

Market Report June 2021

■ GENERAL OILS AND FATS COMPLEX

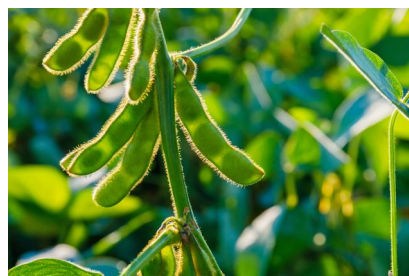
General

The markets continue to be characterized by high volatility. This is due to weather conditions in North America, with low global stocks leading to greater dependence on the growing U.S. soybean crop. While farmers have planted larger areas with soybeans, general weather models for the Midwest are forecasting longer periods of heat and drought. This could have a negative impact on late-year harvests.



Soybean Oil

Soybean oil continues to be responsible for higher prices at the oil markets. The expected increase in demand from the biodiesel industry is a key driver. No decline is to be expected soon, as policymakers have committed themselves and taken relevant decisions. The trend is further reinforced by rising mineral oil prices. Soybean oil will be difficult to replace in the US food sector.



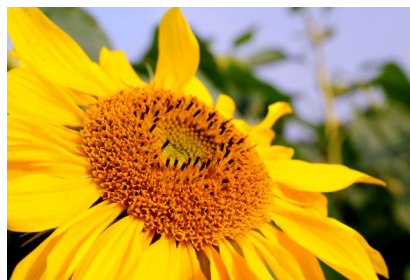
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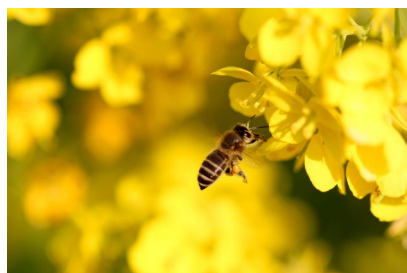
Sunflower Oil

Sunflower oil prices for the front dates have come down a little in recent weeks. Many consumers are trying, if possible, to postpone their coverages to the new harvest, assuming a very good harvest and thus falling prices. For that reason, the last alternative quantities are being sold at lower prices. Should these expectations come true, there could be another consequence: due to the continued high soybean oil prices, sunflower oil will become an interesting feedstock for the biodiesel industry. This means that the hoped-for price drop might not be as significant as many market participants expect.



Rapeseed Oil

In the last few days, rapeseed oil prices have increased very much in the wake of rising soybean oil prices. The processing of rapeseed in the EU has also slowed down significantly.



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Castor Oil - India

Total area under castor seed cultivation in India for the year 2020-21 is estimated to be 826.120 hectares as per the government estimates against 973.190 hectares in 2019-20, which has declined by 15% compared to the previous year. Acreage has reported to have declined in major producing districts of Gujarat and Rajasthan.

Average castor seed productivity for the year 2020-21 is further revised down to 2125 kg/ha against previous estimate of 2157 kg/ha. It is based on farmer's response about their yield and final revalidation survey round. The total seed production in India is revised down to 1756 lakh tons for 2020-21 against the previous estimate (April month) of 1782 lakh tons.

■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

Demand for all things almonds continues to be strong. May's position report shows huge shipments again with domestic shipments up 22%. Even with the port issues, international shipments were up 42% from the same time last year. 2020 crop also officially went over 3.1 billion lbs. With the USDA's subjective estimate of 3.2 billion lbs for 2021 crop, many aren't believing this number.



Pros for 2021:

Excellent bloom weather, almost perfect pollination activity.
Good spring weather, resulting in low stress, and low mite and disease pressure.
Acreage growth – still more overall acres of almonds.

Cons for 2021:

Drought – south and west side will feel some pressure due to lack of water.
Farmers are cutting back on their spending.

Pricing on almonds is firm and slightly increasing on some products.

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■ AMENDED SPECIFICATIONS

Click [here](#) for all actual specifications.

- Each month we will send you the current information on the vegetable oils and fats market in form of this market report. Stay tuned and 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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