

FAO vegetable oil price index continued downside

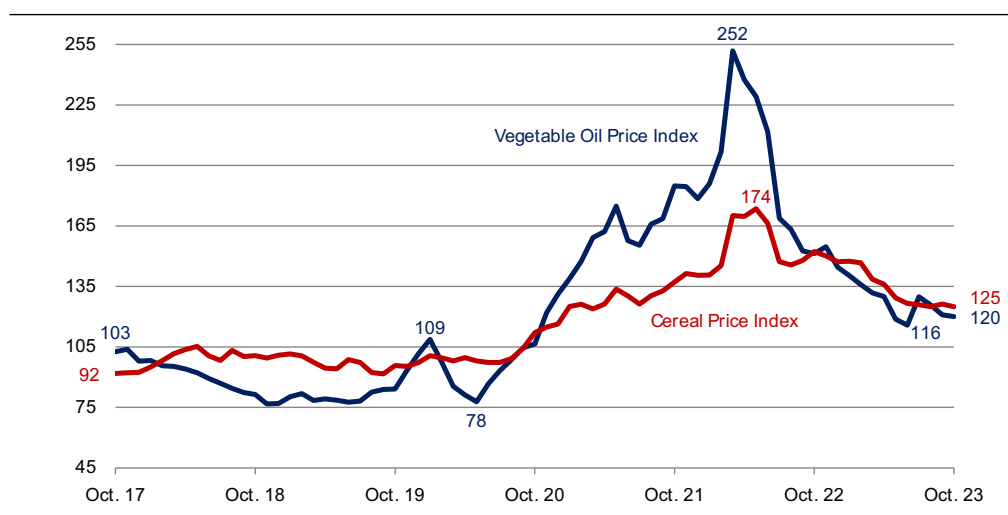
Berlin, 8 November 2023 – Trends in global vegetable oil prices were mixed in October. Whereas palm oil was offered at much lower prices, soybean, rapeseed and sunflowerseed oil saw a slight rise.

The October FAO vegetable oil price index averaged 120.0 points. This was down only 0.7 per cent on the previous month but translates to an around 20.7 per cent decline on the past year. Above all, the marginal decline over the previous month reflected the lower bids for palm oil which more than offset the higher asking prices for soybean, sunflower and rapeseed oil. In other words, palm oil prices continued their downward slide in October, which was mainly due to the seasonal production increase in leading palm oil-producing countries and continued dampened global demand. In contrast, soybean oil prices rose after having declined for two months running.

According to investigations conducted by Agrarmarkt Informations-Gesellschaft (mbH), support came from healthy demand from the biodiesel sector in the US and South America. In contrast, October demand for rapeseed oil from biofuel producers was comparatively low in the European Union. The anticipated impact of the seasonal production of winter biodiesel on demand and prices did not materialize. Orders were only placed for smaller volumes to cover nearby demand. According to the AMI, the mineral oil companies had already earlier stocked up on the volumes required for blending in the fourth quarter.

The FAO cereal price index averaged 125.0 points in October 2023. This was down 1.0 point on the previous month and as much as 18 per cent on a year earlier. At the same time, all of the main cereal crops saw a decline in prices.

FAO Global Vegetable Oil and Cereal Price Indices



Source: FAO Price Index, AMI



Union zur Förderung von Oel- und Proteinpflanzen e. V.

Herausgeber:

UFOP e. V.
Claire-Waldoff-Straße 7
10117 Berlin
Telefon 030/235 97 99 - 0
Telefax 030/235 97 99 - 99
E-Mail info@ufop.de
Web www.ufop.de

INFORMATION
Union zur Förderung von Oel- und Proteinpflanzen e. V.

Editorial contact:

Stephan Arens

Tel. +49 (0)30 235 97 99 – 10

E-Mail: s.aren@ufop.de

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