Food and Agriculture Organization of the United Nations

OILSEEDS, OILS & MEALS
MONTHLY PRICE AND POLICY UPDATE *

No. 132, July 2020

a) Global price review **

In June, FAO's price index for oilseeds recovered moderately from the nine-month low observed in May, gaining 2.0 points (or 2.3 percent). Meanwhile, the vegetable oils index saw a marked rebound after declining for four months in a row, climbing by 8.8 points (or 11.3 percent) from its May value. By contrast, the oilmeal index continued declining, shedding 1.9 points (or 2.3 percent) month-on-month and reaching a six-month low. While the indices for both oilseeds and vegetable oils stood above their year-earlier levels, the index for oilmeals fell below the level recorded in the corresponding month of last year.

June's increase in the oilseeds price index mainly reflects strengthening values for soybeans and rapeseed, whereas sunflowerseed prices remained virtually unchanged. After falling for four consecutive months, international quotations for soybeans registered a mild recovery, primarily reflecting firming demand for US soybeans from China, the world's top soy importer. Indeed, notwithstanding concerns that trade flows might be affected by renewed trade tensions between the two countries, China continued to make substantial soybean purchases from the United States of America (United States). Nonetheless, Brazil's export prices started showing a premium over US values in June, as tightening domestic availabilities in South America's key supplier – following record year-to-date shipments – coincided with appreciations of the Brazilian Real. In general, as international soybean prices recovered from recent lows, the uncertain global demand

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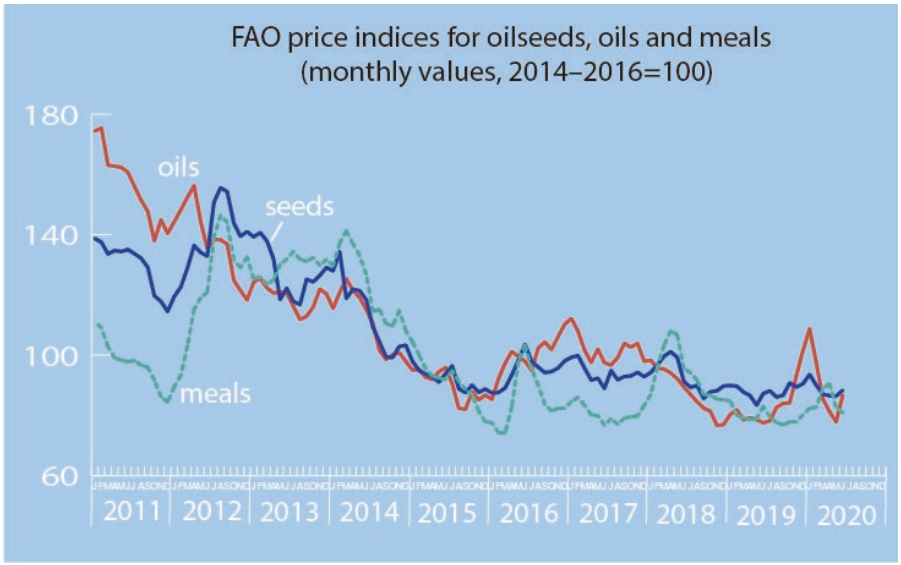


* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Trade and Markets Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices and spots important policy and market events selected from a variety of official and unofficial sources. Section b) of the present issue covers developments observed during **May** and **June 2020**. 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/. Please note that the views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO.

** **Please note that, effective 2 July 2020, the base period of FAO's price indices has been shifted from 2002–2004 to 2014–2016. For more details on this revision, please see feature article of the June 2020 issue of 'Food Outlook' (http://www.fao.org/3/ca9509en/ca9509en.pdf).**

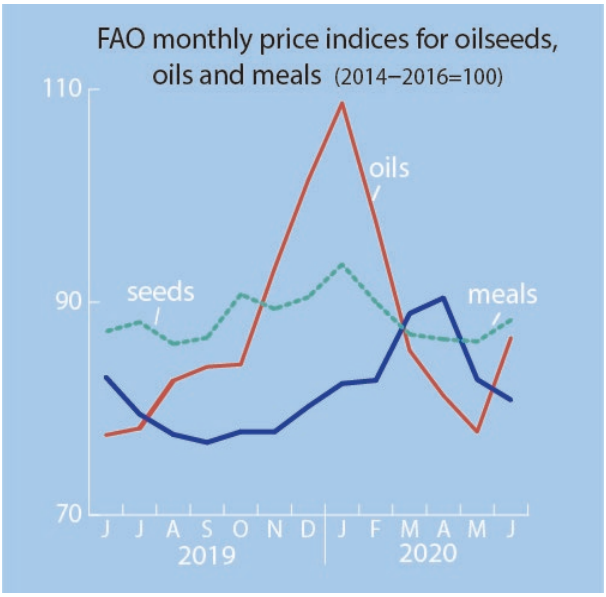
Global price review – *cont'd*

outlook stemming from a resurgence of COVID-19 in a number of countries limited the market's upside potential, as did continued rapid planting progress in the United States under generally favourable weather conditions. In addition, reports of lower than expected US crushings during the month of May also weighed on prices. With regards to rapeseed, international prices rose for the third consecutive month, underpinned by further deteriorating production prospects in the EU on the back of persistent dryness in major growing regions. As for sunflowerseed, international quotations increased only fractionally. Although export supplies in the Black Sea region are poised to dry out towards the end of the current marketing season, a positive production outlook for 2020/21 contained the upside momentum on prices.

The index for oilmeals did not follow the upward movement recorded in the oilseed prices. Instead, the index posted a further decrease, primarily on account of lower soymeal values. Interna-tional soymeal quotations dropped to their lowest level since December 2019, as global feed demand remained subdued due to both prolonged worldwide COVID-19 lockdowns and Southeast Asia's lingering recovery from the African swine fever (ASF) epidemic. Furthermore, rising production of DDGS (dried distillers grains with solubles) in the United States – in the wake of recovering ethanol demand – started to exert downward pressure on protein meal prices.

With regards to vegetable oils, FAO's price index registered a sizable rebound in June, primarily reflecting higher palm oil values, while quotations of soy, sunflower and rapeseed oil also increased.

International palm oil prices rose sharply amid signs of recovering global import demand for both food and biofuel uses, tied to the recent easing of COVID-19 related lockdowns in a number of countries. Concerns over possible production setbacks in major producing countries provided additional support to prices. Reportedly, while the seasonal production peak is approaching in Southeast Asia, migrant labour shortages arising from protracted travel restrictions are threatening operations in oil palm plantations and mills, notably in Malaysia. While reviving global demand also lent support to the prices of other vegetable oils, soy and sunflower oil prices responded to limited export availabilities in leading exporting countries. In particular, subdued crushing activities amidst economic uncertainties and logistics constraints in Argentina, the world's leading soyoil exporter, coincided with firming soyoil import demand. In the case of rapeseed oil, recovering demand from the EU's biodiesel industry also underpinned prices.



b) Selected policy developments and industry news

ARGENTINA – market regulation:
In a bid to encourage producers to sell their recently harvested grain and oilseed crops, in May the country's Central Bank issued a resolution barring agricultural companies holding on to more than 5 percent of their harvest from accessing soft loans introduced to support small and medium-sized firms affected by the coronavirus pandemic.

BRAZIL – biofuel policy:
In May, citing insufficient planned deliveries of biodiesel, the country's federal petroleum, oil and biofuel agency (ANP) approved an exceptional 5-day reduction in the mandatory blending rate of biodiesel from 12 percent to 10 percent. Reportedly, the production shortfall was linked to the recent record pace of soybean exports and unexpectedly robust demand for diesel fuel during the COVID-19 lockdowns.

CANADA – agricultural support measures (rapeseed): The federal Government provided CAD 100 million (USD 74 million) to a Winnipeg-based agricultural processing firm planning to produce food-grade protein powders from peas and rapeseed. *(See also MPPU Jan.'18 & Mar./Sep.'19 on related R&D work conducted in Canada and the European Union.)*

CHINA – agricultural policy: The Government announced that in 2020 it would develop and implement a response plan to ensure domestic food security amid the COVID-19 crisis, while also setting out a plan to secure food supplies in the medium-to-long term. Measures envisaged under the medium term plan will be aimed at: i) stabilizing the area and output of major crops by providing incentives to key producing regions; ii) supporting the recovery in pig production; iii) raising the volume of domestic inventories and improving the management of public grain reserves; and iv) diversifying imports of major agricultural commodities and inputs.

CHINA – market regulation: With a view to secure agricultural supplies during the coronavirus pandemic, the Chinese Government urged both state-owned and private trading firms and food processors to step up procurement of grains, oilseeds and livestock products. Reportedly, a possible second wave of global infections raised concerns about potential supply chains disruptions, for instance regarding the supply of soybeans and derived products from South America.

CHINA – import policy: The country's customs authority asked exporters supplying food products to China to officially certify that their produce is not contaminated with the virus that causes COVID-19, according to the media. Meanwhile, after a fresh outbreak in a wholesale food market, Beijing Municipality started testing all imported foods for coronavirus. Regulatory authorities and private sector associations in exporting countries pointed out that there was no evidence that coronavirus could be transmitted via food products. A U.S. agricultural export group started issuing letters stating that their cargoes were harvested, processed and handled consistent with industry safety standards, specifying that exporters cannot guarantee that their shipments remain contamination-free after they leave their facilities.

CHINA – GMO policy: China's Agricultural Ministry issued biosafety certificates for two new imported soybean varieties and renewed the permits for six other GM crops, including one soybean variety. The concerned crops are to be used as animal feed. The authorizations came into effect on 11 June and will remain valid for five years. *(See also MPPU Jan. & Mar.'20.)*

CÔTE D'IVOIRE – agricultural support measures (oil palm): The country's oil palm sector features among the agricultural industries earmarked under a XOF 250 billion (USD 434 million) Government programme to help the agricultural, fishing and aquaculture sectors

recover from the effects of the coronavirus pandemic.

EURASIAN ECONOMIC UNION – export policy: On 2 June, the Eurasian Economic Commission excluded soybeans from the temporary, COVID-19 related export restrictions introduced last April *(see MPPU May'20)*. Furthermore, to stabilize the price of sunflowerseed on internal markets, the Commission envisaged to extend the export restrictions for sunflowerseed until 31 August 2020 (from the original expiry date 30 June). However, the export ban for seeds would be lifted in favour of a less restrictive regime, while exports of sunflower oil would be entirely freed from restrictions.

FRANCE – biotechnology regulation: Triggered by a ruling of the European Court of Justice regarding gene-editing/mutagenesis technologies *(see MPPU Aug.'18)*, France notified the European Commission of its intention to prohibit the use of seven herbicide resistant rapeseed varieties – a measures that would comprise zero-contamination requirements. Observers expect the measure to negatively impact rapeseed and planting seed exports from Canada, other EU countries and South America to France. Reportedly, the use of sunflowerseed varieties developed via identical techniques will continue to be allowed.

FIJI – agricultural support measures (coconut): For 2020, the Fijian Government allocated FJD 1.6 million (USD 744 000) to its coconut development programmes, focusing on the rehabilitation of existing fields and plantations. Reportedly, senile plantations are the main reason for the country's falling production, along with fluctuating copra prices, high production costs, shortage of copra cutters, cyclones and other extreme weather events.

INDIA – agricultural policy: The Indian Government leveraged the COVID-19 crisis to launch a series of market reforms and long-term measures to increase the competitiveness of the country's agricultural sector and enhance the income of farmers. In May, after supply chain disruptions during COVID-19 lockdowns revealed critical gaps in agricultural infrastructure, the Government set up a farm infrastructure fund as part its economic stimulus package. Subsequently, in June, the Government launched reforms concerning agricultural marketing, the management of marketable surpluses, and access of farmers to institutional credit – thus combining short-term fiscal relief payments with extensive market liberalization policies. In particular, it amended the Essential Commodities Act (ECA) of 1955 – which authorized the Government to regulate prices as well as stocks of commodities – to deregulate the marketing of selected products, including cereals, pulses, oilseeds and edible oils, onions and potatoes. The amendment will empower farmers to seek contract farming arrangements and engage directly with potential buyers (i.e. retailers, food aggregators and processors) prior to harvest. Furthermore, food processors and value chain participants will no longer be subject to stock limits (except under extraordinary circumstances), while traders will be free to enter into export commitments. Moreover, to provide adequate choices to farmers to sell their produce at attractive prices, the country's Agricultural Produce Marketing Committee (APMC) Act has been complemented by laws permitting free inter-state trade and e-trading of agricultural goods. As a result, farmers will no longer be required to sell their produce on selected, regulated wholesale markets – a development expected to reduce their reliance on middlemen.

INDIA – minimum support prices: On 1 June, to ensure remunerative prices for growers, the Union Cabinet approved increases in the minimum support prices (MSP) for all Kharif crops for marketing year 2020/21. The support prices for soybeans, groundnuts, sunflowerseed, sesameseed and nigerseed were set at, respectively, INR 38 800, 52 750, 58 850, 68 550 and 66 950 per tonne (or USD 516, 701, 782, 911 and 890). Compared to last season, the

support prices for the two key oilcrops, soybeans and groundnuts, have been raised by 5 percent and 4 percent, respectively.

INDIA – import policy: In a bid to protect the domestic refining industry from surging imports of refined palm oil, in May, India's Department of Commerce suspended a number of import licences. The affected permits related to imports from neighbouring countries such as Nepal and Bangladesh, which do not produce palm oil but enjoy duty-free access to India based on the South Asian Free Trade Agreement. *(See also MPPU Aug.'18)*

INDONESIA – agricultural policy (oil palm): Under a deregulation bill currently being debated by the Indonesian Parliament, palm oil companies would no longer be required to allocate a fifth of their land for smallholder farmers, according to media reports. The requirement under review – known as 'plasma requirement' – was introduced in 2007 to ensure that the sector's growth would benefit rural communities, including through the provision (by large plantations) of input supplies, training, purchase guarantees and eventual access to land titles. According to the country's oil palm business associations, plantation companies are facing difficulties in finding land for the small-holder programme, amid complex government regulations and recently introduced bans on plantation expansion.

INDONESIA – biofuel policy:
In May, the Government approved a subsidy of IDR 2.78 trillion (USD 188 million) in support of the country's recently introduced B30 biodiesel programme *(see MPPU Jan.'20).* An additional IDR 760 billion (USD 52 million) would be contributed by the oil palm industry this year via an increase – with effect from 1 June – in the export levy collected on palm oil exports from USD 50 per tonne to USD 55. The levy on refined palm oil exports would range USD 25–45 per tonne, compared to the previous USD 20–40 range. The need to raise fresh funds to support biodiesel production – and thereby promote domestic palm oil uptake – arose from the recent plunge in crude mineral oil prices and the world-wide disruption in fuel demand caused by the coronavirus pandemic, which resulted in a widening of the price gap between biodiesel and regular diesel. According to data from Indonesia's Energy Ministry, in May, the per litre cost of producing palm oil-based diesel and regular diesel stood at IDR 8 494 and IDR 3 083 (USD 0.58 and 0.21) respectively, entailing a price gap of more than double the level recorded in January 2020. The country's Trade Ministry estimates domestic consumption of oil palm-based biodiesel at 8 million kiloliters in 2020, falling short of the initial target of 9.6 million kiloliters. Government officials informed that the shift in mandatory blending from 30 percent to 40 percent – originally planned for 2021 *(see MPPU Jan.'2020)* – would be postponed to 2022. Furthermore, the target year for producing fuel entirely made from palm oil would be delayed from 2023 to 2026.

INDONESIA – sliding export tax (palm oil): For June and July, Indonesia's progressive export tax for palm oil has been set at zero, as the respective reference prices remained below the USD 750 per tonne threshold level that triggers taxation. July marks the fourth consecutive month of tax suspension.

MALAYSIA – biofuel policy: The Government announced that the nationwide rollout of its B20 biodiesel programme, which requires the blending of regular transport diesel with 20 percent of palm oil-based diesel, would be resumed in September of this year. Implementation had been temporarily suspended due to the country's COVID-19 related lockdown *(see MPPU May'20).* The programme's Nationwide rollout is still expected to be completed by mid-2012 *(see also MPPU Mar.'20).*

MALAYSIA – variable export tax (palm oil): For the month of June, Malaysia's progressive export tax for palm oil was lowered to zero, as the respective benchmark price fell below the RM 2 250 per tonne (USD 527) threshold that

triggers taxation. World palm oil prices plunged by about 35 percent between January and May 2020, when they lingered around 10-month lows, due to a decline in global demand resulting from worldwide lockdown measures to slow the spread of COVID-19. In June, the Government decided to exempt all palm oil products (including crude palm oil and crude/refined palm kernel oil) from the export duty from July to December 2020, in a bid to stimulate exports and thus accelerate the sector's recovery from the COVID-19 crisis. The measure is part of an economic stimulus package to assist industries hit by the pandemic.

MALAYSIA / EUROPEAN UNION – trade dispute (EU renewable energy policy): Reversing its earlier stance on the matter, the Malaysian Government announced that it would formally request WTO dispute consultations with the European Union regarding measures adopted by the EU and its Member States in the renewable energy sector – notably the classification of palm oil as a biofuel feedstock with 'high indirect land use change (ILUC)-risk' *(see MPPU Mar.'19 & Mar.'20).* The Malaysian Government views the EU's policy as a discriminatory action that restricts free trade practices, while lacking transparency and scientific credibility and disregarding Malaysia's sustainability efforts. Malaysia would thus embrace Indonesia's position and act as third party in the WTO case filed by Indonesia in December 2019 *(see MPPU Jan.'20).*

PAKISTAN – market regulation (vegetable oils): Pakistan's Ministry of Industries and Production requested the country's Competition Commission to initiate an inquiry regarding domestic cooking oil and ghee prices, local media reported. Reportedly, the Ministry was concerned that since the beginning of the year retail prices of vegetable oil had remained unchanged – notwithstanding i) the recent decline in the price of imported palm oil, ii) the partial suspension of customs duties for oilcrops products implemented to secure imports of essential goods during the COVID-19 crises *(see MPPU May'20),* and iii) a decrease in transportation costs following the recent plunge in world mineral oil prices.

SPAIN – market regulation (olive oil): After the completion of the European Commission's olive oil storage aid scheme for the 2019/20 season that benefited in particular Spanish growers *(see MPPU Mar.'20),* in May, the Spanish Government called for an extension of the scheme to raise market prices and facilitate the sector's recovery prior to the start of the next marketing year – explaining that the COVID-19 pandemic had aggravated the crisis of the olive oil market. In order to prevent future price collapses, Spain also proposed to include the olive oil sector in the EU's Common Market Organization (CMO) regulation, which provides for the use of public intervention and other market tools to overcome temporary market disturbances. Meanwhile, the Government reached agreement with national industry associations over a series of corrective measures at domestic level.

THAILAND – market regulation (palm oil): Thailand's Energy Ministry held discussions with the country's palm oil trade to explore the possibility of applying blockchain technologies along the palm oil supply chain, local media wrote. Reportedly, the proposal is aimed at i) stabilizing farm gate prices of fresh fruit branches, ii) simplifying palm oil trade by curbing the role of middlemen, and iii) preventing smuggling. Adoption of the digital ledger technology would remain voluntary. A first round of trials involving selected biodiesel plant operators is expected to be implemented soon.

UKRAINE – export policy: At the end of May, VAT export refunds for soybeans and rapeseed were re-established for all exporters, i.e. farmers, crushers and trading companies *(see also MPPU Mar.'20).* The new regulation is expected to trigger a decrease in domestic crush in the 2020/21 marketing year.

UNITED STATES OF AMERICA – import policy (EU trade dispute): The office of the U.S. Trade Representative (USTR) is considering whether to increase the existing 'corrective tariffs' on selected goods imported from the European Union – in retaliation for illegitimate subsidies the trading bloc granted to its aviation industry *(see also MPPU May & Nov.'19)*. Reportedly, the goods under review include individually packed olive oil from Spain, the tariffs of which could be raised from their current level (of 25 percent) up to 100 percent. In addition, USTR is considering to impose tariffs on bulk and packaged olive oil from the rest of the EU.

UNITED STATES OF AMERICA – biodiesel import restrictions (Argentina):
The U.S. Department of Commerce determined – with respect to the anti-dumping and countervailing duties applied to imports of biodiesel from Argentina – that circumstances warranting the termination of such levies do not exist and hence confirmed the duty rates already in place since 2017–2018. The decision in part reverses preliminary findings announced in July 2019 *(see MPPU Sep.'19)*.

UNITED STATES OF AMERICA – pesticide regulation:
A U.S. Appeals Court blocked domestic sales of dicamba (– a pesticide widely used in the cultivation of GM soybeans and cotton –), thereby suspending a federal regulator's permit regarding the product *(see MPPU Oct. & Dec.'18)*. According to the ruling, the Environmental Protection Agency (EPA) underestimated the environmental and other risks arising from the use of dicamba-based herbicides. After the court's ruling, EPA determined that farmers who had already purchased dicamba products can legally use them until end-July 2020. On a separate note, a different Appeals Court permanently blocked California from requiring producers of glyphosate-based herbicides to label their products with a cancer warning. The court argued that the state's requirement was not supported by regulatory findings.

UNITED STATES OF AMERICA – biofuel policy: In Iowa – the United States' leading producer of biodiesel – legislators approved a six-year extension of the state's Fuel Tax Differential that expired in June 2020. The differential reduces the taxes on the cost of diesel blends containing at least 11 percent of soy oil-based biodiesel by about 3 US cents per gallon. Reportedly, roughly half of the transportation fuel sold in Iowa consist of B11 blends or higher.

VIET NAM – pesticide regulation:
Viet Nam's Ministry of Agriculture extended the authorization of herbicide products containing glyphosate until end-June 2021, thereby post-poning a ban scheduled to take effect on 10 June 2020.

Sector development measures – Mozambique:
The Mozambican Government expanded the remit of the country's Cotton Institute to include oilseeds. The move is meant to step up efforts to promote the nation's production, marketing, processing and export of oilseeds, notably soybean, sunflowerseed and sesame.

Olive oil standards (United States of America):
The North American Olive Oil Association petitioned the U.S. Food and Drug Administration to regulate extra-virgin and virgin olive oil to address recurrent mislabelling of grades, adulteration and other unfair business practices. The petition follows a similar request filed in November 2019 by the American Olive Oils Producers Association *(see MPPU Jan.'20)*.

Futures markets: The derivatives exchanges *CME Group* and *Brasil Bolsa Balcão* agreed to jointly develop risk management products for the Brazilian market, including a futures contract for Brazilian soybeans, tied to export prices in Brazil. Meant to cater for customers' demand for regional hedging and price discovery tools, the initiative could lead to the launch of a new contract in the third quarter of 2020, subject to regulatory approval.

Transport & logistics: According to the Malaysian Palm Oil Council, transport restrictions put in place since the beginning of the year by several countries to curb the spread of COVID-19 led to serious disruptions to trade in vegetable oils and fats, notably palm oil. In particular, control requirements and other regulatory measures introduced by port authorities in China and India were said to have hampered palm oil trade flows.

Biodiesel feedstock – company policies: Italy's leading oil and gas company announced that, as part of its 2020–2023 decarbonization strategy, it plans to phase out, by 2023, the use of palm oil and its derivatives as biodiesel feedstock. Reportedly, in 2019, the company used the following biodiesel feedstock: palm oil (242 000 tonnes), palm oil mill effluent (23 000 tonnes), used cooking oil (31 000 tonnes), and other oils (8 000 tonnes). The company's imports of palm oil and derivatives in 2018 and 2019 amounted to, respectively, 280 thousand tonnes and 700–800 thousand tonnes. *(See also MPPU May'20)*

Certified sustainable palm oil – market promotion: The European Palm Oil Alliance (EPOA), a coalition of companies and organizations supporting initiatives committed to sustainable palm oil across Europe, estimated that in 2018 – although 83 percent of the palm oil imported for food by European refiners was certified sustainable – only 60 percent was bought as such by the European food industry and retail sector. Therefore, EPOA and other groups advocating the use of sustainable palm oil renewed their calls on EU food manufacturers and retailers to replace conventional palm oil with certified sustainable produce and communicate about it through specific labelling on packaging.

Palm oil – RSPO news

- Fire prevention: In view of the approaching dry season, which typically sees an increase in the number of forest and peatland fires, the Roundtable for Sustainable Palm Oil (RSPO) activated a number of precautionary measures. Underlining that the use of fires to clear land, manage waste or control pests is banned within certified members' concessions, the organization contacted all members to ensure their certified units follow specific fire prevention and control measures and engage with adjacent stakeholders on similar actions. Furthermore, the group started to monitor fire hotspots within both RSPO certified and non-certified concessions, using a variety of tools including satellite information. In case hotspots are detected within a member's concession area, RSPO would call for timely ground verification and corrective action. Reportedly, in 2019, RSPO detected a total of 1 403 hotspots within member concessions from a total of 464 thousand hotspots identified across Malaysia and Indonesia.
- Market promotion (China): Renewing its efforts to promote the awareness and consumption of certified sustainable palm oil in China, RSPO held a webinar aimed at fostering collaboration with and between local stakeholders, comprising government agencies, industry associations, NGOs and Chinese and foreign companies. Although China is the world's third largest importer of palm oil after India and the EU, certified palm oil only accounts for a small portion of the domestic market.
- Grievance mechanism: RSPO committed to enhance the workflow of its Grievance Unit to better serve stakeholders, further improve the processing of complaints, and reduce the current backlog of cases. The unit receives complaints regarding labour, social, environmental and land-related issues. Reportedly, cases can be complex and involve various parties and stakeholders, while all parties are required to follow RSPO's Complaints and Appeals Procedure and respect the independence of the Complaints Panel.

Sustainable soy – private sector initiative: The *Soft Commodities Forum* of the *World Business Council for Sustainable Development (WBCSD),* which is composed of the world's leading grain and oilseed traders, partnered with civil society group *Solidaridad* to engage farmers in Brazil's Cerrado region to expand and improve soy production through efficient and sustainable land use. Focusing on areas characterized by high

rates of native vegetation conversion, the project would collaborate with farmers and co-develop approaches that promote profitable soy production along with low-carbon and climate-smart practices. After an initial phase to assess current practices and understand land-use dynamics in the region, the project would reach out to key partners to jointly develop action plans.

R & D – pest control (glyphosate):
As part of a settlement process to end litigation by U.S. users of glyphosate-based herbicides who claim to have developed a form of blood cancer, agro-chemical company *Bayer AG* proposed to set up an independent panel of scientific experts tasked to determine whether or not glyphosate can cause cancer.

R &D – varietal research

- High-oleic low-linolenic soybean:

In the United States of America, a new soybean variety high in oleic acids and low in linolenic acids has been classified as a 'non-regulated article', clearing the way for the variety's commercial launch in 2022, reported the company that developed the seed. The new variety has been generated using gene-editing technologies, i.e. without introducing foreign genetic material into the plant. Allegedly, the healthful oil derived from the new variety will deliver formulation advantages, including improved stability.

- Soybean nitrogen fixation:

In the United States of America, a group of researchers used drone photography data to track soybean plants featuring the genotype responsible for high rates of nitrogen fixation. Reportedly, access to genetic markers indicating a plant's ability to fix nitrogen greatly will enhance the capability of breeders to develop high-yielding soybean varieties.

- Soybean genome: Reportedly, Chinese researchers produced high-quality graph-based genome maps for 26 soybean varieties, including 3 wild varieties, 9 farm species and 14 cultivated varieties. The detailed information is expected to help improve soybean breeding and cultivation in China.
- Oil palm genome: With the aim of accelerating scientific work by research centres and industry players worldwide, *Sime Darby*, one of the world's largest palm oil producers, publicly released its research data on a high-yielding oil palm genome. Reportedly, the move will help curb deforestation, as access to more performant palms would reduce the current pressure to expand plantation sizes. Furthermore, research conducted by the company is expected to help identify genetic markers for climate resilience, disease tolerance and ease of harvesting.

R & D – product development

- Safflower oil-based lubricant:

Reportedly, in Australia, a group of researchers produced a high-performing safflower oil-based lubricant suitable to replace petroleum-based engine oils. In addition to being fully recyclable and biodegradable, the oil is said to require limited refining. The oil is obtained from genetically modified seeds with a high content of oleic acid.

- Palm oil-based lassi:

Reportedly, researchers at the Malaysian Palm Oil Board developed a cost-effective palm oil-based fermented drink that could replace lassi, a popular traditional milk fat-based beverage originating from India. The drink is produced through a direct acidification process that is said to i) be less time consuming than the conventional fermentation process, and ii) significantly extend the product's shelf life.

For comments or queries
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	International Prices *(US$ per tonne)* [1]					FAO Indices *(2014–2016=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	64	65	51
2005/06	259	572	451	202	130	62	67	49
2006/07	335	772	684	264	184	80	93	66
2007/08	549	1325	1050	445	296	133	153	109
2008/09	437	849	682	409	206	96	90	89
2009/10	429	924	806	388	220	100	109	92
2010/11	549	1308	1147	418	279	132	159	102
2011/12	562	1235	1051	461	295	132	143	111
2012/13	563	1099	835	539	345	131	120	129
2013/14	521	949	867	534	324	120	116	128
2014/15	407	777	658	406	270	95	93	99
2015/16	396	773	655	351	232	93	95	85
2016/17	404	806	729	336	225	95	103	81
2017/18	402	820	648	381	258	94	94	93
2018/19	370	744	523	328	247	88	80	81
Monthly								
2019 – January	381	746	534	343	273	90	80	85
2019 – February	380	766	558	330	263	90	82	80
2019 – March	371	730	527	320	248	88	78	79
2019 – April	365	733	534	318	244	87	79	79
2019 – May	347	738	510	320	234	83	79	79
2019 – June	369	725	505	337	236	87	78	83
2019 – July	374	738	498	322	225	88	78	79
2019 – August	363	775	540	315	215	86	83	78
2019 – September	366	765	563	315	201	87	84	77
2019 – October	386	765	579	319	214	91	84	78
2019 – November	377	771	683	318	216	89	93	78
2019 – December	377	814	765	324	237	90	101	80
2020 – January	391	872	840	332	240	94	109	82
2020 – February	376	801	741	334	245	90	98	83
2020 – March	367	722	621	364	255	87	85	89
2020 – April	363	675	573	363	280	87	81	90
2020 – May	361	675	531	328	259	86	78	83
2020 – June	369	741	594	325	229	88	87	81

[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. Rotterdam)

[5] Soybean meal (44/45%,Hamburg f.o.b. ex-mill)

[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 2014-2016 period. The indices are based on the international prices of five selected seeds, ten selected vegetable oils and five selected cakes and meals.

Sources: FAO and Oil World