



OILSEEDS, OILS & MEALS MONTHLY PRICE AND POLICY UPDATE *

No. 49, July 2013
- short version -

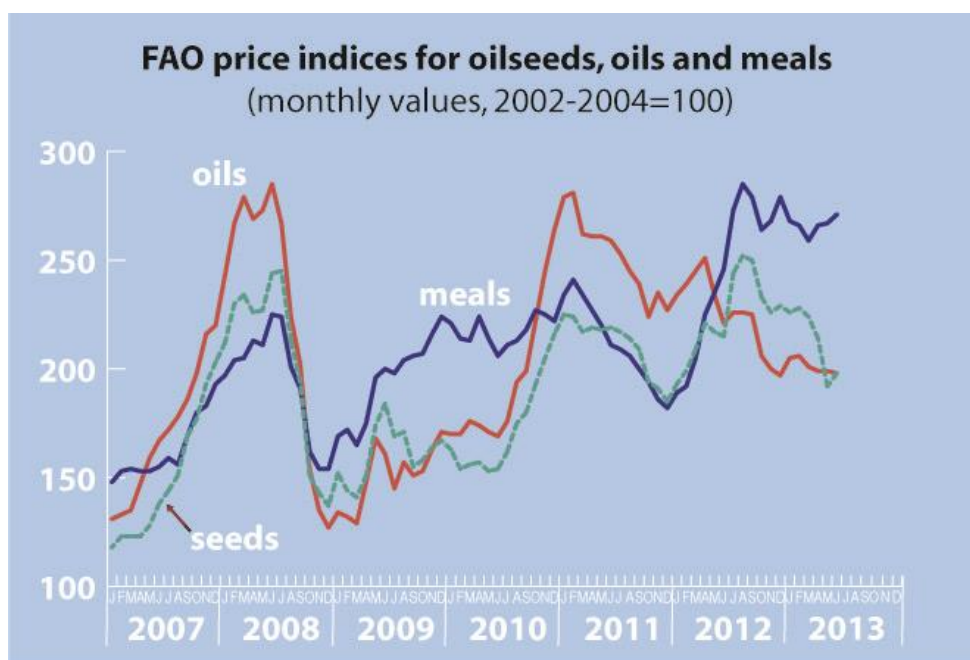
Global price review

In June, FAO's price indices for oilseeds and for meals/cakes gained strength, while the index for oils/fats fell slightly compared to the previous month. International quotations for oilseeds and oilmeals increased by, respectively, 3 percent and 1.5 percent from their May level, while the oils/fats index dropped by 0.6 percent. As oilseed and oils/fats values remain below the level recorded one year ago, the meals/cakes index continues to fare well above the average of recent years.

The indices for oilseeds and meals strengthened under the lead of soybeans, mostly reflecting persistent supply tightness in several importing countries. Further delays in shipments from South America – at a time when global export volumes usually increase – accentuated the market's

dependence on depleted old crop inventories in the United States. Domestic crush estimates for the United States continued to exceed expectations, pushing 2012/13 ending stocks to their lowest level since 2004. In the latest US stocks report, last month's inventory levels have been pegged 35% below the comparable level of last year. Significant planting delays for the 2013/14 crop – due to the extremely wet conditions, in particular in the Midwest of the country – also contributed to the upward pressure on prices. Meanwhile, values for rapeseed and sunflowerseed have trended downwards, responding to the anticipated recovery in global sunflowerseed output in 2013/14 and the likely further increase in global rapeseed production.

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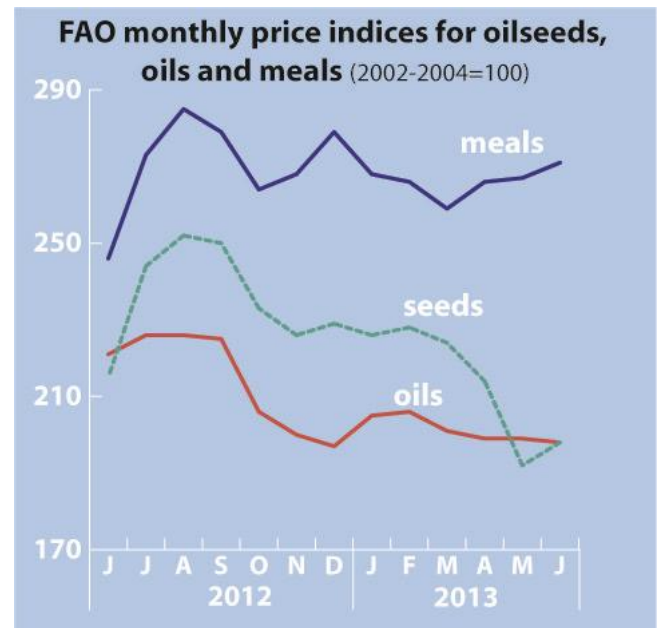


* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Trade and Markets Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices and spots important policy and market events selected from a variety of sources. The present issue only comments on price developments in **June 2013**. Previous issues can be downloaded from the FAO website at URL <http://www.fao.org/economic/est/publications/oilcrops-publications/monthly-price-and-policy-update/en/>.

Global price review - *cont'd*

As to meals, abundant fish catches in Peru – since fishing operations were allowed to resume in May – resulted in some downward pressure on fishmeal quotations, thus preventing the overall meal index from rising more strongly.

With respect to oils/fats, the moderate decrease in the price index was driven by soyoil, primarily reflecting a rise in export availabilities in South America, where subdued consumption coincided with high soyoil production. Weak growth in domestic demand – in particular in Argentina – is partly related to poor demand for soyoil by the biodiesel industry. Meanwhile, palm oil prices have remained firm. Lower than anticipated growth in palm oil output combined with a rise in export demand (due, in part, to the continued high discount of palm oil vis-à-vis soy oil) finally resulted in a contraction in Southeast Asia's record-high inventories, thus lending support to prices. Anticipated consumption rises – as the fasting month of Ramadan comes to a close – also lent strength to palm oil values.



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Editor's note: With regard to the item on high-oleic vegetable oils published in the last issue of MPPU (no. 48, June 2013), readers are invited to contact *FAT & Associés*, a business intelligence company working on the oilseeds & oils value chain, for more information: www.fat-associes.com.

	<u>International Prices (US\$ per tonne) ¹</u>					<u>FAO Indices (2002-2004=100)</u>		
	Soybeans ²	Soybean oil ³	Palm Oil ⁴	Soybean Cake ⁵	Rapeseed Meal ⁶	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	549	1308	1147	418	279	215	256	221
2011/12	562	1235	1051	461	295	214	232	224
Monthly								
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
2012 - April	575	1308	1182	474	335	221	251	225
2012 - May	570	1210	1081	492	330	217	234	235
2012 - June	570	1187	996	503	315	215	221	246
2012 - July	660	1234	1010	584	353	244	226	273
2012 - August	682	1254	994	619	365	252	226	285
2012 - September	669	1276	960	604	374	250	225	279
2012 - October	617	1183	844	555	359	233	206	264
2012 - November	595	1148	816	539	378	226	200	268
2012 - December	603	1153	772	553	396	229	197	279
2013 - January	591	1192	838	512	367	226	205	268
2013 - February	597	1164	862	513	381	228	206	266
2013 - March	588	1117	853	503	367	224	201	259
2013 - April	559	1099	841	521	300	214	199	266
2013 - May	498	1077	849	527	404	192	199	267
2013 - June	523	1036	858	551	321	198	198	271
¹ Spot prices for nearest forward shipment ² Soybeans (US, No.2 yellow, c.i.f. Rotterdam) ³ Soybean oil (Dutch, f.o.b. ex-mill) ⁴ Palm oil (Crude, c.i.f. North West Europe) ⁵ Soybean cake (Pellets, 44/45%, Argentina, c.i.f. Rotterdam) ⁶ Rapeseed meal (34%, Hamburg, f.o.b. ex-mill)								
<p><i>Note:</i> 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.</p> <p><i>Sources:</i> FAO and Oil World</p>								