

# UFOP Market Information

## Oilseeds and Biofuels

### Contents

**Producer prices**  
**Wholesale prices**..... 2  
 Rapeseed  
 Rapeseed oil, palm oil  
 Rapeseed meal  
 Rapeseed expeller  
**Fuels**..... 3  
 Wholesale prices  
 Prices at the pump  
 Fuel consumption  
**Highlights** .....4ff.

### Market Headlines

#### Oilseeds

- Rapeseed prices climbed significantly, driven by firming forward prices and revived demand from oil mills.
- Scarcer EU rapeseed supply anticipated for 2020; stocks running low; flow of imports from Ukraine expected to dwindle from January onwards.
- US soybean production remained below 100 million tonnes, whereas prospects in South America were optimistic as Brazil might have a bumper crop.
- Tension between US and China eased as China bought larger amounts of US soybeans in November.

#### Oilseed meals and oilcakes

- Feed compounders continued to buy little oilseed meal and rapeseed expeller.

#### Vegetable oils

- Demand from the biodiesel industry for rapeseed oil was restrained; market was not expected to pick up until the end of the year. Situation will be different in 2020.
- Palm oil prices continued to climb. Global decline in supply coincided with buoyant demand.

#### Fuels

- Demand for biodiesel focused on positions in the new year.
- Crude oil prices increased; OPEC+ might extend cap on production until mid 2020.

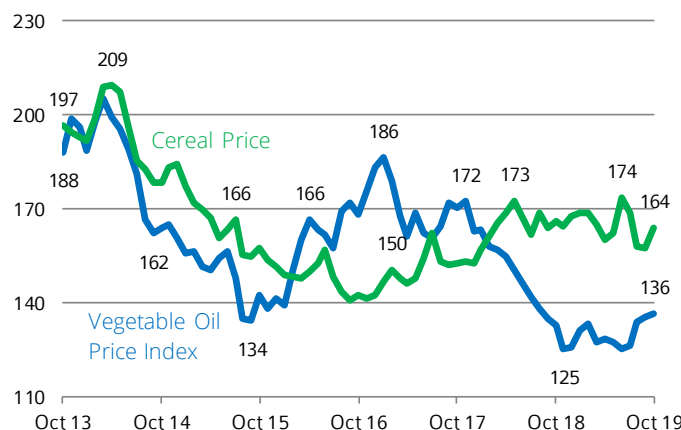
### Price trends

Mean price	Week 48	Previous week	Trend
<b>Producer prices in EUR/t</b>			
Rapeseed	372,26	374,81	↘
<b>Wholesale prices in EUR/t</b>			
Rapeseed	385,00	391,00	↘
Rapeseed oil	807,00	827,00	↘
Rapeseed meal	210,00	211,00	↘
Rapeseed cake*	203,00	204,00	↘
Rapeseed future	385,75	392,00	↘
<b>Wholesale prices in ct/l, excl. VAT</b>			
Biodiesel	125,75	124,56	↗
<b>Consumer prices in ct/l incl. VAT</b>			
Diesel	122,95	125,13	↘
<b>Futures in US-\$/barrel</b>			
WTI, Nymex	58,41	55,21	↗

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

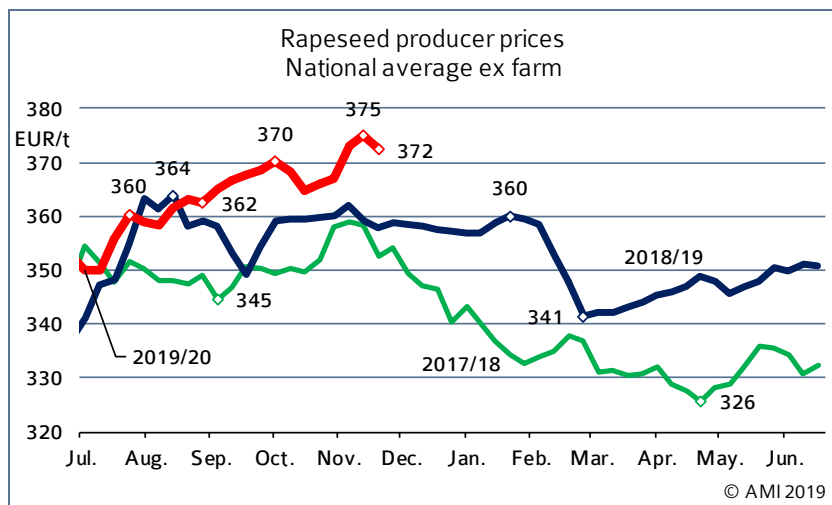
### Chart of the week

FAO Vegetable Oil and Cereal Price Index



Source: FAO Price Index, AMI

# Market prices



## Rapeseed

Rapeseed prices rose to EUR 375 per tonne on German average by mid month, driven by prospects of scarcer feedstock supply in 2020, but also by the resulting demand from oil mills for deliveries in the first quarter of the coming year. On pressure from declining forward prices, rapeseed prices flagged recently, but remained clearly above the levels seen in previous years.

## Rapeseed oil

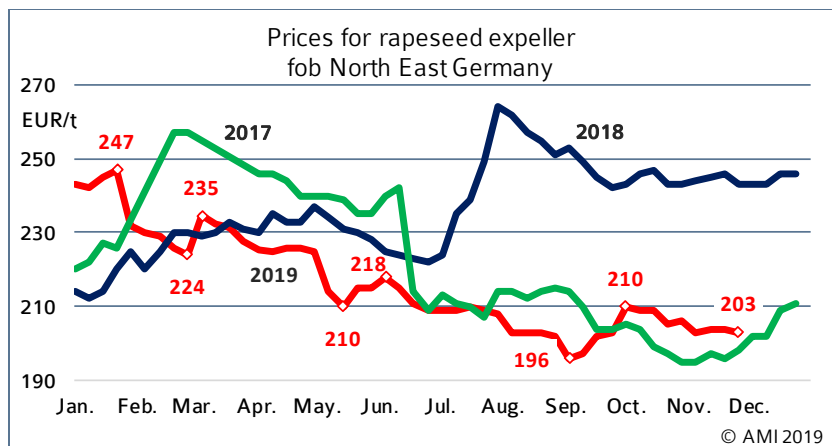
In the first week of November, rapeseed oil prices firmed significantly, reaching the level of EUR 839 per tonne fob Hamburg by mid month. The rise was mainly driven by firming feedstock prices. In Paris, rapeseed temporarily reached its highest closing price since April 2017 at EUR 392 per tonne. However, asking prices for rapeseed oil were lowered in the second half of the month. The principal reason was weaker demand from the biodiesel industry till the end of 2019, but also the new weakness of feedstock prices.

## Wholesale prices

in EUR/t on 27.11.2019, (collected at mills and trade)

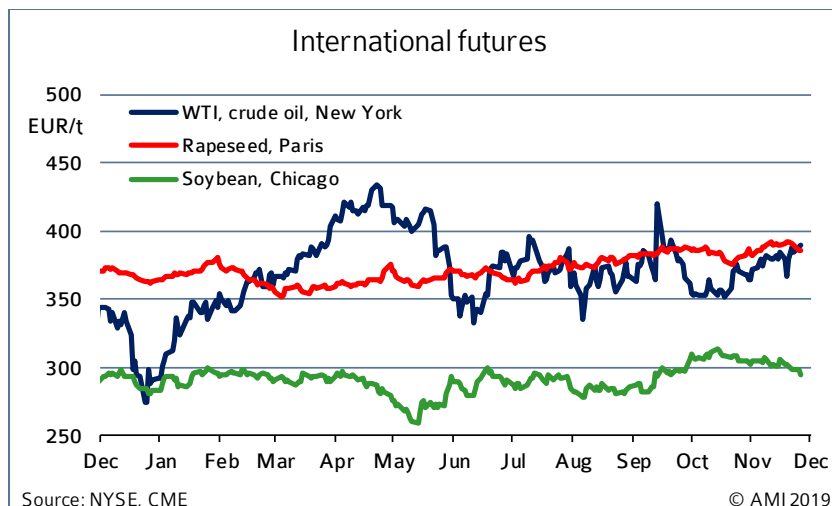
	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	385	210	807	638
Previous week	391	211	827	610

Source: AMI

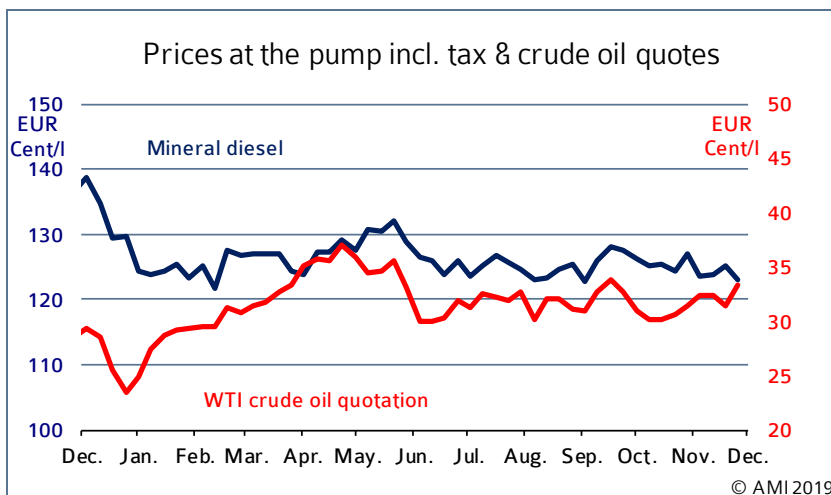
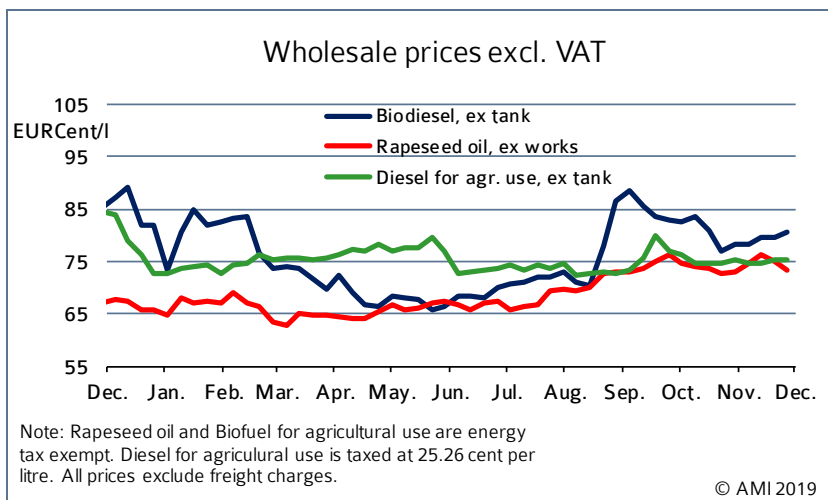


## Rapeseed expeller

The German rapeseed meal market was extremely calm. Urgent batches had disappeared, but buying interest was slow to pick up. Demand was far from being brisk. Most compound feed manufacturers are stocked up well till year-end. The situation as regards rapeseed expeller was similar. Expeller prices remained virtually unchanged over the past weeks whilst coming under slight pressure from restrained demand.



# Biodiesel/ mineral Diesel



Domestic consumption in 2019

in 1.000 t

	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	2019	2018
Biodiesel for blending	193,0	152,8	175,1	185,0	183,0	194,3	226,6	218,4	207,7	1.736,0	1.788,0
Diesel	2.763,4	2.798,1	2.925,4	3.044,0	3.087,1	2.829,2	3.174,4	3.020,2	2.939,2	26.563,9	26.235,2
Biodiesel + diesel	2.956,4	2.950,9	3.100,5	3.229,1	3.270,1	3.023,5	3.401,0	3.238,6	3.146,9	28.299,9	28.023,1
Share biodiesel	6,5 %	5,2 %	5,6 %	5,7 %	5,6 %	6,4 %	6,7 %	6,7 %	6,6 %	6,1 %	6,4 %
Bioethanol ETBE a)	7,6	4,2	8,4	9,1	9,1	8,4	6,5	5,5	6,5	65,3	88,3
Bioethanol for blending	92,1	83,3	74,9	82,1	94,1	92,5	95,0	89,5	91,0	794,7	814,7
Bioethanol total	99,7	87,5	83,3	91,2	103,3	100,9	101,5	95,1	97,6	860,0	903,0
Gasoline	1.262,0	1.187,3	1.386,3	1.382,8	1.477,1	1.435,1	1.513,8	1.517,9	1.404,8	12.560,4	12.519,8
Gasoline + bioethanol	1.361,7	1.274,8	1.469,7	1.473,9	1.580,4	1.536,0	1.615,3	1.613,0	1.502,3	13.420,4	13.422,7
Share bioethanol	7,3 %	6,9 %	5,7 %	6,2 %	6,5 %	6,6 %	6,3 %	5,9 %	6,5 %	6,4 %	6,7 %

Note: a) Volume percent of bioethanol in ETBE = 47 %; accumulated figures include (unpublished) revised monthly BAFA data  
Source: Federal Office for Economic Affairs and Export Control, AMI

## Wholesale prices

Biodiesel prices stepped up at the end of November. However, there was hardly any trading in spot material. Most producers were nearly sold out. At the same time, blenders were well supplied till year-end. The picture was different for next-year positions for which demand was occasionally brisk. Suppliers were surprised at receiving purchase requests for the second half of 2020 already.

## Prices at the pump

After declining initially in November, crude oil prices clawed their way back up towards the end of the month, rising significantly within just a week. They were driven by positive signals in the US-China trade dispute as the conclusion of what is called a phase-one trade agreement seemed almost within reach. Bullish effects also came from the willingness of OPEC+ to extend production cuts until mid 2020. Price climbs on the international market did not give support to German prices of mineral diesel. The latter recently fell below EUR 1.23 EUR per litre. This was EUR 0.04 below the previous month's level.

## Consumption

### Biodiesel

The total amount of biodiesel used in Germany in September 2019 amounted to 207,700 tonnes. This was down 4.9 per cent from the previous month, but up 9.1 per cent on September 2018. The use of diesel fuel declined 2.7 per cent compared to the previous month to 2.94 million tonnes. This also translates to a 0.7 per cent drop year on year. This means that the use of biodiesel for blending decreased more sharply than consumption of diesel fuel in September 2019. Consequently, the incorporation rate dropped from 6.7 to 6.6 per cent.

### Bioethanol

Whereas September biodiesel consumption was in decline, the use of bioethanol in blends increased to 91,000 tonnes. This was up 1.7 per cent from August. The use of bioethanol in ETBE rose 18 per cent compared to the previous month to 6,550 tonnes. Total bioethanol consumption amounted to 97,550 tonnes. This was up 2.6 per cent from the previous month and 5.3 per cent year on year. The September incorporation rate of bioethanol in blends grew to 6.5 per cent due to the concurrent decline in petrol consumption. This was up 0.6 percentage points from August.