Food and Agriculture Organization of the United Nations

OILSEEDS, OILS & MEALS
MONTHLY PRICE UPDATE *

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In November, FAO's price index for oilseeds continued increasing for a third consecutive month, gaining 2.3 points (or 1.6 percent) and marking a five-month high. In the meantime, the index for oilmeals rose slightly, up 0.4 points (or 0.3 percent) month-on-month. By contrast, the vegetable oil price index fell marginally, shedding 0.3 points (or 0.2 percent) from the record high registered in the previous month. While the indices for oilseeds and vegetable oils remained markedly above their respective year-earlier levels, the oilmeal price index fell below its value of the corresponding month of last year.

The latest increase of the oilseed index mainly reflected higher values of soybeans, rapeseed and sunflowerseed. International soybean price rebounded modestly in November after falling for five months in a row, chiefly driven by: i) reports of lower-than-expected yields from the United States of America (US); ii) a pickup in soybean purchasing from China; and iii) higher-than-anticipated domestic crushings thanks to improving processing margins in the US. Meanwhile, the upward momentum in prices was

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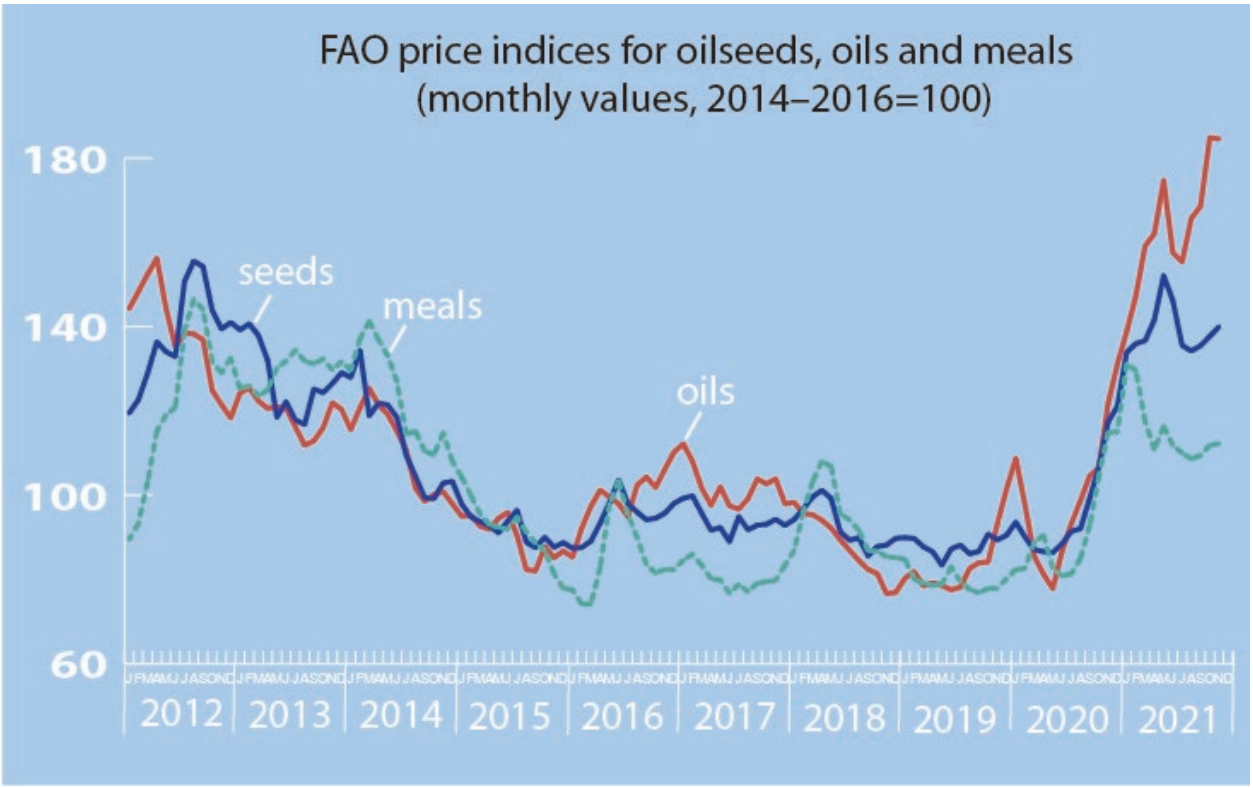


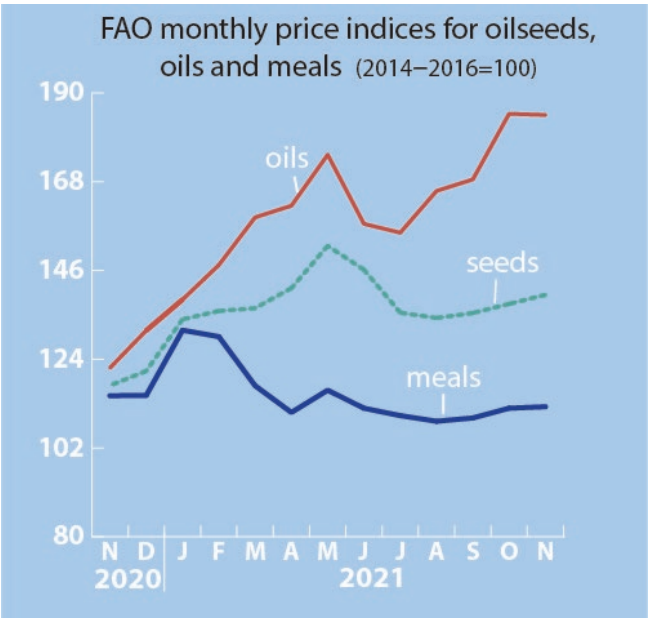
* The monthly *Monthly Price Update* is an information product provided by the oilseeds desk of the Markets and Trade Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices. Previous issues can be downloaded from the FAO website at the following webpage: https://www.fao.org/markets-and-trade/publications/en/?querystring=oilseeds.

Global price review – *cont'd*

largely contained by generally favourable weather conditions in South America, where recent rainfalls boosted soil moisture in major producing regions – although dryness linked to La Niña conditions in spotted areas also raised concerns over production prospects locally. In the case of rapeseed, international prices continued increasing for a fourth successive month, fuelled by protracted global supply tightness, as a higher-than-expected output in Australia deemed insufficient to compensate for production shortfalls in Canada. World sunflowerseed quotations also rose marginally in November, as farmers in the Black Sea region remained reserved sellers, and therefore kept market supplies well below potential.

With regard to oilmeals, the FAO price index edged up in November on higher soymeal and rapeseed meal quotations. International soymeal prices rose marginally, receiving support from rising global feed demand. Reportedly, large volumes of protein meal are required from the livestock sector due to a shortage of lysine supplies, a key ingredient in feed rations. At the same time, additional demand was triggered by improved price competitiveness of soymeal, in light of increasing feed grain costs. As for rapeseed meal, international prices continued to be underpinned by tight global supplies.

The vegetable oil index slid marginally from the all-time high observed in the previous month, mainly reflecting somewhat lower values for soy and rapeseed oils, while quotations for palm and sunflower oil remained virtually unchanged. International palm oil prices maintained their firmness in November, with the downward pressure linked to rising concerns over the impact of a resurgence in COVID-19 cases largely offset by the support stemming from the anticipation of production slowdowns in major producing countries. In Malaysia, specifically, the labour shortage issue is expected to continue affecting palm oil output negatively until at least early 2022. As for soy and rapeseed oils, world prices retreated moderately, broadly softened by demand rationing. On the policy front, Brazil's decision to keep the national biodiesel blending mandate at 10 percent for 2022 further weighed on soyoil values. In the case of sunflower oil, international prices remained fluctuating with a multi-year high range. Despite expectations of a record global sunflowerseed production, crushings in the Black Sea region continued to be contained by reserved farmer selling. Noticeably, lower crude oil values also weighed on vegetable oil prices.



For comments or queries please use the following Email contact: ***FAO-oilcropsmarkets@fao.org***

	FAO price indices *(2014–2016=100)* *		
	Oilseeds	**Vegetable oils**	**Oilcakes/ meals**
Annual (Oct/Sep)			
2009/10	100	109	92
2010/11	133	159	102
2011/12	133	143	111
2012/13	132	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 - 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
2021 - October	138	185	112
2021 - November	140	185	112

* 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