

## Market Report December 2020

### ■ GENERAL OILS AND FATS COMPLEX

#### Soybean Oil

Soybean oil prices have been pushed in the last few months on the one hand by the steadily decreasing harvest in South America. On the other hand, the fast decreasing US stocks are also a factor pushing up world market prices. In the course of this year, for example, large parts of the coming Brazilian harvest have already been sold forward (2021). This was due to price benefits resulting from the weak local currency. Now it turns out, that some sellers are unable to meet their contractual commitments. Especially for later dates, due to the late harvest or drought-related harvest losses. This led to contractual penalties or new contract discussions, which in the end also added unrest in the market.



#### Sunflower Oil

Although the harvests in Eastern Europe did not turn out as poor as experts first feared but the losses are still significant. After the disposals (seed and oil) from this year's harvest have been very high so far, the available quantities for the coming months will be much smaller. Therefore, firm prices can still be expected.

The high oleic sunflower oil is also affected by these price increases, but not to the same extent as the linoleic standard quality. The price levels of both qualities have almost equalized, which is very unusual.

However, declines in demand later in the year could lead to a certain price correction after market actors have shifted away from sunflower oil for price reasons.

#### Rapeseed Oil

The rapeseed oil quotations still follow the soybean oil prices and also the firm prices of palm oil and sunflower oil helps to keep the price levels stable. Another factor was the increased demand from China in the last few days. Quite good quantities in Canada and Australia do not change this situation. Demand from the biodiesel industry, which usually has a great influence on the prices of European rapeseed oil, remains uncertain.

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### Olive Oil

The olive harvest in Spain has begun but it is interrupted again and again by regional rain showers. This rain is positive for the coming harvest, but with the current harvest these showers have rather negative effects on the quality. Altogether experts expect a rather average harvest in this early stage (that means an olive oil production of approx. 1.5-1.6 million tons.). General statements about the quality cannot be made with certainty at this time. The price levels for oil from the actual harvest are currently much higher than in the last campaign. This is partly due to the fact that Tunisian oil production, which is traditionally exported on a larger scale, will decrease sharply. Some market participants already see a decline of more than 50% compared to last year's record harvest, after which the trees will have to regenerate this year.



The Italian harvest will also be rather below average this year. It therefore remains to be seen whether there will still be significant price corrections in order to reach the pre-harvest level.

### ■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

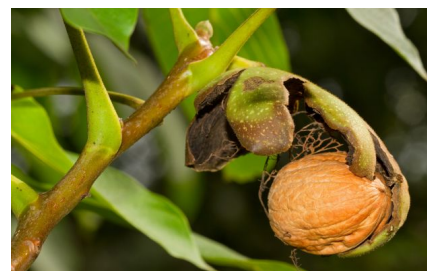
#### Almond Oil

Record shipments in October with almond sales to China that increased by 11% year to date despite the tariffs.

India sales are up 110% year to date. The only down market last month was Japan. Result of this strong demand are firm prices.

#### Walnut Oil

The California Walnut Commission is working on federal buys for walnuts to feed children and women. Organic walnut shelling is starting in January.



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### Pistachio Oil

Sales are solid with no pricing moves.

A new product, pistachio milk, is entering the market copying the success of almond and walnut milk.



#### ■ AMENDED SPECIFICATIONS

**703050** White soft paraffin Ph. Eur.  
stabilized with alpha-Tocopherol

**703000** Yellow soft paraffin Ph. Eur.  
stabilized with alpha-Tocopherol

**216122** Apricot kernel oil refined organic  
DE-ÖKO-001

Visit our homepage for always up to date Specifications: [www.heessoils.com](http://www.heessoils.com)

- Every month we will send you the current informations on the market of vegetable oils and fats in the form of this market report. Stay tuned and be able to assess the current developments. If you have any questions, please do not hesitate to contact your usual contact person or Mrs. Hofhansel.

Your Gustav Heess Team



**Kim Hofhansel**

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**Marktbericht December 2020**



**Merry Christmas!**

**We would like to thank you for the  
successful and pleasant  
cooperation!**

**We wish you and your family  
wonderful holidays and a healthy  
new year 2021!**

we are closed on the following days:

12/24/2020 Christmas Eve | 12/25/2020 Christmas Day

12/26/2020 Boxing Day | 12/31/2020 New Year's Eve | 01/01/2021 New Year

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