



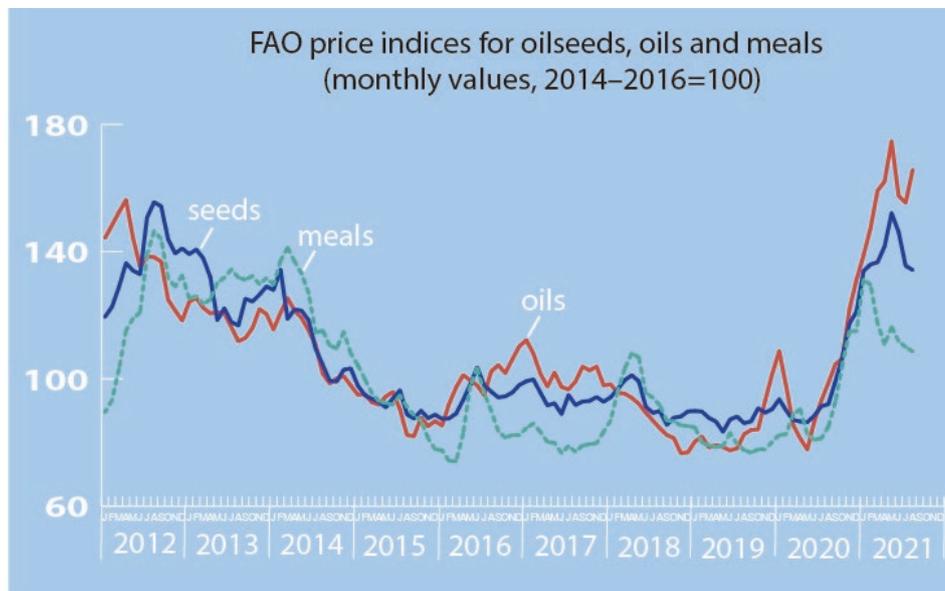
OILSEEDS, OILS & MEALS **MONTHLY PRICE UPDATE * †**

No. 146, September 2021

In August, FAO's price indices for oilseeds and oilmeals continued sliding from their recent historic peaks, shedding, respectively, 1.3 and 1.4 points (or 1.0 and 1.3 percent) from their July levels. By contrast, the vegetable oil index rebounded by 10.3 points (or 6.7 percent) from July's five-month low. Noticeably, all three price indices remained markedly above their respective year-earlier levels, particularly in the case of vegetable oils.

The latest drop of the oilseed price index mainly reflected lower soybean and sunflowerseed values, which more than offset higher rapeseed quotations. In August, international soybean prices fell for a third consecutive month, largely owing to favourable weather conditions observed in major growing areas in the United States (US). Particularly, beneficial precipitations received in the Midwest region eased earlier concerns about dry conditions, while additional rainfalls were

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* The monthly *Monthly Price Update* 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. Previous issues can be downloaded from the FAO website at the following webpage: <http://www.fao.org/economic/est/publications/oilcrops-publications/monthly-price-and-policy-update/en/>.

† Please be informed that as of September 2021 and until further notice the *Monthly Price and Policy Update (MPPU)* is replaced with a shorter version that reviews **only price developments**, i.e. the customary coverage (every other month) of government policies and selected industry measures will be discontinued. A review of key policy measures will continue to be provided twice a year in FAO's *Food Outlook* report as well as on dedicated webpage <http://www.fao.org/economic/est/est-commodities/commodity-policy-archive/en/>.

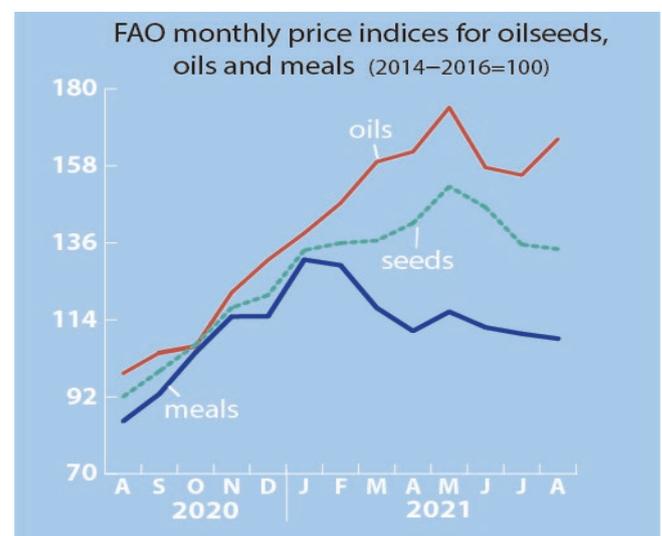
Global price review – cont'd

forecasted to arrive in early September. On the demand side, actual crush in the US was again reported below market participants' expectations, while the prospect of only moderate import demand from China also exerted downward pressure on soybean values. As for sunflowerseed, in August, international prices continued their decline from the historic peaks recorded in early 2021, dropping to their lowest level since October 2020. Clearly, prospects of a record global sunflower crop in the 2021/22 season weighed on prices – even if recent reports of dryer-than-usual conditions in parts of the Black Sea region casted doubts over yield potentials in that area. By contrast, after easing somewhat in the past two months, rapeseed prices rebounded in August, underpinned by deteriorating crop prospects in Canada, where the impact of hot and dry weather turned out more severe than earlier anticipated.

With regard to oilmeals, the enduring decline of the index mostly stemmed from lower soymeal prices. In China, the world's top consumer of oilmeals (derived predominantly from imported seeds), growth in local soymeal uptake slowed down in recent months, chiefly due to reduced feeding profitability in the country's hog industry. Furthermore, with the restocking of China's domestic pig herds largely completed, following nationwide African swine fever outbreaks, expansion of feed demand is deemed to decelerate compared to the last two years.

As for vegetable oils, the marked rebound in FAO's price index observed in August mainly reflected higher palm, rapeseed and sunflowerseed oil values, while soyoil prices remained virtually unchanged. International palm oil

quotations reverted to recent historic highs in August, underpinned by protracted concerns over below-potential production in Malaysia, fuelled by lingering migrant labour shortages. Reports of lower-than-expected inventory levels in the country provided additional support to international prices. As for rapeseed oil, world prices were bolstered by firm demand in the European Union, amid prospects of tightening global supplies. In the meantime, sunflower oil quotations rebounded after falling markedly in June and July, fuelled by limited export availabilities in the Black Sea region, prior to the arrival of the 2021/22 harvests. Conversely, soyoil prices did not follow the upward momentum observed in the vegetable oil complex. While uncertainties regarding the biodiesel admixture mandate in the US together with falling crude mineral oil prices weighed on soyoil values, the downward pressure was contained by robust import demand from biodiesel producing countries, which coincided with tight South American export availabilities.



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	FAO price indices (2014–2016=100) *		
	Oilseeds	Vegetable oils	Oilcakes/ meals
Annual (Oct/Sep)			
2005/06	62	67	49
2006/07	80	93	66
2007/08	133	153	109
2008/09	96	90	89
2009/10	100	109	92
2010/11	132	159	102
2011/12	132	143	111
2012/13	131	120	129
2013/14	120	116	128
2014/15	95	93	99
2015/16	93	95	85
2016/17	95	103	81
2017/18	94	94	93
2018/19	88	80	81
2019/20	90	93	84
Monthly			
2020 - August	92	99	85
2020 - September	99	105	93
2020 - October	107	106	105
2020 - November	117	122	115
2020 - December	121	131	115
2021 - January	134	139	131
2021 - February	136	147	130
2021 - March	137	159	117
2021 - April	142	162	111
2021 - May	152	175	116
2021 - June	146	158	112
2021 - July	136	155	110
2021 - August	134	166	109

* FAO's price indices are based on the international spot prices of five selected seeds, ten selected vegetable oils and five selected cakes and meals. The indices are calculated using the Laspeyres formula; the weights used are derived from the export values of each commodity for the 2014–2016 period.

Source: FAO, based on Oil World data

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