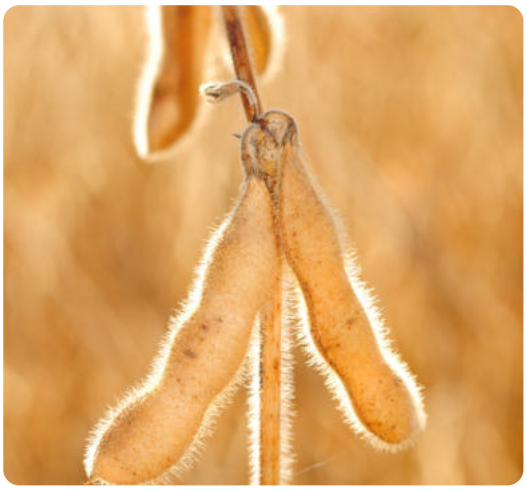
Market Report November 2026

Vegetable Oils

Soybean Oil



Soybean oil is under pressure because crude oil prices collapsed in early November and uncertainty surrounding U.S. biofuel policy persists.

Supply is abundant: The U.S. is harvesting a large soybean crop, while Brazil and Argentina are on track for high yields. In the week ending November 6, soybean oil lost 5.5%—less than palm oil, but significantly more than rapeseed. For European buyers, the EU Deforestation Regulation will take effect on December 30, 2026.

Supply

In its November WASDE report, the USDA slightly raised its forecast for the 2026/27 U.S. soybean crop to the equivalent of about 124.5 million tons. The expected yield is about 3.59 tons per hectare. Since exports are projected to rise to about 46.8 million tons, U.S. ending stocks will nevertheless fall to about 8.2 million tons. The USDA estimates the global soybean crop at 442.5 million metric tons.

For soybean oil, the U.S. expects production of about 14.9 million tons in 2026/27, of which about 8.1 million tons are expected to be used in the production of biofuels. U.S. ending stocks of soybean oil were lowered to about 771,000 metric tons.

In South America, the USDA expected record harvests in May of 186 million tons in Brazil and 50 million tons in Argentina; both countries are expected to export more soybean oil. Planting in Brazil is progressing well, with Mato Grosso moving significantly faster than the five-year average, while conditions remain dry in Rio Grande do Sul.

Since the start of the marketing year, the EU has imported about 2% fewer soybeans and 15% less soybean meal than in the previous year, indicating slightly weaker processing activity.

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Demand

The most important driver of soybean oil prices is U.S. biofuel policy: More than half of U.S. production is expected to go toward biodiesel and renewable diesel in 2026/27. In August, reports that the U.S. Environmental Protection Agency (EPA) might grant refineries significantly more exemptions from the blending mandate and lower the 2026 biodiesel mandate below the proposed 5.61 billion gallons triggered a price drop of about 7%.

In Europe, demand for vegetable oil is more moderate: In addition to lower soybean imports, palm oil imports into the EU have also fallen by 21% since the start of the marketing year. Sales in the food sector remain stable, with soybean oil competing primarily on price with rapeseed and sunflower oils.

Influencing Factors

Crude oil is currently the strongest single factor. On November 4, WTI fell 8.3% to $88.12 per barrel and Brent fell 8.7% to $94.62 per barrel. This weakens the competitiveness of biodiesel and dragged soybean oil prices down in Chicago and South America; higher export premiums in Argentina and Brazil offset part of the decline.

Competitor oils are also weighing on prices: Palm oil lost about 9% in the week ending November 6 because Malaysian inventories are at record levels. Rapeseed, on the other hand, held up significantly better in Europe. A stronger U.S. dollar is putting additional pressure on prices in Chicago but is making soybean oil more expensive for European buyers when priced in euros.

For Europe, the EU Deforestation Regulation (EUDR) is another factor. It takes effect on December 30, 2026, for large and medium-sized companies, and on June 30, 2027, for small ones. The regulation covers soybeans, soy meal, and soybean oil; importers must then prove that the goods do not originate from deforested areas. This is likely to result in price premiums for certified, traceable goods, particularly those from Brazil.

Outlook

In the short term, soybean oil is likely to trade sideways or slightly lower as long as crude oil and palm oil remain weak.

On the upside, the market could be driven primarily by a clear decision by the EPA to mandate high blending levels, as well as a recovery in crude oil prices or weather-related issues in South America, such as persistent drought in southern Brazil. On the downside, factors include further exemptions for U.S. refineries, rising palm oil inventories, and a large South American harvest beginning in February 2027.

Rapeseed Oil

Rapeseed and rapeseed oil remain firm in Europe, with German oil mills paying prices not seen since spring 2023—while palm and soybean oil prices are falling significantly.



This firmness is driven by a tight EU supply-demand balance: The 2026 harvest totaled only 19.3–19.9 million tons, and the European Commission expects ending stocks of just 0.72 million tons. At the same time, the rest of the vegetable oil market is weak—palm oil lost about 9% in one week, soybean oil 5.5%, and crude oil also declined.

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Furthermore, seed and rapeseed oil from Ukraine—currently the most affordable sources—are putting a cap on prices.

Supply

The 2026 EU rapeseed harvest stands at around 19.3–19.9 million tons. Estimates have been lowered by about 1 million tons since spring, and the 2026/27 supply-demand balance is tight.

EU Rapeseed 2026/27	European Commission (Oct. 30)
Harvest (million tons)	19.28
Yield (tons/hectare)	3.03
Imports (million tons)	6.42
Processing (million tons)	24.75
Ending stocks (million tons)	0.72

The drought was the deciding factor: Compared to 2025, yields fell primarily in Romania and Spain (both –13%), Sweden (–11%), and France (–8%). The Commission's projected ending stocks of just 0.72 million tons are the main reason for the firm spot prices. A large portion of the harvest has already been sold, and on-farm stocks are low.

Imports come mainly from Ukraine, Australia, and Canada. For the 2027 harvest, dry soil in Western, Central, and Southeastern Europe, as well as waterlogged conditions in the Baltic states, are causing issues with seedling emergence, which justifies a risk premium on the new crop.

Demand

Biodiesel remains the largest consumer: In 2026, approximately 6.1 million tons of rapeseed oil will be used for RME, which corresponds to about 15 million tons of rapeseed.

Demand for biofuels is driven primarily by Germany, France, and Poland; according to the USDA, more than half of the rapeseed oil produced in France is used in biofuels. In the food sector, demand is stable, and processing and sales in both food and biodiesel are considered robust overall.

EU oil mills will process approximately 24.7–25.4 million tons of rapeseed in 2026/27. However, Oil World expects that the smaller harvest and competition for import shipments will limit growth. About 9 million tons of rapeseed meal are produced as a byproduct, which is primarily used as animal feed.

Influencing Factors

The rest of the vegetable oil complex is under pressure: In the week ending November 6, palm oil fell by about 9%, soybean oil by 5.5%, and canola by 4.2%—EU rapeseed held up significantly better.

The main reason for the weakness in palm oil is Malaysian inventories, which reached a record high in October at an estimated 3.7–3.8 million tons; CPO is trading at around 1,039 USD/t. Indonesia has lowered the reference price for November by just over 6% and set the export levy at 124 USD/t. The introduction of B50 continues to be discussed but has not been confirmed—it remains an upside risk for 2027.

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Crude oil also saw significant selling pressure in early November, linked to shifting expectations regarding the Iran conflict. This weakens the economic viability of biodiesel blends beyond the mandatory quotas. Rising exports from Ukraine via the Black Sea and low-priced Ukrainian rapeseed oil delivered to Poland are capping further price increases in the EU. At the same time, the early-season problems with the 2027 harvest are keeping a risk premium in futures contracts starting in August 2027.

Outlook

Rapeseed oil prices in Europe are likely to remain firm until the new harvest. The tight EU supply-demand balance is supporting prices, while weak palm and soybean oil markets, as well as low-priced supplies from Ukraine, are limiting upside potential.

Sunflower Oil



Sunflower oil remains expensive in Europe despite large harvests because exports via the Black Sea have stalled.

Seed prices, on the other hand, are falling due to harvest pressure: A record or near-record harvest of over 62 million tons is expected worldwide in 2026/27. Because Ukraine can ship only about half as much oil as usual due to damaged ports, and Russia is also exporting less, this crop is reaching the market as oil only with a delay.

Supply

The EU sunflower harvest in 2026 is estimated at around 9.4–9.5 million tons, up from the previous year (8.7 million tons). In June, the European Commission had still expected 10.1 million tons, but the summer drought has lowered that estimate; COCERAL estimates 9.4 million tons, while some market participants expect as little as 8.8 million tons.

Within the EU, harvest figures vary widely. The EU average yield stands at 1.93 t/ha, which is 3% below the five-year average. Yields plummeted in France (1.58 t/ha, down about 30%), Hungary (1.69 t/ha, down 33%), Austria, and Germany, while Bulgaria (2.51 t/ha, +25%) and Romania (2.20 t/ha, +23%) were well above average and are helping to stabilize the market.

Outside the EU, harvests are large: Ukraine is harvesting 12–13 million metric tons, and the USDA estimates Russia's harvest at 20.7 million metric tons. The problem is logistics. Attacks on ports and warehouses in Odesa, Pivdennyi, and Chornomorsk, as well as on Russian terminals on the Sea of Azov and the Black Sea, are slowing exports. Ukraine is expected to ship only about 300,000 metric tons of oil per month from October through March—roughly half the usual pace; Russia is projected to ship 250,000–300,000 tons instead of the previous 400,000 tons.

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Demand

Europe remains the most important market for Ukrainian sunflower oil, but is increasingly competing with India and Turkey for the scarce Black Sea supplies. India alone could import around 700,000 tons of Ukrainian oil in 2026/27.

In the food sector, the main market for sunflower oil, demand remains stable. However, the high premium compared to palm and soybean oil is leading flexible processors to switch part of their demand to cheaper oils. Sunflower oil has recently underperformed compared to these competing oils. For oil mills, processing margins are currently attractive thanks to low seed prices, but high logistics costs are offsetting this advantage.

Factors Influencing the Situation

Logistics in the Black Sea region are crucial. Alternative routes for Russian oil via the Baltic Sea, the Caspian Sea, or by rail to China have limited capacity and increase transportation costs by about 25–35%. The Danube keeps a portion of Ukraine's volumes moving but cannot replace the seaports.

Export policy also plays a role: Ukraine sets minimum export prices for sunflower oil and seeds, which at times pushed Ukrainian offers above international benchmark prices and shifted volumes away from Russian goods. Kyiv has lowered these minimum prices for November.

Competition from other oils is mounting. The wider the price gap with sunflower oil becomes, the stronger the shift toward substitutes will be.

Outlook

Sunflower oil is likely to remain firm in Europe through the first quarter of 2027 and maintain its premium over palm and soybean oil. Seed prices are expected to trend stable to slightly weaker in the short term, but the oil is being supported by bottlenecks in the Black Sea.

The greatest downside risk is a sustained improvement in shipping across the Black Sea: In that case, the large harvests from Ukraine and Russia would quickly reach the market. Further declines in palm and soybean oil prices would also put pressure on the premium. On the upside, new attacks on port infrastructure or winter disruptions could drive prices higher.

Olive Oil

Olive oil is significantly cheaper than it was a year ago because Spain is expecting a large harvest. Average prices have fallen by about 30% compared to last year.

To slow further price declines, Spain will remove approximately 188,000 tons of olive oil from the market by the end of September 2027. Globally, production in 2026/27 is expected to significantly exceed consumption, meaning the market will remain a buyer's market for the time being.



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Supply

Spain expects to produce approximately 1.60 million tons of olive oil in 2026/27—23% more than the previous year and about 46% of global production. Combined with opening stocks of about 357,000 tons, supply is so high that the government has activated the “intervention rule.”

The picture is mixed in the other countries. Italy produced 325,000 tons in 2025/26; it is still too early to make a forecast for the new season. Greece expects 280,000–330,000 tons, and Portugal around 180,000 tons. Tunisia, the world’s second-largest producer in 2025/26 with around 450,000 tons, will not reach the previous year’s level despite a good bloom. Turkey, on the other hand, anticipates a strong harvest year.

Worldwide, production for 2026/27 is tentatively estimated at 3.50–3.65 million tons, with consumption at around 3.25 million tons. This could result in a surplus of 250,000–400,000 tons, which would replenish inventories.

Demand

Global consumption stands at around 3.25 million tons and is growing significantly more slowly than production. Following the years of high prices, many consumers and processors switched to cheaper vegetable oils. The lower prices are likely to bring back some of this demand, but only after a delay, because retailers will pass on the lower purchase prices only gradually.

The most important export market outside Europe is the United States. Spain sold over €1 billion of olive oil there in 2024. The 15% U.S. tariff on EU goods caused export value to drop noticeably; since a U.S. court ruled in February 2026 that large parts of the tariff framework were unlawful, Spanish exporters are hoping for relief. Turkey, which is subject to an additional 12.5% U.S. tariff, lost about half of its olive oil exports by September 2026.

Factors Influencing the Market

The Spanish intervention scheme is currently the most significant factor. Starting in November, olive oil mills must set aside 12% of their monthly production and may not sell these quantities until after September 30, 2027. This rule is triggered when opening stocks and the expected harvest are at least 20% above the average of the past six years. The measure supports prices but merely shifts supply to the next season.

Ultimately, the weather during the harvest—which runs through February in Spain and Greece—will determine the final quantity and quality.

Outlook

Through spring 2027, olive oil prices in Spain are likely to remain at current levels or decline slightly. The Spanish intervention measure could set a price floor that prevents further increases in the global surplus.

Prices could rise if the harvest is smaller than expected. This could be caused by frost or rain during the harvest. The elimination of U.S. tariffs could also drive prices up.

A large Turkish harvest, competition for export markets, and a slow recovery in consumption could put downward pressure on prices. For the 2027/28 season, it is important to note that the approximately 188,000 metric tons currently in storage will re-enter the market starting in October 2027.

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Castor Oil



Castor oil quotations rose sharply from mid to end of October. As predicted, prices are now high, as the season has come to an end. Ocean freight to Europe remains high as well.
Sowing of the new crop is complete. Official figures for Gujarat as of 12 October put castor at 635,000 hectares, around 7 % below last year and below the three-year normal. After a weak monsoon and unusually high temperatures in October, the trade expects lower yields, and the late sowing is expected to delay arrivals from the new crop. Thus market participants expect firm prices through January and prices next year above the level of the last campaign.

Key products from the Gustav Heess production in Bischofswiesen

Organic Rapeseed Oil

The 2026 rapeseed harvest yielded good volumes and quality. However, supply from traceable sources is limited. Together with our farmers, we are already planning the 2027 harvest and are currently visiting them on-site. The rapeseed has been sown and is now in a critical phase: the plants must not grow too tall so that they can survive the winter well.

Organic Sunflower Oil

The sunflower harvest is complete. Yields were below average in many areas due to the summer drought. Demand for organic sunflower seeds remains very high. Low water levels in inland rivers and attacks on cargo ships in the Black Sea are also causing a shortage of cargo space.

Organic Black cumin oil

The harvest in Egypt took place several months ago. In terms of volume, we estimate it to be on par with last year’s. Due to subdued demand in Europe, prices rose only slightly after the harvest and have remained largely stable since then. The usual price increase starting in August/September has not materialized so far this year. Should demand pick up in the coming months, we expect prices to rise again leading up to the new harvest.

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Black cumin oil

Following the poor harvest in 2025, a very good harvest was initially expected this year. However, above-average rainfall shortly before harvest led to severe weed pressure and significantly impacted both yield and quality. With the benefit of hindsight, we must therefore conclude that this year's harvest was also below average. At the same time, strong demand for seed from the Arab world—despite subdued demand in Europe—is driving up raw material prices. From today's perspective, we expect prices to continue rising.

Organic Hemp oil

The hemp harvest in the EU is complete. We have contracted for the necessary quantities and are closely monitoring market developments. We expect seed prices to rise in the coming months.



Key products from the Gustav Heess production in the USA

Almond Oil

Overall the demand remains firm and prices have risen. New crop estimates in the USA now stand at between 2.56 and 2.62 billion pounds; the main issue this season is nut size. The harvest in Spain and Italy has delivered solid volumes. Organic almonds nevertheless remain scarce, partly because demand from the USA is driving prices, and long-term raw material contracts are generally not possible for organic qualities. Conventional almonds are trading at historically high levels.



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Walnut Oil

China appears to be harvesting a solid crop, which is keeping Asian demand for Californian walnuts low. The USDA, on the other hand, continues to have demand and is buying additional volumes. Prices are stable.

Pistachio Oil

Kernel prices have risen further, and the crop is now estimated at around 650 million pounds, compared with 1.6 billion pounds last year. Buyers who did not contract pistachios early this year are now being quoted delivery for August 2027.



Hazelnut Oil

Turkey’s crop is falling short of last year’s and shows a high incidence of rot, yet prices in Europe remain stable. In Oregon, by contrast, the crop is expected to be up 17 % on last year, with industry estimates ranging from 135,000 to 143,000 short tons, although some market participants take a more cautious view.

Amended Specifications

- 208020 Almond oil cold pressed
- 208120 Almond oil cold pressed organic
- 204311 Avocado oil crude organic

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Each month we will send you current information on the vegetable oils and fats market in form of this market report. Stay tuned and asses the current developments. If you have any questions , please do not hesitate to contact your usual contact person.

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