UFOP Market Information Oilseeds and Biofuels

Contents

Market Headlines

Oilseeds

- May producer prices for rapeseed continued to decline, but recently edged upward.
- Trading remained at a standstill as market participants acted with restraint and sat back to observe further developments.
- US soybeans moved up and down; bumper crop in Brazil increased global supply.

Oilseed meals and oilcakes

- Rapeseed meal prices rose, buying interest picked up.
- Soybean meal prices flagged as ample supply exceeded demand.

Vegetable oils

- Rapeseed oil declined on falling prices for feedstock to below the level of EUR 800 per tonne.
- Palm oil prices weakened, weighed down by expectations of a considerable production increase in Malaysia.

Fuels

- Prices in the biodiesel market slipped on restrained demand combined with abundant supply.
- Crude oil prices fluctuated strongly.

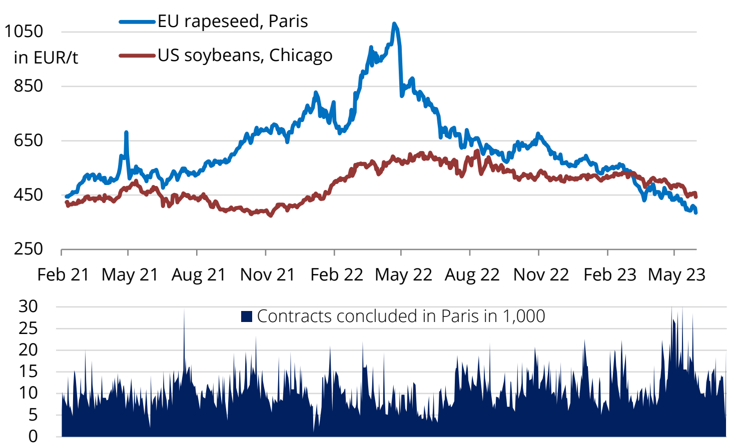
Price trends

Mean price	Week 22	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	368,00	366,00	↗
Wholesale prices in EUR/t			
Rapeseed	380	388	↘
Rapeseed oil	795	775	↗
Rapseseed meal	273	266	↗
Rapeseed cake*	365	360	↗
Rapeseed future	399,75	393,25	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	152,27	153,48	↘
Consumer prices in ct/l incl. VAT			
Diesel	156,90	156,63	↗
Futures in US-$/barrel			
WTI, Nymex	70,10	72,91	↘

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

Chart of the week

Oilseed futures closing prices and contracts concluded in Paris



Source: CME, NYSE Liffe, Note: US prices converted to EUR

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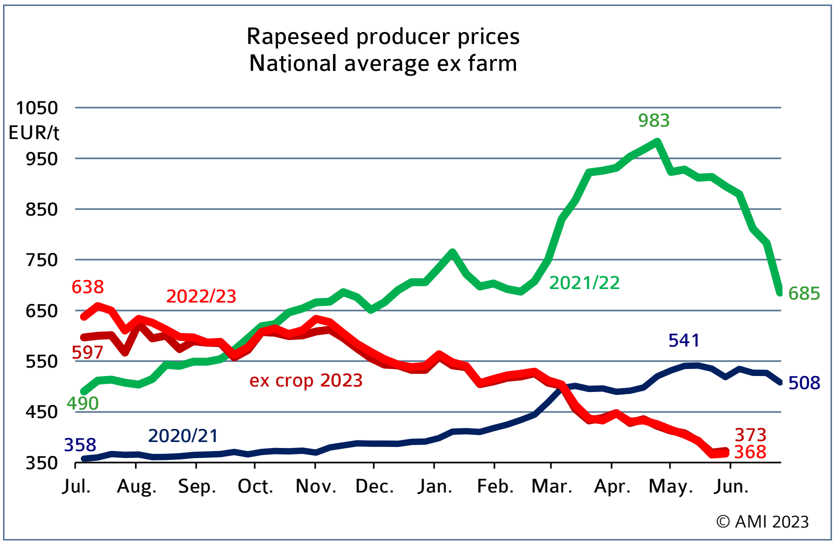
Market prices

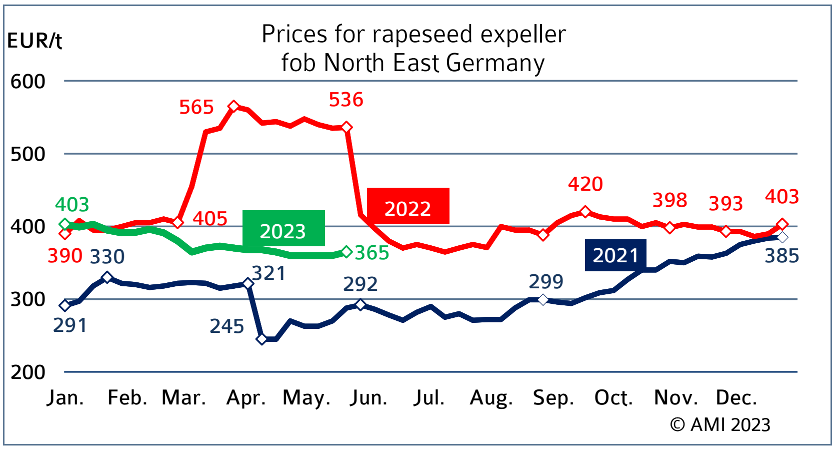


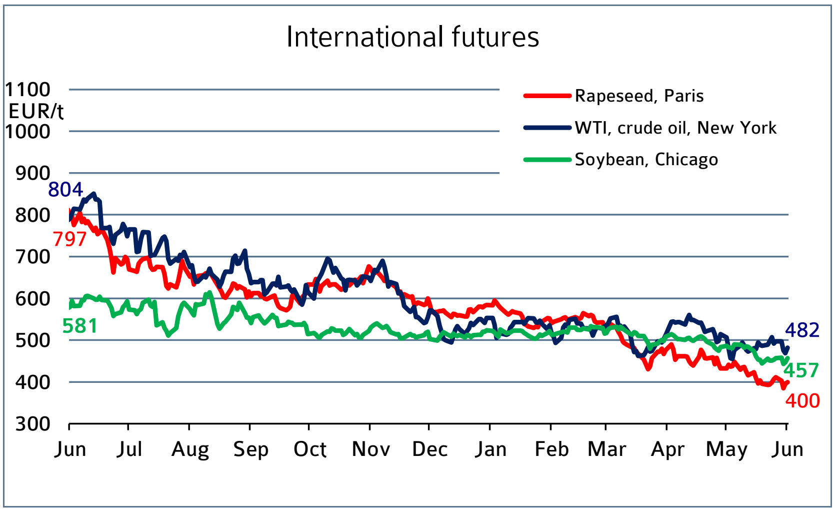
Wholesale prices

in EUR/t on 31.05.2023, (collected at mills and trade)

	Rapeseed 2022 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	380	273	795	855
Previous week	388	266	775	867

Source: AMI





Rapeseed

The continued downward price trend caused market participants to maintain their wait-and-see stance. Buyers acted with restraint, covering merely nearby and urgent needs. In other words, there was no significant trading to speak of. Likewise, forward contracts for the 2023 crop were rarely considered. Again, market participants maintained their wait-and-see stance in the hope that prices would be lowered further – despite the fact that asking prices recently strengthened somewhat. Field crops had previously developed well, but then suffered due to the dry spell. In fact, they already showed first signs of drought damage, especially on light soils.

Rapeseed oil

Prices on the German domestic rapeseed oil market continued to move downwards in May 2023. At currently EUR 795 per tonne, asking prices for spot batches fob German mill were down around EUR 95 per tonne on the end of April. At the same time a year earlier, rapeseed oil cost EUR 2,065 per tonne, more than twice as much. In other words, asking prices slid to a level below EUR 800 per tonne for the first time since the end of August 2020, although they stepped up somewhat recently.

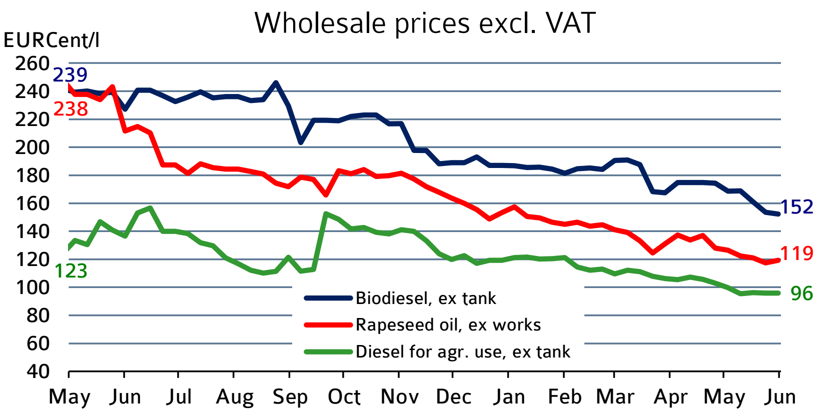
Rapeseed expeller

Bids for rapeseed expeller fob North Germany ended their downslide in May 2023 and increased. Recent asking prices for spot batches were at EUR 365 per tonne. This translates to a EUR 5 per tonne rise on four weeks earlier. Above all, demand for spot batches picked up significantly, lending support to prices. Also, mills were getting reading for routine maintenance work. As a consequence, market participants already covered their prompt needs to avoid any bottlenecks. Demand for new-crop rapeseed expeller was weak because supply in the EU was expected to be adequate in view of prospects of a large harvest.

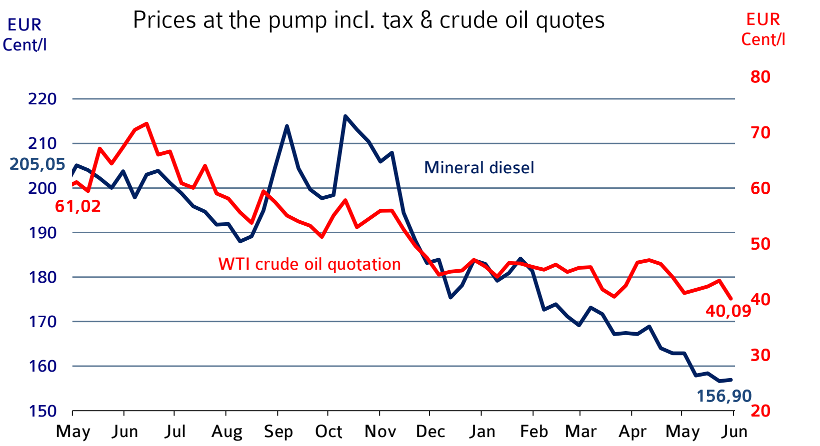
Wholesale prices

May biodiesel prices fell sharply. At 152 euro cents per litre, recent prices were down around 12 euro cents per litre on the end of April. The principal reason is extremely subdued demand. At the same time, supply on the German market and also from overseas is most abundant, putting significant pressure on asking prices.

Biodiesel/ mineral Diesel



Note: Agricultural diesel, rapeseed oil and biodiesel for use in agriculture partially taxed at 25.56 cents/l, from 01.06.2022 until 31.08.2022 at 11.52 cents/l (tank rebate), all prices excluding transport costs © AMI 2023



Note: Mineral diesel incl. VAT

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Domestic consumption in 2023

in 1.000 t

	Jan.	Feb.	March	cumulated 2023	2022
Biodiesel for blending	195,4	189,4	236,8	621,4	630,9
Diesel	2.261,9	2.385,4	2.780,4	7.440,0	7.836,1
Biodiesel + diesel	2.457,3	2.574,8	3.017,1	8.061,3	8.467,0
Share biodiesel	8,0	7,4	7,9	7,7	7,5
Bioethanol ETBE a)	9,3	8,6	10,2	28,1	32,6
Bioethanol for blending	80,7	78,6	78,5	239,7	245,2
Bioethanol total	90,0	87,2	88,7	267,7	277,9
Gasoline	1.208,5	1.239,9	1.398,0	3.839,8	3.669,5
Gasoline + bioethanol	1.298,6	1.327,0	1.477,7	4.107,5	3.947,4
Share bioethanol	6,9	6,6	6,0	6,5	7,0

Note: a) Volume percent of bioethanol in ETBE = 47 %; cumulated figures include (unpublished) revised monthly BAFA data

Source: Federal Office for Economic Affairs and Export Control, AMI.

Prices at the pump

May crude oil prices moved up and down, coming under pressure again recently. The decline was mainly caused by the bleak economic data from China. What is more, contrary to original plans Russia does not seem to have capped its crude oil production to any significant degree. Meanwhile, bids for mineral diesel continued to decline in May. Recent asking prices were at 156.90 euro cents per litre, which was down 16 euro cents per litre on the end of April.

Consumption

Biodiesel

In the first quarter of 2023, consumption of B7 fuel rose to just over 7.4 million tonnes, remaining 5 per cent below the previous year's level. Above all, March 2023 outstripped the previous sales quantities in the calendar year, with consumption exceeding 3 million tonnes. March biodiesel consumption increased a marginal 0.3 per cent to 236,760 tonnes on the same month the previous year. At just over 621,360 tonnes, the quarterly consumption of biodiesel was almost 2 per cent below the previous year's figure. Since the use of diesel declined 5 per cent compared to the same period a year ago, the volumetric incorporation rate rose from 7.5 to 7.7 per cent.

Bioethanol

March 2023 use of bioethanol and ETBE recorded a rise of just less than 2 per cent on the previous month. However, the monthly total of 88,680 tonnes showed an almost 10 per cent decline on the same month the previous year. At the same time, petrol consumption went up just over 7 percent from March 2022 to 1.4 million tonnes. As a result of this, the percentage of biodiesel contained in blends dropped from 7 per cent the previous year to 6.5 per cent in March 2023. Since in the first three months of 2023 less fossil fuel was consumed but more biofuel, the total in the first quarter of 2023 amounted to just over 4.1 million tonnes, which translates to a 4 per cent rise on the same period 2022.

Explanations of abbreviations and technical terms are explained under: www.ufop.de/glossar