UNION ZUR FÖRDERUNG VON OEL- UND PROTEINPFLANZEN E.V.

ufop

# UFOP Market Information Oilseeds and Biofuels

## Contents



## Price trends

| Mean price | Week 45 | Previous week | Trend |
|---|---|---|---|
| Producer prices in EUR/t | | | |
| Rapeseed | 369,81 | 373,39 | ↘ |
| Wholesale prices in EUR/t | | | |
| Rapeseed | 390,00 | 389,00 | ↗ |
| Rapeseed oil | 780,00 | 790,00 | ↘ |
| Rapseseed meal | 252,00 | 253,00 | ↘ |
| Rapeseed cake* | 269,00 | 266,00 | ↗ |
| Rapeseed future | 58,03 | 49,77 | ↗ |
| Wholesale prices in ct/l, excl. VAT | | | |
| Biodiesel | 125,34 | 126,40 | ↘ |
| Consumer prices in ct/l incl. VAT | | | |
| Diesel | 100,89 | 102,10 | ↘ |
| Futures in US-$/barrel | | | |
| WTI, Nymex | 39,15 | 37,39 | ↗ |

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

## Market Headlines

### Oilseeds

- Rapeseed prices remained at the level of EUR 370 per tonne.
- Forward prices rebounded after a short period of weakness.
- Farmers' rapeseed sales seemed like a flash in the pan.
- Demand from oil mills for German rapeseed remained restrained.
- US soybean harvest progressed at fast pace. Brazilian farmers were making up for sowing delays.

### Oilseed meals and oilcakes

- Rapeseed meal and expeller recorded considerable price increases, supported by firm soybean meal.
- Demand was very restrained at a high price level.

### Vegetable oils

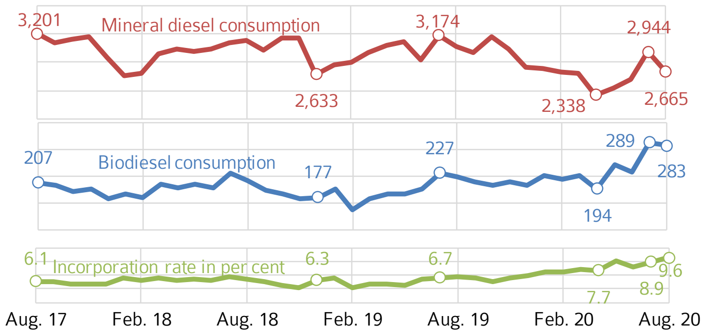
- Rapeseed oil prices recently waned due to shortage of demand from biodiesel industry.

### Fuels

- Demand for biodiesel was smooth to steady; renewed Covid-19 lockdown caused blenders to act with caution and on a short-term basis.
- Corona concerns weighed down crude oil prices once more; October prices of mineral diesel went into reverse.

## Chart of the week

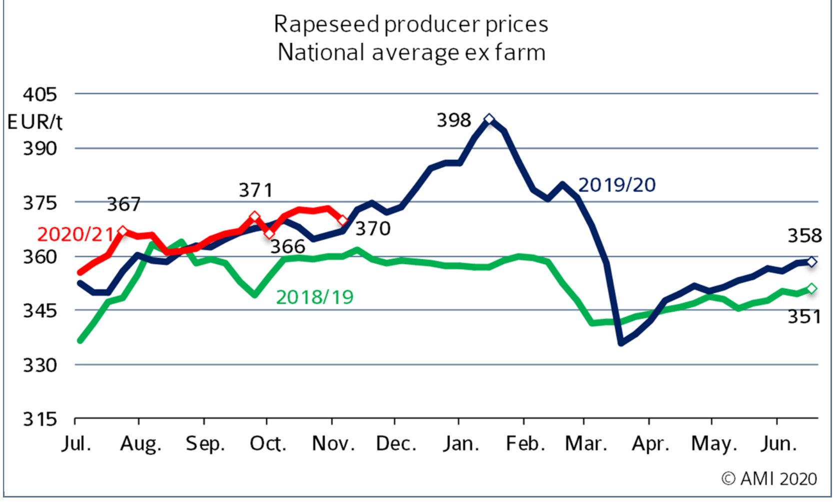
Consumption of mineral diesel and biodiesel
in 1,000 tonnes




Source: Bafa

Edition november 2020

# Market prices

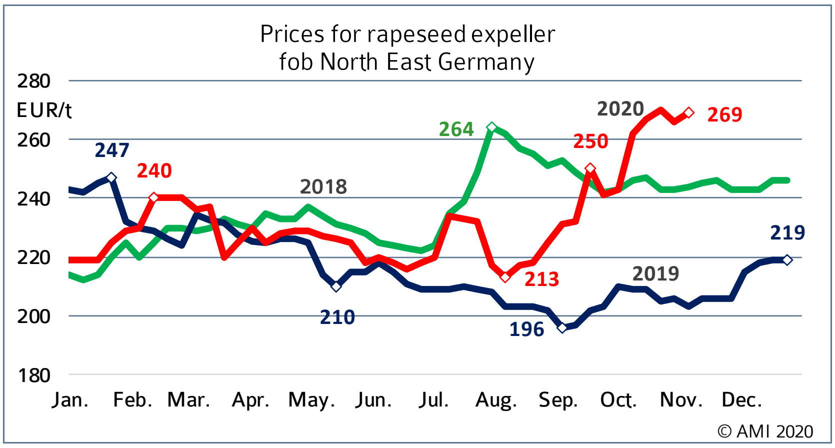


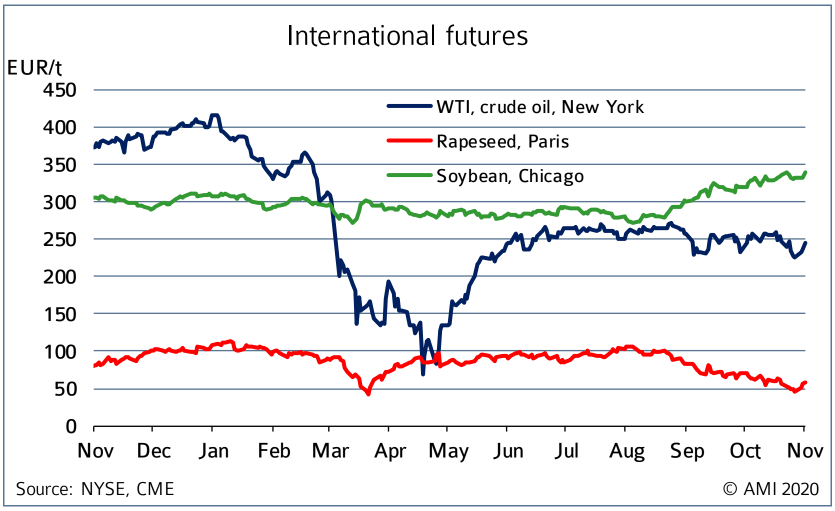

## Wholesale prices

in EUR/t on 04.11.2020, (collected at mills and trade)

| | Rapeseed 2018 franko | Rapeseed fob | Rapeseed oil fob | Palmoil cif |
|---|---|---|---|---|
| Spot | 390 | 252 | 780 | 693 |
| Previous week | 389 | 253 | 790 | 664 |

Source: AMI




## Rapeseed

October rapeseed prices were characterised by a strong surge which, however, did not last. Producer prices fell to EUR 370 per tonne at the end of the month. Market participants reported that rapeseed growers sold larger batches from the 2020 crop and already concluded their first contracts for the 2021 crop in the second half of October. Meanwhile the market upturn has stopped. Where rapeseed is presently moved, it is often imports from the Baltic countries and Ukraine which continue to be unloaded in German ports.

## Rapeseed oil

Prices in the rapeseed oil market were under slight pressure due to a lack of appreciable demand from biodiesel producers. Among other factors, this shortage was due to the renewed Covid-19 lockdown in Germany and uncertainty over future developments. By contrast, palm oil prices recently picked up month on month. The rise was linked to recent developments in the biggest palm oil producing countries. Due to the Covid-19 lockdown, Indonesia and Malaysia are facing a shortage of foreign workers which has put a damper on production.

## Rapeseed expeller

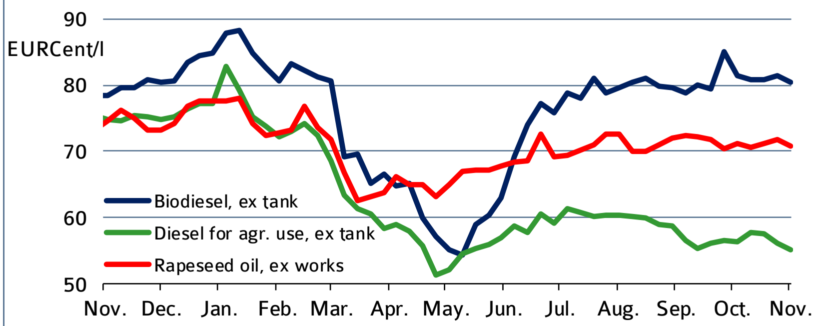
Prices for rapeseed expeller firmed considerably over the past few weeks. At the beginning of November, they stood at EUR 269 per tonne fob North-East Germany. This was up EUR 26 per tonne compared to four weeks earlier. Rapeseed meal also firmed, temporarily reaching EUR 275 per tonne on German average. Support came from a significant increase in asking prices for soybean meal. However, demand remained slow. Many compound feeders currently find rapeseed meal too expensive.

## Wholesale prices

In the biodiesel market, buyers have been focussed on rapeseed methyl ester for several weeks, because it has better winter performance. But although a boost in demand was not yet registered, asking prices did not give ground.

# Biodiesel/ mineral Diesel

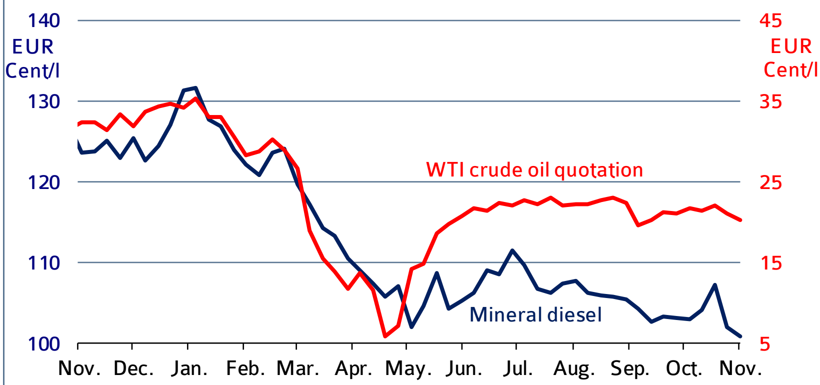
Wholesale prices excl. VAT




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



Prices at the pump incl. tax & crude oil quotes






## Prices at the pump

Prices for mineral diesel firmed, reaching a two-month high in October. However, this level could not be maintained. A weakening trend in the international crude oil market was one of the factors causing the slide. The rising number of corona cases that led to lockdowns in several states and reduced demand for crude oil weighed prices down.

## Consumption

Biodiesel

The incorporation rate of biodiesel in diesel rose even higher in August. At 9.6 per cent, it surpassed the previous 9.1 per cent peak seen in May 2020. While August biodiesel use for blending – 282,600 tonnes – was down 2.2 per cent from July, consumption of diesel fuel declined even more sharply, by 9.5 per cent to 2.67 million tonnes.
However, the comparison of August 2020 consumption figures with those of August 2019 reveal a completely different picture. The use of biodiesel was just over 29 per cent higher, whereas that of diesel fuel was just about 12 per cent lower. The change is especially obvious in the incorporation rate. In August 2020, 9.6 per cent biodiesel was blended in, compared to only 6.7 per cent in August 2019.

### Domestic consumption in 2020

| in 1.000 t | Jan. | Feb. | March | April | May | June | July | Aug. | cumulated 2020 | cumulated 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| Biodiesel for blending | 221,7 | 212,7 | 222,0 | 194,3 | 242,2 | 227,7 | 288,8 | 282,6 | 1.921,8 | 1.493,2 |
| Diesel | 2.713,9 | 2.665,2 | 2.637,8 | 2.337,9 | 2.431,6 | 2.564,1 | 2.944,3 | 2.665,4 | 21.102,9 | 23.735,7 |
| Biodiesel + diesel | 2.935,7 | 2.877,9 | 2.859,8 | 2.532,3 | 2.673,8 | 2.791,9 | 3.233,1 | 2.947,9 | 23.024,7 | 25.229,0 |
| Share biodiesel | 7,6 % | 7,4 % | 7,8 % | 7,7 % | 9,1 % | 8,2 % | 8,9 % | 9,6 % | 8,3 % | 5,9 % |
| Bioethanol ETBE a) | 8,2 | 8,8 | 11,4 | 10,3 | 10,0 | 12,5 | 16,0 | 13,5 | 90,8 | 58,8 |
| Bioethanol for blending | 94,0 | 86,7 | 73,6 | 50,5 | 79,3 | 81,2 | 96,7 | 91,5 | 653,1 | 688,7 |
| Bioethanol total | 102,2 | 95,5 | 85,0 | 60,8 | 89,2 | 93,7 | 112,7 | 105,0 | 743,9 | 747,5 |
| Gasoline | 1.357,8 | 1.279,3 | 1.183,3 | 904,6 | 1.093,7 | 1.206,4 | 1.449,9 | 1.364,3 | 9.827,9 | 11.181,3 |
| Gasoline + bioethanol | 1.460,0 | 1.374,8 | 1.268,3 | 965,4 | 1.182,9 | 1.300,1 | 1.562,5 | 1.469,3 | 10.571,8 | 11.928,8 |
| Share bioethanol | 7,0 % | 6,9 % | 6,7 % | 6,3 % | 7,5 % | 7,2 % | 7,2 % | 7,1 % | 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

Bioethanol

Bioethanol consumption declined in August 2020. Use in ETBE fell around 15 per cent to 13,500 tonnes, whereas use in blends decreased 5 per cent to 91,500 tonnes. Total consumption of bioethanol dropped just less than 7 per cent to 105,000 tonnes. However, the use of petrol also decreased. At 1.36 million tonnes, August use was down just about 6 per cent. As a result, the proportion of bioethanol in petrol blends saw only a minimal decline of 7.21 per cent to 7.15 per cent.