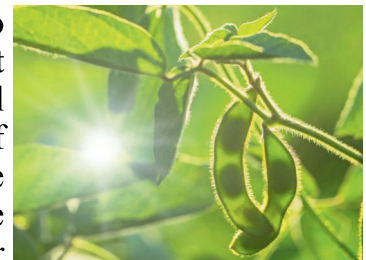


## Market Report September 2023

### ■ GENERAL OILS AND FATS COMPLEX

#### Soybean Oil

The US soybean crop will fall well short of initial estimates due to the ongoing drought. However, the extent of the losses has not yet been determined. At the same time, demand from the US biodiesel industry is increasing rapidly. This has led to a stabilization of soybean oil prices in recent days. The situation may calm down in the first quarter of 2024, when the South American harvest will become visible. It can be assumed that farmers there will expand their cultivation. Somewhat dampening the current price developments is the below-average demand from economically ailing China.



#### Sunflower Oil

Significantly larger harvests than assumed by experts in Ukraine and Russia and high stocks are weighing on sunflower oil prices. Currently, Ukrainian and Russian growers continue to supply the market with large quantities of seed. The cancellation of the Black Sea Agreement and the shelling of Ukrainian ports have not really affected prices so far.

#### Rapeseed Oil

Rapeseed oil prices in Europe are also under pressure in the wake of sunflower oil prices. Here, too, stocks from last year's record harvest are dampening price levels. However, this trend could soon come to an end, as the Canadian rapeseed harvest will be at least 5% smaller than last year's due to unfavorable weather conditions. At the same time, demand from the USA has increased significantly.



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## Market Report September 2023

### Outlook

Demand from the food industry remains at a low level. At the same time, the current favorable prices are boosting demand for energy production, as fossil fuels continue to be very expensive. Should this demand continue to rise, the currently large stocks can and will decrease quite quickly and prices will rise again.

### Olive Oil

In Spain, the coming olive harvest will also be below average due to the drought. In 2022/2023, about 664,000 tons of olive oils were produced. This is approximately half of an average annual production. Therefore, prices have risen dramatically, which had to lead to a large drop in demand. Currently, about 125,000 tons are stored by the cooperatives in Spain. This means that they will enter the new season with very small quantities. High-quality extra grade oils are therefore only available in very small quantities, which will lead to further price increases on the spot market. Due to this year's weather conditions, harvesting will begin as early as the beginning of October. Many cooperatives are forced to do so because in some cases they had no oil available for months. However, these "first oils" will be expensive, as the oil content of olives is significantly lower at this time of year. Initial estimates are for a similar crop size to the previous period, so there would be no significant price reductions. The forecasts for the Italian harvest are also not positive. It was too dry in the South and alternately humid and warm in the North, so that major crop losses due to pest infestation must be expected.



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## Market Report September 2023

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

#### Almond Oil

The almond crop is officially under way in California. Hurricane Hilary has caused some delays in southern California crop. Some farms in southern California saw 3 inches of rain in just a couple of days. Farmers will wait for the ground to dry before shaking and sweeping the almonds. Northern California saw little to no rain and is harvesting right on schedule. The Almond Board of California has just released its position report for the 2022/2023 crop year. Total shipments are down 2.6% from last year, but the trend is increasing.



#### Pistachio Oil

Global pistachio production continues to rise, and the 2023/2024 crop year is expected to be the biggest to date. Over the past decade pistachio production has grown 46%, but demand continues to grow resulting in prices remaining steady. The US crop is delayed a few weeks due to the mild summer and hurricane Hilary bringing in much more moisture than usual. The current Californian crop is expected to reach 1.3 billion pounds.



#### Hazelnut Oil

The Caloy team recently returned from the annual Oregon Hazelnut summer tour. We were able to visit hazelnut orchards and processing centers to see this year's crop. Farmers are making preparations for the crop which will begin in October.



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## Market Report September 2023

### ■ AMENDED SPECIFICATIONS

**214161**      Rapeseed Oil refined Babyfood organic DE-ÖKO-001

**208020**      Almond oil cold pressed

**224030**      Peach kernel oil 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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