

Global rapeseed production insufficient to cover consumption need

UFOP expects prices to increase and recommends expanding rapeseed production for the 2025 harvest as part of crop rotation on farms

Berlin, 3 July 2024 – In view of a decline in production area and anticipated lower yields, the International Grains Council (IGC) expects world rapeseed production in 2024/25 to fall short of the previous year's level.

The IGC recently projected production to reach 87.2 million tonnes, representing a 2 per cent drop from the previous season. In other words, the IGC revised its previous month's forecast down 900,000 tonnes. The main reason for the decline is a presumably smaller harvest in Australia. Following a sharp drop in the previous season, production is expected to continue decreasing in the current crop year. Australian production is currently projected at 5.4 million tonnes, around 700,000 tonnes less than forecast in May and 4.5 per cent below the previous year's level.

At 4.9 million tonnes, Ukraine is anticipated to harvest around 500,000 million tonnes less than previously expected. The country has seen quite changeable weather, with favourable conditions during the winter months followed by dry spells and extreme heat in recent weeks. Similarly, Western Europe has also experienced adverse weather conditions. Excessive rains, waterlogging and pests impaired crop development, especially in France, Germany and the UK, thus limiting the yield potential. As a result, production in the EU is currently seen at 18.7 million tonnes, which would translate to a 5.1 per cent decline on a year earlier.

In the light of lower global rapeseed supply, global consumption is also expected to decline in 2024/25. At 88.7 million tonnes, demand is seen to be around 0.5 per cent down on the previous year and 800,000 tonnes below the previous month's level. According to investigations conducted by Agrarmarkt Informations-Gesellschaft (mbH), with world production projected at 87.2 million tonnes, this would mean a global supply shortfall of 1.5 million tonnes. Against this background, end-of-year stocks are likely to decrease more sharply than previously expected. At 5.6 million tonnes, the amount of rapeseed in storage would be as much as around 21 per cent smaller than it was the previous year and 1 million tonnes smaller than forecast last month.

In view of the IGC forecast, the Union zur Förderung von Oel- und Proteinpflanzen e.V. (UFOP) expects strong to rising prices at the time of sowing this year and advises farmers to plan rapeseed production areas to meet the crop rotation requirements on their farms. Demand for rapeseed oil in biodiesel fuel and future HVO production is supported by the discontinuation of the option of crediting palm



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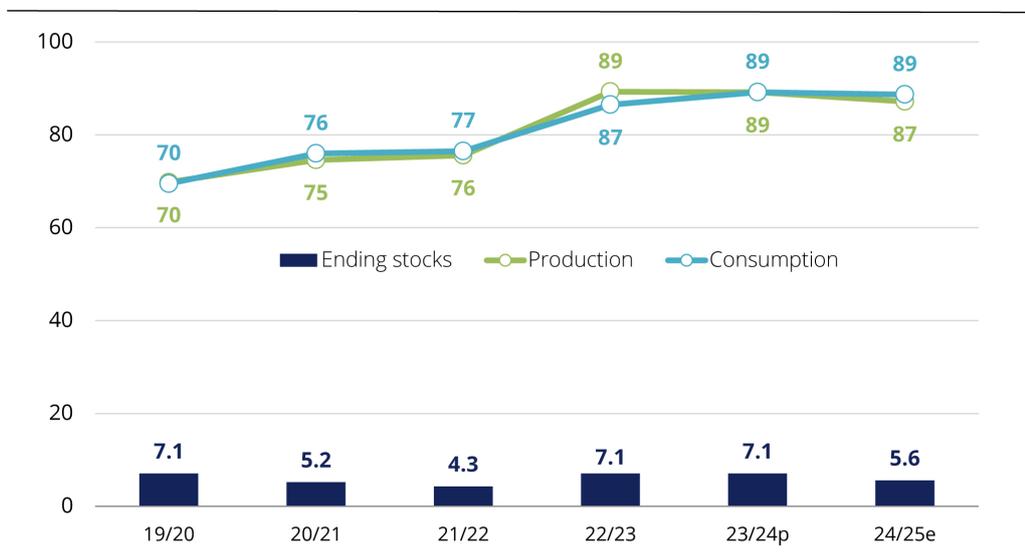
Herausgeber:

UFOP e. V.
Claire-Waldoff-Straße 7
10117 Berlin
Telefon 030/235 97 99 - 0
Telefax 030/235 97 99 - 99
E-Mail info@ufop.de
Web www.ufop.de

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oil-based biofuels towards greenhouse gas reduction obligations in Germany and other member states, including France and Sweden. The association has highlighted that demand from the biofuels industry has a strong influence on rapeseed acreage and therefore also crop rotation diversity. According to the UFOP, this fact also safeguards the availability for the purpose of food supply, because the final use is always in the food market with its high willingness to pay.

World rapeseed supply and demand
in million tonnes



Source: IGC, AMI

Note: p = preliminary, e = estimate

Editorial contact:

Stephan Arens

Tel. +49 (0)30 235 97 99 – 10

E-Mail: s.aren@ufop.de

Quick information on UFOP e. V.:

The Union for the Promotion of Oil and Protein Plants e. V. (UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein plants in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new recycling opportunities in the food, non-food and feed sectors. UFOP public relations aim to promote the marketing of domestic oil and protein plant end products.