

## Marketing Report

### September 2025

#### VEGETABLE OILS

##### Soybean Oil

Global soybean oil production has risen significantly in recent months, which is attributable to improved competitiveness compared to palm oil, sunflower oil, and rapeseed oil. Production grew by approximately 1 million tons in the second quarter compared to the same quarter last year, and a similar increase is expected for the third quarter.



The US soybean harvest was just over 117 million tons. However, exports fell by around 20% as China now covers its entire demand in South America. As a result, the US market is more dependent than ever on domestic demand, with the US biodiesel industry playing an important role here. However, this demand is unpredictable as the political framework remains uncertain.

Currently, large U.S. stocks are putting pressure on price levels at the Chicago Board of Trade. This situation could change, though, if weather conditions in South America (especially Brazil) shift and the La Niña weather pattern—with its below-average rainfall—takes hold. At present, heat and drought are delaying planting in various Brazilian provinces.

##### Sunflower Oil

The sunflower harvest in the Black Sea region is gradually progressing but remains behind last year's pace, as crops reached maturity roughly two weeks later this season. Harvest estimates for the EU have to be revised downwards. The current estimate is around 8.75 million tons, which is only slightly above last year's figure (8.67 million tons), which was characterized by above-average drought. France in particular expects a smaller harvest, but Bulgaria, Spain, and Romania are also reporting lower estimates. Harvesting in the EU has also started later than usual, and farmers continue to release only limited volumes. This is tightening spot market availability for sunflower oil. Looking ahead, prices are expected to come under pressure once the bulk of the crop reaches the market, as sellers will likely be more willing to grant price concessions.

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#### Rapeseed Oil

Political factors—such as China’s import tariffs on Canadian rapeseed — and regulations affecting the biodiesel sector continue to play a key role in shaping the global rapeseed oil market. On the supply side, this year’s global crop outlook is relatively favorable, estimated at 81.25 million tons compared with 75.41 million tons last year. EU production in particular is expected to be stronger, with harvest projections of around 20.15 million tons, roughly 3 million tons above last year’s level.

#### Olive Oil

The upcoming olive oil production in Spain is currently estimated at approximately 1.5 million tons. This is comparable to the current production of 1.415 million tons. After favorable rainfall at the beginning of the year, the summer heat took a significant toll on the plantations, leading some experts to estimate that the upcoming harvest will be even lower.



Prices for September, October, and November have now strengthened significantly again, as declining harvest expectations and falling stocks in Spain are also playing an important role. After 105,215 tons were consumed or exported in August, stocks now stand at only 404,000 tons. These must cover demand for another two and a half months.

Portugal is experiencing a similar situation, with production estimates being revised downward as well. Italian olive oil continues to trade at historically high prices, and the harvest outlook is not good in all regions. Unusual rainfall in parts of Tuscany has led to increased infestation by the olive fly, which will significantly reduce yields.

Overall, growers and cooperatives remain cautious in offering new crop volumes. Initial price indications for December deliveries are emerging around 10% below current spot market levels.

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### Castor Oil

Castor oil is currently showing moderate volatility with short-term fluctuations depending on the USD exchange rate and freight costs. Stocks of good seed in India from the 2025 harvest are running low and the arrival of the new harvest in early 2026 is eagerly awaited.

The US tariffs of 50% have significantly impacted Indian exports to the US, leading to a 22.2% decline between May and August 2025. As a result of these tariffs, less castor oil was exported to the US and demand was reduced. Negotiations between India and the US are still ongoing at the end of September, and their outcome, as well as overall economic developments in Europe and Asia, will have a significant impact on short-term price trends.

The number of hectares sown for the new harvest is currently in line with the multi-year average. Once sowing is completed in October, we will have more accurate figures on the total number of hectares cultivated. Rainfall during the monsoon season from June to September was at normal levels. However, there was some flooding in important castor bean growing areas. The first projections for the size of the new harvest are expected in the fourth quarter.

Shipping reliability in Northern Europe has improved slightly to around 60%, but longer transit times due to rerouting around Africa instead of the Suez Canal, along with congested ports in Rotterdam, Antwerp, and Hamburg, continue to pose challenges.

We continue to recommend covering requirements through the end of Q1 2026.





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

#### Almond Oil

The 2025 Almond Harvest continues, and early reports indicate that we may fall short of the projected 3 billion pounds. Currently the furthest south counties are showing the best yields while the central and western counties are showing the worst. We are currently seeing larger hulls in the crop and a lower percentage yield of almond kernels. Almonds remain competitively priced amongst the tree nuts and the weakening dollar is growing export demand.



#### Walnut Oil

After a mild summer, the walnut harvest has officially begun on the most northern farms in California. The state will continue to harvest into November, but the first variety (The Howard Walnut) is already making its way to processors for cracking and sorting.

In the next few weeks we will begin seeing reports of yield and quality that will paint a clearer picture of what the 2025 crop will look like.

#### Pistachio Oil

American Pistachio growers are preparing for the largest harvest in history. As harvest begins in an on year which will result in 20% larger yield than an off year, we are seeing full nut set and healthy orchards up and down the state. It is a fact that the current record of 1.5 billion pounds of pistachios will be broken, the only question is by how much. This is welcome news after a year plagued by demand outpacing supply.



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### Hazelnut Oil

The biggest news in the Hazelnut world is the extensive frost damage that has occurred in Turkey. Turkey is the world's largest producer of Hazelnuts, and global prices have spiked since the frost news has been released. The last time Turkey suffered severe frost was 2014 and their total crop was reduced by over 30%.

Inversely, Oregon Hazelnut farmers are projecting a large and healthy harvest. They will try to fill the gap, but with Oregon crop averaging only a fifth the size, we expect prices to remain high. Oregon will continue its role as second largest in the world, but this year will be the closest they've ever come to being the world's leading producer.

### AMENDED SPECIFICATIONS

702001      Paraffinum liquidum Ph. Eur.

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



Melissa Guttenkunst

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)**