



MONTHLY PRICE UPDATE

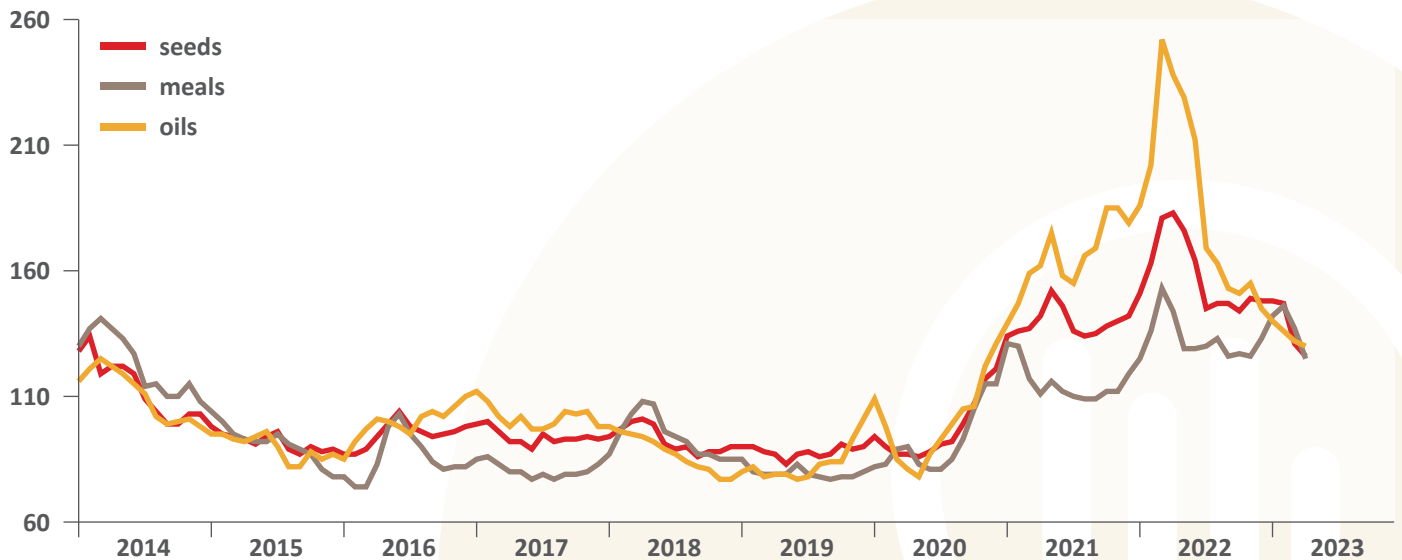
OILSEEDS, OILS AND MEALS

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In April, all the FAO price indices trailing the oilcrops complex continued to fall. The price indices for oilseeds and oilmeals declined, respectively, by 4.9 and 12.4 points (3.7 and 9.0 percent) from March, while the vegetable oil price index dropped moderately, down 1.8 points (1.3 percent) month-on-month and marking its lowest level since December 2020. All three indices remained below their levels a year ago, with the vegetable oil index standing some 45 percent below its year-earlier level.

The oilseed price index dropped for the second consecutive month in April, driven by lower values across soybean, rapeseed and sunflower seed. International soybean prices declined to their lowest level since late 2021, mainly underpinned by i) the continued seasonal harvest pressure from an estimated record crop in Brazil; ii) a rapid start of sowing operations in the United States of America, facilitated by favourable weather conditions; and iii) a protracted weak import demand from China

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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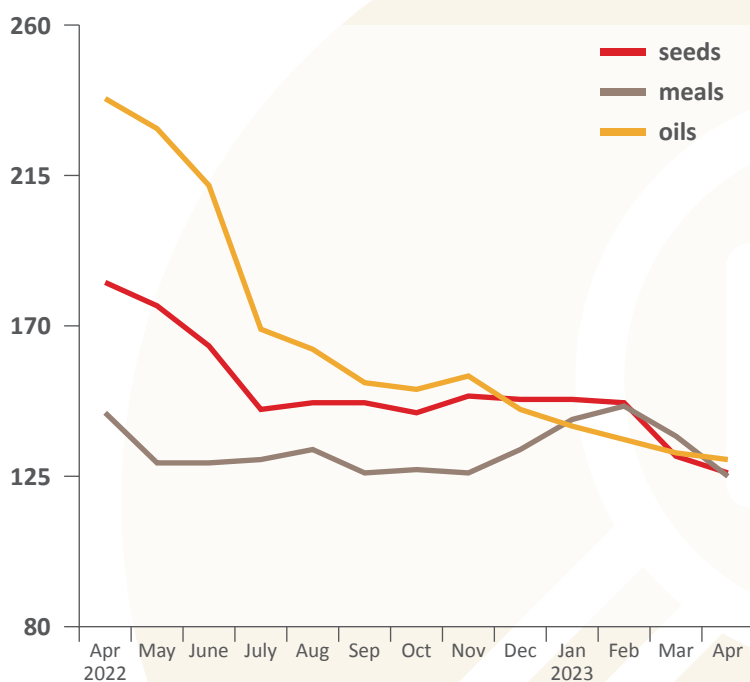
due to low crush margins. This is despite field reports indicating significantly low soybean yields in Argentina, following one of the country's worst droughts in recent several decades and the continued limited sales by local farmers even after the launch of the third round of the 'soy dollar' scheme in early April – as producers preferred holding their crops as a hedge against soaring inflation and devaluation of the Argentine peso. In the meantime, world rapeseed prices fell for the fifth successive month, influenced by ample supplies across Australia, Canada and the European Union, as well as early indications of a favourable production outlook for the 2023/24 season in the European Union. Likewise, in the case of sunflower seed, international prices were weighed by large stocks in the Black Sea region, with the additional downward pressure stemming from active farmer selling activities in Ukraine amid uncertainties regarding the future of the export corridor.

With regard to oilmeals, the marked lower price index mostly reflects reduced soymeal quotations tied to lingering subdued demand from the livestock sector, primarily in China. On the policy front, the Ministry of Agriculture and Rural Affairs of China in mid-April released a three-year action plan aiming

to reduce the soymeal inclusion ratio in domestic animal feed, which may have also exerted further downward pressure on world soymeal prices.

As for vegetable oils, the continued decrease of the price index reflected the combined effect of stable world palm oil prices and lower soy, rapeseed and sunflower oil quotations. Following a short-lived rebound in March, international palm oil prices remained virtually unchanged in April. On the one hand, comparatively limited supplies of leading producers in Southeast Asia continued to support world palm oil quotations. On the other hand, prices were weighed by the negative impact of lacklustre demand by key importing countries. Noticeably, in recent weeks, world prices of palm oil carried unusual premiums over those of some competing vegetable oils, such as rapeseed and sunflower oils, and thus limited buying interest from major importers. By contrast, international soyoil prices continued to decrease, pressured by the seasonal harvest in Brazil, despite sharply lower production prospects in Argentina. Meanwhile, world prices of rapeseed and sunflower oils also kept falling, chiefly underpinned by lingering abundant global exportable supplies.

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	Oilcakes/meals	Vegetable oils
Annual (Oct/Sep)			
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
Monthly			
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
2023- April	126	125	130
^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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