UFOP Market Information Oilseeds and Biofuels

Contents

Price trends

Mean price	Week 40	Previous week	Trend
Producer prices in EUR/t			
Rapeseed	366,33	371,08	↘
Wholesale prices in EUR/t			
Rapeseed	378,00	387,00	↘
Rapeseed oil	775,00	790,00	↘
Rapseseed meal	233,00	243,00	↘
Rapeseed cake*	243,00	241,00	↗
Rapeseed future	63,82	67,46	↘
Wholesale prices in ct/l, excl. VAT			
Biodiesel	130,06	124,49	↗
Consumer prices in ct/l incl. VAT			
Diesel	103,18	103,35	↘
Futures in US-$/barrel			
WTI, Nymex	40,22	39,93	↗

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

Market Headlines

Oilseeds

- Rapeseed prices temporarily exceeded EUR 370 per tonne, hitting a 1.5-year high.
- Producers' willingness to sell temporarily increased.
- Firm forward prices gave prices a lift, which was followed by a decline at the end of September.
- Demand from oil mills for German rapeseed remained restrained.
- High expectations concerning US soybean harvest 2020 contrasted with planting delays in South America.

Oilseed meals and oilcakes

- Rapeseed meal and expeller were temporarily in strong demand in September with firm prices on additional support from the futures market.

Vegetable oils

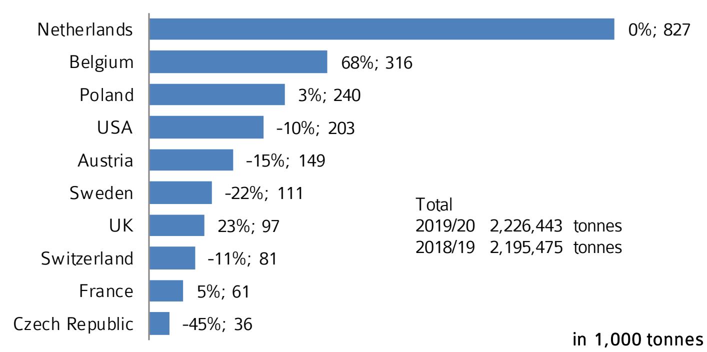
- Rapeseed oil prices recently weakened, but increasing demand for RME should now provide a boost.

Fuels

- Demand for biodiesel was steady to brisk; transition to winter diesel is complete.
- International crude oil prices initially came under pressure due to corona concerns, but have firmed slightly now.

Chart of the week

Top recipient countries of German biodiesel
German exports in the 2019/20 marketing year



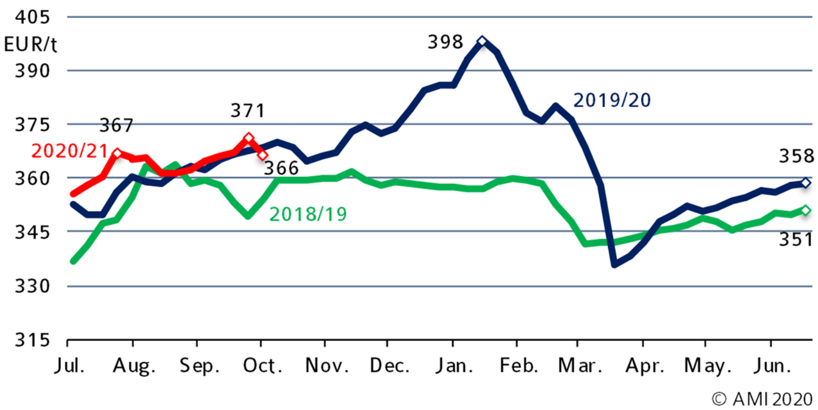
Source: Destatis

Note: Changes in per cent compared to 2018/19

Edition october 2020

Market prices

Rapeseed producer prices
National average ex farm



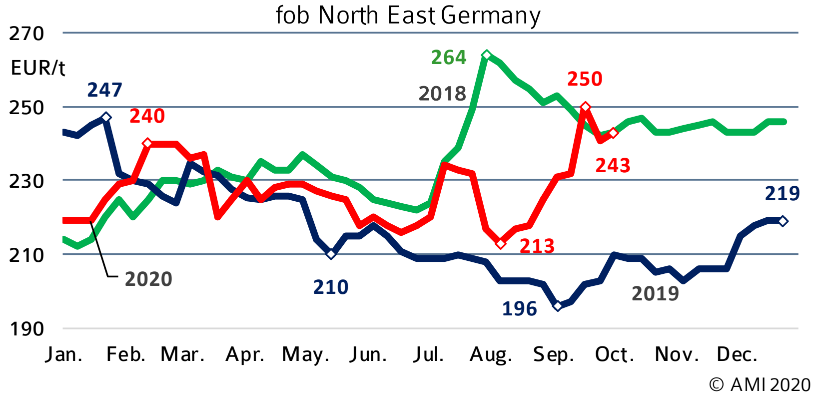
Wholesale prices

in EUR/t on 30.09.2020, (collected at mills and trade)

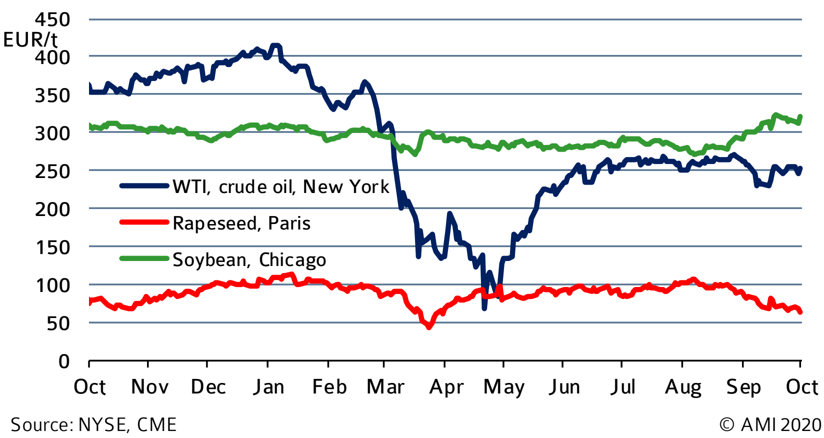
	Rapeseed 2018 franko	Rapeseed fob	Rapeseed oil fob	Palmoil cif
Spot	378	233	775	646
Previous week	387	243	790	647

Source: AMI

Prices for rapeseed expeller
fob North East Germany



International futures



Rapeseed

Rapeseed prices in Germany temporarily reached the level of more than EUR 370 per tonne in September. After producers had been very reluctant in the weeks before, this price level stimulated their willingness to sell somewhat. However, trading interest waned as prices dipped shortly before the turn of the month. The reason for the decline was weaker forward prices of rapeseed which followed the downward trend of soybeans. Also, demand from oil mills for domestic rapeseed remained low as the mills frequently used imported rapeseed. Imports came from Ukraine, for example, although on a smaller scale than 2019/20. German rapeseed growers now mainly rely on price stimuli from the biodiesel market.

Rapeseed oil

Increasing feedstock prices also sent rapeseed oil prices rising in the second half of September, but the latter have come slightly down again. The market was fairly calm in recent weeks. However, suppliers expect demand from biodiesel producers for rapeseed oil to increase from October onwards. Demand for rapeseed oil for use in biodiesel fuel production is higher in the winter months, because rapeseed oil has the required stability at low temperatures. Price increases are expected to occur for rapeseed methyl ester and likely also for rapeseed oil.

Rapeseed expeller

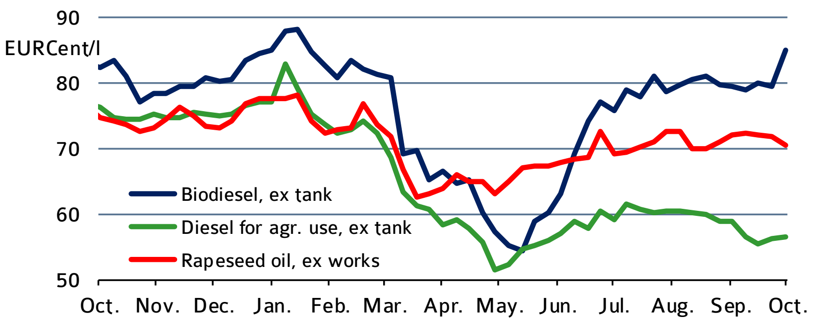
Prices of rapeseed expeller have been on an upward trend since August. In the second half of September, they reached their highest level since July 2018 at EUR 250 per tonne fob North-East Germany. The price trend was similar to that of rapeseed meal. Both benefited from steady and, in some German regions, also brisk demand from compound feed manufacturers, along with firm forward prices.

Wholesale prices

In the biodiesel market, the focus in the first half of the month was still on summer diesel, SME and PME. However, the first quantities of RME were already ordered. The transition to so-called winter diesel, which is at a slightly higher price level, should be complete by now. This is also the reason for the strong rise in biodiesel prices at the turn of September and October.

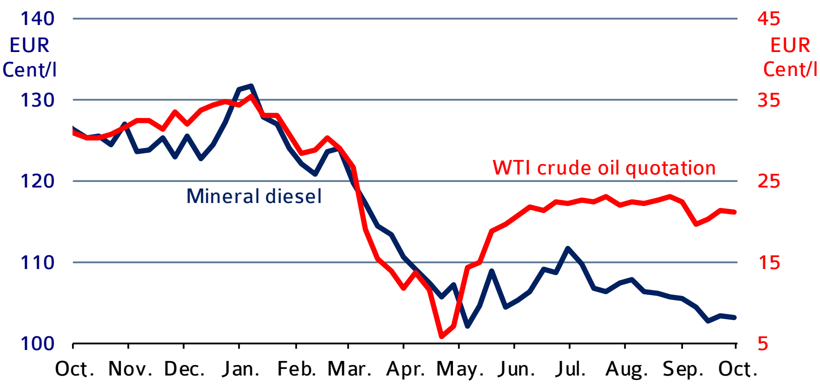
Biodiesel/ mineral Diesel

Wholesale prices excl. VAT



Note: Rapeseed oil and Biofuel for agricultural use are energy tax exempt. Diesel for agricultural 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								cumulated	
	Jan.	Feb.	March	April	May	June	July	2020	2019
Biodiesel for blending	221,7	212,7	222,0	194,3	242,2	227,7	288,8	1.638,3	1.278,9
Diesel	2.713,9	2.665,2	2.637,8	2.337,9	2.431,6	2.564,1	2.944,3	18.436,3	20.712,6
Biodiesel + diesel	2.935,7	2.877,9	2.859,8	2.532,3	2.673,8	2.791,9	3.233,1	20.074,6	21.991,5
Share biodiesel	7,6 %	7,4 %	7,8 %	7,7 %	9,1 %	8,2 %	8,9 %	8,2 %	5,8 %
Bioethanol ETBE a)	8,2	8,8	11,4	10,3	10,0	12,5	16,0	77,2	53,3
Bioethanol for blending	94,0	86,7	73,6	50,5	79,3	81,2	96,7	561,6	599,8
Bioethanol total	102,2	95,5	85,0	60,8	89,2	93,7	112,7	638,8	653,1
Gasoline	1.357,8	1.279,3	1.183,3	904,6	1.093,7	1.206,4	1.449,9	8.463,6	9.658,8
Gasoline + bioethanol	1.460,0	1.374,8	1.268,3	965,4	1.182,9	1.300,1	1.562,5	9.102,5	10.312,0
Share bioethanol	7,0 %	6,9 %	6,7 %	6,3 %	7,5 %	7,2 %	7,2 %	7,0 %	6,3 %

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

Prices at the pump

September prices for mineral diesel at the filling station were more back in line with international crude oil prices. The latter initially came under downward pressure on fears of a second global lockdown due to the increasing rates of new infections. The decline in crude oil prices was recouped by a brightening mood on the international stock markets. Prices then continued on a weakening trend, impacted by Iraq's announcement to ramp up its oil exports and a slowdown in demand from China.

Consumption

Biodiesel

The use of biodiesel for blending hit a record at 288,800 tonnes in Germany in July 2020. This translates to an increase of around 27 per cent on both the previous month and July 2019. Consumption of diesel fuel also rose almost 15 per cent to 2.94 million tonnes compared to the previous month. In other words, consumption of biodiesel grew more strongly than that of diesel, which sent the incorporation rate rising again. Nevertheless, the 8.9 per cent reached only barely missed the May 2020 record of 9.1 per cent.

Bioethanol

The use of bioethanol for blending increased to 96,700 tonnes in July 2020, which was up 19 per cent on the previous month. The rise in use of bioethanol in ETBE was even stronger, 28.5 per cent compared to June to around 16,000 tonnes. Total use reached a multi-year high of 112,700 tonnes, exceeding the previous month's figure by just over 20 per cent and that of July 2019 by 11 per cent. Nevertheless, the incorporation rate of bioethanol in petrol did not increase, remaining above average at 7.2 per cent. The reason is that consumption of petrol surged considerably to 1.45 million tonnes, which translates to a 20 per cent increase from the previous month.
The combined volumes of biodiesel and bioethanol used in Germany in July 2020 amounted to more than 400,000 tonnes of biofuels, a record quantity.