



OILSEEDS, OILS & MEALS
MONTHLY PRICE AND POLICY UPDATE *

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- short version -

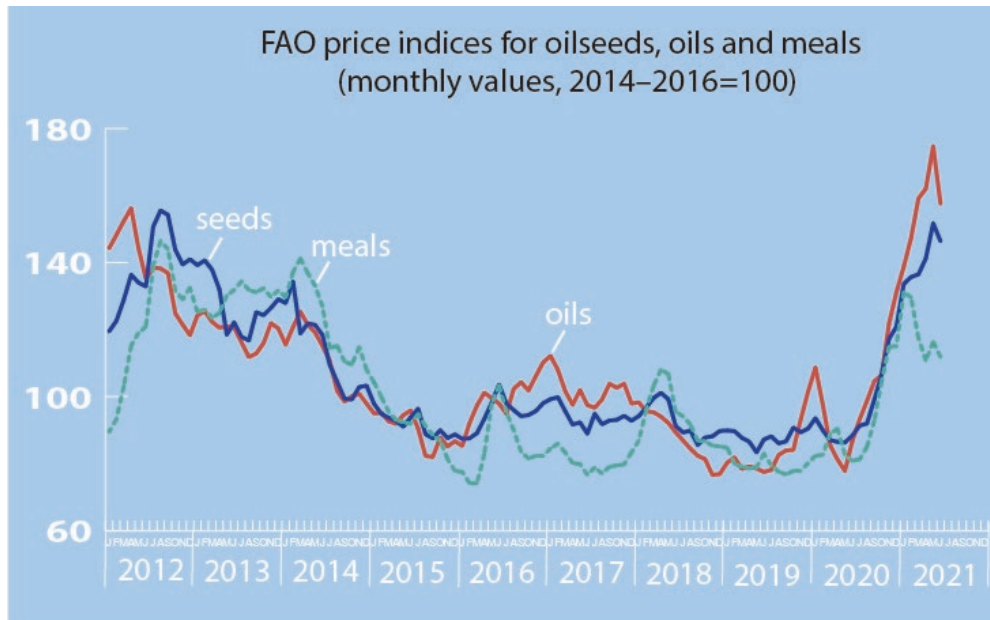
Global price review

The month of June saw FAO’s three price indices trailing the oilcrops complex all falling month-on-month. After rising for twelve consecutive months, in June, the indices for oilseeds and oilmeals decreased by, respectively, 5.8 and 4.5 points (or 3.8 percent for both), while the vegetable oil index recorded a more pronounced drop, shedding 17.2 points (or 9.8 percent). Notwithstanding these month-on-month declines, all three indices remained well above their levels registered in the corresponding month of last year.

The drop in the price index for oilseeds was driven by lower soybean, rapeseed and sunflowerseed values. In June, international soy-

bean quotations averaged below the multiyear high recorded in May. In the first half of the month, soy prices remained on an upward trajectory, chiefly underpinned by concerns about dry and hot weather conditions in some of the major growing regions in the United States of America (US). Subsequently, when weather forecasts pointed to more favourable conditions in the weeks ahead, soybean prices started to fall, also aided by reports of lower-than-earlier anticipated US crush volumes. Noticeably, towards the end of June, new 2021/22 soy planting estimates for the US turned out significantly lower than market expectations, and this contained the downward pressure on international prices.

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* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Markets and Trade 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. This particular issue only reviews price developments observed in **June 2021**. 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/>.

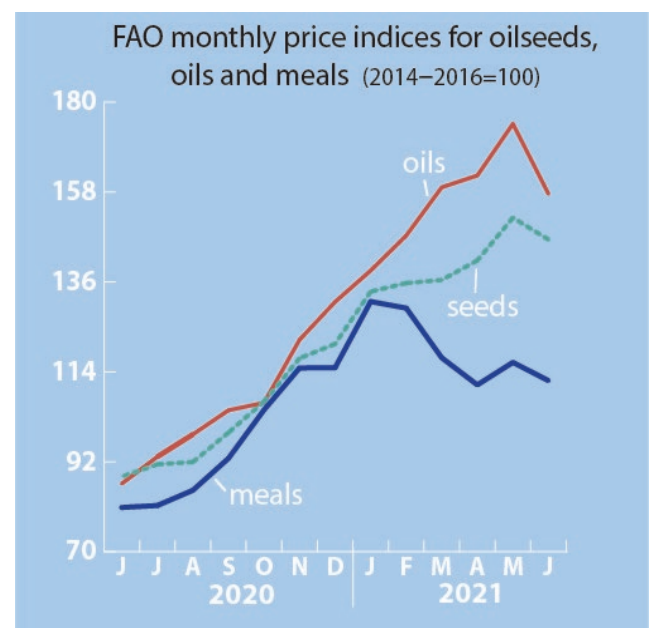
Global price review – cont'd

In the case of rapeseed, international prices dropped sharply in June, after rising uninterrupted for fifteen months. Besides seasonal harvest pressure stemming from the arrival of the 2021/22 crop in the European Union (EU), prices reacted to a promising production outlook in Australia, where plantings were expected to reach an all-time high, while weather conditions also looked favourable. As for sunflowerseed, international quotations fluctuated in recent months, but remained below the multi-year highs observed in March, as stronger-than-anticipated area expansions in the Black Sea region and weakening global demand weighed on prices.

With regard to oilmeals, the fresh drop in the price index mainly reflected lower soymeal values. Following a short-lived recovery in May, international soymeal quotations fell to an eight-month low in June. On the supply side, global export availabilities remained abundant, especially in South America, tied to a brisk pace of oil-driven crushings. On the demand side, while feed uptake in China slowed down as livestock producers responded to declining pork prices, demand from the US pig sector was seen to also subside on contracting hog herds.

As for vegetable oils, FAO's price index registered a sizeable month-on-month drop and marked a four-month low, mostly reflecting lower values for palm, soy and sunflower oils. After rising for twelve consecutive months, international palm oil quotations retreated in June, chiefly influenced by prospective seasonal production

gains in leading producing countries and a lack of fresh import demand. On the policy front, Indonesia revised its palm oil export levy scheme, effectively lowering the taxation from July 2021 onwards, while authorities in India decided to temporarily reduce import tariffs on crude palm oil by 5 percentage points, in a bid to mitigate rising domestic prices. In the meantime, international soy and sunflower oil prices also contracted on subdued global import demand. In the case of soyoil, expectations of lower-than-earlier anticipated uptake from US biodiesel producers further weighed on prices. By contrast, international rapeseed oil quotations withstood the overall downward trend in vegetable oil prices, underpinned by prospects of recovering demand in the EU on easing COVID-19 related lockdown measures.



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	International Prices (US\$ per tonne) ¹					FAO Indices (2014–2016=100) ⁷		
	Soybeans²	Soybean oil³	Palm Oil⁴	Soybean Cake⁵	Rapeseed Meal⁶	Oilseeds	Vegetable oils	Oilcakes/ Meals
Annual (Oct/Sep)								
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
2019/20	379	783	668	338	243	90	93	84
Monthly								
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	262	86	78	83
2020 - June	369	741	594	325	229	88	87	81
2020 - July	383	815	659	329	227	91	93	81
2020 - August	387	865	707	345	245	92	99	85
2020 - September	418	893	740	378	270	99	105	93
2020 - October	454	900	763	430	294	107	106	105
2020 - November	502	978	875	470	319	117	122	115
2020 - December	516	1036	963	468	328	121	131	115
2021 - January	576	1074	1026	535	382	134	139	131
2021 - February	580	1136	1086	526	380	136	147	130
2021 - March	568	1296	1135	472	364	136	159	117
2021 - April	594	1388	1155	442	352	141	162	111
2021 - May	639	1590	1229	454	409	152	175	116
2021 - June	619	1563	1061	436	400	146	158	112
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								