Food and Agriculture Organization of the United Nations

MONTHLY PRICE UPDATE

OILSEEDS, OILS AND MEALS

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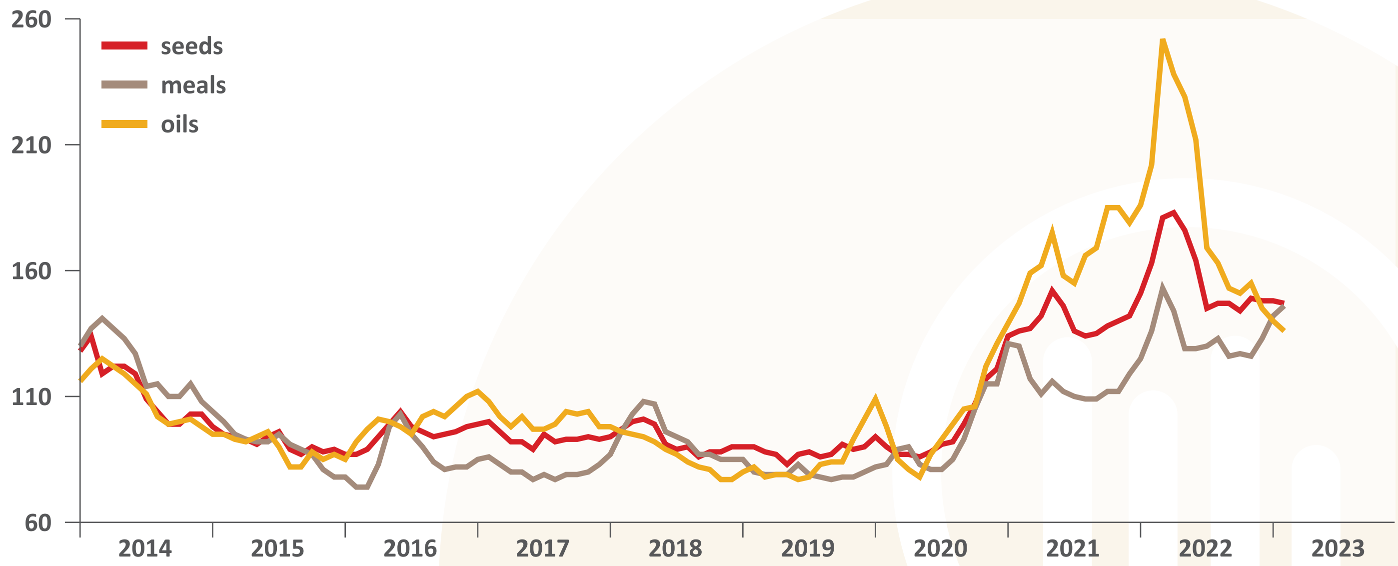
In February, the FAO price index for oilseeds remained virtually stable, down only 0.3 points (0.2 percent) from January and stood nearly 10 percent below its level of a year ago. By contrast, the oilmeal price index continued to rise, up 4.0 points (2.9 percent) month-on-month and climbing closer to its record high registered in March 2022. Meanwhile, the vegetable oil index dropped for the third consecutive month, down 4.5 points (3.2 percent) from January and marking its lowest level since the beginning of 2021.

The stable oilseed price index mostly reflected steady world soybean and sunflower seed prices, while rapeseed quotations declined marginally. International soybean prices remained rangebound in recent months, as the market fundamentals continued to be largely driven by the production outlooks in South America. On the one hand, lower crop prospects in Argentina due to prolonged dryness, coupled with delayed harvesting progress in Brazil, lent support to international prices. On the other hand, conducive weather conditions

Figure 1. FAO price indices for oilseeds, oils and meals (monthly values, 2014–2016=100)



Source: FAO, based on Oil World data.

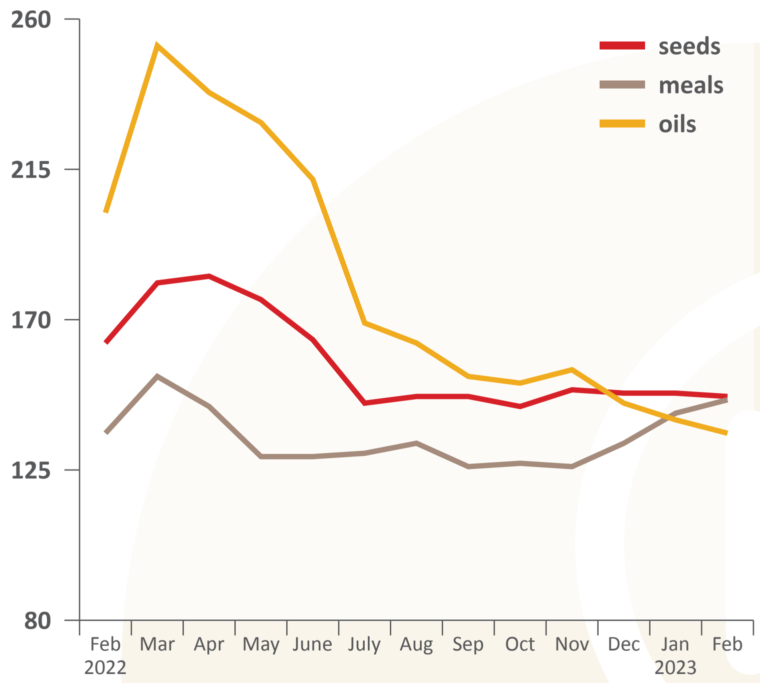
* The *Monthly Price Update* is an information product provided by the oilseeds desk of the Markets and Trade Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices. Previous issues can be downloaded from the FAO website at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

across major parts of the growing regions in Brazil facilitated a potentially record harvest in the country, which weighed on soybean values. In the United States of America, despite persistent and robust demand from the biodiesel industry, lower-than-expected soybean crushings during February also exerted some downward pressure on prices. As for sunflower seed, international prices also changed little in February, as major importers, particularly the European Union, were well covered for their demand with abundant stocks. In the meantime, world rapeseed prices eased somewhat and stood at two-year lows, mainly underpinned by plentiful global supplies.

Contrary to the tepid movement of the oilseed index, the oilmeal price index rose for the third successive month in February, primarily fuelled by firm values of soymeal. With soybean production in Argentina set to drop significantly, global soymeal availabilities are seen tightening, as supplies from other soymeal exporters will not be sufficient to compensate for the foreseen marked losses in this world-leading exporter. Consequently, international rapeseed and sunflower meal prices also strengthened, supported by rising global import demand.

As for vegetable oils, the continued fall of the index in February was driven by lower world prices across palm, soy, sunflowerseed and rapeseed oils. International palm oil prices dropped for the third consecutive month in February, chiefly weighed by lingering sluggish global import demand, despite seasonally lower production from major growing regions in Southeast Asia. Meanwhile, world soyoil prices also continued to decline, underpinned by softened purchases from key importing countries and prospects of rising outputs in South America. As for sunflower and rapeseed oils, world quotations remained on a downward trajectory, depressed by their abundant global exportable availabilities. In the case of sunflower oils, world prices were also pressured by weakening import demand amid the earthquake in Türkiye.

Figure 2. FAO monthly price indices for oilseeds, oils and meals (2014–2016=100)



Source: FAO, based on Oil World data.

	FAO price indices (2014–2016=100) [a]		
	Oilseeds	Vegetable oils	Oilcakes/meals
Annual (Oct/Sep)			
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
2021/22	156	196	129
Monthly			
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
2022- August	147	163	133
2022- September	147	153	126
2022- October	144	151	127
2022- November	149	155	126
2022- December	148	145	133
2023- January	148	140	142
2023- February	147	136	146

[a] 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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