



# MONTHLY PRICE UPDATE

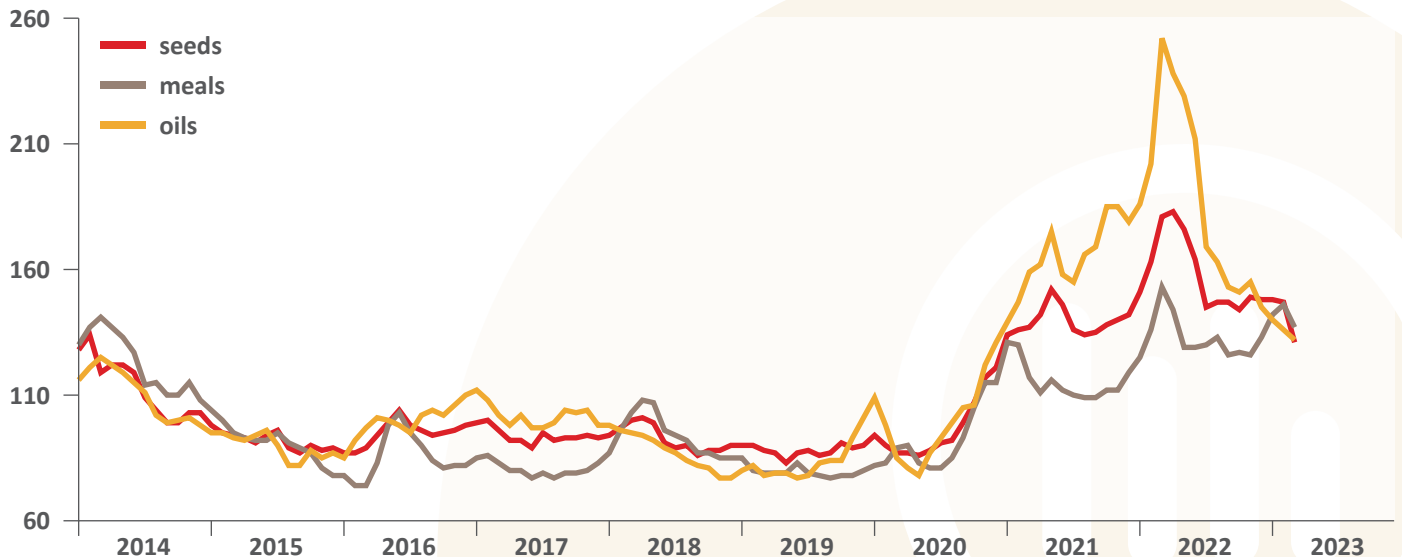
## OILSEEDS, OILS AND MEALS

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The month of March saw all three price indices trailing the oilseed complex falling from their levels in the previous month. The index for oilseeds dropped markedly, down 16.9 points (11.5 percent) to its lowest level since the beginning of 2021, while the oilmeal price index decreased by 8.6 points (5.9 percent) month-on-month. Meanwhile, the index for vegetable oils declined for the fourth consecutive month, down 4.1 points (3.0 percent) from February. All three indices fell below their respective year-earlier levels, with the vegetable oil index standing as much as 47.7 percent below its level a year ago.

The latest decline of the oilseed price index was driven by lower world quotations across soybean, rapeseed and sunflower seed. After fluctuating in a narrow range during the past several months, international soybean prices softened in February, mainly underpinned by: i) the seasonal harvest pressure from gathering operations of a potentially record soybean crop in Brazil; ii) lingering subdued import purchases from China amid low domestic crush margins; and iii) the spillover effects from the turmoil in the global financial market and related falling energy prices. This is despite protracted

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>.

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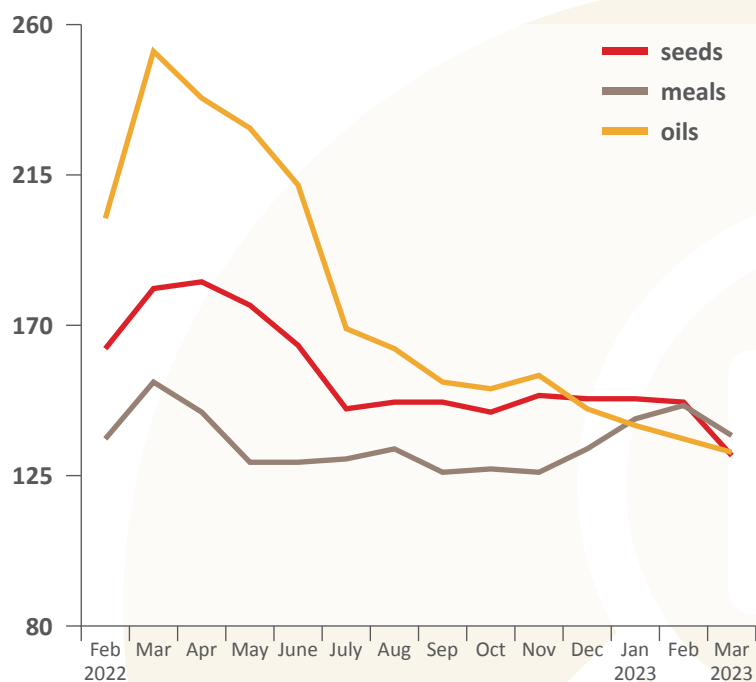
dryness in Argentina, which is seen resulting in a significantly lower production, as well as reserved farmer selling activities in the country, in view of currency instability and severe inflation issues. In the meantime, world rapeseed prices also dropped, chiefly reflecting continued ample global supplies. Moreover, a favourable production outlook for the European Union in the upcoming 2023/24 season amid conducive weather conditions also weighed on rapeseed prices. Similarly, for sunflower seed, the decrease in international prices mostly reflected abundant world inventories, particularly in the Russian Federation and the European Union.

As for oilmeals, the price index registered a downward adjustment in March. Notwithstanding smaller soybean crop prospects in Argentina, the world's leading oilmeal exporter, international soy and rapeseed meal prices fell moderately on weakening global feed demand. Indeed, with input costs rallying to near-record levels in recent months, processing margins of livestock producers deteriorated, notably in China and the European Union. In addition, renewed concerns over reports

of African swine fever cases in China also exerted downward pressure on soymeal prices.

With regard to vegetable oils, the decrease in the index was the net result of lower soy, rapeseed and sunflower oil quotations more than offsetting higher world palm oil prices. After falling for three consecutive months, international palm oil prices rebounded in March. Besides lower output levels in Southeast Asia due to unfavourable weather and floodings in some growing regions, palm oil prices received further support from limited global exportable supplies amid temporary export restrictions imposed by Indonesia. By contrast, world soyoil prices continued to fall, following the declining trend of international soybean quotations, with additional downward pressure exerted by lower demand from the biodiesel sector in the United States of America and the European Union due to higher supplies of alternative feedstocks, such as used cooking oils. Similarly, international rapeseed and sunflower oil prices also kept declining, underpinned by, respectively, ample world supplies and a subdued global import demand.

**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) <sup>a</sup>		
	Oilseeds	Oilcakes/meals	Vegetable oils
<b>Annual (Oct/Sep)</b>			
2012/13	132	129	120
2013/14	120	128	116
2014/15	95	99	93
2015/16	93	85	95
2016/17	95	81	103
2017/18	94	93	94
2018/19	88	81	80
2019/20	90	84	93
2020/21	133	115	149
2021/22	156	129	196
<b>Monthly</b>			
2022- March	181	153	252
2022- April	183	144	238
2022- May	176	129	229
2022- June	164	129	212
2022- July	145	130	169
2022- August	147	133	163
2022- September	147	126	153
2022- October	144	127	151
2022- November	149	126	155
2022- December	148	133	145
2023- January	148	142	140
2023- February	147	146	136
2023- March	131	137	132
<sup>a</sup> 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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