

# 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.

### Price trends

Mean price	Week 32	Previous week	Trend
<b>Producer prices in EUR/t</b>			
Rapeseed	365,77	365,60	↗
<b>Wholesale prices in EUR/t</b>			
Rapeseed	375,00	380,00	↘
Rapeseed oil	800,00	799,00	↗
Rapeseed meal	200,00	201,00	↘
Rapeseed cake*	213,00	217,00	↘
Rapeseed future	105,89	100,65	↗
<b>Wholesale prices in ct/l, excl. VAT</b>			
Biodiesel	124,66	123,77	↗
<b>Consumer prices in ct/l incl. VAT</b>			
Diesel	107,70	107,39	↗
<b>Futures in US-\$/barrel</b>			
WTI, Nymex	41,70	41,04	↗

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

### Market Headlines

#### Oilseeds

- Small German and EU rapeseed crops led to upturn in prices.
- Ukrainian rapeseed supply for export probably smaller than expected.
- Demand from oil mills remained slow.
- US soybean prices: more new business with China lent support, whereas large US harvest 2020 dragged on prices.

#### Oilseed meals and oilcakes

- Rapeseed meal and expeller were temporarily in very strong demand in July, scarce spot commodity fetched significant surcharges.

#### Vegetable oils

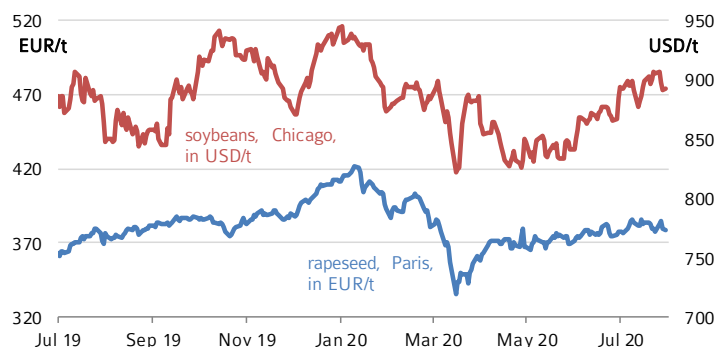
- Rapeseed oil prices firmed and palm oil rose sharply with support coming from buoyant demand for biodiesel and tight feedstock supply.

#### Fuels

- Demand for biodiesel was steady to brisk; prices sustained the high level reached.
- International crude oil prices benefited from decline in US supplies and prospects of decreasing supply from Saudi Arabia.

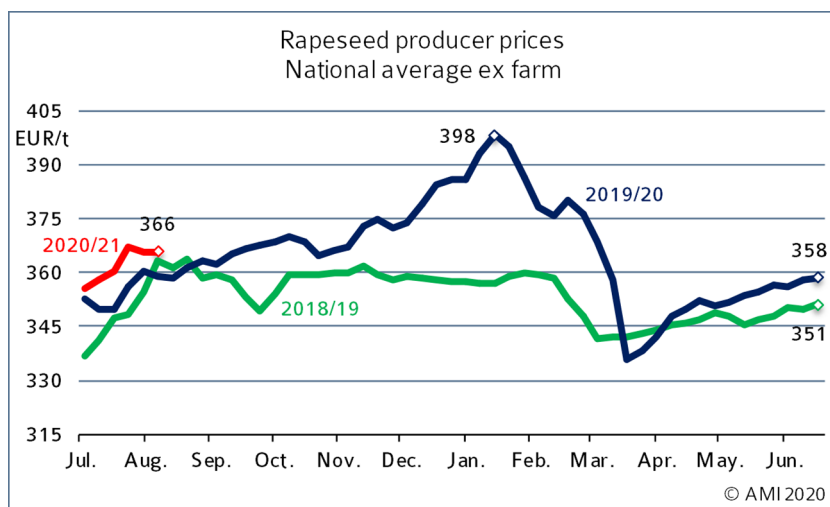
### Chart of the week

Oilseed futures closing prices



Source: CME, NYSE Liffe, AMI

# Market prices

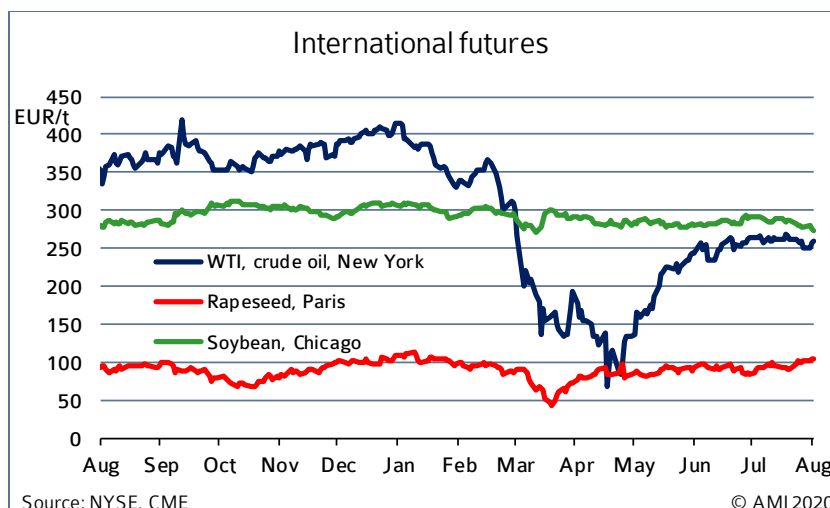
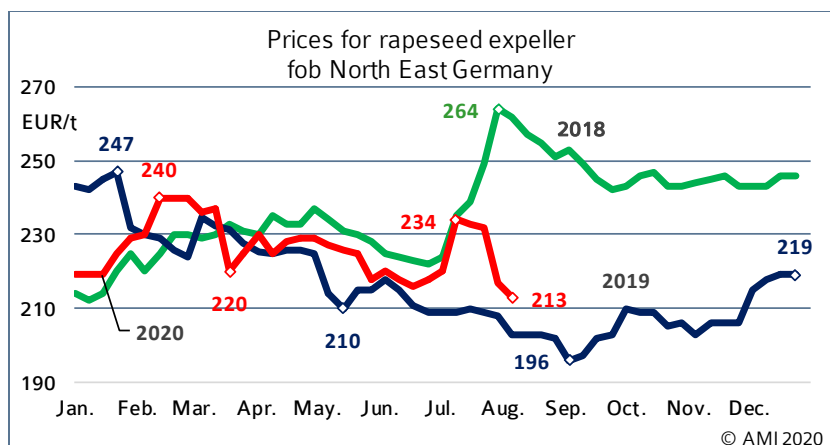


## Wholesale prices

in EUR/t on 05.08.2020, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	375	200	800	611
Previous week	380	201	799	568

Source: AMI



## Rapeseed

Although the 2020 German rapeseed harvest will certainly be larger than the 2019 crop, it will once again be lower than average. This outlook initially drove ex-farm prices in July, but prices dipped somewhat in the second half of the month and stabilised again later. Most recently, prices remained above the year-ago level. There has been little trading recently, because farmers have been busy harvesting and bank on price increases in the coming weeks.

## Rapeseed oil

Rapeseed oil prices firmed almost throughout July. Most recently, they stabilised at the level of EUR 800 per tonne. Support came from the rise in demand for biodiesel in Germany after the first corona wave had petered out. Support was also provided by the feedstock market, where there were signs of a shortage of supply in the current season, and from firmer palm and soybean oil prices on the international futures exchanges.

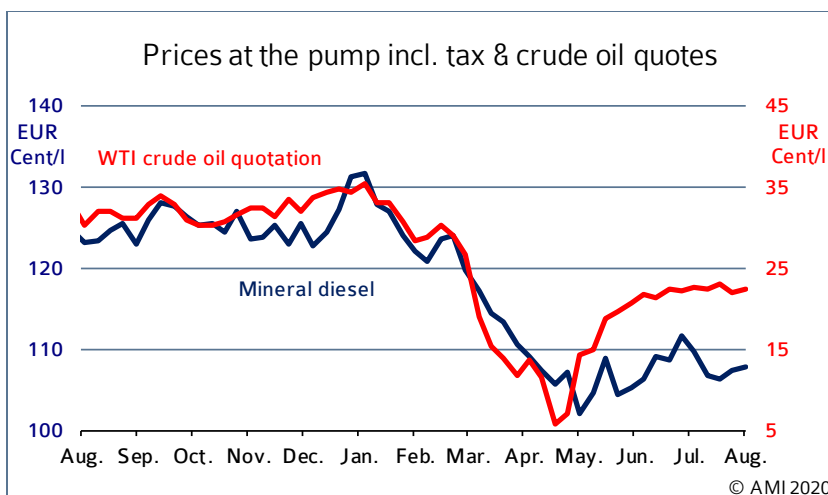
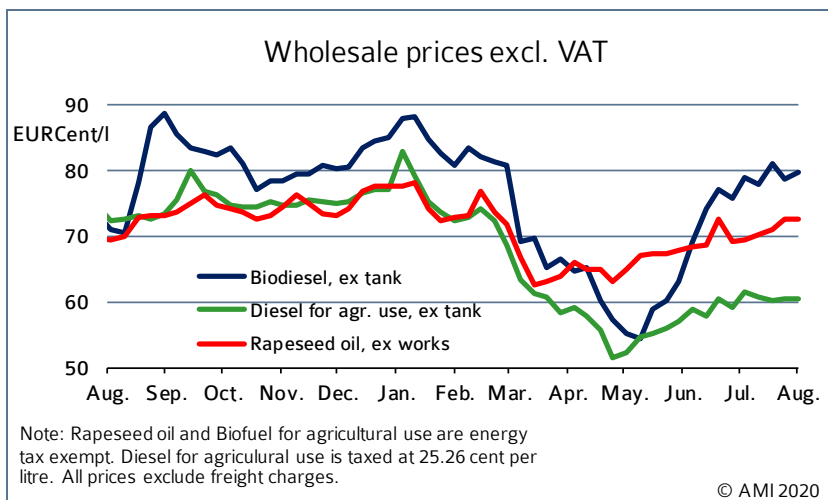
## Rapeseed expeller

Prices for rapeseed expeller followed a turbulent pattern in July, firming only slightly at the beginning of the month and then rising sharply. Prices surged EUR 14 per tonne to EUR 234 per tonne in North-East Germany in just a single week. This was the same level as in the reference month in 2018 and up almost EUR 30 per tonne year-on-year. The reason for the surge was the wave of demand from compound feed companies, which demand was mainly for rapeseed meal and expeller as protein components. Since offers were few and far between, this led to a demand surplus that caused prices to soar.

## Wholesale prices

The firm trend in the biodiesel market continued, because buying interest remained steady to lively in July. Demand for biodiesel deliveries in the fourth quarter of 2020 also picked up noticeably, allowing for appropriate mark-ups. The raising of blending quota requirements in 2020 and a certain pent-up demand due to corona were likely factors driving prices up. Another factor certainly was the small rapeseed output in the EU which held out the prospect of a shortage in supply.

# Biodiesel/ mineral Diesel



Domestic consumption in 2020 in 1.000 t	cumulated						2020	2019
	Jan.	Feb.	March	April	May	2020		
Biodiesel for blending	221,7	212,7	222,0	194,3	242,2	1.088,3	866,8	
Diesel	2.713,9	2.665,2	2.637,8	2.337,9	2.431,6	12.990,3	14.665,7	
Biodiesel + diesel	2.935,7	2.877,9	2.859,8	2.532,3	2.673,8	14.078,7	15.532,5	
Share biodiesel	7,6 %	7,4 %	7,8 %	7,7 %	9,1 %	7,7 %	5,6 %	
Bioethanol ETBE a)	8,2	8,8	11,4	10,3	10,0	48,8	38,4	
Bioethanol for blending	94,0	86,7	73,6	50,5	79,3	383,7	414,5	
Bioethanol total	102,2	95,5	85,0	60,8	89,2	432,5	452,9	
Gasoline	1.357,8	1.279,3	1.183,3	904,6	1.093,7	5.807,4	6.706,7	
Gasoline + bioethanol	1.460,0	1.374,8	1.268,3	965,4	1.182,9	6.239,8	7.159,5	
Share bioethanol	7,0 %	6,9 %	6,7 %	6,3 %	7,5 %	6,9 %	6,3 %	

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

## Prices at the pump

On the international crude oil market, prices maintained the level reached. The stability was based on a sharp decline in US oil reserves and Saudi Arabia's growing home demand, which is likely to diminish oil supply from there. Profits were capped by the expected production increases in the OPEC+ states in August. Prices for mineral diesel barely followed the fluctuations in crude oil prices. They came down slightly from the previous month.

## Consumption

### Biodiesel

In May 2020, the biodiesel market saw a clear recovery from the impacts of the corona pandemic, which had restricted both private and public life, including freight and passenger road traffic, especially in April. As a result, only 194,300 tonnes of biodiesel were used in diesel blends in April. May use for blending was 242,300 tonnes, which was up one fourth from the previous month and one third from May 2019. At 9.1 per cent, it was also the highest incorporation rate ever (including hydrotreated vegetable oil - HVO)! The reason for this development was the increase of the quota on greenhouse gas (GHG) emission from 4 per cent to 6 per cent in 2020. Moreover, under the European Fuel Quality Directive, the obligation can only be fulfilled with biofuel used in the respective calendar year. In other words, quotas cannot be carried over or credited to the following year.

### Bioethanol

Consumption of bioethanol also rebounded in May 2020. The use in blends increased 28,500 tonnes to more than 79,000 tonnes. Including ETBE, bioethanol use amounted to 89,200 tonnes. Petrol consumption also picked up, but once again less strongly than the blending amount of bioethanol, bringing the incorporation rate up to 7.5 per cent (compared to 6.3 per cent previous month). This was the highest level since January 2018.