



OILSEEDS, OILS & MEALS MONTHLY PRICE AND POLICY UPDATE *

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- abridged version -

Global price review

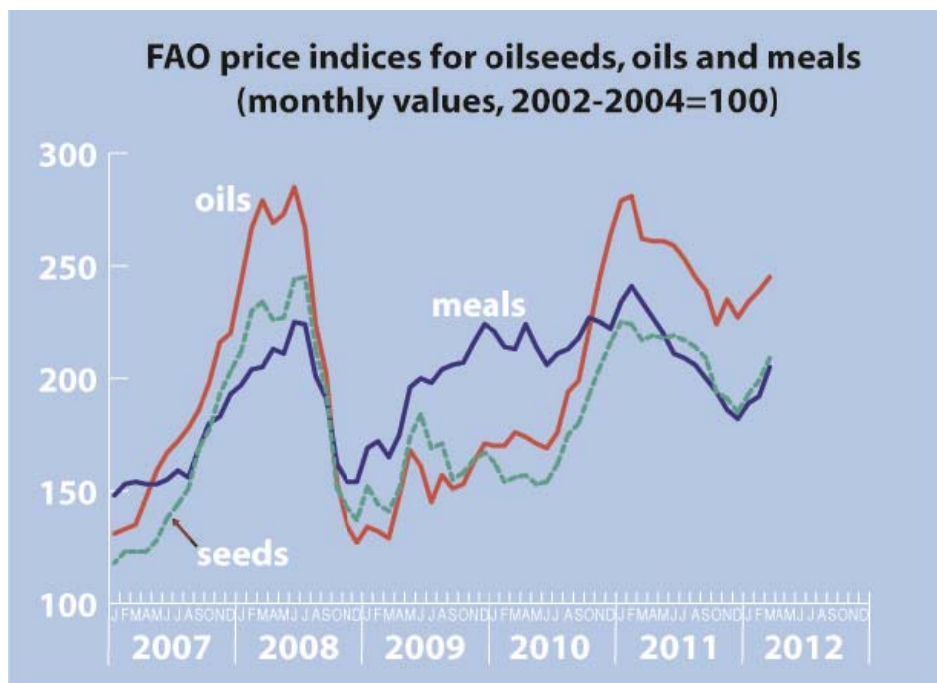
March saw FAO's price indices for the oilseed complex move upward for the third consecutive month. Compared to February, the price index for oils/fats rose by 2.4% while the price indices for oilseeds and meals increased by about 5-6%. Although below the peaks recorded in 2011 and 2008, all three indices are ranging well above historical levels reflecting growing tightness of global fundamentals in the 2011/12 oilcrop season.

Regarding oilseeds, prices have continued rising amid reports of further deterioration of soybean crops in South America. Signals of Chinese soy imports picking up as well as the prospect of continued competition for land between maize

and soy in the United States (2012/13 season) also contributed to the price rise. Furthermore, tight rapeseed supplies for the current season and prospective small production in 2012/13 are adding pressure to the market, also considering that Canadian stocks are reported below their seasonal average following increased domestic and export demand (following poor crops in key buying countries).

South America's decimated soybean crop is also the main driver behind the rise in the meal price index. Additional upward pressure has come from increasing tightness in rapeseed supplies as well as rising import demand for fish meal, which has led to the depletion of Peruvian fish meal stocks.

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* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Trade and Markets Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices and spots important policy and market events selected from a variety of sources. The present issue only comments on price developments in **March 2012**. Previous issues can be downloaded from the FAO website at IIRI <http://www.fao.org/economic/est/publications/oilcrops->

Global price review - *cont'd*

The further rise in the oils/fats index reflects increasing global supply concerns for vegetable oils in 2011/12. In particular, weak growth in global palm oil production is contrasting robust

demand for palm oil, while concerns about global soyoil export availabilities falling to a multi-year low have also increased.

	<u>International Prices (US\$ per tonne)</u>					<u>FAO Indices (2002-2004=100)</u>		
	Soybeans ¹	Soybean oil ²	Palm Oil ³	Soybean Cake ⁴	Rapeseed Meal ⁵	Oilseeds	Edible/Soap Fats/Oils	Oilcakes/ Meals
Annual (Oct/Sep)								
2004/05	275	545	419	212	130	105	104	105
2005/06	259	572	451	202	130	100	108	125
2006/07	335	772	684	264	184	129	148	153
2007/08	549	1325	1050	445	296	217	245	202
2008/09	437	849	682	409	206	156	145	180
2009/10	429	924	806	388	220	162	174	215
2010/11	550	1308	1147	418	279	215	256	221
Monthly								
2009 - October	427	891	676	413	187	158	153	207
2009 - November	442	939	728	422	196	164	163	216
2009 - December	448	931	791	425	219	167	171	224
2010 - January	435	919	793	407	243	163	170	221
2010 - February	406	915	804	393	230	154	170	214
2010 - March	410	920	832	381	200	156	176	213
2010 - April	412	900	826	378	205	157	174	224
2010 - May	406	864	813	353	226	153	171	214
2010 - June	408	860	794	342	194	154	169	206
2010 - July	426	911	811	361	225	162	176	211
2010 - August	457	1002	901	389	245	175	194	213
2010 - September	468	1036	910	398	277	180	199	218
2010 - October	496	1165	998	415	285	193	222	227
2010 - November	526	1248	1117	430	292	205	245	225
2010 - December	550	1321	1229	437	289	216	264	222
2011 - January	572	1384	1279	454	313	225	279	234
2011 - February	569	1366	1286	447	290	224	281	241
2011 - March	552	1305	1172	423	264	217	262	234
2011 - April	553	1310	1148	406	277	219	261	227
2011 - May	556	1291	1155	403	280	218	261	220
2011 - June	559	1321	1137	396	289	219	259	211
2011 - July	558	1345	1100	405	262	217	253	209
2011 - August	557	1327	1080	402	248	214	245	206
2011 - September	546	1310	1065	396	255	209	239	200
2011 - October	502	1216	995	378	243	194	224	194
2011 - November	491	1228	1054	353	224	191	235	186
2011 - December	476	1163	1026	346	227	185	227	182
2012 - January	500	1223	1062	371	234	193	234	189
2012 - February	512	1245	1100	385	255	199	239	192
2012 - March	542	1283	1152	426	287	209	245	205
¹ Soybeans (US, No.2 yellow, c.i.f. Rotterdam) ² Soybean oil (Dutch, f.o.b. ex-mill) ³ Palm oil (Crude, c.i.f. North West Europe) ⁴ Soybean cake (Pellets, 44/45%, Argentina, c.i.f. Rotterdam) ⁵ Rapeseed meal (34%, Hamburg, f.o.b. ex-mill)								
Note: The FAO indices are calculated using the Laspeyres formula; the weights used are the average export values of each commodity for the 2002-2004 period. The indices are based on the international prices of five selected seeds, twelve selected oils and fats and seven selected cakes and meals. Sources: FAO and Oil World								