

Market Report March 2024

■ GENERAL OILS AND FATS COMPLEX

Vegetable Oil

Vegetable oil prices have recently come under pressure. This is mainly due to the significantly larger than expected quantities of sunflower oil and rapeseed oil.

Soybean Oil

Soybean oil prices have fallen by around 15% in the past three months. This made it the cheapest vegetable oil. Argentina surprised with a significant higher production. However, exports from Brazil are declining, as domestic demand from the biodiesel industry has increased due to higher admixture quotas. Global production of over 61 million tons is expected for the 23/24 campaign. This continues to make soybean oil very interesting for biodiesel producers, with North American companies in particular increasing their demand in importing goods (soybean oil).



Sunflower Oil

The global supply of sunflower oil for the 23/24 campaign was also significantly higher than expected. Especially Russia produced considerably more sunflower oil than originally expected. Ukraine will also expand production, meaning that a global record production of just under 23 million tons can be achieved.



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Rapeseed Oil

Rapeseed oil prices have also fallen in the wake of favorable soybean oil and sunflower oil prices. The levels are still attractive for customers from the biodiesel industry. However, availability for the second quarter is limited, as capacities are largely sold out and some mills are still carrying out their annual maintenance work before the new harvest. Prices for the new harvest from July onwards remain at an interesting level.



Olive Oil

The production estimate for the month of January for Spain was only 185,020 tons, meaning that the current total production of the 23/24 campaign is 774,653 tons. Many oil mills have already stopped production, so that a total production of approx. 810,000 - 830,000 tons could be realistic. At the same time, around 84,000 tons were consumed or exported in January, so that stocks in Spain amounted to 735,428 tons as per 31.1.24. As only around 110,000 tons were produced in Greece during this campaign (average 250,000 tons) and Italy also only has an average harvest, there is a shortfall of almost 1 million tons on the market, which means that prices remain at historical high levels. Mainly consumers in Spain and Italy are therefore significantly reducing their consumption. The weather conditions in southern Spain, where rain is urgently needed for the coming harvest, will be decisive for further price developments. Important water reservoirs are only filled to a very low percentage. However, there have been rain showers in recent weeks, so the situation could ease. However, more rain is still needed. The first indication of the new harvest will be in May when flowering starts. Only then the situation can be expected to ease if the results are positive. However, good sensory oils are rare again this year, so it may be difficult to find the right qualities that meet the highest standards from June onwards.



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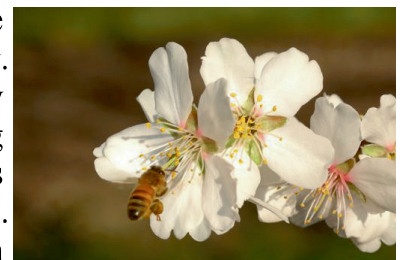
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■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

The Almond bloom has come to California. Almond orchards are coming into full bloom and the bees are busy pollinating. Unfortunately, the bloom has arrived at the same time as heavy rainfall. Everyone in the industry will be anxiously watching weather reports in the coming weeks. Too much stormy weather is bad for the blossoms and limits the time bees can pollinate. Shipments of almonds have been steady through the new year with an 8% increase from last year. New sales and commitments are down 7% going into this year, so processors and traders are going to need to get to work to keep prices stable as demand continues to grow.



Walnut Oil

The 2023 Walnut crop is extremely healthy and very good quality. This year's crop came in at 5 % larger than crop estimates made by industry leaders. Sales are also up from previous years with most of the success being driven by domestic sales. Domestic sales are up 14.7 % while exports are also performing well at +8.2 % year over year so prices should remain stable.



Hazelnut Oil

For Oregon grown hazelnut prices have gone up slightly in the new year. This is mainly due to farmers and processors holding on to their current supplies for better prices. This leads to customers buying smaller quantities to meet only their immediate needs.



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■ AMENDED SPECIFICATIONS

104130	Palmkerneloil refined organic IP CU-RSPO SCC-818895
190051	MCT Oil C8 coconut based
104045	Vegetable Oil Hydrogenated
208050	Almond based oil analog USP 28-NF23
410076	Almond oil mixture Atlantis
740031	Castor oil refined Ph. Eur.

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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