



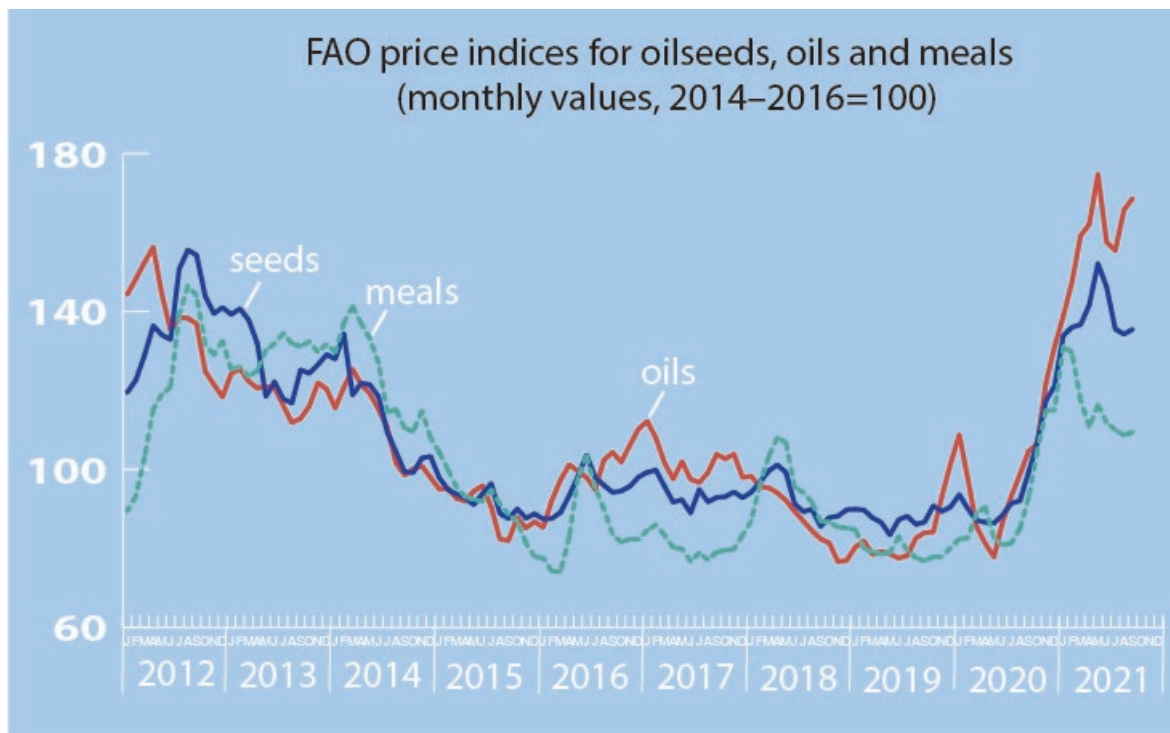
OILSEEDS, OILS & MEALS **MONTHLY PRICE UPDATE ***

No. 147, October 2021

In September, FAO's price index for oilseeds increased marginally, up 1.2 points (or 0.9 percent) from August's seven-month low. Likewise, after falling for three consecutive months, the price index for oilmeals also registered a timid increase of 0.8 points (or 0.8 percent). Meanwhile, the vegetable oil index continued to rise, up 2.9 points (or 1.7 percent) to a four-month high. All three indices remained markedly above their respective year-earlier levels, particularly in the case of vegetable oils.

The latest increase of the oilseed index reflected the combined results of lower soybean values and higher prices of rapeseed and sunflowerseed. In September, international soybean prices remained on a downward trajectory, dropping for four months in succession, mainly driven by: i) improving weather conditions in the United States (US) as harvesting activities commenced; ii) lacklustre import purchase pace from China amid low domestic crush margins; iii) report of higher-than-expected 2020/21 end-of-season stocks for

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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/>.

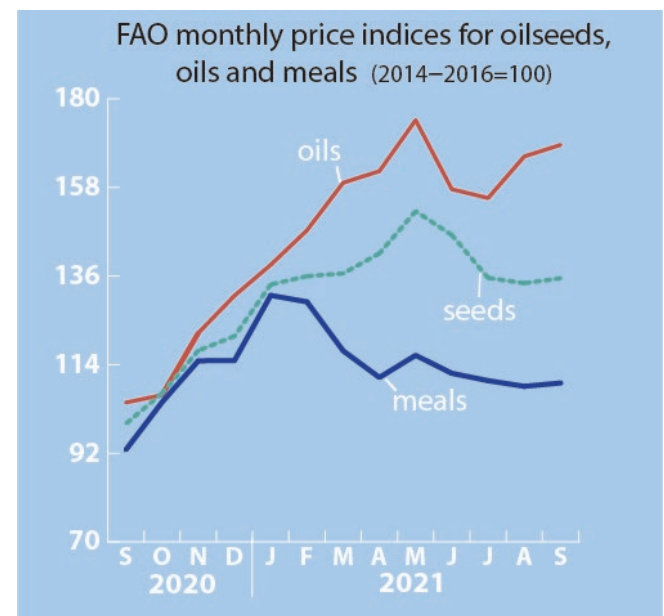
Global price review – cont'd

the US; and iv) temporary logistics disruptions in major US ports resulting from Hurricane Ida. In South America, while current conditions appeared generally favourable for sowing operations, the increasing likelihood of a new La Niña event bears watching, as it could potentially lead to a drier than normal weather pattern during the growing season in the region. As for rapeseed, world prices climbed to their highest level since mid-2008, underpinned by confirmation of a pronounced output decline in Canada, which has further aggravated global supply tightness for the 2021/22 season. In the case of sunflowerseed, international quotations recovered moderately from recent multi-month lows. Although production in the Black Sea region is expected to rebound sharply from the previous season's reduced level, delayed harvesting progress in Ukraine, together with limited supplies owing to reserved farmer selling, lent support to spot prices.

With regard to the index for oilmeals, the small increase mostly reflected higher soymeal values due mainly to tightening export supplies in South America. Specifically, in Argentina, the world's leading soymeal exporter, logistic constraints continued to affect shipment capacities, while in Brazil, soymeal output was limited by a slow pace of domestic crushings. Nonetheless, international prices remained fluctuating within the range observed in recent months, as further upside was contained by concerns over enduring sluggish soymeal demand from China.

As for vegetable oils, the continued strength of the price index was mainly driven by higher palm and rapeseed oil values, whereas quotations for soy and sunflower oils declined. International palm oil

prices rose for a third consecutive month reaching 10-year highs in September, largely fuelled by concerns over below-potential production in Malaysia due to persisting migrant labour shortages. Additional support to prices was also provided by robust global import demand, especially from India, the world's top vegetable oil importer, as the country lowered import taxes on palm, soy, and sunflower oils in a bid to contain further domestic food price inflation. Global rapeseed oil prices also rose markedly, underpinned by protracted global supply tightness amid solid demand from both food and biodiesel sectors, particularly in the European Union. By contrast, world soy and sunflower oil prices declined in September on, respectively, uncertainties about soyoil uptake by the biodiesel industry with regard to admixture mandates in the US and prospects of ample global supplies in the 2021/22 season.



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	FAO price indices (2014–2016=100) *		
	Oilseeds	Vegetable oils	Oilcakes/ meals
Annual (Oct/Sep)			
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
2020/21	133	149	115
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
2021 - September	135	169	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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