

UFOP Market Information

Oilseeds and Biofuels

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Price trends

Mean price	Week 27	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	350,95	351,05	↘
Wholesale prices in EUR/t			
Rapeseed	364,00	365,00	↘
Rapeseed oil	726,00	737,00	↘
Rapeseed meal	199,00	204,00	↘
Rapeseed cake*	209,00	209,00	→
Rapeseed future	361,25	366,25	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	108,17	115,10	↘
Consumer prices in ct/l incl. VAT			
Diesel	123,64	125,89	↘
Futures in US-\$/barrel			
WTI, Nymex	57,34	59,38	↘

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

Market Headlines

Oilseeds

- Forward and spot prices for rapeseed indecisive
- EU crop projected at below 18 million tonnes, but Ukraine is at the ready with large export supplies
- Large soy supply from South America
- US soybean area shrank 10 per cent.

Oilseed meals and oilcakes

- Prices for rapeseed meal and expeller hit lowest level in one-and-a-half years, but demand remained weak.

Vegetable oils

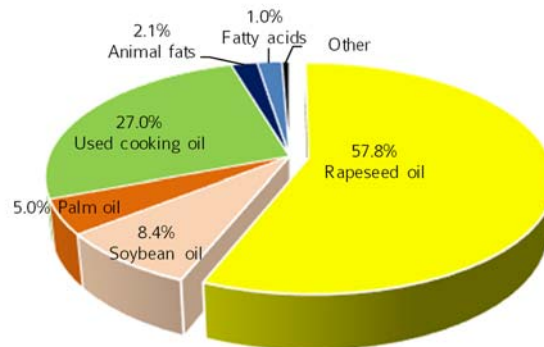
- Weak soybean oil pulled down prices for rapeseed oil.
- Slow exports weighed on international palm oil prices.

Fuels

- Biodiesel prices recently headed downward.
- Extension of OPEC cap stabilised crude oil prices.

Chart of the week

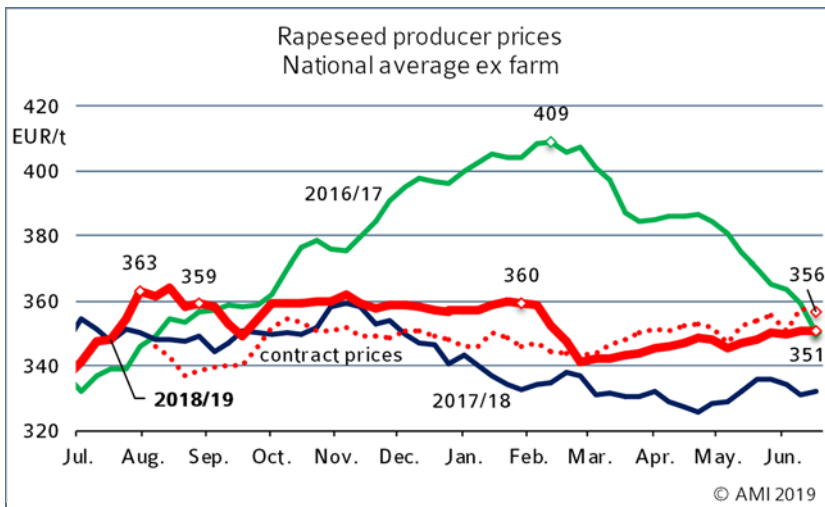
Production of biodiesel in Germany 2018



Source: VDB

Note: Estimate based on industry data

Market prices

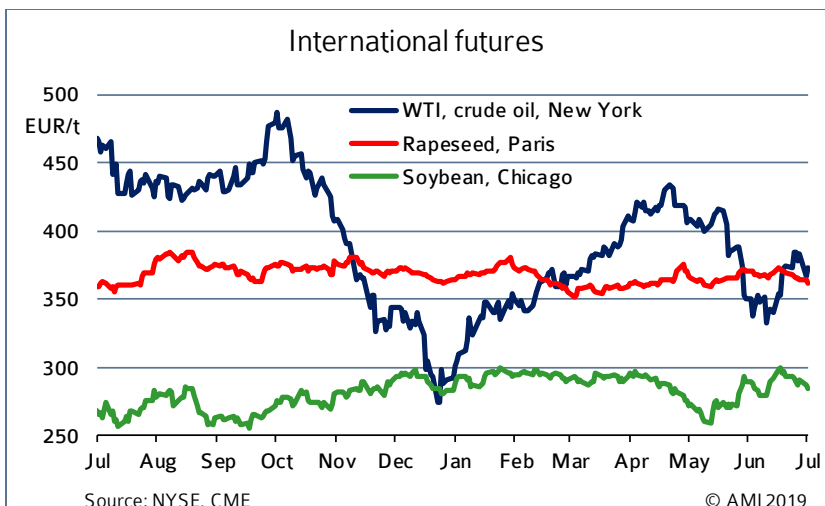
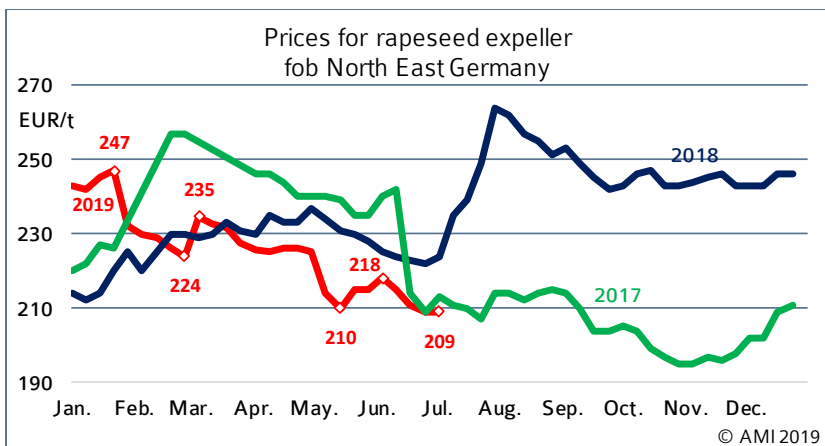


Wholesale prices

in EUR/t on 03.07.2019, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	364	199	726	449
Previous week	365	204	737	452

Source: AMI



Rapeseed

The June rapeseed market was calm. Oil mills' interest in buying old-crop rapeseed was near to nil, whereas the 2019 crop increasingly came into focus. However, forward contracts frequently failed because of differing price expectations and the general restraint exercised by producers. It remains to be seen how the rapeseed market will develop in the coming weeks. The small German crop would indicate a price surge, but rapeseed from Ukraine could once more close the gaps.

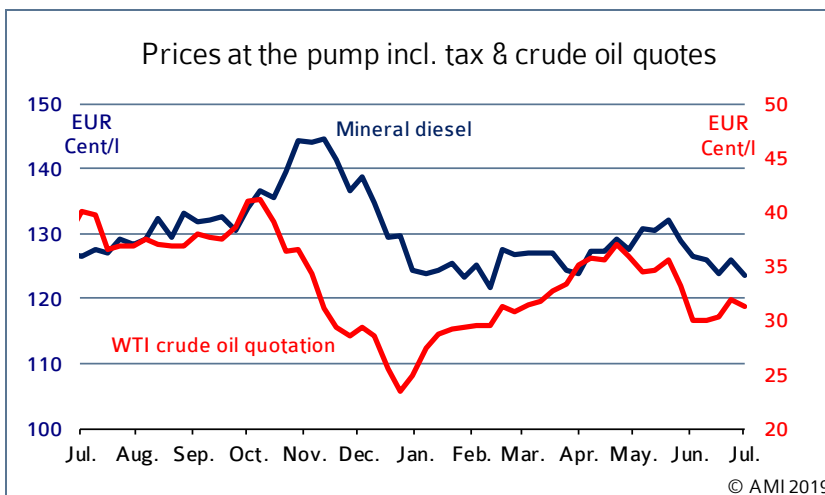
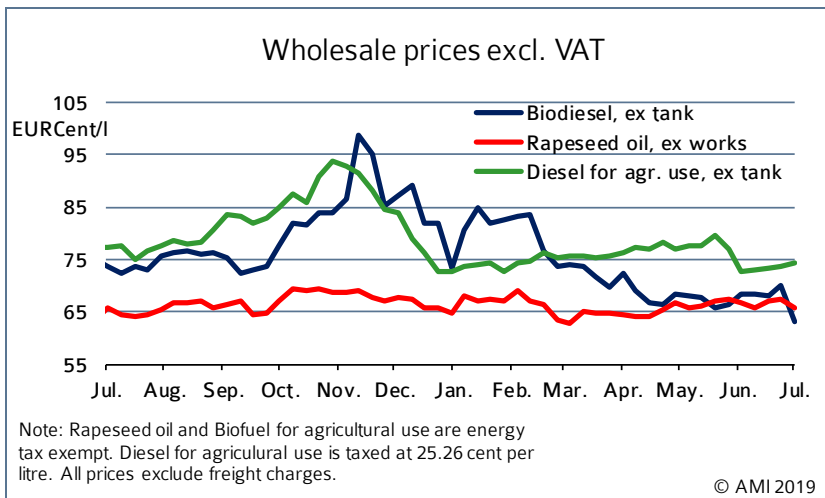
Rapeseed oil

Prices for rapeseed oil declined EUR 10 per tonne to EUR 726 per tonne from the previous month, primarily pulled down by weaker prices for soybean oil. But seasonally slow demand for biodiesel also produced pressure on prices, and this situation is unlikely to change before the autumn. The futures market also did not provide sustained support.

Rapeseed expeller

Prices for rapeseed expeller dropped sharply in the wake of weakening rapeseed meal prices. The level of EUR 209 per tonne fob North-East Germany at the beginning of July translates to an EUR 9 per tonne drop from the previous month and the lowest level in one-and-a-half years. Meanwhile, rapeseed meal fell to, on national average, EUR 197 per tonne, which was also a one-and-a-half-year low. Demand has been subdued for months. Compound feed manufacturers have only been buying sporadically and have not yet been stimulated to buy by substantial reductions in price.

Biodiesel/ mineral Diesel



Domestic consumption in 2019

in 1.000 t	cumulated					
	Jan.	Feb.	March	April	2019	2018
Biodiesel for blending	192,8	152,8	175,3	185,0	706,1	758,2
Diesel	2.783,6	2.790,8	2.869,2	2.981,7	11.470,7	11.161,7
Biodiesel + diesel	2.976,4	2.943,6	3.044,5	3.166,7	12.176,8	11.919,9
Share biodiesel	6,5 %	5,2 %	5,8 %	5,8 %	5,8 %	6,4 %
Bioethanol ETBE a)	7,6	4,2	8,4	9,1	29,2	40,1
Bioethanol for blending	92,1	83,3	55,4	82,1	333,2	345,8
Bioethanol total	99,7	87,5	63,8	91,2	362,5	385,8
Gasoline	1.258,3	1.203,9	1.408,5	1.360,2	5.190,7	5.249,9
Gasoline + bioethanol	1.358,0	1.291,5	1.472,3	1.451,4	5.553,2	5.635,8
Share bioethanol	7,3 %	6,8 %	4,3 %	6,3 %	6,5 %	6,8 %

Note: a) Volume percent of bioethanol in ETBE = 47 %; cumulated figures include (unpublished)

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

Wholesale prices

June demand in the biodiesel market was steady initially. Orders were not just for UCOME but also for biodiesel from vegetable oils, with the result that prices were on a stable to firming trend. This situation changed at the turn of the month. Weaker buying interest recently caused prices to drop substantially.

Prices at the pump

At the beginning of June, international crude oil prices came under pressure due to the trade dispute between the US and China and also pulled down prices of mineral diesel in Germany. However, prices have stabilised again. Support came from the surprisingly strong decline in US crude oil supplies and the agreement the OPEC countries reached about extending the cuts in production for another nine months.

Consumption

Biodiesel

In April 2019 the use of biodiesel rose yet again from the previous month, increasing 5.5 per cent to 185,015 tonnes. However, this tonnage once more fell short of the previous year's figure, with the result that January to April 2019 consumption remained 7 per cent below the previous year's volume at 706,086 tonnes. April diesel use of 2.98 million tonnes was up just less than 4 per cent from the previous month, raising the biodiesel incorporation rate marginally to 5.8 per cent. In the first four months of the year, total consumption of diesel including biodiesel amounted to 12.2 million tonnes. This was up 2.2 per cent year-on-year.

Bioethanol

Following the slide in March, in April the amount of biodiesel added was 82,082 tonnes. This translates to a 48 per cent rise from the previous month and a drop of only 6.4 per cent from April 2018. The blending ratio reached 6.3 per cent, because at the same time the use of petrol declined 3.4 per cent. According to information published by the Federal Office for Economic Affairs and Export Control (BAFA), the use of bioethanol for blending amounted to around 333,233 tonnes, falling 3.6 per cent short of the previous year's tonnage.