



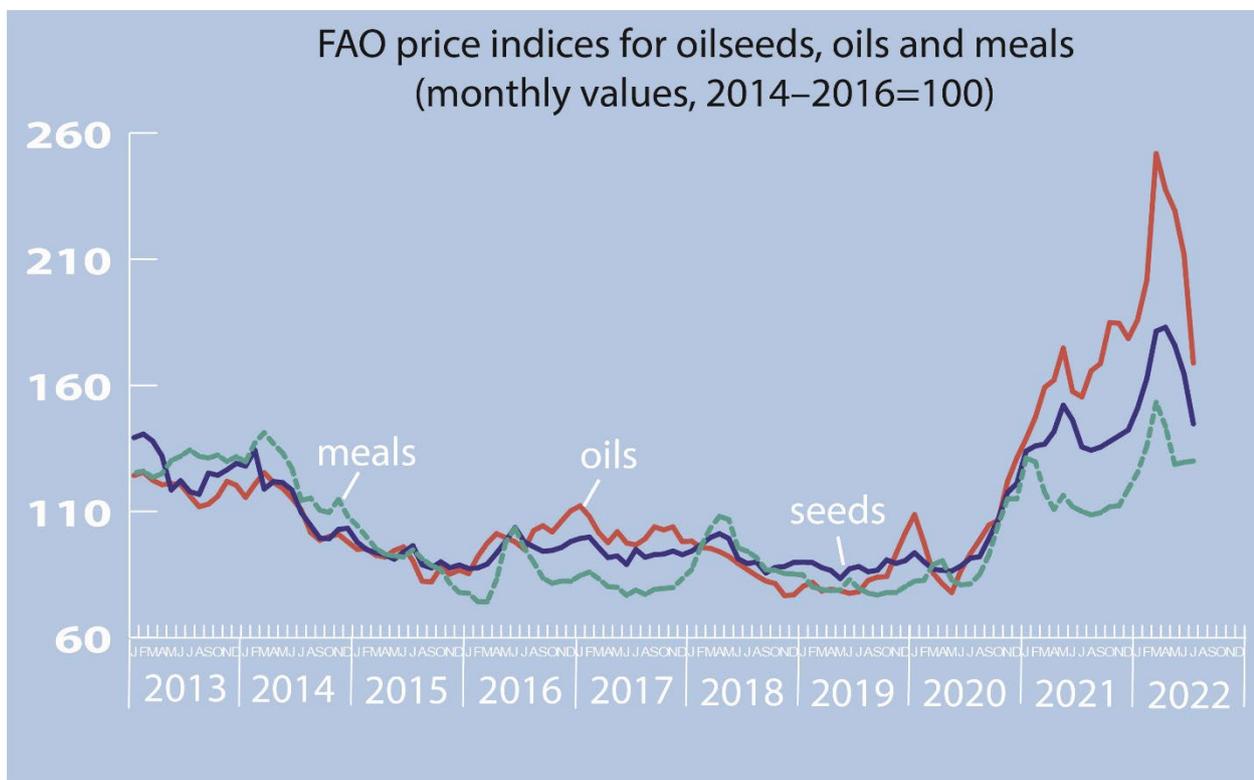
OILSEEDS, OILS & MEALS **MONTHLY PRICE UPDATE ***

No. 157, August 2022

In July, the FAO price index for oilseeds declined for the third consecutive month, down 19.7 points (or 12.0 percent) month-on-month, while the vegetable oil index also dropped sharply, shedding 43.0 points (or 20.3 percent) and marking a 10-month low. Despite these monthly falls, the oilseed and vegetable oil price indices remained above their respective values of the corresponding month last year. In the meantime, the oilmeal price index remained virtually unchanged, up by only 0.5 points (0.4 percent) from the previous month. However, the index value stood 18 percent above its year-earlier level.

The marked decrease in the oilseed price index mainly reflected lower quotations of soybeans, rapeseed and sunflowerseed. In July, international soybean prices dropped to their lowest level since the beginning of 2022, underpinned by: i) improved weather conditions across major growing regions in the United States of America (United States); ii) a higher-than-expected US production forecast reported by the USDA in their monthly update; and iii) the continued sluggish global import demand, particularly from China. Nevertheless, world soybean prices rebounded noticeably towards the end of July, chiefly fuelled

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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>.

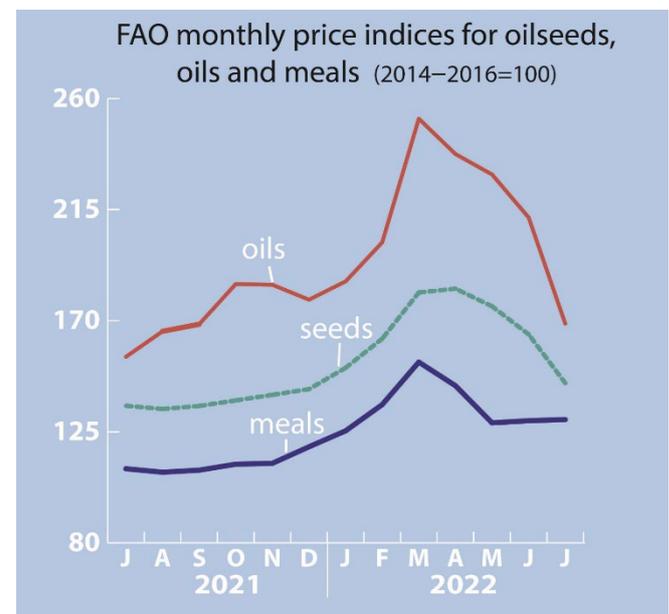
Global price review – cont'd

by forecasts of hot and dry weather conditions in the United States in the coming weeks, while reserved farmer selling activities in Argentina also lent support to soybean prices. In the case of rapeseed, world prices contracted markedly in July, weighed by prospects of ample supplies for the 2022/23 season thanks to generally favourable growing conditions in Australia and Canada. This is despite uncertain export prospects for Ukraine, where the rapeseed export programme continued to be largely blocked due to logistical bottlenecks. As for sunflowerseed, international prices fell to their lowest level since October 2021, following weak crushing demand, particularly in Ukraine, resulting in heavy stocks in the country.

With regard to oilmeals, the price index remained practically unchanged compared with the previous month, despite the downward trend observed for the oilseed index. The resilience stemmed primarily from marginally higher soymeal values, broadly supported by subdued soybean crushing in Argentina, the world's leading soymeal exporter, due to limited sales by local farmers.

As for vegetable oils, the sharp drop in the index was driven by falling prices across palm, soy, rapeseed and sunflower oils. International palm oil prices declined for the fourth consecutive month in July, primarily due to prospects of ample export availabilities in Indonesia, the world's leading palm oil exporter. The removal of export

levies on all palm oil products from 15 July until 31 August 2022 by Indonesian authorities in a bid to accelerate the export pace and release excess domestic inventories contributed to the fall in prices. In the meantime, world soy and rapeseed oil quotations fell, respectively, on account of protracted sluggish demand and expectations of ample new crop supplies. In the case of sunflower oil, international prices dropped markedly on subdued global import demand, despite continued logistics uncertainties in the Black Sea region. Lower crude oil prices also resulted in downward pressure on vegetable oil values.



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			
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
2022 - January	151	186	125
2022 - February	163	202	136
2022 - March	181	252	153
2022 - April	183	238	144
2022 - May	176	229	129
2022 - June	164	212	129
2022 - July	145	169	130

* 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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