OILSEEDS, OILS & MEALS
MONTHLY PRICE AND POLICY UPDATE *

No. 64, November 2014

a) Global price review

In October 2014, the FAO price indices for oilseeds and meal/cakes were about unchanged, while the vegetable oils index rose slightly compared to September (by 2 points or 1 percent), thus interrupting the declining trend observed in the previous six months. In historical terms, all the three indices reached multi-year lows, although the weakening of meal prices was less marked than for oilseeds and oils.

International prices for oilseeds and oilmeals continued easing, mainly driven by the prospect of large soybean availabilities during the 2014/15 season. Soybean prices fell for the fifth consecutive month in October, to a level faring about 20% and 30% below the corresponding values in 2013 and 2012. Despite recent downward revisions to the 2015 crop forecasts in Brazil and Argentina (respectively caused by unfavourable weather and lower than anticipated plantings), global production and supplies of soybeans are still expected to climb to new records in 2014/15. Interestingly though, soybean prices and, even more so, soymeal prices gained some strength towards the end of October, as harvest delays and logistical bottlenecks in the United States coincided with unfavourable planting conditions in both Brazil and Argentina.

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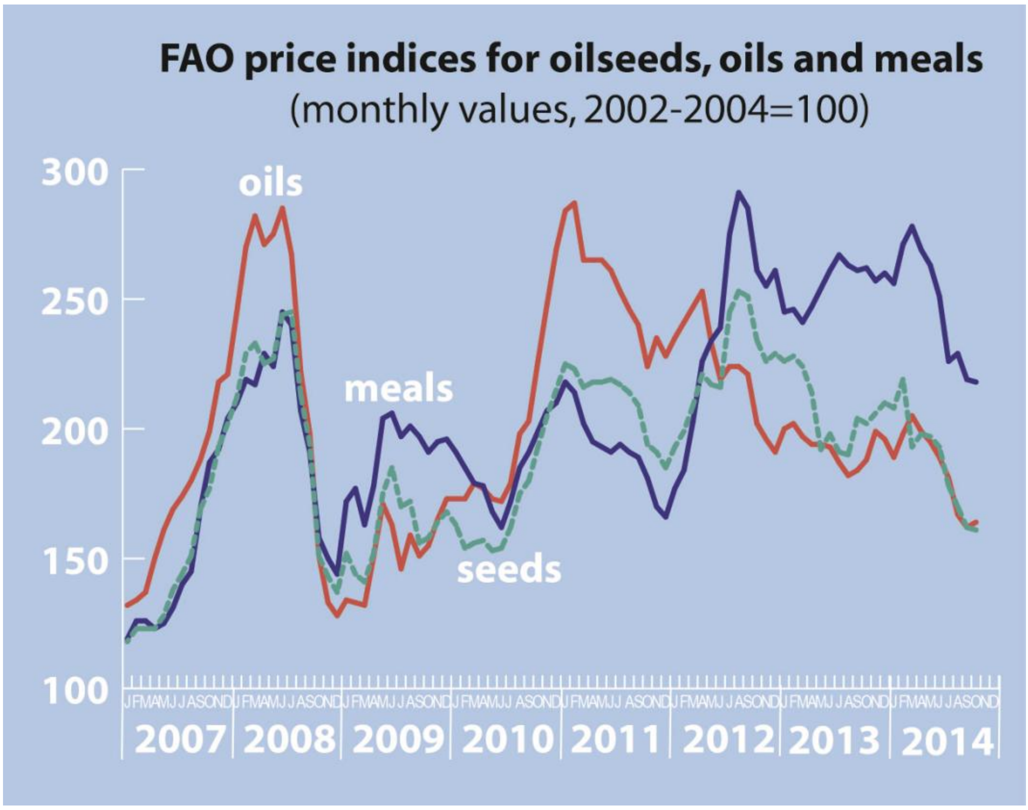
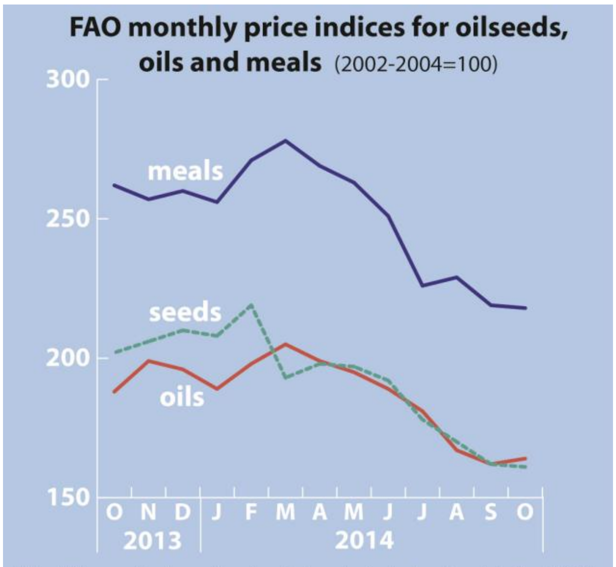


* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Trade and Markets Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices and spots important policy and market events selected from a variety of sources. The present issue covers developments observed during **September** and **October 2014**. Previous issues can be downloaded from the FAO website at the following URL: http://www.fao.org/economic/est/publications/oilcrops-publications/monthly-price-and-policy-update/en/

Global price review – *cont'd*

Meanwhile, international quotations of sunflower seed have strengthened month-on-month on reports of lower than anticipated crop yields in Ukraine and the Russian Federation. Rapeseed prices continued faring well below the averages of the past two seasons, reflecting forecasts of near-record supplies in 2014/15.

Palm and sunflower oils were the main drivers behind the October upturn of the vegetable oil price index. International palm oil quotations strengthened – after six consecutive months of contraction –, reflecting both production slowdowns in Malaysia and Indonesia (linked to a long spell of dry weather earlier this year) and a recent revival in global import demand. Forecasts of weak production growth in the first half of 2015 (as a result of recent unfavourable weather conditions in parts of Indonesia and Malaysia) also weighed on prices. As to sunflower oil, prices reacted to disappointing crop prospects in the Black Sea region which, if confirmed, will result in lower than originally expected global sunflower oil supplies. International quotations for soyoil, by contrast, weakened further on confirmation of ample availabilities in 2014/15, thereby limiting the rise in the overall oil price index.



Note: With regard to the sudden drop in the price index for oilseeds in March 2014 please see the clarification provided in the appendix table.

b) Selected policy developments and industry news

ARGENTINA – biodiesel policy:
The government reiterated its plans to raise the country's mandatory blending rate for soy oil-based biodiesel. The aim is to increase domestic consumption, as biodiesel exports stagnated. and to contain government outlays for the importation of crude oil. Originally planned for 2012, the shift to a compulsory blending rate of 10% is now scheduled for December 2014. The average biodiesel content in fuel sold in Argentina is currently estimated to range between 5% and 7%. If realized, the 10% rate would lift domestic biodiesel consumption to about 1.5 million tonnes per year.

ARGENTINA – market regulation: Based on a new bill that enables the government to regulate the relationship between supply and demand of goods and services, the government considered regulating the production and marketing of grains, in particular soybeans. Reportedly the objective was to address market shortages that developed after farmers delayed grain sales, so as to use their crops as a hedge against inflation and currency devaluations. Thanks to recent negotiations between the government and the private sector, farmers are said to have committed releasing grains in the domestic and foreign markets, with an estimated USD 5.7 billion worth of soybeans and grains expected to be exported in the last quarter of 2014.

CANADA – transportation policies: Barring unexpected build-ups of grains at elevators in Western Canada, the government is set to let the minimum shipment requirement imposed on national railway companies expire on 29th November 2014 *(see also MPPU Sep.'14)*. Strict regulations and controls had been introduced back in March this year, after a bumper harvest and severe winter led to major logistical problems. According to government officials, since the start of this year's harvest, there have been no major bottlenecks in moving crops to the country's ports. Hence the decision to end the regulatory measure.

CANADA / REP. OF KOREA – free trade agreement: Under the bilateral free trade agreement signed in September, the Republic of Korea is expected to remove immediately its 5% tariff on rapeseed imports from Canada, while the tariffs applied to crude and refined rapeseed oils would be phased out over, respectively, seven and three years. The Canola Council of Canada expects rapeseed/rapeseed oil shipments to the Republic of Korea to expand strongly as a result of the agreement. The two governments still have to pass the enacting legislation for this to take effect.

CANADA / EUROPEAN UNION – economic and trade agreement: A declaration marking the end of formal negotiations has been signed by the two countries *(see also MPPU Nov.'13)*. The comprehensive agreement, which is expected to be implemented in early 2016, has been welcomed by Canada's canola industry, which hopes to benefit from (i) the EU's elimination of import tariffs on rapeseed oil, and (ii) provisions to reduce biotechnology-related trade hurdles. Industry officials underlined the importance of timely and predictable approval of new rapeseed varieties containing GM-traits to Canada's exporters. Reportedly, the two countries agreed to set up a working group that will look into the timeliness of approvals, science-based assessment methods, and special regulations for low-level GM presence in shipments.

CHINA – state oilseed procurement/sales

- <u>Rapeseed</u>: Private sources reported a marked slowdown in the volume of rapeseed procurement for state food reserves in 2014. Reportedly, as of early August, rapeseed purchases stood at 3 million tonnes, down from over 5 million tons at the same time last year. Total rapeseed purchases from this year's crop are forecast at 3.5 million tonnes, which compares to 6.2 million tonnes procured during the last campaign. The decline has been attributed to a lower rapeseed harvest than officially reported, a more restrictive government purchase policy, and a high volume of foreign commercial purchases during the 2013/14 marketing season. Reportedly, in 2015, the government could abandon state procurement of rapeseed altogether, shifting – as already done for soybeans – to a system of direct subsidy payments for farmers.
- <u>Soybean</u>: Reportedly, between May (when the government began this year's auctions from state reserves) and early September 2014, more than 5 million tonnes of soybeans have been offered for sale, with only 2.2 million tonnes actually sold. Meanwhile, starting in the current season, the state procurement system for soybeans will be replaced with direct subsidy payments. Instead of selling to the government, farmers will sell their beans in the open market, and whenever market prices fall below a set target prices, the government will pay the difference based on the farmers' planting area and on volumes sold to crushers. For the 2014/15 campaign, the official *target* price has been set at Yuan 4 800 per tonne (USD 784). For comparison, last season, the official *purchase* price had been fixed at Yuan 4 600 per tonne (USD 752). Reportedly, market prices will be regularly monitored by public officials in the country's main soybean growing provinces.

INDIA – vegetable oil tariff values/rates: In October, the official tariff was raised for soybean oil , lowered for crude and refined palm olein, and left unchanged for crude palm oil. Used as reference prices for calculating import levies, tariff values are adjusted periodically to ensure that they reflect changes in international benchmark prices. With regard to tariff rates, the country's industry reiterated its calls for higher import duties on edible oils, claiming that recent import surges have led to marked drops in local market prices, hurting the refining industry as well as farmers. India's Food Ministry was reported to be in favour of raising the tariffs for crude and refined edible oil from their current level of 2.5% and 10% respectively. A government official didn't exclude a hike in import duties of more than 5 percentage points, adding that the final decision would rest with the Finance Ministry.

INDIA – biodiesel policy: Reportedly, the government is considering to promote domestic production and consumption of biodiesel. Depending on the outcome of inter-ministerial consultations, the government was envisaging to impose a blending of diesel with 10% biodiesel made from virgin or used vegetable oils/animal fats. Initially limited to the railways and defence sectors (because of limited biofuel availability and quality issues), the scope of mandatory blending would gradually be expanded to include all diesel vehicles. According to a local biodiesel producer, biodiesel is currently sold at a small discount to conventional diesel.

INDIA – minimum support prices: Support prices for rabi oilseeds crops (which will be sown later this year for harvest in 2015) have been revised upwards. For rape and mustardseed, the price per tonne has been set at Rs 31 000 (USD 505), and for safflowerseed at Rs. 30 500 (USD 476) – about 1.6% higher than last year. By comparison, the support prices for wheat, barley and lentils have been hiked by 3.5% – 4.5%, and for chickpeas by 2.4%.

INDONESIA – palm oil export tax and biodiesel policy: Following sharp drops in domestic palm oil prices, the government decided to suspend the country's variable export tax on crude palm oil for the months of October and November. The measure aims to stimulate exports, thereby bringing down domestic stock levels and halting the current decline in prices. The government's decision followed a similar move, in September, by rival exporter Malaysia. Prior to the suspension, Indonesia's exports were charged a 9% levy. The last time the tax was set at zero was in December 2009. One reason behind the recent surge in palm oil stocks has been lower than expected uptake by the local biodiesel industry. Apparently, the implementation of mandatory blending of diesel with palm-oil based biodiesel has fallen considerably behind schedule *(see also MPPU Mar. & July '14)*. With a view to raise domestic demand for palm oil, the government now plans to make 10% blends (B10) available nationwide by the end of this year, while the shift to B20 is envisaged for the year 2016.

INDONESIA – plantation sector policy: The government has approved comprehensive legislation regulating plantation ownership across the country. The new bill aims at maximizing land usage while ensuring adequate participation of smallholders in the plantation sector. All plantation firms are required to allocate 20% of their land to local farmers and to assist the latter in setting up their own plantations. Companies have been given five years to comply with the new rules. A controversial clause that would have drastically limited foreign ownership has been dropped from the final bill *(see also MPPU Sep.'14)*. A law introduced last year to limit the size of new plantations to 100 000 hectares complements the bill *(see MPPU Nov.'13)*.

INDONESIA – environmental policy: According to palm oil industry sources, the government is ready to issue new regulations on the conservation and management of peatland. Details of the law have yet to be made public. The protection of peat forests is considered to be of high environmental relevance as these fragile ecosystems contain large amounts of carbon dioxide that get released into the atmosphere if destroyed. Reportedly, the country is home to 14 million hectares of peat forests, of which some 9 million have been developed, with conversions into oil palm plantations accounting for about 1.7 million hectares. Industry officials have warned that full implementation of the regulations would entail major losses in terms of export revenues as well as forgone returns from new plantation investment, in addition to causing special hardship for smallholder farmers. Also civil society groups have been critical of draft versions of the bill, claiming that the proposed law (i) failed to take a holistic view of managing peatlands, (ii) didn't protect peat in existing concessions, (iii) could increase land tenure conflicts among local people, and (iv) lacked coherent action by different government agencies.

MALAYSIA – palm oil export tax and biodiesel policy: In early September, the government suspended its variable tax on crude palm oil (CPO) exports for two months to encourage shipments amid weak demand and swelling stockpiles. Prior to September, CPO exports attracted ad valorem taxes between 4.5% and 5.5%. The decision to temporarily suspend taxation was taken with a view to mitigating the on-going decline in CPO prices. In mid October, as CPO prices failed to recover, the government chose to extend the tax exemption until the end of this year. To stimulate domestic consumption, the government also decided to bring forward to December 1st the implementation of B7, i.e. nationwide mandatory blending of diesel with 7% of palm oil-based biodiesel. Only two months ago, the government had opted to delay the introduction of 5%-blends (B5) to December on technical grounds, leaving the transition to B7 for the first quarter of 2015 *(see MPPU Sep.'14)*. Reportedly, nation-wide implementation of B7 will translate into an annual demand of 575 000 tonnes of biodiesel, production of which would require roughly 650 000 tonnes of CPO.

MALAYSIA – palm oil certification: Officially presented last year, Malaysia's national standard and certification system MSPO (Malaysian Sustainable Palm Oil) is currently being tested by the industry, in preparation of its country-wide implementation by the end of this year. The responsible government agencies reported that the standard has been put to test in seven oil palm plantations and seven palm oil mills. The decision on whether the scheme will remain voluntary or become mandatory remains open. Reportedly, the standard has been developed to specifically address the needs of mid-range and smallholder oil palm growers, who find it difficult to comply with the principles and standards of RSPO (Roundtable on Sustainable Palm Oil). MSPO will apply to all categories of the oil palm industry and is said to comply fully with relevant Malaysian laws and ratified international agreements *(see also MPPU May '14)***.**

RUSSIAN FEDERATION – import policy: Reportedly, the government is considering to set the maximum allowed content of hydrogen peroxide in palm oil imported from Indonesia and Malaysia at 0.9% – which would be more stringent than the international standard of 5% set by the Codex Alimentarius. Reportedly, the level of peroxide in palm oil tends to increase during transport. It can be corrected through refining at the port of delivery.

UNITED STATES – agricultural policy: USDA informed that, as part of the broader Farm Bill, a new programme providing relief to farmers affected by severe weather is going to be implemented from next year. Thanks to the new regulation, eligible producers of selected crops, including soybeans, groundnuts rapeseed and sunflowerseed, will be able to benefit from better risk coverage under the federal crop insurance programme.

UNITED STATES – transportation policies: Following record maize and soybean harvests, the US farm belt is increasingly strained by rising demand for shipping capacity. Reportedly, an overburdened river freight system has resulted in rail congestions and truck shortages. New players in the market, notably producers of crude oil from the country's shale gas boom, are said to have exacerbated the situation. Consequently, grain/soybean producers and processors in the Midwest are increasingly concerned about delays in moving their products to the marketplace. To address the problem, the state of Iowa decided to allow the transportation of overweight truck loads of certain products (soybeans, maize, hay, straw and silage) for a period of 60 days starting October 1st.

VIETNAM – tax policy: In a bid to support domestic livestock production, the government has decided to exempt all animal feed, including soybean meal, from VAT payment. Until now, animal feed was taxed at 5%. Reportedly, in the last few seasons, livestock producers have been increasingly affected by disease problems, difficulties in breeding farm animals, declining domestic consumption and rising dependence on imported feedstuff. The tax exemption aims at stabilizing feed prices in the domestic market.

SECTOR DEVELOPMENT INITIATIVES

- Brazil – castorseed: Brazil's federal agricultural research agency EMBRAPA and Israeli biotech company *Evogene Ltd.* will cooperate to promote the advancement of castor cultivation in Brazil. Castorseed oil is said to have considerable potential as a feedstock for biodiesel and other industrial uses. Currently grown on approximately 100 000 ha, the new research programme aims at large-scale, economically viable and sustainable cultivation in Brazil's northeast and central regions, where some five million ha are estimated to be suitable for castor cultivation. The cooperation will focus on technologies for controlling castor-specific diseases and on the cultivation of castorseed in rotation with soybean. A key component will the introduction of advanced varieties – adapted to mechanized harvesting and modern agricultural practices.
- Pakistan – olive tree: Pakistan's Agricultural Research Council will join forces with the private sector in the promotion of olive farming and olive oil marketing. The new partnership will concentrate on following areas: post harvest losses, timely product delivery, sale strategies, marketing of value added products, quality control and testing facilities.
- Canada – rapeseed: Agricultural policy research at the University of Saskatchewan will receive financial support from Canada's Canola Growers Association to conduct work in the areas of international trade, transportation, labour, crop innovations and other issues of interest to the industry. The project aims at examining important policy issues and intends to help train future policy makers.
- Indonesia – oil palm: The government, in partnership with UNDP (the United Nations Development Program), has launched the Sustainable Palm Oil Initiative, SPOI, a national platform meant to help small, low-income palm farmers increase their productivity while adopting environmentally sound practices. Reportedly, smallholders manage over 40% of Indonesia's oil palm plantations. The new programme aims at raising smallholder yields to 5 tonnes of oil per hectare (compared to the current average of 2.5 – 3 tonnes) while abiding by Indonesian Sustainable Palm Oil (ISPO) standards and achieving official ISPO certification. The ultimate objective is to improve the livelihoods of small palm farmers, without causing harm to the environment. Reportedly, the programme targets 4.4 million hectares of oil palm smallholdings (or 44% of the country's total area under oil palm), involving an estimated 2.2 million farmers.
- China – soybean: Reportedly, this year, the introduction of a new fertilization method resulted in an 8% increase (year-on-year) in soybean yields in Heilongjiang province, China's main soy growing region. The method, known as *rhizobium inoculant* technology, is widely used in major soybean producing countries such as USA, Brazil and Argentina. Presently used in only 6% of the country's total soybean area, the technology is believed to hold great potential in boosting China's soybean output.
- Liberia – oil palm: The outbreak of the Ebola disease caused a large palm oil firm from Malaysia to postpone construction of a mill for its Liberian plantation, also putting on hold talks to expand its planted acreage, Reuters reported. The company is said to own one of the largest plantations in the country. It signed an agreement with the government to develop about 220 000 hectares of land and began planting in 2011. The company said that all workers will continue receiving their salaries and benefits, and that works would resume once the disease were under control.
- Nigeria – oil palm: The federal government has launched a nationwide programme for the distribution of improved oil palm seedlings to both smallholders and estates as well as for the enhancement of wild grove production. The initiative aims at closing the gap between domestic production and consumption of

vegetable oils. Based on unofficial estimates, annual consumption amounts to nearly 3 million tonnes, while domestic production is less than 2 million tonnes. After being self sufficient until the mid 1990s, now about one third of Nigeria's domestic requirements are met by imports.

Pest incidence in EU rapeseed cultivation: Following the recent ban of specific pesticides to protect bees *(see MPPU June '13)*, rapeseed farmers in the European Union have reported unusually high levels of insect damage in the recently sown rapeseed crop and expressed concerns that yields could drop markedly in next year's harvest. The pesticides in question had been identified as being harmful and were linked to past plunges in Europe's honeybee population. The 2014/15 crop is the first crop to be affected by the ban.

Weed control in soybean: Comparable to similar efforts by *Monsanto (see MPPU Sep.'14)*, US biotech firm *Dow AgroSciences* has developed new GM soybean and maize varieties (brand name *Enlist*) that are resistant to both glyphosate- and 2.4D-based herbicides, a trait that makes the *Enlist* crops suitable for planting where weeds have become resistant to glyphosate. Wide-spread use of glyphosate herbicides (such as Roundup) has been blamed for a surge in herbicide-resistant 'super weeds' that farmers are unable to control. Reportedly, the prevalence of such weeds has more than doubled since 2009 and now concerns some 28 million hectares of US farm land. To address this issue, USDA has granted approval of *Enlist* varieties in September, followed by the US Environmental Protection Agency (EPA) that conferred conditional approval of *Enlist-Duo*, the herbicide developed by *Dow AgroSciences* for use with *Enlist* crops. EPA's approval has been tied to a number of restrictions meant to address potential environmental and health hazards. In particular, provisions have been put in place to prevent pesticide drift, so as to avoid damage on neighbouring farm fields. Also, to ensure that weeds will not become resistant to 2,4D, EPA has imposed a set of requirements on *Dow AgroSciences*, including: extensive surveying and reporting to EPA, grower education and remediation plans. Furthermore, the agency's approval is set to expire in six years (rather than the usual 15 years), so as to allow EPA to revisit the issue of resistance. Initially, the herbicide in question will only be allowed in selected states. EPA will take public comments before approving the product in other states. According to *Dow AgroSciences*, its *Enlist* seeds could be on the market for the 2015 US planting season. As to the United States' main trade partners, *Enlist* seeds and products have already been cleared in Canada, whereas in China, Argentina and Brazil approval has yet to be obtained.

Seed royalty payments – Brazil: US seed company *Monsanto* reported that a base agreement has been reached with key soy exporting firms in Brazil (represented by the national association *ABIOVE*) to help collecting royalties from farmers that use *Monsanto's* new GM soybean variety *Intacta-RR2-Pro (see also MPPU Sep.'14)*. Reportedly, the framework accord succeeded in allaying legal concerns over *Monsanto* halting shipments on cargoes containing soy for which no royalties had been received. However, the issue of how traders will be compensated for collecting and monitoring seed royalty payments remains to be solved. While ABIOVE expects *Monsanto* to individually negotiate compensation fees with concerned firms, no concrete offers from *Monsanto* have been reported yet. The impasse risks to prevent crushing and trading firms from buying *Intacta-RR2-Pro* soybeans which are estimated to make up as much one quarter of Brazil's forthcoming 2014/15 crop.

Olive oil marketing

- United States: The state of California, where US olive production is concentrated, is considering to introduce mandatory olive oil testing and certification to ensure product purity and quality *(see also MPPU July '14)*. With the aim to better inform consumers and to raise the competitiveness of the state's olive oil industry, the proposed programme envisages the establishment of taste panels and the implementation of strict classification/labelling rules for different olive oil products. As most of the US demand for olive oil is currently met by imports from overseas, mostly from the EU, California's initiative has attracted criticism from EU producers and US importers alike, which see the measure as unnecessary trade restriction. At present, apart from voluntary certification of extra virgin oil, sales of olive oil are not regulated at federal level.

- Italy: In line with a recently approved EU directive and following the examples of Spain and Portugal, legislation regulating the quality and transparency in the virgin olive oil chain has been passed in Italy. With regard to labelling, the new law requires clear indication of the origin when oils from more than one EU-state or any non-EU country are mixed. It also forbids to attribute organoleptic properties to oils other than extra virgin and virgin ones. Another important requirement concerns the use of non-refillable bottles in retail outlets and restaurants: virgin oils must be presented in labelled containers, equipped with suitable seals and provided with a system to prevent re-filling.

Food labelling: Following complaints by some EU food manufacturers (including edible oil producers), the EU Commission has opened infringement proceedings against the United Kingdom over its voluntary 'traffic light' nutritional labelling scheme. Enacted in an effort to fight obesity and help consumers make informed food choices, the scheme has attracted criticism by food manufacturers who claim that it could unduly affect their businesses by giving consumers an over simplistic and biased perception regarding the health properties of certain food products. The UK has been invited to demonstrate that the scheme offers clear, objective and scientifically sound nutritional guidance to consumers and that it does not negatively affect trade.

Trade disputes

- Indonesia / European Union – fatty alcohols: Since 2011 the EU is levying anti-dumping duties on certain shipments of fatty alcohols from Indonesia (as well as from India and Malaysia), claiming that these are undercutting European competitors. Fatty alcohols are vegetable oil derivatives (in this case from palm oil) that are widely used in the manufacture of personal care products. Reportedly, after bilateral talks between Indonesia and the EU failed to produce the hoped-for results, Indonesia is now considering to challenge the EU's action at WTO level. On a related matter, Indonesia could also face a challenge from India, which, according to private sources, is investigating a surge in imports of fatty acids from Indonesia.
- United States / European Union – biodiesel: While the EU is evaluating whether or not to maintain the anti-dumping/countervailing duties imposed in 2009 on biodiesel imports from the United States *(see MPPU Sep.'14)*, the US biodiesel industry has urged EU policy makers to allow punitive measures to expire this year as originally scheduled. Industry officials cited evidence that global biodiesel trade has changed since the EU imposed its duties and argued that European producers are not only allowed to sell biodiesel in the United States free-of-duty but also to benefit from US domestic policies and support programmes.

Overseas acquisitions: Reportedly, following China's new strategy to raise the country's presence in international grain markets *(see MPPU March & May '14)*, state-owned agribusiness company *Chinatex* is negotiating the acquisition of a stake in *Fiagril*, a company trading and processing grains in Brazil's state of Mato Grosso. If confirmed, the transaction is expected to strengthen the trading business between the two countries, notably with regard to soybeans. Since 2011/12, Brazil is China's top supplier of soybeans, relegating the United States to the second place.

Biodiesel feedstock jatropha: A US biotech company informed that it has successfully created a hybrid jatropha characterized by both high yield and rapid time to maturity. The new variety is said to reach maturity in 1-2 years. Reportedly, top yield achieved in trials amount to 2.6 tonnes per hectare in the first year. The company informed that the technology is ready for full-scale commercial deployment of jatropha. Commercial partnerships are envisaged in Central America, India and Southeast Asia. The non-edible oil obtained from jatropha seed is mostly used as feedstock for biodiesel production.

Production of oleochemicals: Reportedly, due to falling refining margins for crude palm oil, large palm oil companies in Indonesia are expanding their production capacity of higher-value chemicals made from palm oil. Industry sources estimate that, in 2015, Indonesia will add 0.5 – 1 million tonnes of oleochemical capacity, which would lift the country's total capacity to 3.5 – 4 million tonnes per year. Malaysia's capacity is currently estimated at 2.5 million tonnes. Together, the two countries are said to account for nearly half of the global capacity for all basic forms of oleochemicals derived from plant oils and animal fats. Essentially analogous to petroleum-based chemicals, oleochemicals are primarily used as ingredients in detergents, personal care products, biodiesel, lubricants and solvents.

For comments or queries
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	International Prices *(US$ per tonne)* [1]					FAO Indices *(2002-2004=100)* [7]		
	Soybeans[2]	Soybean oil[3]	Palm Oil[4]	Soybean Cake[5]	Rapeseed Meal[6]	Oilseeds	Vegetable oils	Oilcakes/ Meals
Annual (Oct/Sep)								
2004/05	275	545	419	212	130	104	103	101
2005/06	259	572	451	202	130	100	107	96
2006/07	335	772	684	264	184	129	150	128
2007/08	549	1325	1050	445	296	216	246	214
2008/09	437	849	682	409	206	157	146	179
2009/10	429	924	806	388	220	162	177	183
2010/11	549	1308	1147	418	279	214	259	200
2011/12	562	1235	1051	461	295	214	232	219
2012/13	563	1099	835	539	345	213	193	255
2013/14	521	949	867	534	324	194	189	253
Monthly								
2012 - October	617	1183	844	555	359	234	202	261
2012 - November	595	1148	816	539	378	226	196	255
2012 - December	603	1153	772	553	396	229	191	261
2013 - January	591	1192	838	512	367	226	200	245
2013 - February	597	1164	862	513	381	228	202	246
2013 - March	588	1117	853	503	367	224	197	241
2013 - April	559	1099	841	521	300	214	194	247
2013 - May	498	1077	849	527	404	192 [8]	194	254
2013 - June	523	1036	858	551	321	198	193	261
2013 - July	514	997	838	568	304	191	187	267
2013 - August	514	995	824	564	277	190	182	263
2013 - September	554	1028	823	557	291	204	184	261
2013 - October	544	989	866	555	318	202	188	262
2013- November	556	992	921	541	316	206	199	257
2013 - December	568	979	907	548	336	210	196	260
2014 - January	566	935	871	539	337	208	189	256
2014 - February	594	991	911	571	361	219	198	271
2014 - March	501	1001	959	582	396	193 [8]	205	278
2014 - April	516	1005	911	563	375	198	199	269
2014 - May	522	973	896	552	340	197	195	263
2014 - June	514	933	859	531	304	192	189	251
2014 - July	480	886	839	477	272	178	181	226
2014 - August	457	855	755	485	265	170	167	229
2014- September	433	850	714	463	265	162	162	219
2014 - October	430	835	724	463	258	161	164	218

[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)

[7] 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, ten selected vegetable oils and five selected cakes and meals.

[8] The drops in the price index for oilseeds seen in May 2013 and in March 2014 are due to structural breaks in the underlying price series for soybeans (US no.2 yellow, c.i.f.Rotterdam), the component with the highest weight. For a detailed explanation of the anomalous trend in the soybean reference price, please refer to issues no. 48 and no. 58 of the Oilcrops Monthly Price and Policy Update (MPPU), which can be downloaded at the following link: http://www.fao.org/economic/est/publications/oilcrops-publications/oilcrops-monthly-price-and-policy-update/en/

Sources: FAO and Oil World