

UFOP Market Information

Oilseeds and Biofuels

Contents

Producer prices
 Wholesale prices 2
 Rapeseed
 Rapeseed oil, palm oil
 Rapeseed meal
 Rapeseed cake
 Cold pressed rapeseed oil
Fuels 3
 Wholesale prices
 Prices at the pump
 Fuel consumption
Highlights 4ff.

Price trends

Mean price	Week 18	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	386,29	386,01	↗
Wholesale prices in EUR/t			
Rapeseed	422,00	402,00	↗
Rapeseed oil	770,00	806,00	↘
Rapeseed meal	217,00	215,00	↗
Rapeseed cake*	250,42	236,43	↗
Rapeseed future	368,50	399,50	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	124,90	124,81	↗
Consumer prices in ct/l incl. VAT			
Diesel	114,08	114,30	↘
Futures in US-\$/barrel			
WTI, Nymex	47,82	49,62	↘

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

Market Headlines

Oilseeds

- Producer prices for rapeseed stabilised, but demand from oil mills continued weak due to low margins; farmers held back on contracts for upcoming crop.
- New front month (August) prices of rapeseed (new crop) lacked momentum after May contract for rapeseed expired in Paris.
- Bumper crop in South America and increase in 2017 US soybean area weighed on soybean prices.

Oilseed meals and oilcakes

- Supply of rapeseed meal remained moderate while bearish impact from overseas left buyers of soybean meal hoping for further reductions in prices.
- More rapeseed cake on offer; prices were reduced.

Vegetable oils

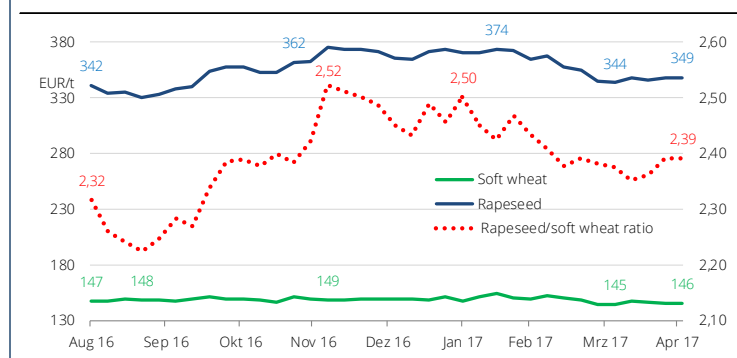
- Slump in palm oil prices also pulled down other vegetable oils.
- Decentralised oil mills implemented higher asking prices, but demand for cold pressed rapeseed oil remained slow.

Fuels

- Demand for biodiesel failed to kick into gear.
- Rising US government funding of crude oil production forced down prices.

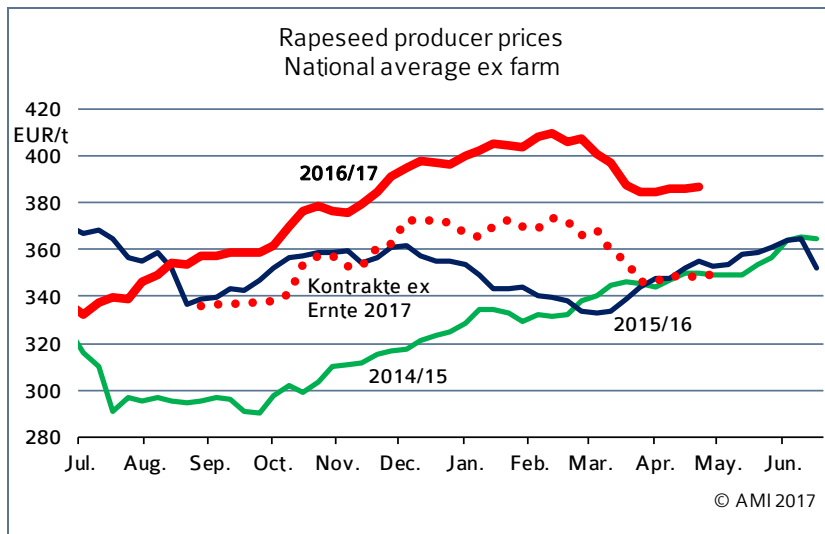
Chart of the week

Forward-contract prices ex East German farm for soft wheat and rapeseed



Source: AMI/LK/MIO

Market prices



Wholesale prices

In EUR/t on 03.05.2017, (collected at mills and trade)

	Rapeseed 2016 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	422	217	770	637
Previous week	402	215	806	620

Source: AMI

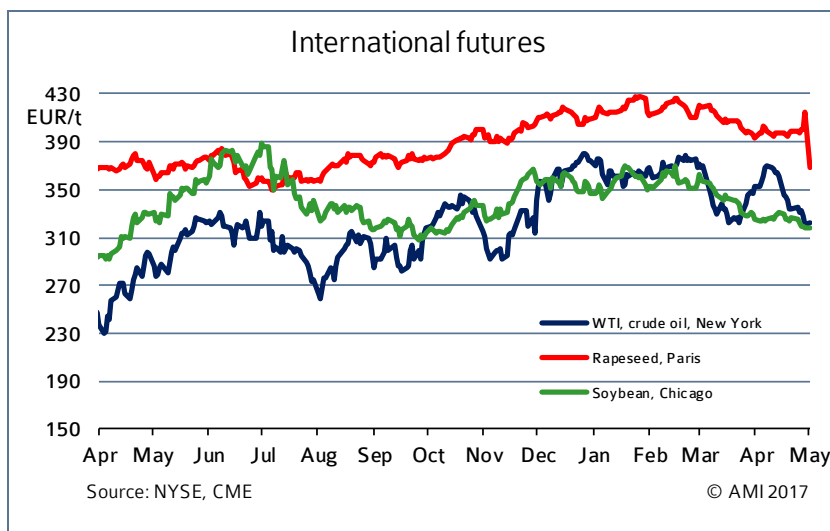
Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex works in EUR/t (reported by mills/traders on 24.04.2017)

Monthly production	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	250-270	235-270	86,63	87,17	-
> 100 t	240-245	245-245	pm: 86,25	pm: 83-87	-

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

Source: AMI



Rapeseed

Trading on the German rapeseed market was weak. German oil mill owners complained about unsatisfactory profit margins also in April. As they were unable to achieve their price expectations for rapeseed, many of them found the feedstock too expensive. Oil mills continued to fill their gaps in demand with Australian rapeseed deliveries, although processing was largely reduced. Farmers held back on concluding contracts for rapeseed from the upcoming harvest, waiting how field crops would develop.

Rapeseed oil

Rapeseed oil prices temporarily firmed over the month of April but fell from their higher level towards the end of the month. Above all, weaker palm oil prices put downward pressure on prices as Malaysian palm oil production is expected to see a significant rise from the previous year in 2017. Also, demand for rapeseed oil from biodiesel producers has been low.

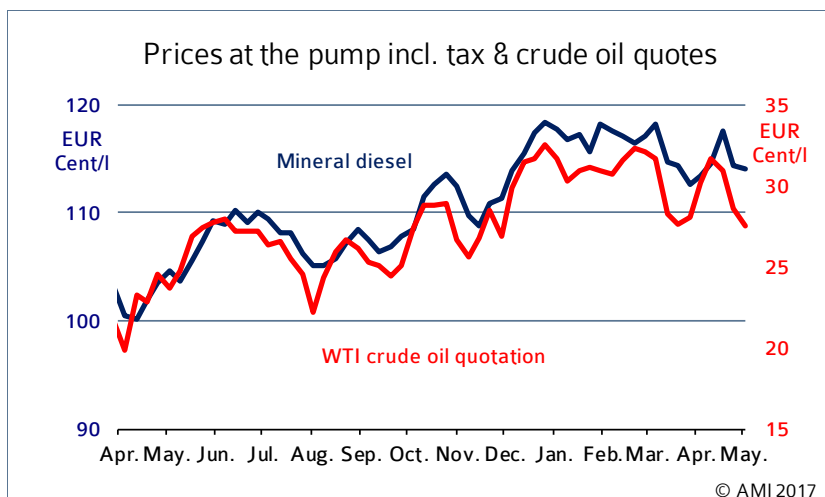
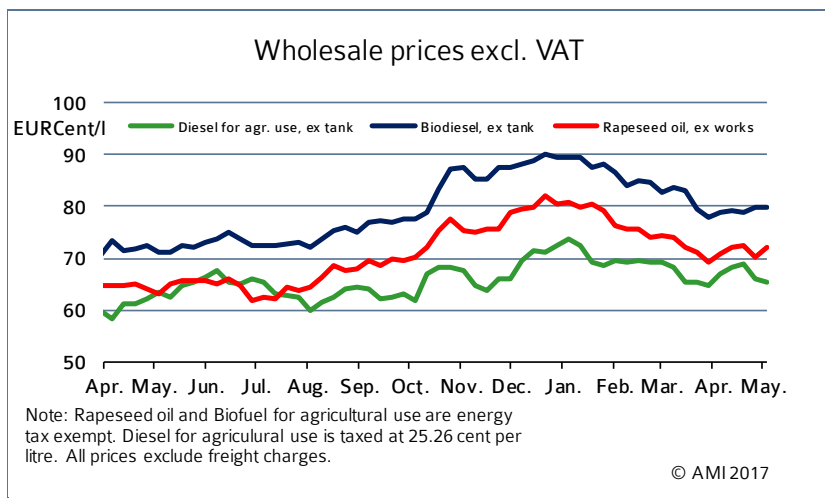
Rapeseed cake

Whereas in March the market for rapeseed meal and rapeseed cake was characterised by scarcity of supply, the supply situation eased markedly in April 2017. At the wholesale level, bids for nearby material had been available again since the beginning of the month. At the same time, prices went down. The weakness in the rapeseed market pushed down bids, first and foremost during the Easter holidays. Late-April bids were at EUR 244 per tonne fob North-East Germany, down EUR 2 per tonne below the previous week's level. Consequently, however, nearby rapeseed cake was up EUR 13 per tonne from a year earlier.

Cold pressed rapeseed oil

Based on lower supply, decentralised oil mills were able to get their asking prices and consequently did not follow the general trend of sliding vegetable oil prices. Prices decentralised oil mills asked for cold pressed rapeseed oil were on average 86.90 euro cents per litre, up 0.5 per cent from the previous month. By contrast, wholesale prices for rapeseed oil from the oil mill industry declined 0.6 per cent to 71.80 euro cents per litre. However, demand was low at both providers. Above all, fuel producers were hardly seeking any feedstock. The impact of this trend was also felt at the large oil mills.

Biodiesel/ mineral Diesel



Wholesale prices

On the German biodiesel market, suppliers continued to wait for stimulus to demand. However, demand did not seem to be pressing at all. For this reason, business was slow at a largely stable price level. This applied to both standard biodiesel and biodiesel having a greenhouse gas saving potential of 90 per cent. It was understood that the trend was rather downward. In other words, one must reckon with further decreases in price.

Prices at the pump

April crude oil prices rose considerably at first and also pulled up prices of mineral diesel. Following a US military attack in Syria, the risk of escalation both there and in the neighbouring oil-producing states had increased. Prices were also supported by supply shortages in Canada and Libya as well as prospects of the OPEC cuts on production being extended for another six months until the end of 2017. However, prices fell from their high level, weighed down by the increase in US crude oil production. Most recently, daily output was at its highest level since mid 2015. Increasing Libyan output after production at the country's largest oil field had been restarted also added to the pressure. Prices of mineral diesel followed the curve of crude oil prices and most recently dipped to 114 euro cents per litre.

Consumption

In February 2017, the amount of biodiesel used in blends was also relatively low. At just over 134,000 tonnes, it was not only down around 10 per cent from January 2017, but also dropped virtually one fifth from January 2016, although diesel use had increased minimally. Consequently, the volumetric percentage of biodiesel in blends dropped to 4.7 per cent. This was the lowest level seen since 2007, when the biofuels market was still in its infancy. Moreover, no vegetable oil fuel was used. The use of bioethanol also declined. Whereas bioethanol use in ETBE production remained stable at just less than 8,000 tonnes compared to the previous month, the use in blends dropped 9 per cent to just over 69,000 tonnes. Although the use of petrol also dwindled, the proportion of bioethanol in blends fell to 5.9 per cent.

Domestic consumption in 2017

in 1.000 t	cumulated			
	Jan.	Feb.	2017	2016
Biodiesel for blending	150,5	134,4	289,1	342,3
Biodiesel total	150,5	134,4	289,1	342,3
Pure plant oil (PPO) b)	0,1	0,0	0,0	0,0
Biodiesel & PPO	150,6	134,4	289,1	342,3
Diesel	2.905,0	2.859,0	5.764,0	5.528,2
Biodiesel share in blending	5,2 %	4,7 %	5,0 %	6,2 %
Biodiesel + diesel + PPO	2.905,1	2.859,0	5.764,0	5.528,2
Share biodiesel & PPO	5,2 %	4,7 %	5,0 %	6,2 %
Bioethanol ETBE a)	7,7	8,0	16,7	20,2
Bioethanol for blending	76,5	69,4	146,3	153,2
Bioethanol total	84,3	77,4	163,1	173,4
Gasoline	1.319,5	1.244,6	2.557,8	2.567,9
Gasoline + bioethanol c)	1.403,8	1.322,0	2.720,9	2.741,3
Share bioethanol c)	6,0 %	5,9 %	6,0 %	6,3 %

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