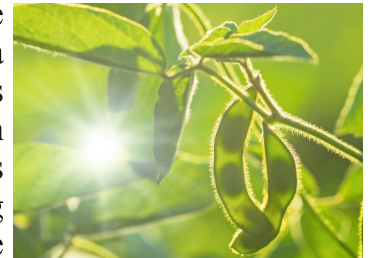


## Market Report May 2023

### ■ GENERAL OILS AND FATS COMPLEX

#### Soybean Oil

The Brazilian record-size harvest is increasingly pushing into the market now that farmers have begun to market it intensively. As a result, prices have come under further pressure in recent days. This development is intensified by the still insufficient storage capacity in Brazil, which leads to many sellers granting further price concessions for short-term purchases. However, the major buyers are still holding back on larger purchases. The price decline is slightly reduced by the poor harvest in Argentina and the low U.S. stocks. Many market participants are already looking ahead to the soybean sowing season in the USA, although no valid statements can be made about the coming harvest at this point.



#### Sunflower Oil

The large supply and the unusual high stocks in the EU have continued to put pressure on prices for the front dates. The upcoming fall harvest is so far looking good, with a small question mark concerning the Ukrainian Black Sea region. Therefore, sunflower oil remains an interesting alternative compared to palm oil in terms of price.



#### Rapeseed Oil

Prices for rapeseed oil have risen again slightly in the past few days. In regards to price rapeseed oil is once again an attractive alternative for customers in the energy sector. The result is an increased demand. The major refineries are reducing production before the new harvest starts in order to carry out the annual maintenance work in June. This means that the delivery capacity might be a little bit limited in June and July.



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## Market Report May 2023

### Outlook

Now that prices for the most important vegetable oils have become significantly cheaper and large stocks are available the interest of many consumers has been awakened to cover again. Not only the food industry, but also biodiesel producers are showing interest again. Seed oils are becoming more and more an attractive alternative for palm oil, especially as the impact of this year's El Nino on palm plantations is not yet predictable.

### Olive Oil

With the continued lack of rainfall in Andalusia and temperatures expected to reach nearly 40°C this week, forecasts for the upcoming Spanish olive harvest are very negative. Many regions in Italy didn't get any rain either so the forecast is not expected to improve significantly. This means that prices will continue to rise. In Spain, larger contracts that buyers did not take in time, have been canceled by individual cooperatives and refineries, causing greater turmoil in the market. End-user demand is decreasing significantly, especially in Europe. A clear indication will be provided by the export figures for the month of April, which will be published mid-May. This year's qualities are not comparable with those of last season. Many oils lack fruitiness.

### ■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

#### Almond Oil

The cold and stormy weather that has ravaged California the past couple of months has finally come to an end. The Central Valley is seeing temperatures in the low 32°C. Growers across the valley are finally out in their orchards and can get an idea of damage and crop size. In the far North of California growers are seeing frost damage similar to what they had last year and expect yield to be down. In the Central Valley, most growers are seeing a lesser number of nuts on the trees compared to last year. However, due to the expected availability of water throughout the state growers can expect larger nut size which should make up the yield loss. Early estimates are putting the 2023 crop somewhere in the realm of 2.66 billion pounds.



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## Market Report May 2023

### Pistachio Oil

Pistachios begin blooming much later than the other California grown tree nuts. Growers will not have estimates for 2023 crop size until blossoms have gone and the growing season begins. There have been many reports of orchard damage due to rain and frost across the pistachio growing region. The 2022 Pistachio crop has come in at 1.24 billion pounds, down 14% from the 2021 crop year.



### Walnut Oil

The 2022 California Walnut crop is currently measured at 1.5 billion pounds. Many walnut growers are seeing damage to their orchards due to the weather this March and April. We expect the 2023 crop to be much smaller.



### ■ AMENDED SPECIFICATIONS

**160011**

Cocoa butter natural

**160030**

Cocoa butter refined

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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