UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 06	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	378,34	386,31	↘
Wholesale prices in EUR/t			
Rapeseed	395,00	402,00	↘
Rapeseed oil	802,00	797,00	↗
Rapseseed meal	223,00	216,00	↗
Rapeseed cake*	230,00	229,00	↗
Rapeseed future	393,75	403,00	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	125,73	127,62	↘
Consumer prices in ct/l incl. VAT			
Diesel	122,13	123,93	↘
Futures in US-$/barrel			
WTI, Nymex	50,75	53,33	↘

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

Market Headlines

Oilseeds

- US and China signed trade agreement, but China's soybean purchases are long in coming.
- EU-28 has previously imported around 4 million tonnes of rapeseed in 2019/20 and would require another 1.5 million tonnes, but the Ukraine is sold out.
- Favourable weather in South America; Brazil expects record-high soybean harvest.
- German rapeseed prices were on a slide, weighed down by weak quotations and low demand from oil mills.

Oilseed meals and oilcakes

- Rapeseed meal and expeller were valued higher, but buyers continued to be hard to find.

Vegetable oils

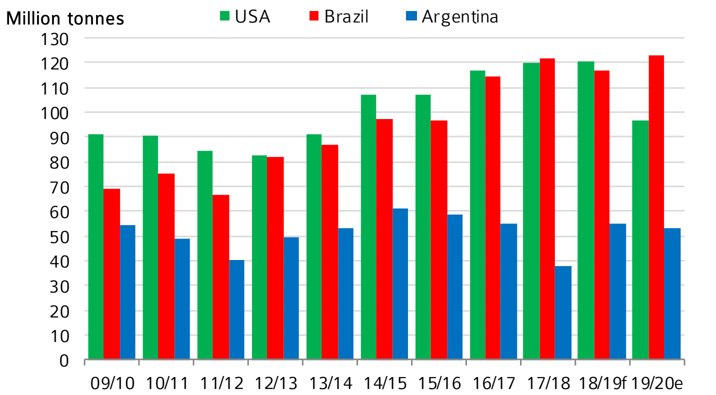
- Vegetable oil prices dropped substantially.
- Pressure came from the palm oil market; the coronavirus and the diplomatic conflict between Malaysia and India had a negative impact.

Fuels

- Demand for biodiesel calmed down, price weakened.
- Diesel prices flagged on pressure from crude oil; US produced record amounts of crude, whereas the coronavirus curbed the Chinese economy.

Chart of the week

Soybean crops in the top producing countries

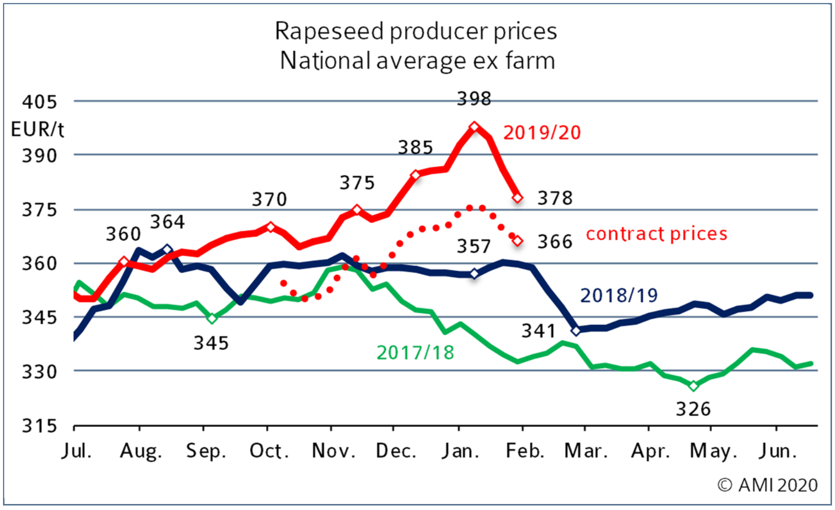


Source: USDA, AMI

Note: f = forcast , e = estimate

Edition february 2020

Market prices

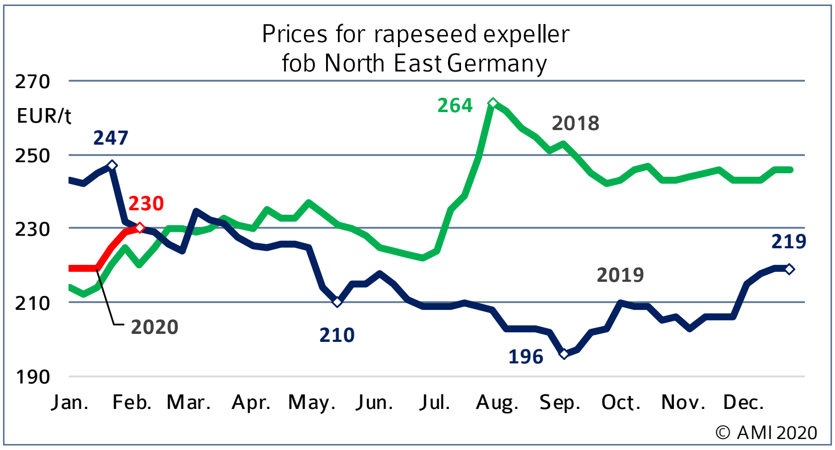


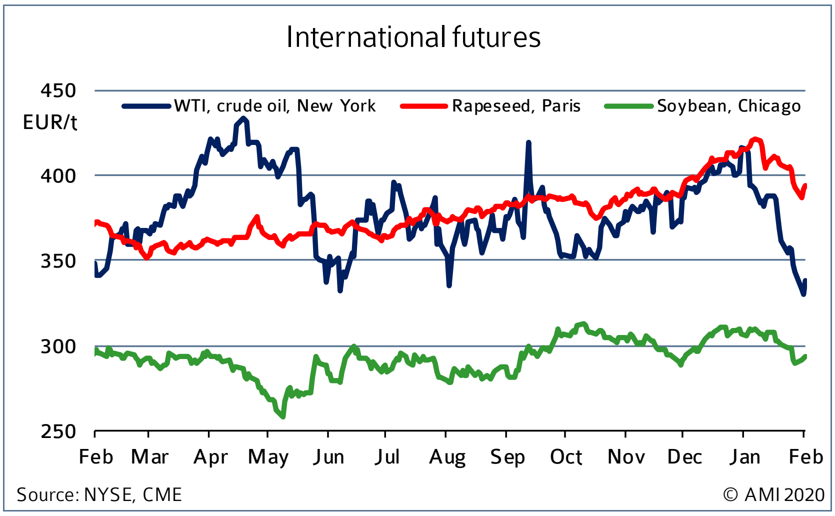
Wholesale prices

in EUR/t on 05.02.2020, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	395	223	802	701
Previous week	402	216	797	699

Source: AMI





Rapeseed

Rapeseed prices in Germany declined substantially in the second half of January on weaker forward prices. Most recently, the price was established at EUR 378 per tonne. Most farmers were hardly willing to sell at this level, but many of them were sold out anyway. At the same time, buying interest from oil mills was very low. With the majority of them being stocked up, there was hardly any new business.

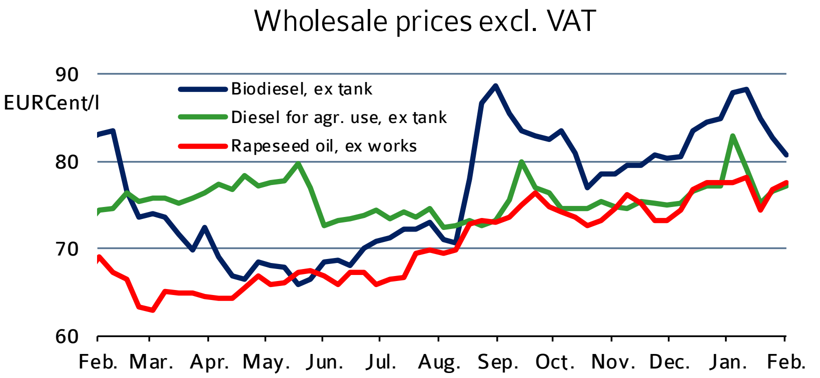
Rapeseed oil

Although prices for rapeseed oil firmed somewhat at the beginning of February, the high price level seen in the first half of January remained unmatched. Pressure from the futures market was too high. Rapeseed prices in Paris have declined sharply since mid January. Also, demand for biodiesel has cooled following an unusually brisk start of the year.

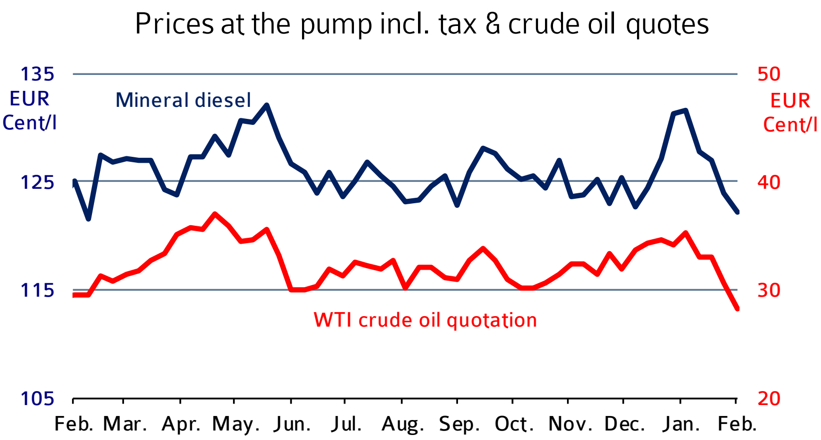
Rapeseed expeller

Prices for rapeseed expeller firmed considerably over the past two weeks. Most recently, the price fob North-East Germany was established at EUR 230 per tonne. This translates to an EUR 11 per tonne rise from the previous month and is equivalent to the previous year' level. In other words, prices followed the higher asking prices for rapeseed meal and, at the same time, resisted the weaker reference prices on the rapeseed futures market.

Biodiesel/ mineral Diesel



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



Wholesale prices

The biodiesel market kicked off the new calendar year in unusually brisk trading. In recent years, demand often cooled just before Christmas and would not pick up again until February or even March. In 2020, it's different. Blenders got moving immediately after the holidays, making requests for UCOME and also vegetable oil-based biodiesel. According to market participants, this reflects the fact that the greenhouse gas (GHG) emission quota has been raised from 4 per cent to 6 per cent. This is why UCOME – which has a comparatively high GHG saving potential – has moved into focus. Anyone wanting to meet the quota has to boost blending from the very beginning. In the meantime, the biodiesel market has calmed somewhat and prices are declining.

Prices at the pump

International crude oil prices have been under strong pressure for approximately two weeks. Above all, pressure has come from the coronavirus, along with record-high US crude oil production and growing stocks. The breakout and spread of the coronavirus soon aroused concerns regarding the economic development of China. China's demand for crude has waned and the country's refiners have scaled back production levels. This sent international crude oil prices on a downward slide and also pushed down German prices for mineral diesel.

Domestic consumption in 2019

in 1.000 t												cumulated	
	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	2019	2018
Biodiesel for blending	193,0	152,8	175,1	185,0	183,0	194,3	226,6	218,4	207,7	202,4	208,2	2.146,2	1.972,9
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	3.162,7	2.977,0	32.518,7	29.379,1
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	3.365,1	3.185,2	34.664,8	31.352,0
Share biodiesel	6,5 %	5,2 %	5,6 %	5,7 %	5,6 %	6,4 %	6,7 %	6,7 %	6,6 %	6,0 %	6,5 %	6,2 %	6,3 %
Bioethanol ETBE a)	7,6	4,2	8,4	9,1	9,1	8,4	6,5	5,5	6,5	7,8	8,4	103,4	96,3
Bioethanol for blending	92,1	83,3	74,9	82,1	94,1	92,5	95,0	89,5	91,0	95,0	93,5	989,2	902,7
Bioethanol total	99,7	87,5	83,3	91,2	103,3	100,9	101,5	95,1	97,6	102,8	102,0	1.092,6	998,9
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	1.480,3	1.346,8	15.326,2	13.927,7
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	1.583,1	1.448,7	16.418,8	14.926,6
Share bioethanol	7,3 %	6,9 %	5,7 %	6,2 %	6,5 %	6,6 %	6,3 %	5,9 %	6,5 %	6,5 %	7,0 %	6,7 %	6,7 %

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

Consumption

Biodiesel

The total amount of biodiesel used in Germany in November 2019 amounted to 208,200 tonnes. This was up 3 per cent from the previous month and 20 per cent from November 2018. On the other hand, the use of diesel fuel was at 2.98 million tonnes, down virtually 6 per cent from the previous month and 5.2 per cent year-on-year. Consequently, the November 2019 incorporation rate was higher than average at 6.5 per cent, up 0.5 percentage points from the previous month.

Bioethanol

Whereas the consumption of biodiesel increased, the use of bioethanol declined somewhat. It amounted to a total of 102,000 tonnes. This translates to a drop of 800 tonnes from the previous month. Whilst the amount of bioethanol in ETBE increased, the amount used in petrol blends decreased. The consumption of petrol declined more sharply than did the use of bioethanol in November 2019. This resulted in an incorporation rate of 7 per cent, which was up 0.5 percentage points from the previous month and the highest percentage since January 2019.