



OILSEEDS, OILS & MEALS MONTHLY PRICE AND POLICY UPDATE *

No. 52, October 2013
- short version -

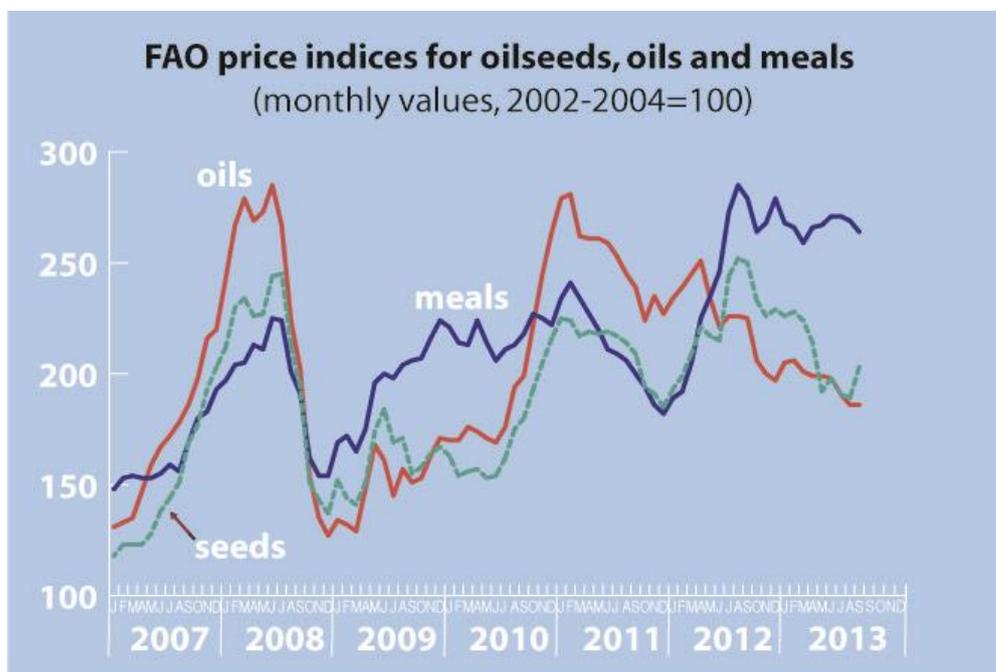
Global price review

In September, FAO's price index for oilseeds gained 14 points (or 7.3 percent) compared to August, while the oils/fats index remained virtually unchanged (+0.4 percent) and the meals index fell by 5 points (or 1.8 percent). The indices for oilseeds and oils/fats continued to fare below the average of the past two seasons, whereas the meals index maintained its historically high level.

The marked appreciation in international oilseed prices was mostly triggered by the second consecutive downward correction in the soybean production forecast for the United States, combined with continued warm and dry conditions in the main US growing regions. The lower production estimate has led to significantly

lower forecasts for 2013/14 ending stocks. Also contributing to upward pressure on soy prices have been reports about continued dryness in parts of Brazil and Argentina as well as steady import demand by China. Firmness in sunflowerseed and rapeseed prices also contributed to the rise in the index. Although the overall 2013/14 outlook points to abundant sunflowerseed supplies, unusually heavy rains in parts of Ukraine and Russia are expected to delay harvesting operations, giving rise to short-term supply concerns. Similarly, unusually tight old-crop rapeseed supplies (particularly in Canada) have reduced the crop's current export availability, also lending support to prices.

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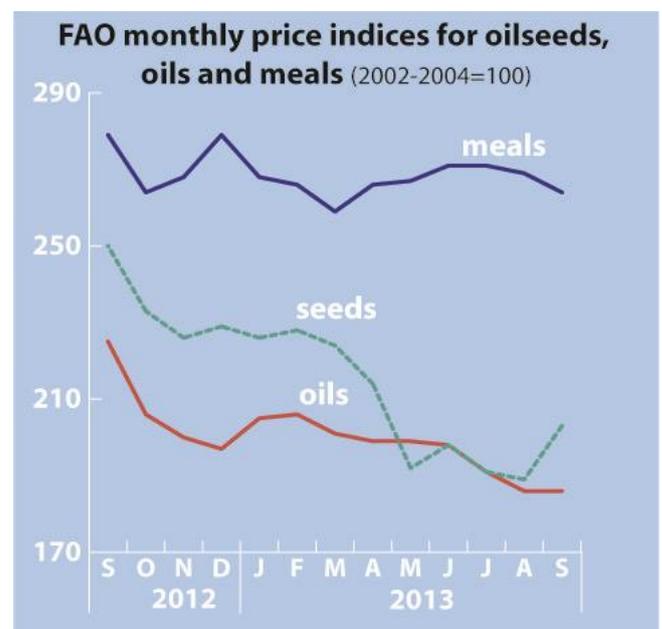
* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Trade and Markets Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices and spots important policy and market events selected from a variety of sources. The present issue only comments on price developments in **September 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

It should be noted that towards end September, export quotations for oilseeds started easing again, mainly in response to (i) reports of an improved rainfall situation in the United States, and (ii) a new assessment of US soybean inventory levels, which exceeded the market's expectations and could lead to a higher estimate for the country's 2012/13 carry-out stocks.

With respect to global oil/fat markets, the price of palm oil (the most traded vegetable oil) remained virtually unchanged on a month-to-month basis. During the course of September, palm oil export values initially strengthening on increased export demand, as well as spill-over effects from firm soybean/soyoil markets and reports of lower than expected stocks in Malaysia. Subsequently, however, prices started easing again, mainly reflecting expectations of rising output during the coming weeks, as production will approach a seasonal peak. A slowdown in the import demand of India (the world's second largest palm oil importer) also contributed to the downward pressure on prices. Slow Indian import demand has been attributed both, a weaker Rupee and the prospect of a large domestic kharif crop. Meanwhile, international values for soyoil as well as for sunflower oil have strengthened, mirroring price firmness in the respective seeds.

As to meals, international soy meal values have undergone a downward correction, mostly reflecting the generally positive outlook for soybean fundamentals in the coming season. With regard to fishmeal, export prices have gone through additional downward adjustments, suggesting efforts by exporters to encourage import demand.



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	<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
2013 - July	514	997	838	568	304	191	191	271
2013 - August	514	995	824	564	277	189	186	269
2013 - September	554	1028	823	557	291	203	186	264
<p>¹ Spot prices for nearest forward shipment</p> <p>² Soybeans (US, No.2 yellow, c.i.f. Rotterdam)</p> <p>³ Soybean oil (Dutch, f.o.b. ex-mill)</p> <p>⁴ Palm oil (Crude, c.i.f. North West Europe)</p> <p>⁵ Soybean cake (Pellets, 44/45%, Argentina, c.i.f. Rotterdam)</p> <p>⁶ 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</p> <p><i>Sources:</i> FAO and Oil World</p>								