

## Market Report August 2023

### ■ GENERAL OILS AND FATS COMPLEX

#### Soybean Oil

Soybean oil prices continue to remain at a high level, although a bit below the peaks seen in the second half of July. Very dry weather conditions in the main growing areas in the Midwest of the USA are threatening the crop. As a result, the USDA has further reduced its crop forecast. At the same time, demand from the biodiesel industry continues to rise, partly because the EU is not using palm oil to produce biodiesel. Weather conditions in South America will have a significant impact on the development of soybean oil prices in the coming weeks.



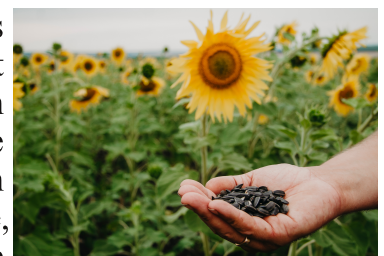
#### Rapeseed Oil

Prices for rapeseed oil have also risen. The European harvest has been revised further downward. Harvest expectations for Canada and Australia have also been significantly reduced. In Canada, for example, there are forecasts for a harvest of around 17-18 million tons (down from 20-21 million tons). In Australia, the crop could even be half the size. The outlook for Ukraine has improved. However, shipments are becoming increasingly difficult due to ongoing Russian attacks, including on Danube ports. As a result, a large part of exports from Ukraine to the EU will again be shifted to the road. However, should it rain in Canada in the next few days, price pressure could ease.



#### Sunflower Oil

Sunflower oil has also become more expensive in recent days. This was triggered by Russia's termination of the Black Sea Agreement and the consequent attacks on Ukrainian ports, loading and grain storage facilities. This raised fears, especially in the EU, that there might be supply disruptions later in the year. However, warehouses in the EU remain well stocked and stocks in Russia are also high. Here, the weather conditions in the coming weeks before the harvest are important as well.



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

#### Almond Oil

The USDA has released their objective measurement for the 2023 crop. Current projections have the California Almond crop coming in at 2.6 billion pounds. The crop is still a couple of weeks behind schedule, but this was expected due to the extended blooming period in February. The summer heat has arrived in California with almost every day over 100 degrees Fahrenheit. This heat has started the process of hull splitting which is a sign that harvest is coming. If the heat continues, we may just harvest on schedule after all.



#### Walnut Oil

The Walnut Industry is having a record summer for sales. This is largely due to the purchase contract made with the USDA. Shipments are currently up to 23 % from last year, and 70 % compared to the past 8-year average. The carryover from last year's crop is currently 92,000 tons. This is 32 % less than last year and a substantial amount less than the projection of 152,000 tons. As harvest approaches handlers and processors will pay close attention to inventory numbers.



#### Hazelnut

This August we will be meeting our hazelnut farmers in Oregon while attending the annual "Hazelnut Summer Tour" hosted by the Nut Growers Society. Industry leaders will also be coming together to discuss the state of the Hazelnut industry and the current crop.



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### ■ AMENDED SPECIFICATIONS

**140330**      Shea butter refined food organic DE-ÖKO-001

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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