

Market Report December 2022

■ GENERAL OILS AND FATS COMPLEX

Vegetable Oils

In the last few days, prices for vegetable oils have softened. An important factor was the extension of the agreement on secured transport routes through the Black Sea between Russia, Ukraine and the UN.

Soybean Oil

Demand for biodiesel in the USA has continued to increase, leading to higher price levels there and more imports of Canadian rapeseed oil and South American soybean oil. Lack of or delayed rainfall, especially in Argentina and Brazil, is unsettling market participants, so the current firmer price levels there will continue. On the other hand, demand from China could drop significantly due to rising covid infection figures and the threat of lockdowns, which is currently having a dampening effect on prices. The large supply of sunflower oil and rapeseed oil in Europe and Canada also contributes to this.



Sunflower Oil

The supply of sunflower oil from the Black Sea region remains unexpectedly good. Now that the European market is supplied, exporters are trying to offer the product in Asia and Africa, but are competing there with palm oil, which continues to be cheap. Large quantities of sunflower seeds were also processed in Russia. However, oil production in Ukraine is clearly hampered by the current problems with energy supply and there is a question mark behind the volumes to be expected from this region in the future.

Rapeseed Oil

In Europe, rapeseed oil prices have fallen by about 5% in the past three weeks. Large volumes are meeting with currently lower demand from the biodiesel sector. At the same time, large sunflower oil stocks are putting pressure on the market, competing with rapeseed oil in the food industry.



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Olive Oil

The emerging large harvest declines in the Mediterranean region are reflected in further increases in olive oil prices. Especially in Spain and Italy, with a volume decline of about 800,000 tons, prices are rising almost daily. In many regions in Spain, the oils are not as good in sensory terms as last year. This is due to the unusual high temperatures during the first weeks of harvest. Once again, the weather will be decisive for the next weeks and months.



If there are favourable rain showers, the mood in the cooperatives could improve somewhat and the price increase could slow down or come to a halt. It can be assumed that local consumption in the producing countries (especially Spain and Italy) will decline due to the high prices and that export volumes will also decrease. Turkey as an exporter could become a cheaper alternative in certain markets, as a good harvest will be brought in there.

■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

The official position report released by the Almond board of California showed the industry shipped just over 214 million pounds of Almonds in the month of October. This was short just a modest 1.1% of October 2021 shipments. It seems the Almond dealers have succeeded in their plans of working together to push through the shipping crisis that plagued U.S. exporters most of the year. Even with the shipping crisis, total crop shipments are down only 3.1% for the year.



In December the Almond Board of California will host the annual Almond conference in Sacramento. While the shipping crisis will be a popular discussion topic, industry professionals are awaiting board president Richard Waycott's keynote speech. In the speech he will be addressing the board's plans to maintain stable trade environments and maximize industry efficiency.

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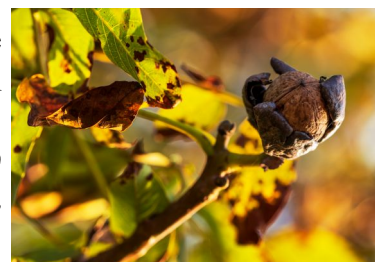
Pistachio Oil

With the 2022 Pistachio harvest season now over, the Administrative Committee for Pistachios has released their California Pistachio inventory report. Pre-harvest estimates had projected for a 1,1-1,2 billion pound crop for 2022. The current inventory report shows only 875 million pounds. With the crop coming in much smaller than expected, California sellers are oversold and we expect the price to remain firm well into 2023.



Walnut Oil

October and November are the first months the 2022 crop will be shipped out. The Walnut industry is off to a decent start with shipments and commitments up from where they were in 2021. California Walnut industry will fall short of the estimated 720,000 tons projected. This will be closely monitored as the producers finish processing the remaining crop.



■ AMENDED SPECIFICATIONS

305020	Hemp seed oil cold pressed	305120	Hemp seed oil cold pressed organic
305030	Hemp seed oil refined	305160	Hemp seed oil coldpressed EU-Seed organic

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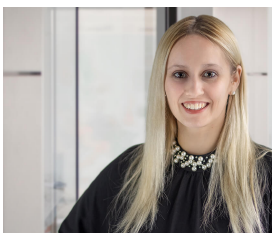
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we are closed on the following days:
12/24/2022 Christmas Eve | 12/25/2022 Christmas Day
12/26/2022 Boxing Day | 12/31/2022 New Year's Eve | 01/01/2023 New Year

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

Your Gustav Heess Team



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