

Market Report August 2021

■ GENERAL OILS AND FATS COMPLEX

Soybean Oil

The markets are currently strongly influenced by the weather reports for the Midwest. Overall, crop forecasts for the USA are rather below average, so prices are highly volatile due to these weather markets. At the same time, shipments from Argentina are currently hampered by extremely low water on the Paraná River, the main

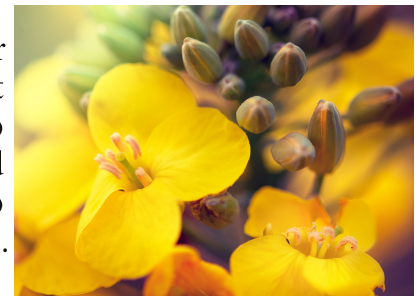


Sunflower Oil

Only small quantities are still physically available for the old crop for front dates (August & September). Quantities from the old crop are still stored in the silos of farmers and seed dealers, who are currently still very cautious about new sales. As a result, there are still few offers for the new crop. This could change when the new seed physically arrives in the warehouses. Consumers, especially in Europe, are also acting very cautiously: in anticipation of a large harvest, only short-term covers are being made.

Rapeseed Oil

The continuing severe drought in Canada has led to a further significant reduction in crop expectations. Experts estimate that the harvest will be down by more than 4 million tons compared to the previous year. This and the inelastic demand in the EU and China, from the food and biodiesel industries are leading to continued high surcharges for soybean oil at the futures exchange.



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Outlook

Currently, we can continue to expect volatile, but rather firm prices. Movement could come from the new sunflower harvest. Developments on the biodiesel markets cannot be ignored. Many things also depend on all the countries further managing of the Corona virus. If restrictions are imposed again, this might impact the global demand, which could also put pressure on prices. The first signs of this are already visible in China.

Apricot Kernel Oil

In the last months before the new crop a significantly better harvest and therefore a better apricot kernels production than in 2020 production was expected. From 2010 to 2020 apricot kernel production has fluctuated between 7.000 tons to 10.000 tons, however for last 2 years the production turned out to be between approx. 4.500 to 5.000 tons respectively. Now the official estimation has been declared at 86.000 tons of dried apricot, which will produce about 5.000 tons of apricot kernel.



Although, production of apricot kernels is about 10% higher than in 2020, at the beginning of the season there were very high prices within the market for the following reasons:

- Low production in China, Uzbekistan, Tajikistan, Italy and Spain has prompted most of the buyer countries to purchase from Turkey.
- During the pandemic most of the industrial users in locked-down areas (food industry) didn't have a high quantity of stock because of a low production in the past two years and potential closings. After re-opening most areas in the world, buyers have re-started production at high volumes and tried to cover their needs.
- As all over the world, the inflation in Turkey has been declared about 20%, and most of the product prices for imported goods have almost doubled for agricultural inflow. Therefore, most farmers were forced to increase their prices.

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■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

With the revised estimate of 2.8 billion lbs, prices are firm and slightly rising. The crop quality does look good. South Valley farmers are beginning to harvest, and central valley farmers will begin shaking trees in about a week. The final 2020 crop shipping report will be sent out on the 12th. The industry expects about 600 million lbs of carryover which is barely enough to handle the harvest period of 8 weeks.



Pistachio Oil

The crop is looking as expected, estimated at 800 million lbs. Iran's crop is lower, so prices have jumped up while demand remains strong.

Hazelnuts from Oregon

Oregon produced about 60.000 tons (unofficially) of hazelnuts in the 2020 crop. This represents around 5% of the global hazelnut market. Industry leaders expect this to reach 150.000 tons within the next 10 years. The area in Oregon where hazelnuts for our hazelnut oil refined are grown is called the Willamette river valley. In this beautiful area 99% of the USA's hazelnuts are grown. Farmers claim it is the perfect combination of temperate ocean climates and fertile volcanic soils that allow for prime hazelnut growing conditions. Hazelnut orchards can last 'forever', unlike other tree nuts that are replanted every 25 years. The first orchard planted in Oregon was established in 1903, and its original trees are still bearing nuts every year. Hazelnuts do not require pollinators like bees. Instead, farmers strategically position certain breeds of hazelnut that act as pollinating trees throughout the orchards. The wind alone helps carry the pollen across to other trees. The current crop looks good and will be harvested in September.



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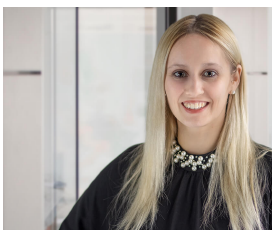
■ AMENDED SPECIFICATIONS

320025	Pumpkin seed oil pressed toasted	740031	Castor oil refined Ph. Eur.
320120	Pumpkin seed oil pressed toasted organic DE-ÖKO-001	504021	Jojoba oil virgin low odour DAC
504031	Jojoba oil (Jojoba wax) refined DAC		

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



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