies that market heating and/or transport fuels have been required to pay EUR 25 per tonne of CO_2 by buying the corresponding amount of certificates. Purchases of certificates are a necessary requirement companies must meet to be allowed to market – i.e. sell – the corresponding amounts of transport and/or heating fuels. The price for the certificates, which will rise to EUR 55 per tonne of CO_2 by 2025, will be apportioned to each litre of transport/heating fuel or cubic metre of natural gas on the basis of fuel-specific carbon values. In the case of diesel, this has resulted in a price surge of approximately 6.6 euro cents per litre at the filling stations as of 01 January 2021. This extra cost which will increase to 14.6 euro cents per litre by 2025. However, the international crude oil market has also contributed to the price climb as the OPEC+ states agreed to cap crude oil production levels in February and March 2021. Dwindling US crude oil stocks also led to a hike in mineral oil prices.

Consumption

Biodiesel

October 2020 biodiesel use in Germany saw a substantial decline. The use in blends plunged to 271,800 tonnes of biodiesel in diesel. This was a drop of more than 10 per cent compared to the previous month, but clearly exceeded the October 2019 figure by a good one-third. The cumulative incorporation in blends was also above average in 2020.

Domestic consumption in 2020

in 1.000 t

	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	cumulated 2020	2019
Biodiesel for blending	221,7	212,7	222,0	194,3	242,2	227,7	288,8	282,6	303,3	271,8	2.496,9	1.895,7
Diesel	2.713,9	2.665,2	2.637,8	2.337,9	2.431,6	2.564,1	2.944,3	2.665,4	2.817,6	2.968,0	26.889,4	29.842,9
Biodiesel + diesel	2.935,7	2.877,9	2.859,8	2.532,3	2.673,8	2.791,9	3.233,1	2.947,9	3.120,9	3.239,8	29.386,3	31.738,6
Share biodiesel	7,6 %	7,4 %	7,8 %	7,7 %	9,1 %	8,2 %	8,9 %	9,6 %	9,7 %	8,4 %	8,5 %	6,0 %
Bioethanol ETBE a)	8,2	8,8	11,4	10,3	10,0	12,5	16,0	13,5	11,7	9,7	112,1	73,2
Bioethanol for blending	94,0	86,7	73,6	50,5	79,3	81,2	96,7	91,5	80,5	91,0	824,5	872,6
Bioethanol total	102,2	95,5	85,0	60,8	89,2	93,7	112,7	105,0	92,1	100,7	936,7	945,7
Gasoline	1.357,8	1.279,3	1.183,3	904,6	1.093,7	1.206,4	1.449,9	1.364,3	1.389,2	1.396,8	12.619,7	14.088,0
Gasoline + bioethanol	1.460,0	1.374,8	1.268,3	965,4	1.182,9	1.300,1	1.562,5	1.469,3	1.481,4	1.497,4	13.556,4	15.033,7
Share bioethanol	7,0 %	6,9 %	6,7 %	6,3 %	7,5 %	7,2 %	7,2 %	7,1 %	6,2 %	6,7 %	6,9 %	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

It amounted to 2.5 million tonnes for the period from January to October. This was up just less than one-third year on year. Whereas biodiesel incorporation decreased around 10 per cent in October 2020, consumption of diesel fuel increased 5 per cent to 2.97 million tonnes. This was the largest consumption volume since November 2019. The reverse trends in diesel and biodiesel consumption brought the relative incorporation rate down from its 9.7 per cent high in September to 8.4 per cent in October 2020. The UFOP expects that as a consequence of the special effects for the previous quota year 2020 (raising of the quota on greenhouse gas (GHG) emission from 4 per cent in 2019 to 6 per cent, no quota trading permitted), biodiesel/HVO incorporation will hit a record at 2.8 to 3 million tonnes.

Bioethanol

The use of bioethanol grew again. Taken together, ETBE and incorporation in blends were in excess of 100,000 tonnes. The incorporation in blends alone was up more than 13 per cent month on month at 91,000 tonnes. Petrol consumption also increased, but less significantly. Consequently, the incorporation rate of bioethanol in petrol climbed 0.5 percentage points to 6.7 per cent.