



OILSEEDS, OILS & MEALS MONTHLY PRICE AND POLICY UPDATE *

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- short version -

Global price review

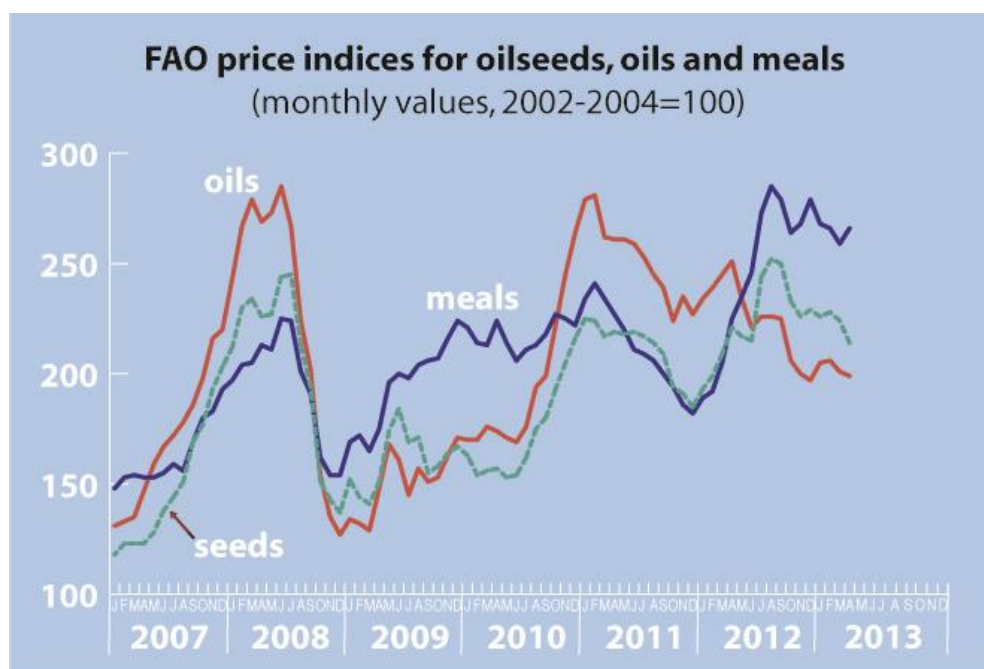
In April, FAO's price indices for oilseeds and oils/fats continued to lose strength, falling for the second consecutive month. By contrast, the index for meals leaped upward, thus ending the downward trend observed over the last three months. The oilseed index dropped by 10 points (over 4 percent) from the March level, now reaching a 13-month low, while the oils/fats index fell by 2 points (1.5 percent), faring well below the corresponding values of the last two years. By contrast, the meal index rose by 7 points and remains high in historical terms.

International oilseed prices fell substantially under the lead of soybeans reflecting good harvest progress in South America – thus confirming forecasts of a bumper soybean crop in the region

– and initial forecasts of a record soybean output later this year in the United States. In addition, delays in US maize plantings, due to unusually wet and cold weather, could lift soybean plantings in the coming weeks, raising production prospects above current forecasts. Reports of larger than anticipated soy inventory levels in the United States, concerns about a temporary slowdown in Chinese purchases following avian influenza outbreaks, and spill-over effects from the maize market also contributed to the weakening in prices.

The further softening in oils/fats prices was mainly on account of falling palm oil quotations. Palm oil values dropped further reflecting reports of abundant inventories in both, main exporting

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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 **April 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/>.

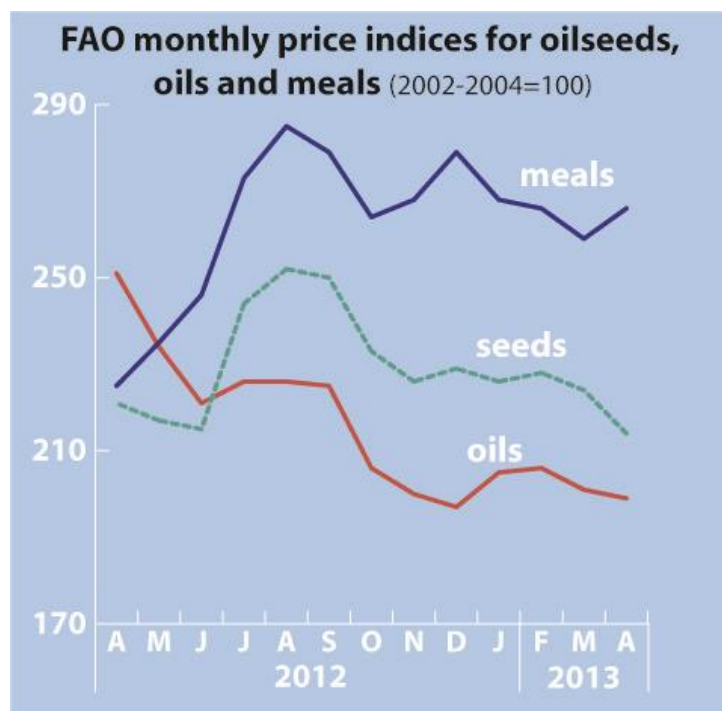
Global price review - cont'd

countries and key importing markets. Furthermore, the market is expecting an acceleration in Southeast Asian palm oil production during the coming months. Reduced demand for vegetable oils from the biodiesel sector – caused by weakening energy prices and rising uncertainty about the future direction of national bio-energy policies – contributed to a general fall in vegetable oil prices. In Argentina, for instance, reduced demand from biodiesel producers, resulted in higher soy oil export availabilities. Also poor global economic growth continued to affect vegetable oil demand, thus weighing on prices.

With regard to meals/cakes, the rebound in international prices was driven by soybean meal and fish meal. Soybean prices appreciated due to several factors: continued shipping delays in Brazil resulting in insufficient arrivals and thus

temporary shortages in a number of importing countries; sluggish soybean sales by farmers slowing down crush operations in Argentina; and difficulties in reconciling diminishing old crop supplies in the United States with the need to satisfy both domestic and export demand for soymeal. World fishmeal prices remained historically high on account of (i) low global inventories, (ii) tight production prospects following poor fish catches in Chile, and (iii) the implementation of reduced catch quotas in Peru.

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	International Prices (US\$ per tonne)					FAO Indices (2002-2004=100)		
	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	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
<p>¹ Soybeans (US, No.2 yellow , c.i.f. Rotterdam)</p> <p>² Soybean oil (Dutch, f.o.b. ex-mill)</p> <p>³ Palm oil (Crude, c.i.f. North West Europe)</p> <p>⁴ Soybean cake (Pellets, 44/45%, Argentina, c.i.f. Rotterdam)</p> <p>⁵ Rapeseed meal (34%, Hamburg, f.o.b. ex-mill)</p> <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>								