UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 36	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	364,74	362,25	↗
Wholesale prices in EUR/t			
Rapeseed	379,00	375,00	↗
Rapeseed oil	794,00	782,00	↗
Rapseseed meal	217,00	214,00	↗
Rapeseed cake*	231,00	225,00	↗
Rapeseed future	85,61	96,94	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	124,59	124,86	↘
Consumer prices in ct/l incl. VAT			
Diesel	105,43	105,73	↘
Futures in US-$/barrel			
WTI, Nymex	42,76	43,35	↘

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

Market Headlines

Oilseeds

- Tight EU rapeseed supply supported forward prices.
- Extensive rapeseed imports from Ukraine and the Baltic countries in August.
- Earlier drying up of Ukrainian imports to be expected.
- Demand from oil mills for German rapeseed remained slow.
- New US soy business with China and harvest concerns in the Midwest supported US soybean prices.

Oilseed meals and oilcakes

- Rapeseed meal and expeller temporarily in strong demand in August as compound feed manufacturers covered their autumn/winter needs.

Vegetable oils

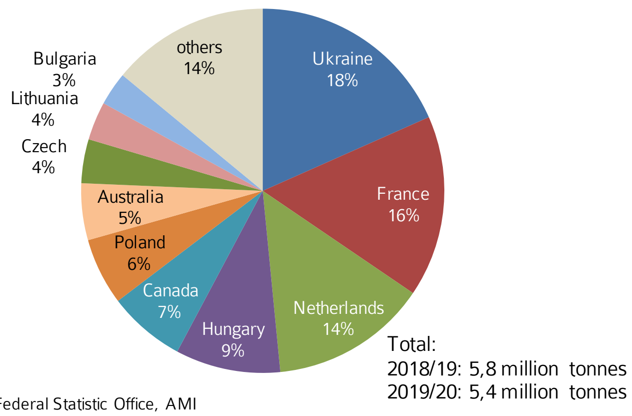
- Rapeseed oil prices benefited from tight feedstock supply, rising demand for RME and firmer soybean oil.

Fuels

- Demand for biodiesel was steady and in some cases brisk; prices remained at a comparatively high level.
- International crude oil prices benefited from OPEC's restrained production policy.

Chart of the week

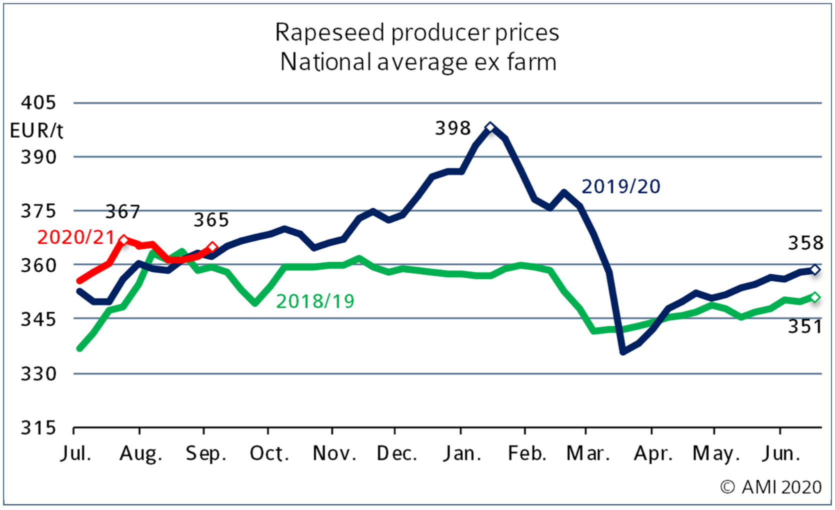
Origins of German rapeseed imports 2019/20



Source: Federal Statistic Office, AMI

Edition september 2020

Market prices

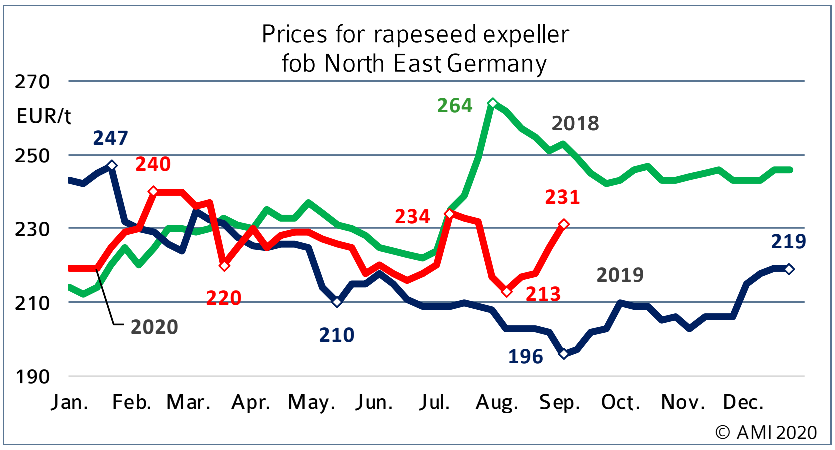


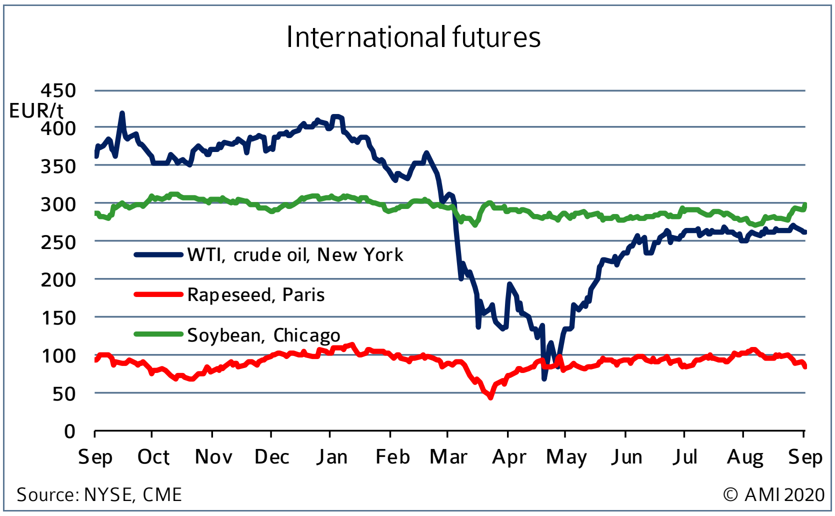
Wholesale prices

in EUR/t on 02.09.2020, (collected at mills and trade)

	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	379	217	794	585
Previous week	375	214	782	580

Source: AMI





Rapeseed

Rapeseed prices dwindled significantly at the beginning of the month, but then tended to climb again. The price drop at the start of the month resulted from incoming shipments of rapeseed from the Baltic countries and – two weeks later than originally expected – from Ukraine. Since then, most shipments have come from there, whereas business with domestic rapeseed has been slow. The current slight firming of prices is based on firm forward prices in Paris and has improved farmers' willingness to sell somewhat.

Rapeseed oil

Prices for rapeseed oil came under pressure at the beginning of the month, but have steadily rallied since then. Most recently, they reached EUR 794 per tonne fob Hamburg, which was up around EUR 12 per tonne from the previous week's level, but still down EUR 6 per tonne from the previous month's mark. Tight feedstock supply and rising demand for rapeseed methyl ester as well as firming soybean oil prices were the basic reasons for the rise.

Rapeseed expeller

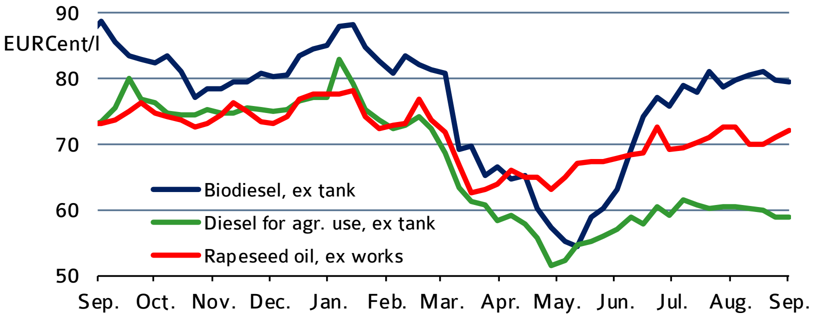
Prices for rapeseed expeller bounced off their lows. Brisk demand from the compound feed industry led to a sharp surge in prices that also affected rapeseed meal. The upturn also brought other buyers to the market, who wanted to stock up before prices increased even further. However, demand calmed towards the end of the month.

Wholesale prices

In the biodiesel market, buyers already started to shift their focus to winterproof rapeseed methyl ester. Although the incorporation of cold-resistant biodiesel is not mandatory until October, most blenders change to using RME from mid September onwards and purchasers order the required batches correspondingly early.

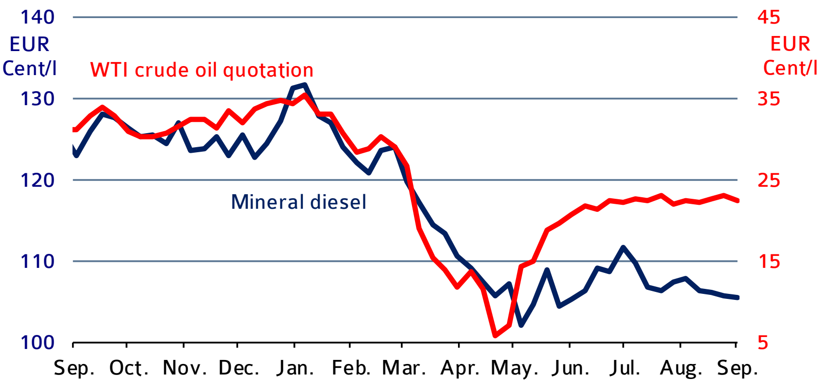
Biodiesel/ mineral Diesel

Wholesale prices excl. VAT



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.

Prices at the pump incl. tax & crude oil quotes



Domestic consumption in 2020

in 1.000 t

	Jan.	Feb.	March	April	May	June	cumulated 2020	2019
Biodiesel for blending	221,7	212,7	222,0	194,3	242,2	227,7	1.316,1	1.057,9
Diesel	2.713,9	2.665,2	2.637,8	2.337,9	2.431,6	2.564,1	15.492,0	17.524,1
Biodiesel + diesel	2.935,7	2.877,9	2.859,8	2.532,3	2.673,8	2.791,9	16.808,1	18.582,0
Share biodiesel	7,6 %	7,4 %	7,8 %	7,7 %	9,1 %	8,2 %	7,8 %	5,7 %
Bioethanol ETBE a)	8,2	8,8	11,4	10,3	10,0	12,5	61,2	46,8
Bioethanol for blending	94,0	86,7	73,6	50,5	79,3	81,2	464,9	506,5
Bioethanol total	102,2	95,5	85,0	60,8	89,2	93,7	526,1	553,4
Gasoline	1.357,8	1.279,3	1.183,3	904,6	1.093,7	1.206,4	7.013,8	8.143,0
Gasoline + bioethanol	1.460,0	1.374,8	1.268,3	965,4	1.182,9	1.300,1	7.539,9	8.696,4
Share bioethanol	7,0 %	6,9 %	6,7 %	6,3 %	7,5 %	7,2 %	7,0 %	6,4 %

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

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

Prices at the pump

The firming price trend at the beginning of the month failed to last, with prices at the filling station dropping steadily over the month. On the other hand, crude oil prices remained stable with gains and losses offsetting each other eventually. Support came from the common production policy of the OPEC+ states, which were stepping up their oil output only slowly. In the past trading days, the hurricane that hit the US Gulf Coast was the main factor contributing to stronger prices movements. Much of the region's oil production was shut down because of the hurricane, but in the end storm damage was not as extensive as expected.

Consumption

Biodiesel

June biodiesel use for blending in diesel fuel amounted to around 228,000 tonnes. This translates to a 6 per cent decline from May 2020, but also a more than 17 per cent increase compared to June 2019. The cumulative incorporation in blends in the first half year of 2020, of just over 1.3 million tonnes, also significantly exceeded the year-earlier level by almost one fourth. Whereas the amount of biodiesel declined, consumption of diesel fuel increased. The amount of around 2.6 million tonnes translates to an increase of 5.5 per cent compared to the previous month. As a result of this, the incorporation rate dropped, albeit from a May 2020 record of 9.1 per cent. The June rate was 8.2 per cent, which was indeed lower than the previous month, but yet above average.

Bioethanol

Bioethanol consumption in Germany increased further in June 2020. According to the latest figures published by the Federal Office for Economic Affairs and Export Control (BAFA), the quantity of bioethanol both for use in ETBE and in petrol blends increased. Taken together, bioethanol consumption amounted to 93,700 tonnes, which was a 5 per cent rise from the previous month. It was also the largest consumption volume in four months. However, the figure fell more than 7 per cent short of that of the same month the previous year. Also, total bioethanol consumption in the first half year of 2020 was almost 5 per cent lower than a year earlier. June consumption of petrol continued to rise. April had seen demand collapse in the wake of corona restrictions. In fact, the same applies to diesel fuel and biodiesel, in other words, to any kind of transport fuel.