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

ufop

UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 22	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	369,76	374,84	↘
Wholesale prices in EUR/t			
Rapeseed	354,00	356,00	↘
Rapeseed oil	763,00	765,00	↘
Rapseseed meal	212,00	213,00	↘
Rapeseed cake*	248,75	236,43	↗
Rapeseed future	355,75	360,50	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	124,53	125,78	↘
Consumer prices in ct/l incl. VAT			
Diesel	113,24	112,32	↗
Futures in US-$/barrel			
WTI, Nymex	48,32	51,47	↘

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

Market Headlines

Oilseeds

- Rapeseed prices slid despite projected tightness in EU supply; rapeseed producers held back on forward contracts.
- Rapeseed prices in Paris did not provide support as they were guided by decreasing US soybean prices.
- US soybean plantings progressed at a rapid pace; Chinese demand for beans dropped; prices in Chicago were under pressure.

Oilseed meals and oilcakes

- Buoyant buyer interest and scarce supply drove up rapeseed meal prices, whereas soybean meal became increasingly cheaper.
- Prices for rapeseed cake reaped little benefit from firm rapeseed meal prices.

Vegetable oils

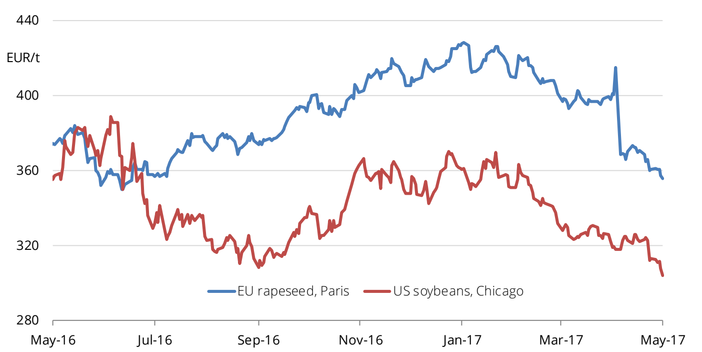
- Use of rapeseed oil in biodiesel declined seasonally; weaker soybean and palm oil prices created additional pressure.
- Prices asked for cold pressed rapeseed oil were slightly lowered to follow weaker vegetable oil prices.

Fuels

- Demand for biodiesel was focused on moderate quantities for prompt delivery; forward business was slow.
- US crude oil stocks declined further on skepticism about OPEC production cuts despite their extension to March 2018.

Chart of the week

Oilseed futures settlements

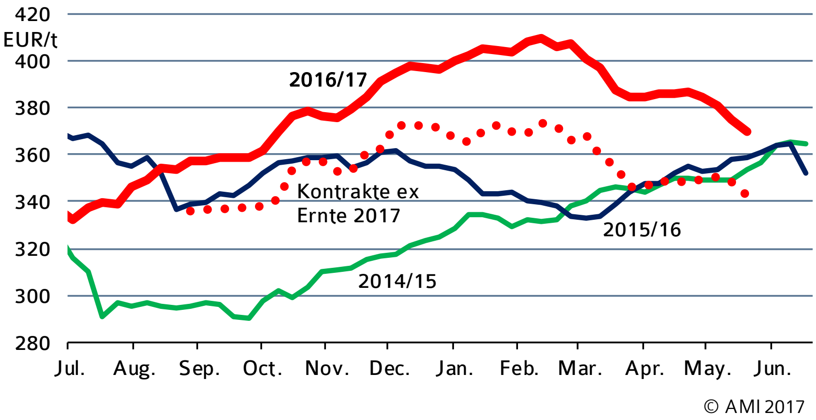


Source: CME, NYSE Liffe, AMI
Note: U.S. exchange rate

Edition june 2017

Market prices

Rapeseed producer prices
National average ex farm



Wholesale prices

In EUR/t on 31.05.2017, (collected at mills and trade)

	Rapeseed 2016 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	354	212	763	619
Previous week	356	213	765	609

Source: AMI

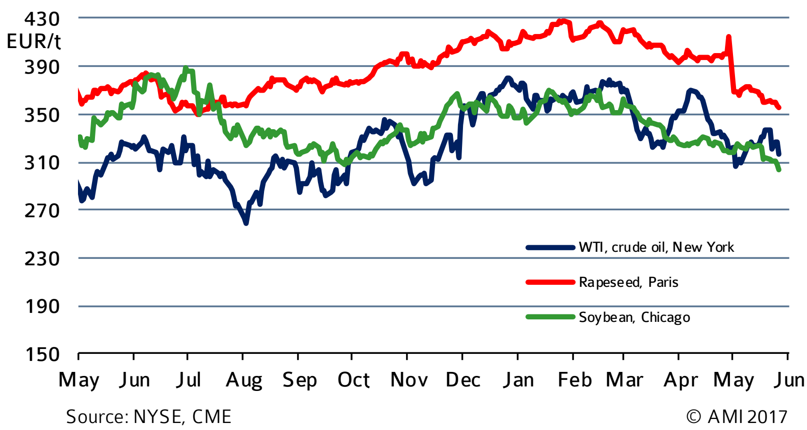
Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 23.05.2017)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l		
Monthly production	Price range	Previous month	Feed oil	DIN 51605	Fuel
< 100 t	245-265	245-270	87,00	87,67	-
> 100 t	240-245	240-245	pm: 85-86	pm: 85-88	-

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

International futures



Rapeseed

Remaining quantities of old-crop rapeseed continued to be met with modest buyer interest that kept sales at a moderate level on the cash market. The condition of oilseed rape field crops was unsatisfactory in many places. Consequently, farmers wanted to see prices rise. However, rapeseed prices in Paris declined and buyers kept their premiums at a constant level. As a result, the price level was too low to motivate farmers to enter into forward contracts.

Rapeseed oil

The decline in rapeseed oil prices continued. Pressure came from weaker soybean oil prices based on large soybean output in South America and foreseeably also the US. Sowings in the US recently progressed at a rapid pace. A drop in palm oil prices, driven by growing palm oil production in Southeast Asia, also added to the decline in prices for rapeseed oil. Moreover, the biodiesel industry had a large impact. Normally a major purchaser of rapeseed oil, it increasingly processes soybean and palm oil as temperatures rise.

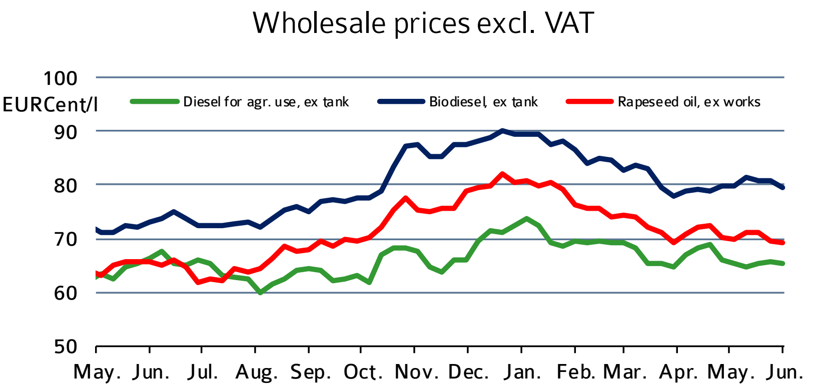
Rapeseed cake

The decentralised oil mills kept their asking prices for rapeseed cake virtually unchanged from the previous month. Demand from livestock farmers was steady, whereas compound feeders' needs were still covered. In other words, suppliers drew little benefit from the firm prices due to the general tightness in supply with rapeseed meal. Wholesale prices for rapeseed expeller in northeast Germany recently showed a slight downward trend. At EUR 235 per tonne, they were down EUR 5 per tonne from the beginning of the month. Demand was scarce. The coming season's commodity was often discussed but rarely sold, because buyers speculated on further reductions in price.

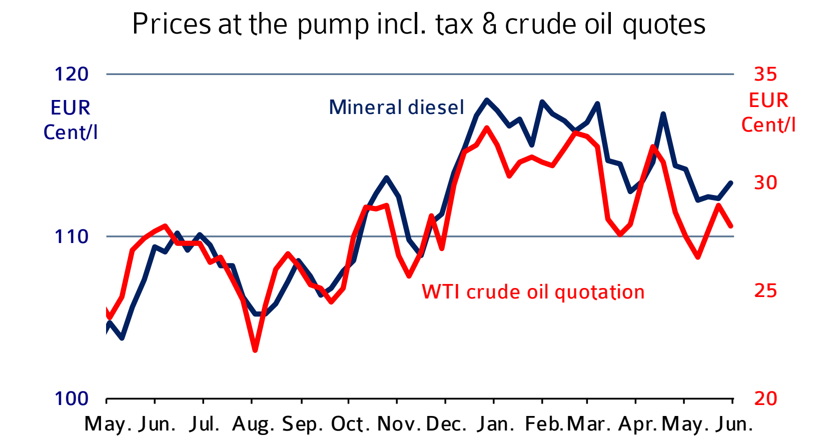
Cold pressed rapeseed oil

Demand for cold pressed rapeseed oil from decentralised oil mills was mostly for oil for use as feed oil. Asking prices were slightly lowered in the wake of the general drop in vegetable oil prices. They averaged 87.33 euro cents per litre, which was only insignificantly less than the previous month. The decentralised oil mills did not benefit from the firm biodiesel prices, because the amount of rapeseed oil fuel they still sold was small. Moreover, diesel prices were on a downward trend.

Biodiesel/ mineral Diesel



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agricultural use is taxed at 25.26 cent per litre. All prices exclude freight charges.



Domestic consumption in 2017

in 1.000 t				cumulated	
	Jan.	Feb.	March	2017	2016
Biodiesel for blending	150,5	134,4	206,3	494,9	536,9
Biodiesel total	150,5	134,4	206,3	494,9	536,9
Pure plant oil (PPO) b)	0,1	0,0	2,5	1,5	2,7
Biodiesel & PPO	150,6	135,0	211,1	500,2	537,7
Diesel	2.905,0	2.859,0	3.571,8	9.332,7	8.695,3
Biodiesel share in blending	5,2 %	4,7 %	5,8 %	5,3 %	6,2 %
Biodiesel + diesel + PPO	2.905,1	2.859,6	3.576,6	9.338,0	8.696,1
Share biodiesel & PPO	5,2 %	4,7 %	5,9 %	5,4 %	6,2 %
Bioethanol ETBE a)	8,7	8,0	8,8	25,6	31,2
Bioethanol for blending	76,5	69,4	79,8	226,1	231,9
Bioethanol total	85,3	77,4	88,6	251,7	263,1
Gasoline	1.318,5	1.244,6	1.522,3	4.080,1	3.985,6
Gasoline + bioethanol c)	1.403,8	1.322,0	1.610,9	4.331,7	4.248,8
Share bioethanol c)	6,1 %	5,9 %	5,5 %	5,8 %	6,2 %

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

Wholesale prices

Because of the holidays, the biodiesel market was recently fairly slow. Suppliers received enquiries from time to time, but these were mostly for small amounts for prompt delivery. Later futures were scarcely discussed. 2017 quota compliance obligations did not seem to be that pressing. Many buyers continued to hold back as they watched how prices developed.

Prices at the pump

Over the month of May, crude prices received considerable support from prospects that the Organisation of the Petroleum Exporting Countries' (OPEC) cap on crude production might be extended. Recently, OPEC adopted the extension until March 2018. This decision had been anticipated by market participants, because the OPEC cap's success had been tarnished by the increasing US crude production for several weeks. Many investors had apparently expected the recent OPEC meeting to resolve more drastic cuts. In other words, despite the extension, many people now doubt that the action will be successful as long as the US maintains a high level of output. This recently caused futures prices to take a sharp downward turn. If the decline continues, prices of mineral diesel are likely to follow.

Consumption

Diesel consumption rose sharply in March 2017, as did biodiesel consumption. Compared to February 2017 alone, the amount used in blends was up 54 per cent. The share rose to 5.8 per cent. This was the highest level in 9 months, although diesel consumption hit a record level at just less than 3.6 million tonnes. At the same time, the use of vegetable oil also increased. March 2017 consumption of bioethanol was also up from February 2017 but lower than February 2016. However, the percentage of bioethanol in blends dropped to 5.5 per cent, because demand for petrol of 1.53 million tonnes was at a level last seen in December 2015. However, the amount of bioethanol used in blends was also higher then.