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

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 09	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	405,78	409,18	↘
Wholesale prices in EUR/t			
Rapeseed	419,00	422,00	↘
Rapeseed oil	820,00	815,00	↗
Rapseseed meal	228,00	230,00	↘
Rapeseed cake*	246,04	236,43	↗
Rapeseed future	409,75	421,00	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	127,80	129,71	↘
Consumer prices in ct/l incl. VAT			
Diesel	117,03	116,43	↗
Futures in US-$/barrel			
WTI, Nymex	53,83	53,59	↗

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

Market Headlines

Oilseeds

- Rapeseed prices rose further; first quantities of Australian rapeseed arrived in the EU-28.
- Paris price quotes for rapeseed fell from high level.

Oilseed meals and oilcakes

- Demand on oil meal markets was very low as buyers hoped for decreases in price.
- Oil mills raised asking prices for rapeseed cake slightly due to tight availability.

Vegetable oils

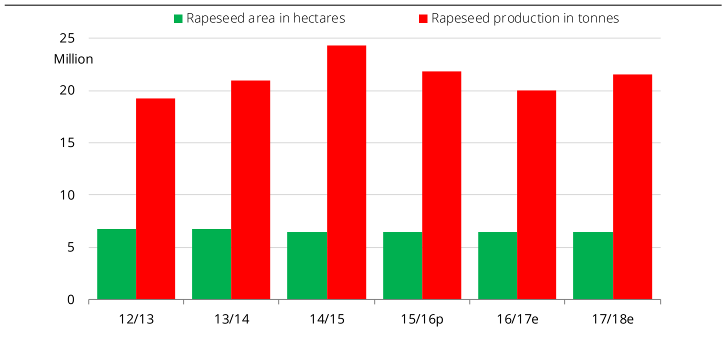
- Vegetable oil prices dwindled further based on weaker palm oil prices.
- Prices for cold pressed rapeseed oil saw slight rise; output was curbed.

Fuels

- Biodiesel sales continued slow despite increase in quota requirements in 2017.
- Diesel prices firmed; US crude stocks surged as OPEC put a cap on production.

Chart of the week

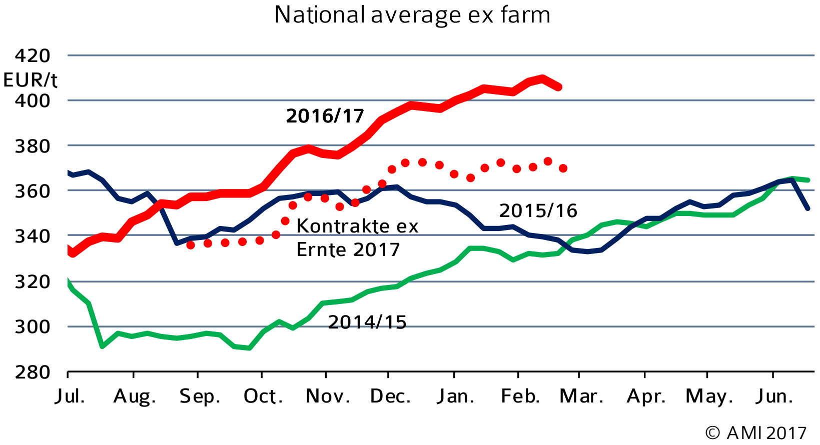
EU rapeseed area and production



Source: Strategie Grains, EU Commssion Note: p = prelimiary, e = estimate

Edition march 2017

Market prices



Wholesale prices

In EUR/t on 01.03.2017, (collected at mills and trade)

	Rapeseed 2016 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	419	228	820	709
Previous week	422	230	815	696

Source: AMI

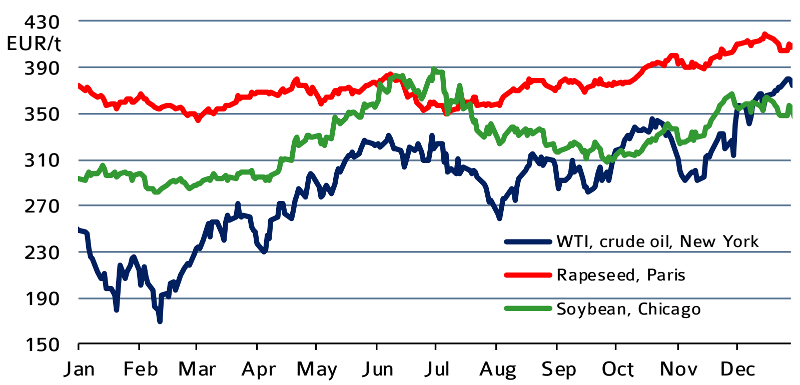
Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex works in EUR/t (reported by mills/traders on 22.02.2017)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	235-260	235-255	86,00	86,83	-
> 100 t	245-245	228-235	Vm: 84,75	83-86	-

Note: pm = previous month; crude rapeseed oil excl. tax
Source: AMI

International futures



Source: NYSE, CME © AMI 2017

Rapeseed

Despite some weakness at the end of the month, February rapeseed prices were up around EUR 5 per tonne from the previous month's level. The key factor for the rise was prices of soybean and palm oil, supported by tight supply. The first Australian rapeseed shipments arrived, supplementing the scarce European supply. Consequently, German oil mills were adequately supplied on nearby positions. In the period from July 2016 to February 2017, the EU-28 imported around 1.05 million tonnes of rapeseed from Australia. Another two to three million tonnes are likely to follow in spring.

Rapeseed oil

Prices of vegetable oils declined considerably, led by palm oil. Prospects of a large production of palm oil in 2017 generated some pressure, as did the predicted record soy crop in Brazil that has become real. However, the slide in prices of soybean oil was recently stopped by speculation on growing US biodiesel production.

Rapeseed cake

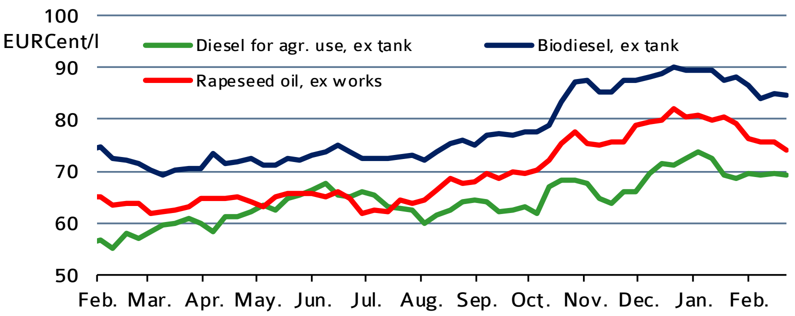
In view of the tightness in supply of rapeseed meal on nearby positions, the decentralised oil mills raised their asking prices for rapeseed cake. Having curbed production earlier, they only supplied to direct clients. Batches for compound feed companies (which would normally only be sold at a discount), were not available at all in February 2017. Livestock farmers paid, on average, EUR 245.63 per tonne, just under 2 per cent more than in January 2017.

Cold pressed rapeseed oil

Selling prices of cold pressed rapeseed oil continued to be on a firm trend at the decentralised oil mills in South Germany, with mills raising their asking prices about 1 euro cent per litre to 86.42 euro cents per litre in February 2017. The sluggish trade in rapeseed oil and rapeseed cake led processors to scale back on processing. The companies surveyed curbed processing by a full 8 per cent from the previous month. In contrast, wholesale prices for rapeseed oil went down considerably. After picking up substantially towards the end of the year, spot prices were affected by plummeting prices of palm oil. Rapeseed oil fob mill cost 75.43 euro cents per litre in February 2017, virtually 6 per cent less than a month earlier. January prices of diesel and biodiesel were down 4 per cent.

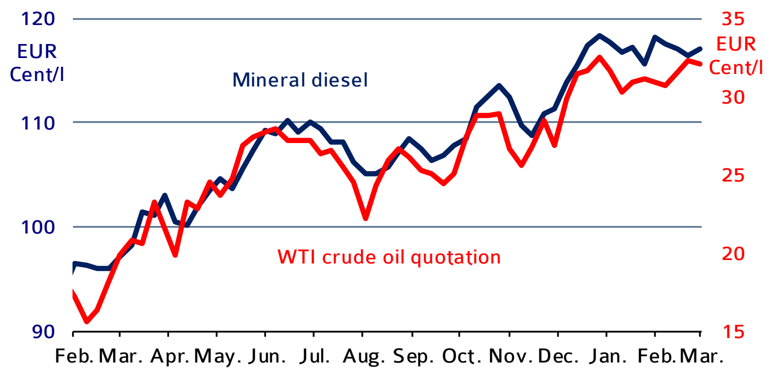
Biodiesel/ mineral Diesel

Wholesale prices excl. VAT



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.

Prices at the pump incl. tax & crude oil quotes



Wholesale prices

Interest in buying biodiesel continued to be small in February. There were at least occasional sales of smaller quantities for prompt delivery. At any rate, this helped to stabilise prices, which had come down significantly in January. In view of the increase in GHG reduction requirements, there has been a noticeable shift in demand towards biofuels with a high reduction potential even at this early stage in the year. In the US, rumours that the US administration would continue paying subsidies to the US biofuels industry and also hold on to production targets lent substantial support to prices for maize and soybean oil on CBOT. However, in the meantime, the report has been disclaimed.

Prices at the pump

A variety of different factors defined the course of crude oil prices in February. According to the Organisation of Oil Exporting Countries (OPEC), the cap on crude output was being implemented at a fast pace, pushing prices up. By contrast, reports about a rise in US crude reserves created some downward pressure. Eventually, however, a bullish effect apparently prevailed. Prices of crude oil and mineral diesel firmed somewhat compared to the previous month.

Domestic consumption in 2016

in 1.000 t													Cumulated	
	Jan.	Feb.	March	April	Mai	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	2016	2015
Biodiesel for blending	174,6	167,7	194,4	191,1	184,4	203,2	194,5	187,1	172,7	159,1	160,1	160,7	2.150,3	2.144,9
Pure biodiesel b)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Biodiesel total	174,6	167,7	194,4	191,1	184,4	203,2	194,5	187,1	172,9	159,1	160,1	160,7	2.150,3	2.144,9
Pure plant oil (PPO) b)	0,1	0,0	2,5	0,1	0,8	0,1	0,1	0,1	0,1	17,1	0,0	0,0	0,0	0,0
Biodiesel & PPO	174,7	167,8	196,9	191,2	185,2	203,3	194,6	187,2	173,0	176,1	160,1	160,7	2.150,3	2.144,9
Diesel	2.735,6	2.919,2	3.210,3	3.321,9	3.122,7	3.266,0	3.389,0	3.320,4	3.404,7	3.271,5	3.351,1	3.014,0	38.406,8	36.756,4
Biodiesel share in blending	6,4 %	5,7 %	6,1 %	5,8 %	5,9 %	6,2 %	5,7 %	5,6 %	5,1 %	4,9 %	4,8 %	5,3 %	5,6 %	5,8 %
Biodiesel + diesel + PPO	2.735,7	2.919,3	3.212,8	3.321,9	3.123,6	3.266,1	3.389,1	3.320,6	3.404,9	3.288,5	3.351,2	3.014,0	38.406,8	36.756,4
Share biodiesel & PPO	6,4 %	5,7 %	6,1 %	5,8 %	5,9 %	6,2 %	5,7 %	5,6 %	5,1 %	5,4 %	4,8 %	5,3 %	5,6 %	5,8 %
Bioethanol ETBE a)	9,8	9,9	10,7	8,4	9,8	12,1	14,1	8,7	7,0	10,7	10,4	12,2	126,4	119,2
Bioethanol for blending	83,3	69,9	78,7	81,7	88,6	95,8	97,9	94,4	87,0	89,2	89,2	90,9	1.046,7	1.054,2
Bioethanol E 85	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Bioethanol total	93,1	79,8	89,5	90,0	98,4	107,9	112,1	103,2	94,0	99,9	99,7	103,2	1.173,1	1.173,4
Gasoline	1.249,4	1.309,9	1.416,2	1.431,3	1.467,8	1.435,2	1.488,6	1.489,1	1.488,4	1.435,2	1.428,8	1.397,2	17.082,3	17.057,0
Gasoline + bioethanol c)	1.342,5	1.389,7	1.505,6	1.521,4	1.566,2	1.543,0	1.600,7	1.592,3	1.582,4	1.535,1	1.528,5	1.500,4	18.255,4	18.230,4
Share bioethanol c)	6,9 %	5,7 %	5,9 %	5,9 %	6,3 %	7,0 %	7,0 %	6,5 %	5,9 %	6,5 %	6,5 %	6,9 %	6,4 %	6,4 %

Note: a) Volume percent of bioethanol in ETBE = 47 %; b) source: Statistisches Bundesamt, 'Taxation of energy products', chapter II: energy products (excluding heating fuels); taxation without amounts according to § 46 and § 47 EnergieStG; c) The proportion of gasoline fuels contained in bioethanol fuels have been offset; cumulated figures include (unpublished) revised monthly BAFA data
Source: Federal Office for Economic Affairs and Export Control, AMI

Fuel consumption

December consumption of biodiesel for blending saw a slight rise from the previous month. Consequently, the preliminary 2016 total amounts to 1.99 million tonnes. This is up only 0.6 per cent year-on-year. At the same time, 2016 consumption of diesel fuel rose 4.7 per cent to 35.4 million tonnes. As a result of this, the 2016 biodiesel share was around 5.6 per cent. This figure compares to 5.8 per cent the same month a year earlier. 2016 consumption of vegetable oil fuel reached 3,650 tonnes, outpacing the previous year's figure by 87 per cent. The main reason for the tremendous increase was strong demand in October 2016, which amounted to 17,073 tonnes. Use of bioethanol of 1.069 million tonnes was just below the previous year's 1.071 million tonnes. The slight 1 per cent drop in the blending amount was virtually offset by a 7 per cent rise in bioethanol use in ETBE production. As consumption of petrol rose only minimally, the volumetric percentage of bioethanol in blends amounted to 5.6 per cent, which translates to a 0.2 per cent drop from 2015.