

Market Report July 2021

■ GENERAL OILS AND FATS COMPLEX

General

After the prices for soybean oil, palm oil and sunflower oil had decreased significantly in the first half of July, a correction has set in by the end of the month.

This mainly affected the front positions, as the physical supply situation is still tight, especially in July, August, but also in September.

Soybean Oil

Current weather conditions in the main growing regions of the USA continue to determine price developments on international markets. At the end of June, there was extensive rainfall in the Midwest, which will have a positive impact on the growing conditions for soybeans. In Europe, only small quantities continue to be offered at large premiums for the front dates. For later dates, availability is improving, but prices remain at high levels compared to last year.



Sunflower Oil

The dates up to and including September are well sold. Price levels have fallen back somewhat despite low inventories. At the moment, the fourth quarter is still trading at significant discounts, but many consumers are still holding back on covers, betting on prices falling further. This strategy may not work out if the major seed suppliers adjust to this and put only limited seed volumes on the market from September. The situation is similar for the oleic acid-rich grade. Acreage in the EU is below expectations. For Russia and Ukraine, it is not yet possible to predict how much of each variety has been sown. Now that the premiums on the linoleic acid-rich variety have decreased, unexpected results could be achieved here.



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gustav heess gmbh mollenbachstr 29 D 71229 leonberg deutschland
tel +49 (0) 7152 2007-0 fax +49 (0) 7152 2007-100 marketing@heessoils.com

www.heessoils.com

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Rapeseed Oil

The price development continues to be linked to the other oils. The market participants are looking at the weather conditions: the very warm and dry weather in the Canadian growing regions promoted price increases at the Winnipeg exchange. This effect also radiated to prices in Europe. Furthermore, front dates are scarce here and are not officially offered.



These factors are reinforced by the continued high demand from the bioenergy sector. Extended transport times and rising freight costs are complicating the supply situation and accelerating price increases. Therefore, the physical supply aspect will continue to play an important role during the year.

■ AMENDED SPECIFICATIONS

- | | | | |
|---------------|-------------------------------|---------------|-----------------------------|
| 190050 | MCT Oil coconut based | 300122 | Soybean oil refined organic |
| 190150 | MCT Oil coconut based organic | | |

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

- Each month we will send you the current information on the vegetable oils and fats market as a market report. Stay tuned and to assess the current developments. If you have any questions, please do not hesitate to contact your usual contact or Mrs. Hofhansel.

Your Gustav Heess Team



Kim Hofhansel
Contact person for vegetable oils and fats

E-Mail: hofhansel@heessoils.com

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