

UFOP Market Information

Oilseeds and Biofuels

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Highlights4ff.

Market Headlines

Oilseeds

- Prices for rapeseed slipped.
- Hopes of significant price increases faded, with occasional trading of batches from the 2023 crop taking place.
- Start of Brazilian soybean harvest impacted US prices.

Oilseed meals and oilcakes

- Rapeseed meal prices fell from the previous month's level.
- Soybean meal was under downward pressure as harvests in South America increased global oilseed supply.

Vegetable oils

- Rapeseed oil weakened in the wake of declining feedstock prices.
- Curtailed Malaysian production drove palm oil prices.

Fuels

- Restrained demand put a damper on development of biodiesel prices.
- Situation in the Middle East had a strong impact on crude oil prices.

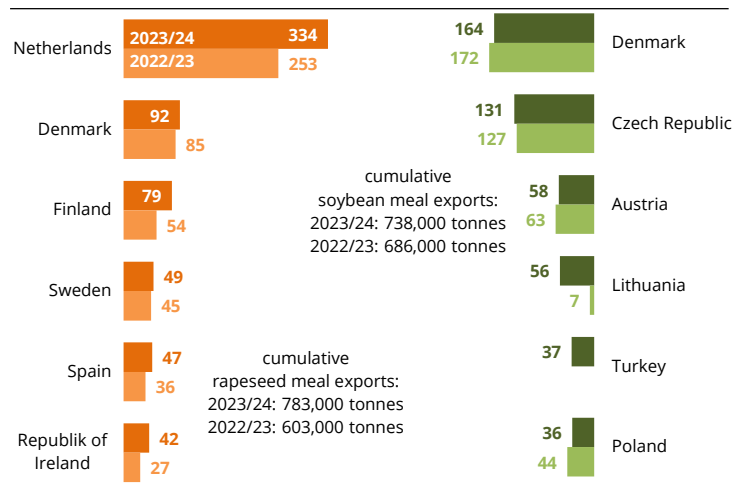
Price trends

Mean price	Week 05	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	401,19	406,41	↘
Wholesale prices in EUR/t			
Rapeseed	425	444	↘
Rapeseed oil	845	875	↘
Rapeseed meal	275	282	↘
Rapeseed cake*	310	318	↘
Rapeseed future	420,00	437,25	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	156,82	162,20	↘
Consumer prices in ct/l incl. VAT			
Diesel	167,90	167,90	→
Futures in US-\$/barrel			
WTI, Nymex	75,85	75,09	↗

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

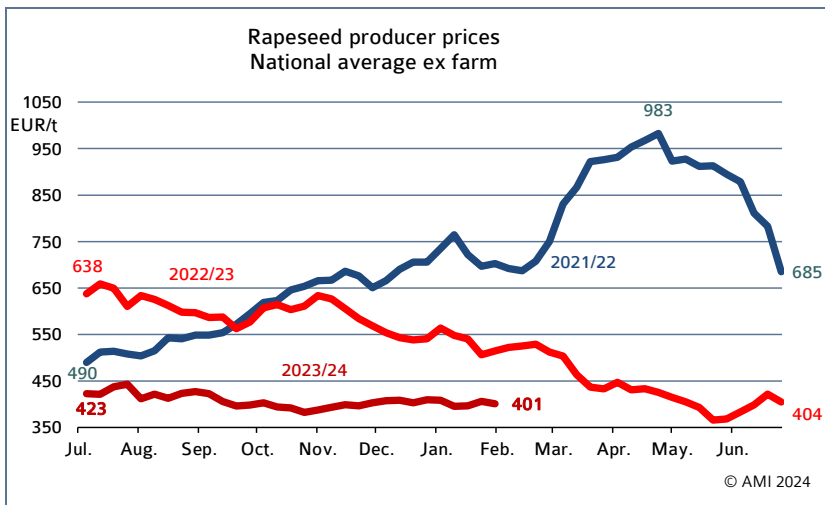
Chart of the week

Rapeseed and soybean meal exports
 from July to November, by marketing years, in 1,000 tonnes



Source: Statistisches Bundesamt

Market prices

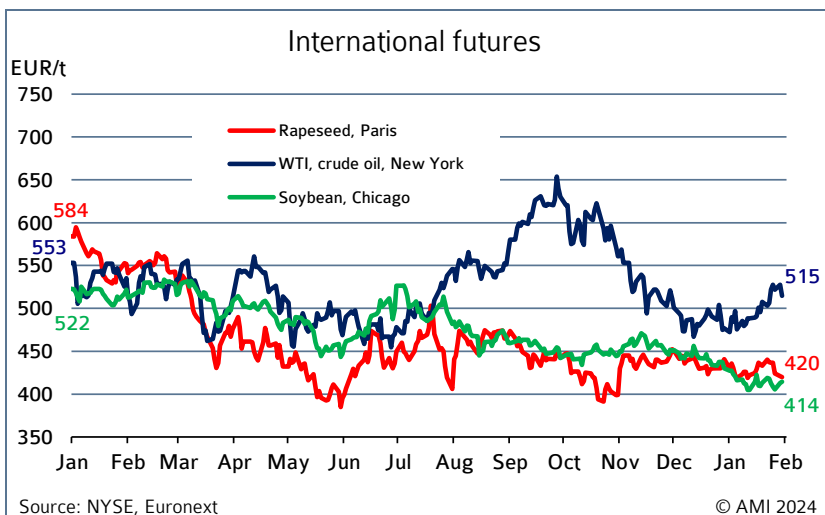
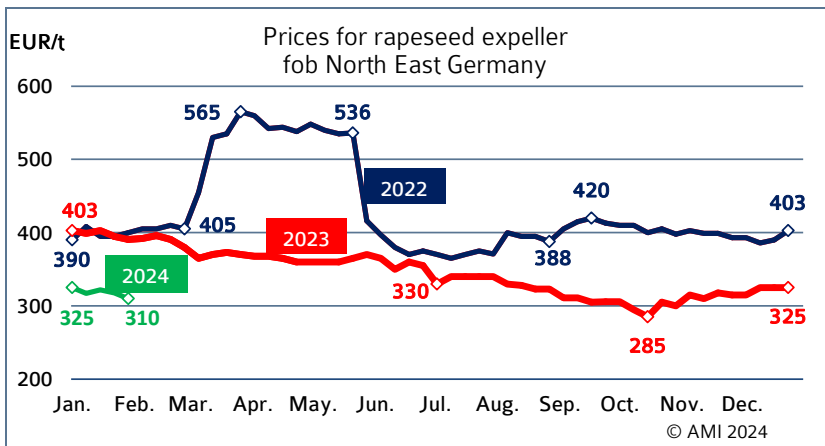


Wholesale prices

in EUR/t on 31.01.2024, (collected at mills and trade)

	Rapeseed 2023 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	425	275	845	883
Previous week	444	282	875	914

Source: AMI



Rapeseed

Farmers' uncertainty has been growing. Whereas the price increases seen mid-month gave rise to hopes of a trend reversal, prices on the German spot market sagged again in week 5 in the wake of the developments in Paris. The mood was correspondingly downbeat as hopes of a sustained upward trend faded. In other words, significant sales continued to be non-existent. Only small volumes of rapeseed were marketed now and then in the past week. At the same time, sales of the upcoming crop were very slow.

Rapeseed oil

In general, the German rapeseed oil market remained calm also in January. Demand continued to be muted, putting pressure on asking prices for rapeseed oil. As a result, the abundant supply on nearby positions barely found buyers. The picture was slightly different on further forward positions. More specifically, in the middle of the month the biodiesel sector showed some interest in buying batches for delivery in the second quarter of 2024. However, transactions did not materialise, because price expectations did not yet match. This would likely change if the trend in Paris were to reverse. Once signs there point to strengthening prices, trading in the rapeseed oil market will likely pick up somewhat.

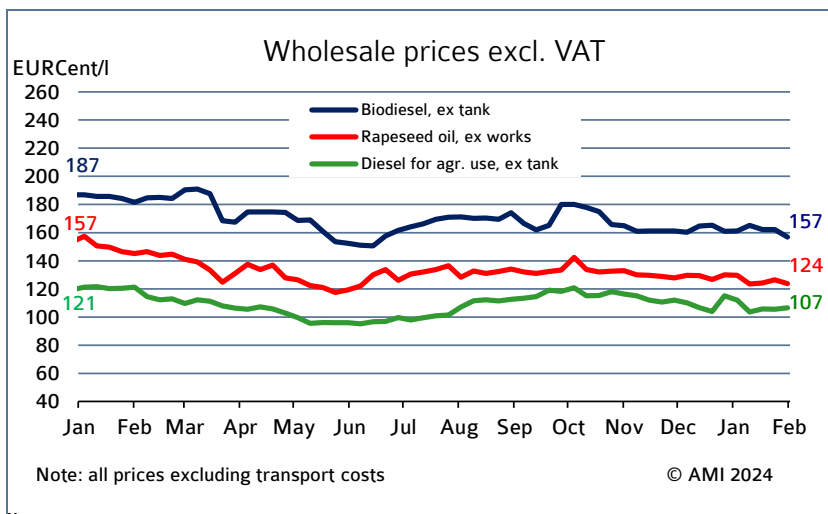
Rapeseed expeller

Prices for rapeseed expeller fell over the month of January. There was hardly any trading. Although physical commodity was sought after now and then, price expectations did not yet match. Even if supply was limited in specific locations, buyers frequently were unwilling pay a premium.

Wholesale prices

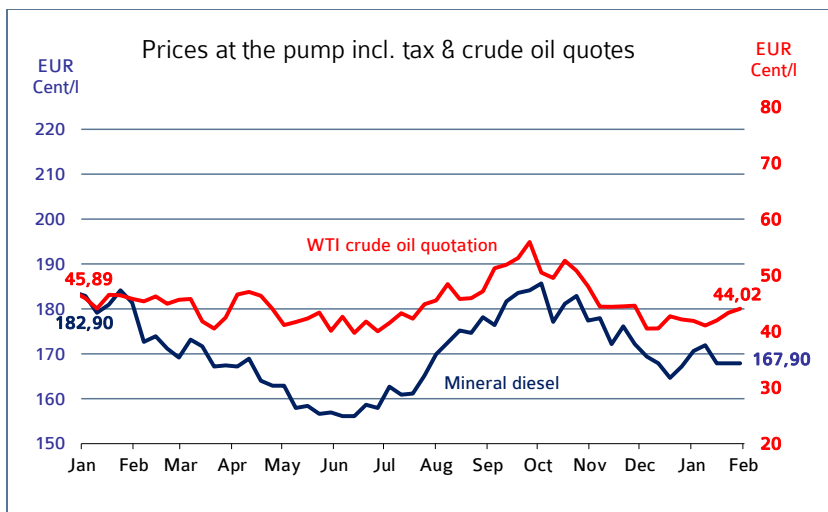
The German biodiesel market was in sharp decline at month-end. Pressure came from extremely restrained demand and falling prices for feedstock. Demand for fuels, including biodiesel, is usually slow at the beginning of the year anyway. However, buying interest from blenders was virtually zero. This was due to the surplus of GHG reduction quotas from the quota year 2022 and presumably also in 2023.

Biodiesel/ mineral Diesel



Prices at the pump

The tense situation in the Middle East drove up crude oil prices over the month. Particularly, the looming possibility of a conflict escalation between the USA and Iran was viewed with great concern. This resulted in significant risk premiums. The passage over the Red Sea is an important trade route, also for crude oil. Profits were recently curbed due to the unexpected rise in US fossil oil reserves. Stock exchange prices increased just less than 2 euro cents per litre to 44.02 euro cents per litre on the month. Prices for mineral diesel at the filling stations averaged 167.90 euro cents per litre, which was up 0.7 euro cent per litre on the previous month.



Consumption

Biodiesel

November 2023 use of biodiesel in blends in Germany amounted to around 222,090 tonnes. This translates to an around 12 per cent rise on the previous month. Consumption of diesel fuel totalled 2.8 million tonnes, which was up around 2.6 per cent on the previous month. In other words, the use of diesel fuel in the first eleven months of 2023 added up to 28.5 million tonnes, which was down 3.3 per cent from the level recorded in the same period the previous year. At 2.3 million tonnes, the cumulative use of biodiesel in 2023 exceeded the previous year's figure by around 2.5 per cent. As a result, the share of biodiesel for blending also increased 0.4 percentage points to 7.7 per cent compared to the period January through November 2022.

Domestic consumption in 2023 in 1.000 t												cumulated	
	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	2023	2022
Biodiesel for blending	195,4	189,4	236,8	209,3	209,6	231,7	227,7	233,4	224,2	198,4	222,1	2.380,1	2.322,3
Diesel	2.261,9	2.385,4	2.780,4	2.373,7	2.758,0	2.603,7	2.575,0	2.557,6	2.530,5	2.717,9	2.787,6	28.461,7	29.430,7
Biodiesel + diesel	2.457,3	2.574,8	3.017,1	2.583,0	2.967,5	2.835,4	2.802,7	2.791,0	2.754,7	2.916,3	3.009,7	30.841,7	31.753,0
Share biodiesel	8,0	7,4	7,9	8,1	7,1	8,2	8,1	8,4	8,1	6,8	7,4	7,7	7,3
Bioethanol ETBE a)	9,3	8,6	10,2	10,7	11,5	14,1	13,2	13,6	12,1	12,2	8,7	115,4	124,0
Bioethanol for blending	80,7	78,6	78,5	88,7	101,2	94,8	98,5	94,3	95,1	93,6	98,7	901,7	1.000,3
Bioethanol total	90,0	87,2	88,7	99,4	112,7	108,9	111,7	107,9	107,3	105,8	107,4	1.017,0	1.124,3
Gasoline	1.208,5	1.239,9	1.398,0	1.307,5	1.412,7	1.398,9	1.393,8	1.343,4	1.406,5	1.425,2	1.304,6	14.970,6	14.442,9
Gasoline + bioethanol	1.298,6	1.327,0	1.477,7	1.406,9	1.525,4	1.507,8	1.505,5	1.451,3	1.513,8	1.531,0	1.412,0	15.987,7	15.567,2
Share bioethanol	6,9	6,6	6,0	7,1	7,4	7,2	7,4	7,4	7,1	6,9	7,6	6,4	7,2

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.

Bioethanol

Consumption of bioethanol in ETBE declined sharply in November 2023. At 8,660 tonnes, consumption was down around 28.8 per cent on the previous month. By contrast, the use of bioethanol in blends rose around 5.4 per cent to 98,700 tonnes. As a result, the incorporation rate increased to 7.6 per cent, the highest level since April 2022. This compares to only 6.9 per cent the previous month. The use of bioethanol in the first eleven months of the year 2023 amounted to 1.0 million tonnes, which translates to a 9.5 per cent drop from the previous year's volume.