UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 31	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	354,70	348,33	↗
Wholesale prices in EUR/t			
Rapeseed	368,00	357,00	↗
Rapeseed oil	720,00	709,00	↗
Rapseseed meal	248,00	234,00	↗
Rapeseed cake*	247,31	251,25	↘
Rapeseed future	375,00	360,75	↗
Wholesale prices in ct/l, excl. VAT			
Biodiesel	120,79	117,95	↗
Consumer prices in ct/l incl. VAT			
Diesel	128,35	129,11	↘
Futures in US-$/barrel			
WTI, Nymex	67,66	69,30	↘

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

Market Headlines

Oilseeds

- Rapeseed prices surged; EU harvest estimates were lowered considerably; forward prices firmed.
- 2018 EU rapeseed crop expected to fall below 20 million tonnes.
- Rapeseed producers held back, speculating that prices would increase further.
- Trade conflict between the US and China influenced development of soybean prices.

Oilseed meals and oilcakes

- July soybean meal prices hardly moved as suppliers relied on rise in demand in August.
- Trade in rapeseed meal picked up; prices surged as feed compounders purchased some larger amounts.
- Rapeseed cake did not benefit from this trend.

Vegetable oils

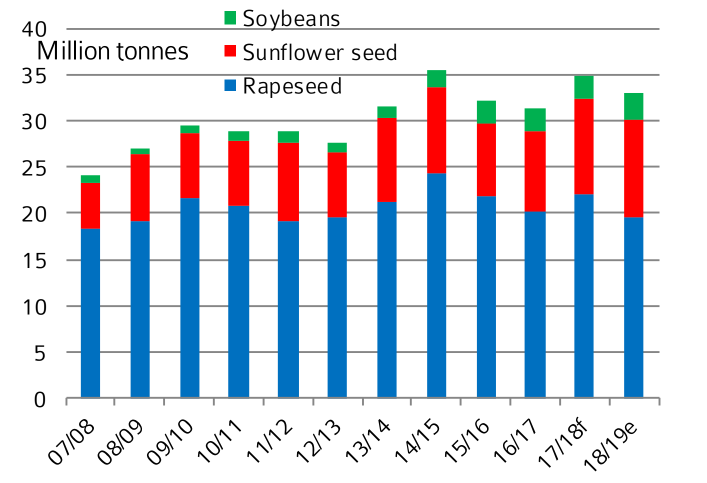
- Rapeseed oil prices rose on support from brisk demand for biodiesel and prospects for low rapeseed yields in the EU.
- Prices for cold pressed rapeseed oil declined due to slower demand from farmers.

Fuels

- Demand for biodiesel rose; RME is coming into focus; prices firmed.
- Diesel prices increased slightly from previous month.

Chart of the week

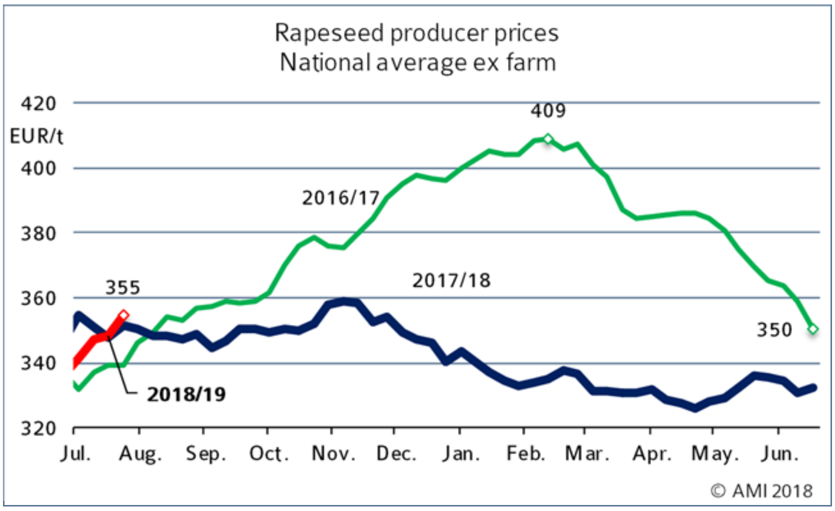
EU oilseed crop



Source: EU-Commission   Note: f = forecast, e = estimate

Edition august 2018

Market prices



Wholesale prices

In EUR/t on 01.08.2018, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	368	248	720	493
Previous week	357	234	709	496

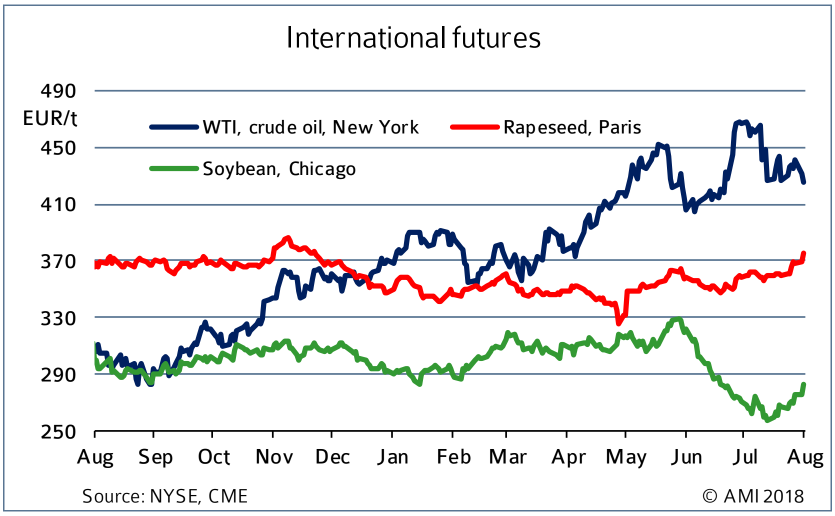
Source: AMI

Contract prices for rapeseed cake & cold-pressed rapeseed oil

Ex work in EUR/t (reported by mills/traders on 24.07.2018)

	Rapeseed cake		cold-pressed rapeseed oil in Cent/l	
Monthly production	Price range	Previous month	Feed oil	DIN 51605
< 100 t	246-260	246-260	84,75	86,25
> 100 t	235-240	245-250	Vm: 85,25	Vm: 86,75

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



Rapeseed

At the end of July, widespread declines in yield in Europe made an impact. Forward prices of rapeseed at the exchange in Paris climbed, also pulling up prices in Germany. Buying interest was generated as yields were lowered by drought, especially in Germany, France, Poland, the Baltic countries and Scandinavia. Now, all that's needed is for rapeseed producers to play their part. However, in light of lower yields, they are waiting for prices to increase further.

Rapeseed oil

Rapeseed oil prices firmed markedly over the last two weeks of July. In the EU-28, market participants were surprised about stable demand for biodiesel despite decreasing diesel sales. Biodiesel producers already started to stock up on RME for the production of winter-proof biodiesel. In view of expectations for a small EU rapeseed crop, the biodiesel industry was ready to pay significant premiums on rapeseed oil in order to get their hands on the commodity.

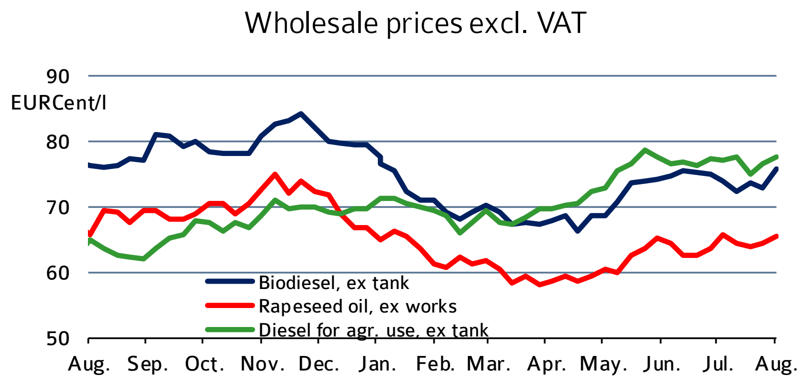
Rapeseed cake

Prices reported by German decentralised oil mills remained unchanged from the previous month in the range of EUR 246-260 per tonne ex station. By contrast, mills with a monthly output in excess of 100 tonnes of rapeseed cake lowered prices by EUR 10 per tonne to EUR 235-240 per tonne. To this end, some mills ramped down production. The scarcity of feedstock also played a role as not only was supply of old-crop rapeseed very limited. Also, the German 2018 rapeseed harvest will likely come in below average. For this reason, producers in particular insisted on higher prices. Rapeseed cake did not benefit from the considerable increase in rapeseed meal prices in July.

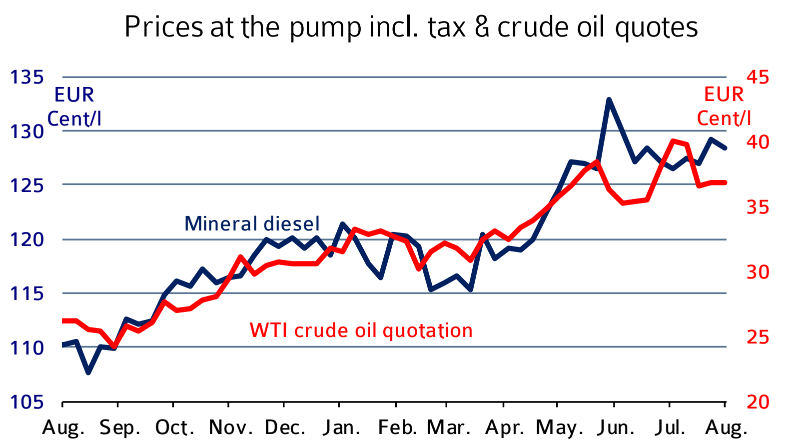
Cold pressed rapeseed oil

Asking prices for cold pressed rapeseed oil were lowered further. In July buyers paid EUR 84.75 per 100 litres net ex mill. This was EUR 0.50 less than in June. Rapeseed oil to the DIN 51605 standard came down by the same amount to EUR 86.25 per 100 litres. The was primarily due to farmers' weaker demand, which had started off the decline in prices already in June. Firmer prices for conventional rapeseed oil did nothing to prevent the price slide.

Biodiesel/ mineral Diesel



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



Domestic consumption in 2018

in 1.000 t	Jan.	Feb.	March	April	Mai	cumulated 2018	cumulated 2017
Biodiesel for blending	182,3	175,9	203,3	197,8	204,9	964,2	854,5
Diesel	2.618,0	2.700,1	2.943,2	2.977,0	2.873,2	14.088,0	14.860,1
Biodiesel + diesel	2.800,3	2.876,0	3.146,5	3.174,8	3.078,2	15.052,1	15.714,5
Share biodiesel	6,5 %	6,1 %	6,5 %	6,2 %	6,7 %	6,4 %	5,4 %
Bioethanol ETBE a)	11,3	9,7	13,6	8,8	11,6	55,0	50,1
Bioethanol for blending	94,7	78,8	85,7	87,8	95,3	442,3	411,1
Bioethanol total	106,0	88,5	99,3	96,6	106,9	497,2	461,2
Gasoline	1.344,5	1.326,1	1.454,7	1.394,0	1.433,4	6.926,1	7.022,7
Gasoline + bioethanol	1.450,5	1.414,6	1.554,0	1.490,6	1.540,2	7.423,3	7.483,9
Share bioethanol	7,3 %	6,3 %	6,4 %	6,5 %	6,9 %	6,7 %	6,2 %

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

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

Wholesale prices

At the end of July, wholesale prices for biodiesel surged sharply by 2.4 per cent within a week. Since all summer fuel was in the accounts, blenders focussed on biodiesel suitable for winter use. Buyers increasingly have taken into consideration that feedstock supplies are low due to the small EU rapeseed crop. Demand for RME picked up significantly. Blenders tried to capture the commodity early by accepting substantial surcharges.

Prices at the pump

International crude oil prices jumped at the beginning of July, reaching the equivalent of almost EUR 40 euro cents per litre. However, this high level could not be maintained. Above all, rising crude oil production in the US and growing stocks in storage created pressure on prices, as did concerns with regard to the unresolved conflicts between the US and other countries. Prices of mineral diesel did not follow the reference prices. At 128 euro cents per litre, they were slightly up from the previous month.

Consumption

Biodiesel

May 2018 biodiesel consumption in Germany increased to a total of 204,900 tonnes. This was up 3.6 per cent from the previous month and in fact almost 15 per cent from May 2017. By contrast, consumption of diesel fuel declined around 3.5 per cent to 2.87 million tonnes. Consequently, in May the blending quota of biodiesel in diesel rose 0.5 percentage points from the previous month to 6.7 per cent, a level not seen since May 2015.

Bioethanol

The use of bioethanol also went up in May. It amounted to a total of 106,900 tonnes. This translates to a 10.6 per cent rise from the previous month. Compared to May 2017, bioethanol consumption saw a slight rise of 1.3 per cent.