

Market Report April 2023

■ GENERAL OILS AND FATS COMPLEX

Vegetable Oils

After the prices for vegetable oils reached their all-time highs about a year ago, they fell continuously in the following months. The reasons for this were Indonesia's palm oil exports, which increased to record levels, good harvests, especially in Europe and Canada, and lower demand. Today, prices are well below those before the Russian invasion of Ukraine.

Soybean Oil

Soybean oil continues to be attractively priced. These interesting levels are based on the record Brazilian harvest. Crop expectations in Argentina, are very pessimistic. Experts estimate that 24 million tons harvested will not be reached this year. Whether the price levels remain interesting for consumers now depends on demand from China and the upcoming US harvest.



Rapeseed Oil

Rapeseed oil prices have risen slightly again since last week. But further significant increases are unlikely, as there are still large stocks in storage in the EU, Canada, Australia and Russia.



Sunflower Oil

The same situation can be observed here as with rapeseed oil. Prices have become firm in the last few days. But larger stocks are available, as unexpectedly large volumes were exported, especially from Ukraine.



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Outlook

For further price development the second and third quarter, the harvest development for the growing rapeseed crop and the sowing of sunflowers are now coming into focus. Weather conditions play a particularly important role here. For the Southern hemisphere, meteorologists fear an increased occurrence of the El Nino phenomenon. In addition, it is not yet possible to estimate more precisely which areas the Ukrainian growers will cultivate this year. On the demand side, a certain recovery can be observed. The current price levels are leading to increased consumer interest. Finally, the significant increase in mineral oil prices may also have an impact on vegetable oil prices by boosting demand for biodiesel again.

Olive Oil

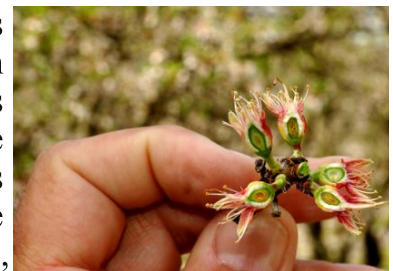
The Spanish olive oil production is almost finished and will not reach 700,000 tons. Italy, Portugal and France have also reported significantly lower production volumes. This means that the global production is almost 40 % below the volume from the previous year. The high prices, some of which have not yet reached the end consumers in full, are leading to a decline in demand. Currently, there is no rain in sight in Southern Spain, which is urgently needed for the upcoming harvest. Temperatures are already quite high at 30 °C. This means that the cooperatives are still not prepared to lower prices.



■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

The almond blossoms are gone and the time for pollination has ended. Central California was battered by storm after storm in March and bees did not have ideal weather for pollination. This has farmers in fear of a small crop size and almond prices are beginning to increase. At the same time, almond shipments continue to break records with many export numbers at all-time highs. After the shipping crisis over the past couple of years, supply and demand are quickly balancing out.



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Hazelnut

The biggest concern for Oregon Hazelnut growers is competing with the major players on the world stage. As most Hazelnut growers in Oregon are family farms, they lack money and resources which big companies use to succeed in international business. Now the USDA has released their Value-added producer grant program to help small businesses get food on the market. This will provide amazing support to the small family farmers. Many farms have already secured their \$250,000 grant to improve their facilities or invest in new opportunities supporting the growth of the Oregon Hazelnut industry. Caloy is working closely together with these farms to create further value and support this crop.

Pistachio Oil

Many of the farms growing pistachios in California are facing floods due to the heavy rains. Pistachio prices have remained high, so growers are protecting their farms by any means necessary. As the floods subside in the coming weeks farmers can begin calculating crop damage.



■ AMENDED SPECIFICATIONS

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

- 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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