



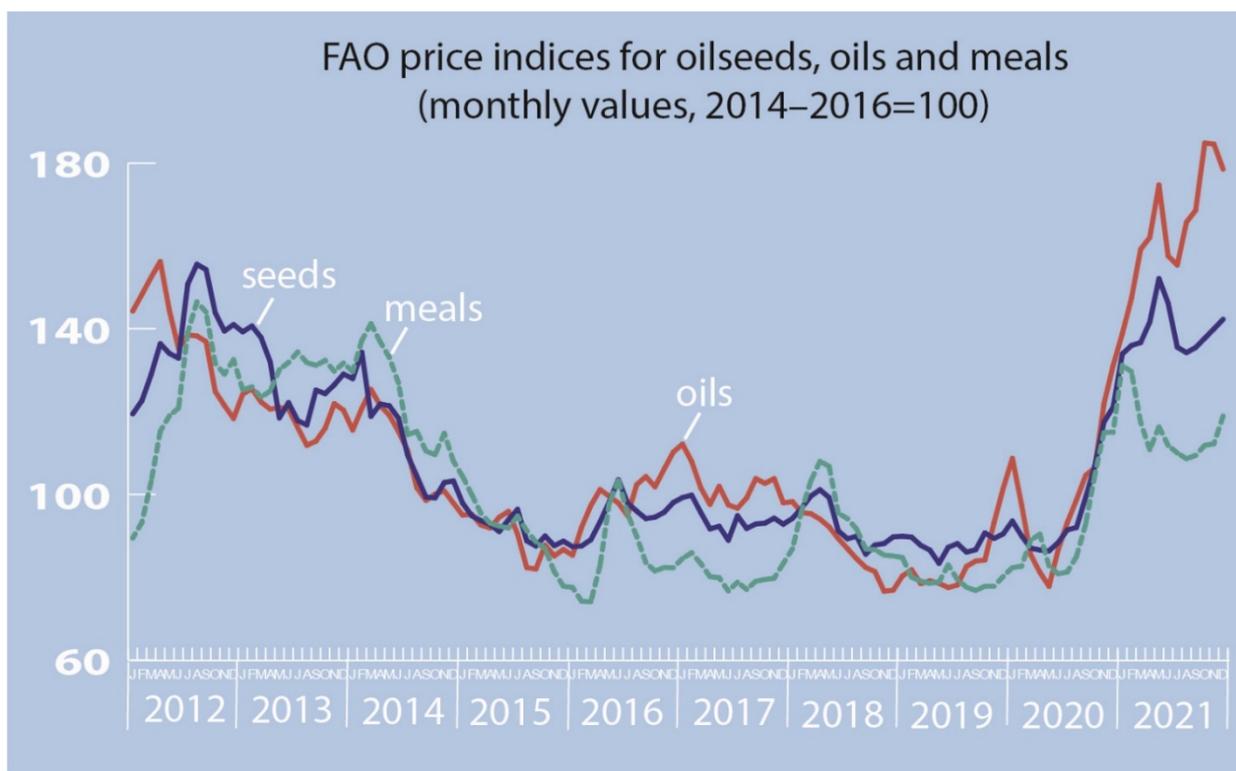
## ***OILSEEDS, OILS & MEALS*** **MONTHLY PRICE UPDATE \***

*No. 150, January 2022*

In December, FAO's price index for oilseeds increased by 2.3 points (or 1.6 percent), registering a six-month high. In the meantime, the price index for oilmeals also continued to rise, up 6.7 points (or 6.0 percent) to its highest level since February 2021. By contrast, the vegetable oil price index declined month-on-month, shedding 6.0 points (or 3.3 percent) from recent record highs. All three indices stood above their respective year-earlier levels, particularly in the case of vegetable oils.

The December rise of the oilseed index mainly reflected higher soybean and rapeseed prices that more than offset lower sunflowerseed quotations. International soybean prices increased slightly in December. On the supply side, while overall weather conditions in Brazil remained generally favourable, unseasonal dryness in southern Brazil, Argentina and Paraguay raised some concerns about soybean production outlook. From the demand side, robust purchasing activities from China, the world's top soybean importer, provided

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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

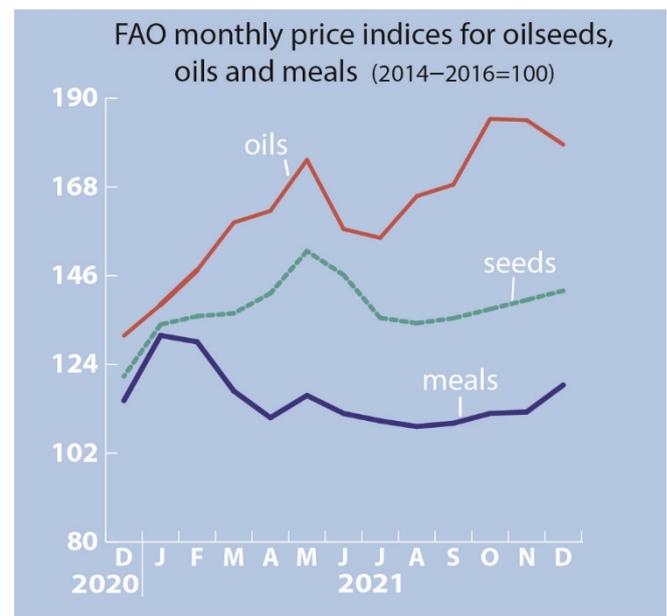
additional support to international prices. Nevertheless, further upside momentum was contained by lower-than-expected crushings in a few countries, especially in the United States of America and Argentina. As for rapeseed, world quotations increased for a fifth consecutive month to all-time highs, underpinned by continued global supply tightness. Noticeably, official statistics from Canada reported a further slight downward revision to the country's 2021/22 rapeseed production estimate on lower yields, now pointing to a 14-year low. By contrast, international sunflowerseed prices retreated after rising for three months in a row, largely reflecting reports of bumper harvests in the Black Sea region, although market supplies remained limited by slow farmer selling.

With regard to oilmeals, FAO's price index went up for a fourth consecutive month in December, mostly driven by rising soymeal prices. Reportedly, global demand for soymeal remained robust, reflecting: i) a shortage of synthetic lysine supplies, a key additive in feed rations that could be replaced by protein meals; ii) higher price competitiveness due to rising feed grain costs; and iii) subdued crushing volumes in Argentina, the world's leading soymeal exporter.

As for vegetable oils, the decline of the index was mainly driven by lower palm and sunflower oil prices, while those of soy and rapeseed oils remained virtually unchanged month-on-month. International palm oil prices fell in December, chiefly reflecting sluggish global import demand amid concerns over the impact of rising COVID-19 cases, which coincided with the oil's reduced price competitiveness owing to narrowing price spread versus other vegetable oils, particularly

soy oil. In the meantime, international sunflower oil quotations were also down, broadly reflecting demand rationing, as prices continued fluctuating within a multi-year high range. By contrast, world soy and rapeseed oil prices maintained their strength, largely underpinned by, respectively, firm import demand, primarily from India, and protracted global supply tightness.

Looking at the annual averages, in 2021, all three price indices firmed markedly compared with their year-earlier values. The oilseed and vegetable oil indices rose, respectively, by 42.6 and 65.4 points (or 44.1 and 65.8 percent) to their all-time annual highs. In the case of oilmeals, the price index was also up 23.9 points (or 26.0 percent) year-on-year, marking its highest level since 2014.



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| <b>FAO price indices (2014–2016=100) *</b>  |                 |                       |                            |
|---|-----------------|-----------------------|----------------------------|
|   | <b>Oilseeds</b> | <b>Vegetable oils</b> | <b>Oilcakes/<br/>meals</b> |
| <b>Annual (Oct/Sep)</b>   |                 |                       |                            |
| 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                        |
| <b>Monthly</b>  |                 |                       |                            |
| 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                        |
| 2021 - December   | 142             | 179                   | 119                        |
| * 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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