

## Market Report June 2023

### ■ GENERAL OILS AND FATS COMPLEX

#### Vegetable Oils

Prices for the main vegetable oils have been under further pressure in recent weeks. This is mainly due to high stocks of sunflower oil and rapeseed oil. As a result, offers for the front dates continue to be more favorable than those for later deliveries.

#### Soybean Oil

The production of soybean oil is lower in 2023 compared to the previous year. Especially the production losses in Argentina of approximately 0.6 million tons have contributed to this development. On the other hand, the demand from the biodiesel industry in Argentina and the USA is declining because other feedstocks (rapeseed oil) are currently more attractive. Stocks in the USA have risen again for the first time since long.



#### Sunflower Oil

Unfavorable weather conditions have hampered sowing in Ukraine and a significantly smaller crop is now expected this year. However, prices remain under pressure as large stocks in Russia and Argentina continue to push into the market. Large volumes also remain in storage in the EU, so no major imports are needed here. Meanwhile, a greater demand is expected from China.



#### Rapeseed Oil

Rapeseed oil prices also remain under pressure, following a slight decline in demand from the biodiesel industry. Canada and Russia expect a further expansion of production for the coming crops. Thus, an increased supply for the coming season is expected here.



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### Palm Oil

The global supply has been declining since April. This is due to falling stocks in Indonesia, Malaysia and Thailand. As a result, palm oil prices only hesitantly follow the sharp decline in prices for rapeseed, sunflower and soybean oil. Various analysis expect an increased impact of the El Nino phenomenon this year, which will have a negative effect on palm plantations in Southeast Asia and therefore on palm oil production.

### Olive Oil

After rain in Andalusia in the recent days (about 30 mm), the situation on the markets has calmed down slightly. However, no price reductions can be observed, as the supply of good quality continues to be very limited. The cooperatives continue to be very cautious in selling the remaining quantities. Do not forget that Spanish olive oil production this year is only 661,000 tons, and production in other major Mediterranean countries has not been strong enough to compensate for this decrease. Low rainfall continues to raise fears among growers and producers that the next crop may also be significantly below average. As a result, price levels will remain exceptionally high.



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

### Almond Oil

The USDA has released their official forecast for the 2023 Almond crop. After surveying 500 California Almond growers from April 19th – May 6th the USDA has reported the following: A total crop production of only 2.5 billion pounds. Much lower than the initial projection of 2.66 billion pounds. Expected yield is 1,810 pounds per acre, which is down 90 pounds from last year, and the lowest yield since 2005. Current sales of California almonds are down significantly as sellers continue to be cautious with the next crop size still in question.



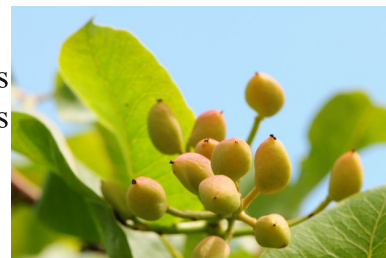
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### Pistachio Oil

The Pistachio bloom is coming to an end. On the positive side, this winter saw favorable conditions. In the coming weeks, as nuts begin to set, we will have an idea of projected crop size for 2023.



### Walnut Oil

Shipments are up almost 1% year over year, and the USDA has just closed a very large bid to purchase many million pounds of walnuts under section 32. Section 32 allows the USDA to purchase commodities for distribution to domestic food assistance programs. Both the Walnut and Almond industry have successfully made themselves a healthy staple of the Section 32 program.

#### ■ AMENDED SPECIFICATIONS

<b>210031</b>	Olive oil refined Ph. Eur.	<b>370122</b>	Rose hip kernel oil refined organic
<b>370020</b>	Rose hip kernel oil cold pressed	<b>370320</b>	Rose hip kernel oil cold pressed organic
<b>370022</b>	Rose hip kernel oil cold pressed refined	<b>370030</b>	Rose hip kernel oil refined stabilized

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



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- 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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