

## Market Report

May 2025

### GENERAL OILS AND FATS COMPLEX

#### Soybean Oil

Geopolitical developments, weather conditions in the U.S., and future demand from biodiesel producers are the main drivers behind recent price movements. The U.S. Congress is currently negotiating the extension of the "biodiesel blenders credit," which could lead to increased production and, consequently, higher demand for soybean oil. Favorable rainfall in the U.S. is creating good conditions for the upcoming grain and soybean harvests. In Argentina, yields per hectare have exceeded initial estimates.



#### Sunflower Oil



Analysts estimate that the upcoming sunflower harvest will be approximately 10 % larger than last year's crop, which was affected by exceptionally dry weather conditions in the main growing regions. However, this forecast is based on the assumption of average weather conditions throughout the season. Until the new harvest begins in September, only limited seed stocks are available, which is keeping oil prices at a high level. For the upcoming harvest, significant price reductions are expected, which could make sunflower oil a more attractive alternative to other vegetable oils in the food industry.

#### Rapeseed Oil

Due to mild weather conditions, slightly higher yields per hectare are expected for the upcoming rapeseed harvest in the EU. As a result, this year's harvest could be somewhat better than last year's. Stocks from the previous harvest have largely been sold, although small spot quantities occasionally remain available—typically at a significant premium. Looking ahead, the future demand from the biodiesel industry will be a key factor in determining price trends. Currently, low mineral oil prices are dampening demand in this sector.

## Coconut Oil

Coconut oil prices have risen by 80% over the past 12 months, signaling a significant decline in production. In 2025, yields from Philippine coconut plantations dropped sharply, largely due to the extreme drought experienced the previous year. At the same time, the domestic biodiesel industry relies on coconut oil as a feedstock, further reducing export availability. Indonesian exports have also decreased by nearly 10%. As a result, a short-term price decline is unlikely. Due to the high prices, consumers are expected to shift to alternative vegetable oils.



## Olive Oil

Weather conditions in southern Spain remain favorable. In recent weeks, Andalusia has experienced exceptional rainfalls accompanied by moderate temperatures. Growers are now eagerly anticipating the olive blossom. If it develops as expected (and hoped), a bumper harvest could be possible. Currently, prices are holding steady at the levels seen in recent weeks. Oils of high sensory quality continue to command a premium over standard grades. In Italy, heavy rainfall and storms have caused some damage, making it difficult to predict the size of the upcoming Italian harvest. The outcome of negotiations between the U.S. and the EU regarding potential punitive tariffs will definitely have an impact on price developments.



If you no longer wish to receive this newsletter or you wish to add new recipients please send us an email.

gustav heess gmbh mollenbachstr 29 D 71229 leonberg deutschland  
tel +49 (0) 7152 2007-0 fax +49 (0) 7152 2007-100 marketing@heessoils.com

**www.heessoils.com**



## Market Report

May 2025

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

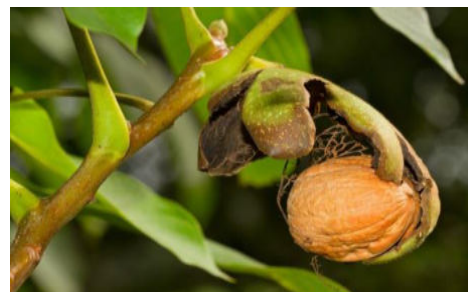
#### Almond Oil

We are now 2 months into the California Almond growing season. Thus far, the crop is looking healthy, and we are expected to harvest 1.35 million acres. In the next few weeks, we will see projections begin to come out. We will have our first crop size estimate from the USDA on May 12<sup>th</sup>. The biggest news in the industry is the tariffs put forth with many of our major trade partners. As 80% of California Almonds are exported this could cause a disruption at some point.

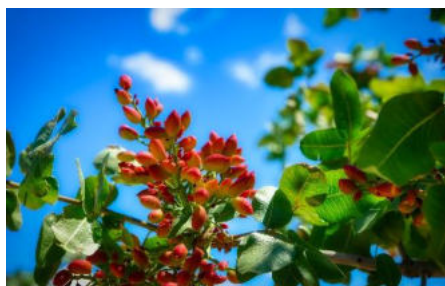


#### Walnut Oil

In 2024 the California Walnut industry had a record-breaking year for shipments. Not only are domestic shipments up thanks to the USDA adding Walnuts to school lunches. Key export markets like India and Germany are also bouncing back after all the setbacks from the previous 5 years. Thanks to strategic investments in market development, consumer engagement, and research, the industry is currently in a great spot.



#### Pistachio Oil



The California Pistachio market is navigating a tough period of supply constraints and uncertain demand dynamics. While this year is an off year in production, next year's crop is expected to be one of the biggest in history. While demand is currently outpacing supply, that could easily change over the next crop season. Tariff announcements will be monitored closely by the industry.

## Market Report

May 2025

### Hazelnut Oil

The Oregon Hazelnut industry continues to be strong with prices maintaining their upward trend. Many large buyers, including leading confectionery brands, have already purchased their supply for the next season. However, demand from smaller companies and retail buyers will keep overall demand steady.



■ 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



Anja Hirth

Contact person for vegetable oils and fats

E-Mail: [marketing@heessoils.com](mailto:marketing@heessoils.com)

If you no longer wish to receive this newsletter or you wish to add new recipients please send us an email.

gustav heess gmbh mollenbachstr 29 D 71229 leonberg deutschland  
tel +49 (0) 7152 2007-0 fax +49 (0) 7152 2007-100 [marketing@heessoils.com](mailto:marketing@heessoils.com)

[www.heessoils.com](http://www.heessoils.com)