Oilseeds market summary

Although likely to exceed last season's record, global oilcrop production in 2011/12 is forecast to grow marginally, with a year-on-year decrease expected for two major oilcrops, soybeans and rapeseed. Growth in global supplies of oils and meals could still be somewhat higher, thanks to ample carry-in stocks from 2010/11. However, with steady expansion in demand for oilseed products, a tightening in the world supply and demand balance seems inevitable. As to international prices for oilcrops and derived products, changes in the short-term prospects and spill-over effects from other markets have led to downward trends in recent months. However, with the onset of the new season, the market should be increasingly driven by the outlook for 2011/12. The anticipated tightening in global supply and demand seems to call for a gradual strengthening in prices of both oils and meals. As the season unfolds, the market will face a drawdown in global inventories as well as a reduction in overall stock-to-use ratios, the reverse of the past two seasons. Furthermore, new risks arise from the fact that global import demand will depend heavily on future supplies from Latin America and the Caribbean. Developments outside the oilseed complex are also adding uncertainty, in particular, the evolution of prices of feedgrain and mineral oil markets and renewed fears of a global economic recession, which could reduce overall commodity demand.

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OILSEEDS, OILS AND MEALS[4]

PRICES[5]

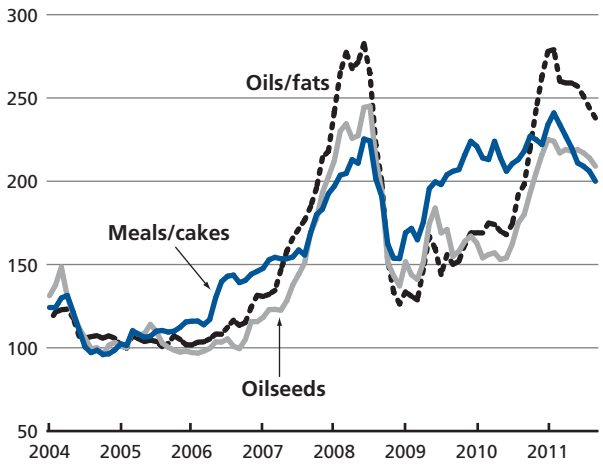
Fundamentals point towards renewed price strength in 2011/12

In the 2010/11 marketing season (October/September), international prices for most oilcrops and derived products rose until February 2011, when they came close to their 2008 peaks (as illustrated by the respective FAO price indices). Key drivers behind the price rise were a series of downward corrections in production forecasts, continued growth in the demand for vegetable oil as biodiesel feedstock, strong import demand for oilcrop products, and price spill-over effects from tight grain markets.

However, after February 2011, international prices embarked on a downward trend and by September, though still high in historical terms, the price indices for oilseed, oil and meal had fallen 7 percent, 15 percent and 17 percent, respectively, compared with their mid-season peaks. The decrease came with changes in market prospects: ample and larger than expected soybean crops were harvested in South America and Southeast Asian palm oil production began to recover ending eight months of poor growth. The improvement of crop prospects coincided with a temporary slowdown in global import demand for soybean and derived products and palm oil, resulting in an unexpected rise in inventories held by major exporters. With northern hemisphere crops entering the markets in September, supply pressure continued. Furthermore, price weakness in global feed grain markets started spilling over to the oilseed complex, and growing fear of another global economic recession, which could depress demand, began to weigh on prices.

With the onset of the new season, the market should be increasingly influenced by the supply and demand outlook for 2011/12. Based on current forecasts, notably the prospect of reduced output in two major oilcrops (soybeans and rapeseed), a tightening in the global supply and demand balance seems inevitable. To date, the market has not yet reacted to these signals: the current ample availabilities of oils and meals, the price weakness prevailing in grain markets and continued macroeconomic uncertainties have prevented prices from rising. However, 2011/12 oilcrop market fundamentals seem to call for a gradual strengthening in prices later this season. Poor growth in global supplies of oilcrops and derived products (especially oilmeals) is forecast to coincide with a steady expansion in global demand. Therefore, assuming the current forecasts materialize, the market will be faced with a drawdown in global inventories as well as a reduction in overall stock-to-use ratios – the reverse of what happened in the past two seasons. Moreover, new risks arise from the fact that global import demand will depend heavily on future supplies from South America. Finally, oilcrop markets will continue to be influenced by developments outside the oilseed complex, in particular price trends in related feedgrain and mineral oil markets and continued fears of economic recession.

Figure 33. FAO monthly international price indices for oilseeds, oils/fats and meals/cakes (2002-2004=100)



OILSEEDS

Oilseed production forecast to grow only marginally in 2011/12

World oilcrop production in 2011/12 is tentatively estimated at 472 million tonnes. Although a new record, production would grow by less than 1 percent year-on-year, compared with over 5 percent on average in the last three seasons. The slowdown would be due to reduced soybean and rapeseed crops, which are both forecast to fall by around 2 percent.

In the **United States**, the world's leading soybean producer, the just completed harvest yielded about 8 percent

[4] Almost the entire volume of oilcrops harvested worldwide is crushed to obtain oils and fats for human nutrition or industrial purposes, and to obtain cakes and meals which are used as feed ingredients. Therefore, rather than referring to oilseeds, the analysis of the market situation is mainly undertaken in terms of oils/fats and cakes/meals. Hence, production data for oils (cakes) derived from oilseeds refer to the oil (cake) equivalent of the current production of the relevant oilseeds, i.e. they do not reflect the outcome of actual oilseed crushing. Furthermore, the data on trade in and stocks of oils (cakes) refer to the sum of trade in and stocks of oils and cakes plus the oil (cake) equivalent of oilseed trade and stocks.

[5] For details on prices and corresponding indices, see appendix Table A24 .

Figure 34. FAO monthly price index for oilseeds (2002-2004=100)

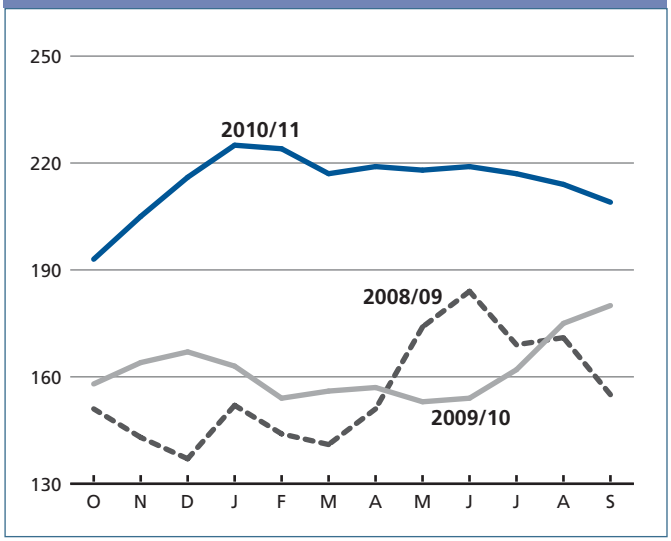


Figure 35. FAO monthly price index for oils/fats (2002-2004=100)

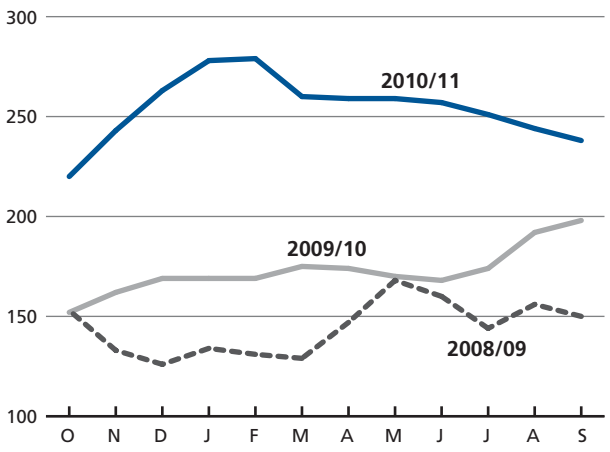


Figure 36. FAO monthly price index for meals/ cakes (2002-2004=100)

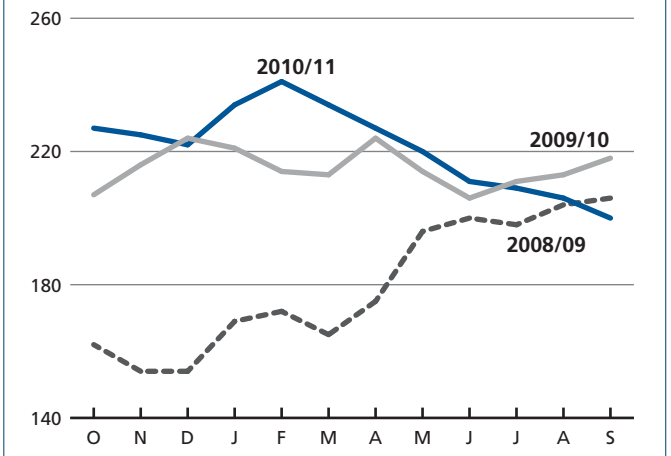
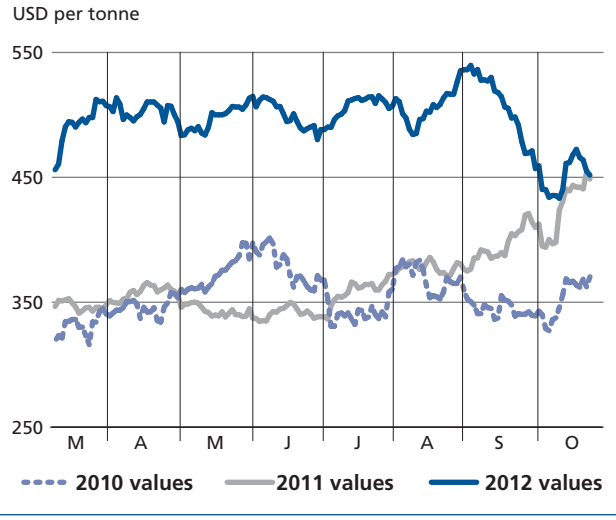


Figure 37. CBOT soybean futures for March



less than last year, with lower plantings and weather-induced yield losses contributing about equally to the decline. Due to increased competition for land, plantings of other crops, in particular maize, rose at the expense of soybeans. Lower soybean output is also reported in **China**, due to shifts in plantings and continued shrinkage in the country's arable land base, and **Canada**. In South America, where soybean plantings are underway, tentative forecasts imply a modest rise to the second highest output on record. Competition from grains and other attractively priced crops should limit this year's expansion in soy plantings. In addition, yield prospects remain uncertain as a new La Niña weather pattern might develop during the season, bringing below average rainfall to the region. **Argentina's** production is estimated to rise compared with last year, whereas a slight fall is forecast for **Brazil**.

The anticipated drop in global rapeseed production primarily reflects falls in **China** and parts of the **EU**, due to, respectively, reduced plantings and adverse weather. Record harvests in **Australia, Canada and India** should only partly offset those falls. Global production of other major oilcrops is anticipated to rise markedly, particularly cottonseed and sunflowerseed. Growth in cottonseed production is concentrated in **South** and **East Asia**, while the **Russian Federation** is driving the rise in sunflowerseed.

Table 14. World production of major oilseeds

	2009/10	2010/11 estim.	2011/12 f'cast	Change 2011/12 over 2010/11 %
		million tonnes		
Soybeans	259.9	265.8	260.7	-1.9
Cottonseed	39.9	44.8	48.0	+ 6.9
Rapeseed	61.7	60.7	59.2	- 2.5
Groundnuts (unshelled)	34.9	37.0	37.2	+ 0.5
Sunflower seed	32.5	33.1	37.5	+ 13.2
Palm kernels	11.7	12.5	13.1	+ 4.3
Copra	5.8	5.0	5.5	+ 9.3
Total	446.4	458.9	461.2	+ 0.5

Note: The split years bring together northern hemisphere annual crops harvested in the latter part of the first year shown, with southern hemisphere annual crops harvested in the early part of the second year shown. For tree crops, which are produced throughout the year, calendar year production for the second year shown is used.

Table 15: World oilseed and product market at a glance

	2009/10	2010/11 estim.	2011/12 f'cast	Change: 2011/12 over 2010/11
	million tonnes			%
TOTAL OILSEEDS				
Production	456.7	469.9	472.0	0.4
OILS AND FATS[1]				
Production	172.7	178.6	181.3	1.5
Supply[2]	196.1	204.9	209.8	2.4
Utilization[3]	169.9	175.2	183.6	4.8
Trade[4]	89.4	90.7	94.4	4.1
Stock-to-utilization ratio (%)	*15.5*	*16.2*	*14.5*	*-10.5*
MEALS AND CAKES[5]				
Production	114.1	117.3	116.9	-0.3
Supply[2]	128.1	136.3	137.6	1.0
Utilization[3]	107.8	113.8	119.1	4.7
Trade[4]	67.0	69.3	72.3	4.3
Stock-to-utilization ratio (%)	*17.6*	*18.1*	*15.1*	*-16.6*

FAO PRICE INDICES (Oct-Sep) (2002-2004=100)	2008/09	2009/10	2010/11	Change: 2010/11 over 2009/10 %
Oilseeds	156	162	215	32.7
Meals/cakes	180	215	221	2.8
Oils/fats	144	173	254	46.8

Note: Refer to footnote 4 in the text for further explanation regarding definitions and coverage.

[1] Includes oils and fats of vegetable, animal and marin origin.

[2] Production plus opening stocks.

[3] Residual of the balance.

[4] Trade data refer to exports based on a common October/September marketing season.

[5] All meal figures are expressed in protein equivalent; meals include all meals and cakes derived from oilcrops as well as meals of marine and animal origin.

OILS AND FATS[6]

Below average growth anticipated in oils/fats supplies

Current 2011/12 crop forecasts translate into a 1.5 percent increase in global oils/fats production to 181 million tonnes, which implies a considerable slowdown in growth compared with the three preceding seasons. Oil extraction from annual oilcrops should increase by less than 1 million tonnes. Led by the oil palm, perennial crops are forecast to add almost 2 million tonnes to total output. At 3 percent, the projected year-on-year growth in global palm oil production would however remain well below past growth rates, due to reduced expansion in mature area, in particular in **Malaysia**, as well as to the tree's yield cycle and the effects of a possible La Niña weather episode.

Global oils/fats supplies, which comprise 2011/12 production plus global 2010/11 ending stocks, should expand by about 2.5 percent, thanks to good stock positions at the beginning of this season. With regard to key producers, domestic availability is set to expand, in particular, in **Argentina**, **Brazil**, **Indonesia**, **Malaysia** and **CIS** countries. By contrast, it is forecast to remain about unchanged in **Canada**, **China** and **India**, while a pronounced drop is expected in the **United States**, owing to its poor soybean harvest. A reduction in supplies, for the second consecutive season, is also anticipated in the **EU**, following further cuts in both output and opening stocks.

Oils/fats consumption to continue expanding

Global demand for oils/fats is anticipated to continue expanding at an about average rate of 5 percent in 2011/12, reaching 184 million tonnes. Economic growth is expected to continue boosting average per capita oil consumption in many developing countries, in particular emerging economies. Further rising demand from the biodiesel industry worldwide, estimated to consume some 20 percent more than last season, should account for close to half of the projected increase in global consumption. Higher mandatory blending rates and the creation of additional production capacity in several countries continue driving growth in the biodiesel sector.

As in past years, much of the increase in global demand is expected to originate in Asia, with **China** a dominant player and with food and oleochemical uses as main areas of growth. With national consumption exceeding

[6] This section refers to oils from all origins, which, in addition to products derived from the oil crops discussed under the section on oilseeds, include palm oil, marine oils as well as animal fats.

Figure 38. Global production and utilization of oils/fats

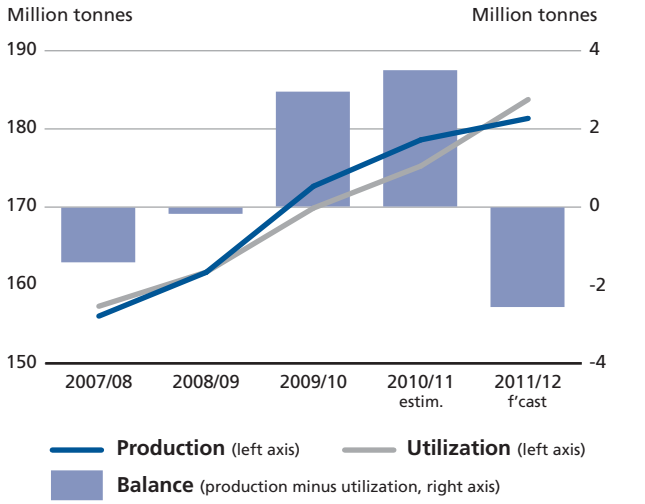
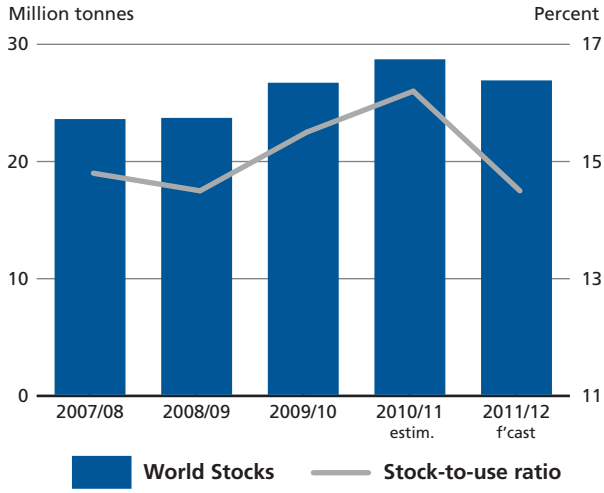


Figure 39. World closing stocks and stock-to-use ratio of oils/fats (including the oil contained in seeds stored)



34 million tonnes (almost 9 percent higher than last season), China is set to confirm its position as the world's largest consumer. In **India**, Asia's second largest consumer, year-on-year growth should not exceed 4 percent, whereas in **Indonesia**, utilization is forecast to grow more than 10 percent, reflecting further expansion in the country's palm oil refining industry. Under the lead of **Argentina** and, in particular, **Brazil**, consumption should continue rising in South America. Together, Argentina and Brazil are expected to consume 11.4 million tonnes of oils/fats, double the level recorded only six years ago. Biofuel demand is estimated to account for no less than two-thirds of the anticipated rise in consumption, as mandatory blending rates are expected to be raised to 7 percent in Brazil and 10 percent in Argentina, which is also set to further expand its biodiesel exports. In the **United States**, domestic consumption growth mainly reflects efforts by the biodiesel industry to comply with the national biofuel consumption targets. However, the industry's actual uptake will depend on whether or not the currently applied biodiesel tax credit will be extended into 2012. In the **EU**, demand seems to be stagnating because of successive reductions in domestic oil supplies and slower expansion of the biodiesel industry, due to low profitability levels.

Supply and demand balance for oils/fats expected to tighten

Unlike in the last two seasons, global production is anticipated to fall short of total demand in 2011/12. The shortfall, estimated at about 2.4 million tonnes, should lead to a decrease in global inventories. World ending stocks (measured as oil/fat inventories plus the oil contained in stored oilseeds) are projected to fall by 5 percent to below 27 million tonnes. With regard to major stockholding countries, a pronounced decrease in stocks is anticipated in the **United States**, so as to compensate for the cut in production and in **China**, to meet rising consumption. **Canada's** inventories are anticipated to fall to a seven-year low. Significant rebuilding of inventories is expected only in **Argentina** and the **Russian Federation**, thanks to domestic production increases. The anticipated fall in global inventories, combined with the projected rise in global consumption, would push the stock-to-use ratio below 15 percent and, thus, close to the critically low level recorded during the 2008 food crisis. If these forecasts were to be confirmed, firm prices are likely to prevail in the international oils/fats market during 2011/12.

Global trade in oils/fats to expand

In 2011/12, global trade in oils/fats (including the oil contained in traded oilseeds) is forecast to expand by close to 4 million tonnes, or about 4 percent. About half of the anticipated rise should be on account of palm oil, with record export availabilities in **Indonesia** forecast to boost its shipments by 6 percent. Compared with Indonesia, **Malaysia's** increase in palm oil sales should be considerably lower due to its sluggish growth in domestic production. Unlike in recent years, soybean oil is anticipated to play only a limited role in this season's global trade expansion, as South America's expected rise in exports should be largely offset by a drop in shipments from the **United States**. Instead, trade in sunflowerseed oil is anticipated to grow vigorously, given the

Figure 40. Total oil/fat imports by region or major country (including the oil contained in seed imports)

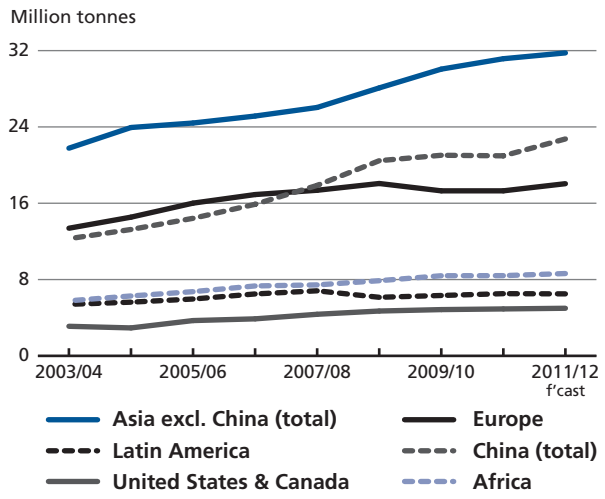
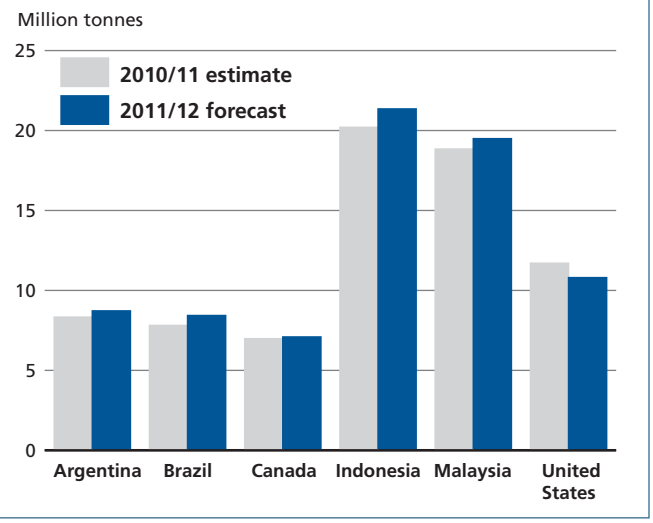


Figure 41. Oil/fat exports by major exporters (including the oil contained in seed exports)



surge in sunflowerseed production in the CIS region. More than half of the joint output of the **Russian Federation** and **Ukraine** is anticipated to reach the world market. Similar to soybean, rapeseed's contribution to the expansion in global trade should be limited, mainly reflecting lack of production growth in **Canada**. As to global oils/fats imports, most of the anticipated growth in 2011/12 is expected to occur in Asia under the lead of **China** and **India**. China's increase is set at close to 10 percent, which lifts purchases by the country to over 21 million tonnes (including the oil contained in seed imports). Continued population and income growth coupled with stagnating domestic oilcrop production explain the rise. In China as well as India, reliance on foreign purchases to satisfy domestic demand will remain high. In the **EU**, a marked increase in imports appears likely, given this year's poor rapeseed crop and additional demand from the biodiesel industry. Based on current forecasts, more than half of the EU's oils/fats consumption would be met through foreign purchases this season.

MEALS AND CAKES[7]

Global meal supplies to increase marginally in 2011/12

Assuming current crop forecasts materialize, global meals/cakes production should drop slightly compared with last season. Higher sunflower and cottonseed meal outputs will not be sufficient to offset the expected decline in soymeal production. However, thanks to ample carry-in stocks from last season, in particular near record soybean inventories, global supplies of meals/cakes, comprising 2011/12 production and 2010/11 ending stocks, are forecast to increase slightly. With regard to the main producers, poor harvests should translate into sizeable drops in domestic supplies in **China**, the **EU** and the **United States**, while abundant inventories should allow domestic meal supplies to grow in **Brazil**. In **Argentina**, a more distinct rise should be achievable thanks to the prospective rise in soybean production. Noticeable supply improvements are also expected in **India** and the **Russian Federation**, again based on good domestic crops.

Steady expansion expected in meal consumption

Steady expansion in global consumption of meals/cakes is forecast to continue in 2011/12. Commodity-wise, consumption growth is expected to concern mainly soybean, sunflower and cottonseed meal. In absolute terms, soybean meal is forecast to satisfy two-thirds of total demand. Consumption growth in the developing world should continue to outpace that of developed nations. About two-thirds of global consumption growth is anticipated to originate in Asia, where demand keeps increasing, fuelled by livestock sector expansion. The key player in this context is **China**. Despite a possible slowdown relative to the last two seasons, China's meal demand is still forecast to grow by 5.5 million tonnes. Further consumption gains are also expected in **India**, as well as in South American countries, especially **Brazil**. By contrast, poor or no growth is likely to

[7] This section refers to meals from all origins. In addition to products derived from the oil crops discussed under the section on oilseeds, this also includes fish meal and meals of animal origin.

Figure 42. Global production and utilization of meals/cakes (in protein equivalent)

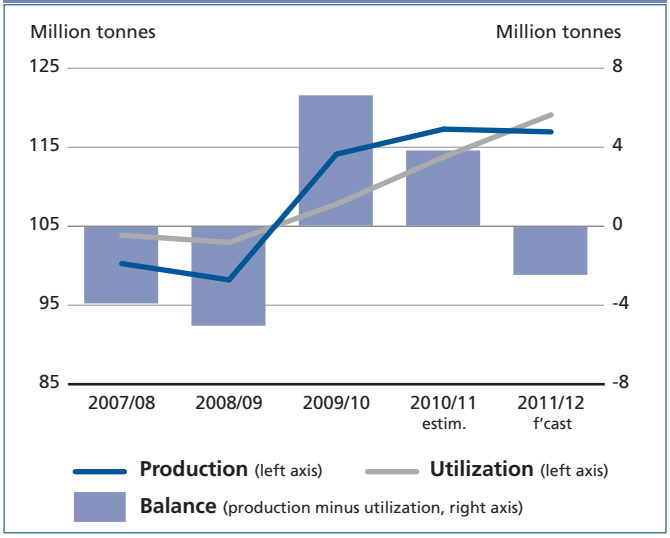
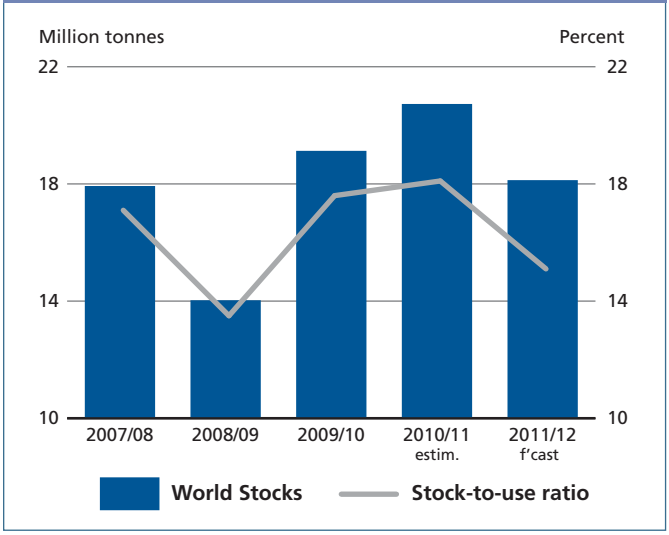


Figure 43. World closing stocks and stock-to-use ratio of meals/cakes (in protein equivalent and including the meal contained in seeds stored)



continue in Africa, Central America and Oceania. Among developed economies, demand is forecast to increase by less than 1 percent in the **United States**, keeping the level of consumption historically low, whereas in the **EU**, moderate growth could lift consumption to a new record.

Global meal production to fall short of demand

As opposed to the last two seasons when global production outpaced global consumption and allowed global inventories to grow, total output in 2011/12 is forecast to fall short of demand by over 2 million tonnes (expressed in protein equivalent), or 2 percent. The deficit should mainly concern soybean meal and, to a lesser extent, rapeseed meal. Provided these projections materialize, a sizeable reduction in global inventories will be required to satisfy demand. During 2011/12, global stocks could fall to 18 million tonnes (expressed in protein equivalents and compromising meal inventories plus the meal contained in stored oilseeds), down as much as 13 percent from the comfortable level reached at the close of last season. Among major stockholding countries, **China**, **Brazil** and the **United States** are expected to experience strong reductions in stocks, be it to satisfy internal demand (China) or to continue catering for the export market (Brazil, United States). In all three countries, inventories could fall by 20–25 percent. By contrast, in **Argentina**, the anticipated rise in production should be sufficient to rebuild meal inventories once domestic industry needs and export demand are covered. Combined, the projected rise in world consumption and the likely drop in global inventories would cause the stock-to-use ratio to fall to 15 percent, compared with about 18 percent in the last two seasons. Though not as low as during the 2008 food crisis, the expected ratio seems to point towards a progressive strengthening of international meal prices during the current season.

Continued growth expected in global meal trade

In 2011/12, world trade in meals/cakes is anticipated to grow by about 4 percent, to over 72 million tonnes (expressed in protein equivalents and including the meal contained in oilseeds traded). Soymeal should account for the bulk of the anticipated expansion. Increased demand for meals will likely be satisfied primarily by countries in South America. Thanks to a significant rise in export availabilities, the region is expected to gain back market share lost over the last few years. **Argentina's** meal shipments could rise to the second highest level on record, provided this season's anticipated increase in soybean production materializes. Record shipments are also forecast for **Brazil,** despite the likely decrease in soybean output, as releases from stocks are expected to make up for poor production. Also in the **United States**, stocks should be used to sustain exports. Nevertheless, United States shipments are expected to fall for the second consecutive season, reducing the country's share in the world market. In addition to South American suppliers, **CIS** countries are expected to raise their exports, but those increases would be less relevant at the global level. In **India**, a significant increase in shipments appears unlikely as the domestic feedstuff market is expected to absorb most of this season's rise in meal production. With

Figure 44. Meal/cake imports by region or major country (in protein equivalent and including the meal contained in seed imports)

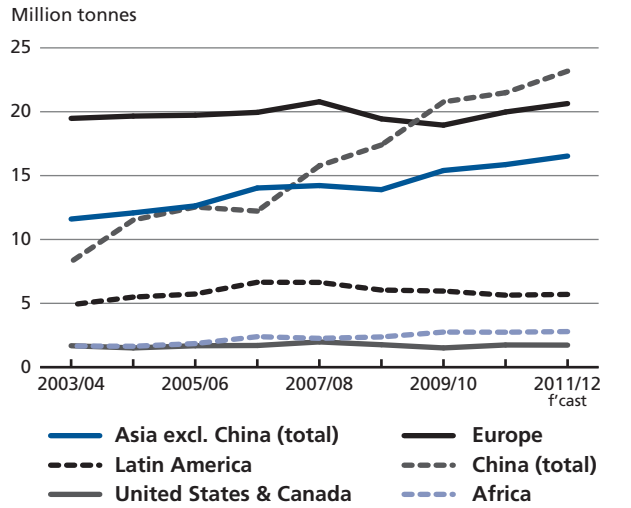
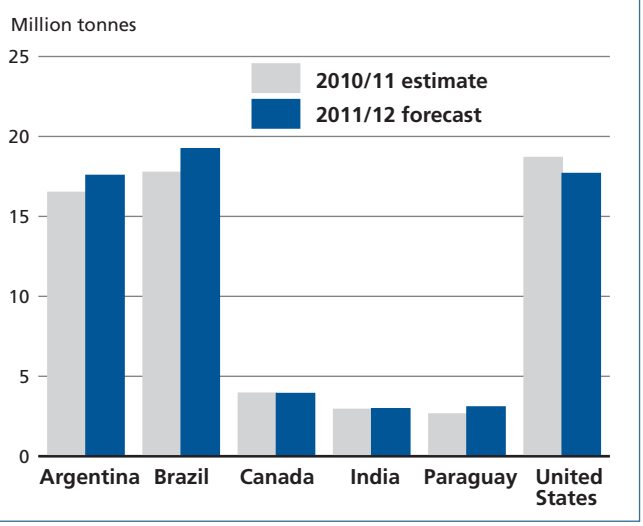


Figure 45. Meal/cake exports by major exporters (in protein equivalent and including the meal contained in seed exports)



regard to imports, large purchases by Asian countries, dominated by China, are forecast to drive global import demand. After last season's subdued growth, **China's** purchases are forecast to rise by about 8 percent, swelling to a record 22 million tonnes (in protein equivalent, including the meal contained in imported oilseeds). The forecast builds on growing demand for livestock products and further expansion in the country's crushing industry. In Asian countries other than China and India, imports also should continue to grow. Another source of global import growth would be the **EU**, given the anticipated slowdown in its domestic meal production.

Table 16. Major Oilseed Policy Developments: October 2010 to September 2011

Country	Product	Date	Policy Domain	Description
Algeria	Edible oils	Dec-10	Price control	Sales taxes and import tariffs temporarily reduced, on food staples including cooking oil, to check rise in consumer prices.
Argentina	Biodiesel	May-11	Renewable energy policies	Government-set retail price for biodiesel raised to stimulate domestic production and sales.
Australia	Biodiesel	Apr-11	Anti-dumping duties	Anti-dumping duties introduced on imports of biodiesel from the United States.
Bangladesh	Soybean oil	Dec-10	Price control	Temporary price ceilings negotiated with processors to check rise in consumer prices.
	Edible oils	Feb-11	Import policy	Import tariff reduced to shield consumers from surges in international prices.
Brazil	Oil palm	Nov-10	Land management	Rules introduced in support of sustainable forms of oil palm expansion.
	Biodiesel	Apr-11	Renewable energy policies	Introduction of mandatory B7 admixture delayed to allow more time for development of domestic feedstock base.
Canada	Rapeseed, soybean, camelina seed	Jan-11	Research and development	Public funding programmes introduced to raise domestic value addition and create new market opportunities for promising oilcrops.
	Biodiesel	Feb-11	Renewable energy policies	Nationwide mandatory B2 admixture introduced.
	Rapeseed	Jul-11	Export policy	Public funds granted for foreign market development (rapeseed and rapeseed products).
China	Soybeans	Oct-10	State reserves	State reserves increased for future market interventions.
	Soybean oil	Nov-10	Import policy	Stringent quality requirements for soybean oil imports (introduced in April 2009) suspended.
	Soybeans, soymeal, soybean oil, palm oil	Nov-10	Price control	Regulation of futures exchanges tightened to deter speculation on commodity markets and check rise in consumer prices.
	Rapeseed & rapeoil, soybeans & soyoil	Dec 10 to Sept 11	State reserves	State reserves released to check rise in consumer prices; preferential access to state auctions granted to manufacturers that agree to cap retail prices; and subsidies granted to crushers buying from state reserves.
	Biodiesel	Dec-10	Renewable energy policies	Biodiesel from consumption taxes (applied retroactively from January 2009).
	Edible oils	Dec 10 to Aug 11	Price control	Negotiated temporary price freeze for cooking oil with major retailers to check rise in consumer prices.
	Rapeseed	May-11	State reserves	State reserves reconstituted for future market interventions.
	Biodiesel	Jul-11	Renewable energy policies	Complete trade standard launched for regulation of biodiesel production, distribution and sales.
	Edible oils	Jul-11	Market regulation	Inspection of cooking oil at public food outlets introduced, to enforce quality standards and deter illegal trade.
	Soybeans	Jul-11	GMO policies and regulations	Official GMO-free soybean cultivation area established to distinguish domestic production from imported GMO soybean.
CIS (Russian Federation, Belarus, Kazakhstan)	Soymeal	June to July 2011	Import policy	Soymeal import tariffs temporarily suspended to counter domestic feed grain shortages.

Country	Product	Date	Policy Domain	Description
Ethiopia	Edible oils	Jan-11	Price control and market intervention	Temporary ceilings set on cooking oil retail prices and public sales introduced.
	Edible oils	Jan-11	Consumer safety	Licenses from selected vegetable oil refiners withdrawn due to quality concerns.
European Union	Biodiesel	Jan-11	Renewable energy policies	Release postponed of guidelines on the impact of land use changes (ILUC) on carbon savings in biofuel utilization in order to ensure best available science is used.
	Animal feedstuff	Feb-11	GMO policies and regulations	Regulations on traces of unauthorized GMO in animal feed consignments loosened in order to safeguard foreign supplies of protein feeds to the EU.
	Biodiesel	May-11	Renewable energy policies	Anti-dumping duties levied on imports of biodiesel from the United States extended to purchases from Canada.
	Biodiesel	Jul-11	Renewable energy policies	Support given to industry-wide initiative to promote renewable, sustainably produced aviation fuel.
	Biodiesel	Jul-11	Renewable energy policies	Seven voluntary schemes for certification of sustainable biofuel production methods approved.
	Olive oil	Sept 11 to Feb 12	Market support	Support payments granted for private storage to address short-term marketing problems.
Ghana	Oil palm	Nov-10	Sector development assistance	Oil palm master plan developed to meet local demand and improve competitiveness as regional exporter.
India	Edible oils	Oct-10	Export policy	Ban on bulk edible oil exports extended until September 2011.
	Rapeseed, copra	Nov/Dec 2010	Farm support prices	Procurement price raised for rapeseed and copra.
	Palm oil	Feb-11	Import policy	Tariff on crude palm stearin abolished.
	Cooking oil	Feb-11	Government procurement	Procurement of edible oils increased to assist low-income consumers through public welfare schemes.
	Oil palm	Mar-11	Sector development assistance	Public funding granted for establishment of new oil palm plantations to stimulate domestic palm oil production.
	Edible oils	Mar to Sept 2011	Market regulation	Limits on volume of edible oil and oilseeds traders may hold in stock extended (to prevent hoarding and price rises).
	Soybeans, groundnut	Jul-11	Farm support prices	Farm support prices raised to sustain national oilseed production.
	Palm oil	Jul-11	Bilateral trade	Free trade agreement signed with Malaysia including tariff concessions for imports of Malaysian palm oil.
	Edible oils	Sep-11	State trading / Food assistance	State import programme for public distribution at subsidized prices extended until September 2012.
Indonesia	Palm oil	Oct 10 to Sept 11	Export policy	Sliding export tax regime maintained to ensure adequate domestic supplies and prevent hikes in consumer prices.
	Soybeans	Jan-11	Import policy	Soybean import duties suspended to stabilize markets and increase supplies.
	Oil palm	May-11	Environmental policy	Two-year moratorium introduced on forest clearing and peatland conversion (for establishment of plantation crops).
	Oil palm	Aug-11	Market regulation	Mandatory certification introduced for sustainable production methods for all plantation firms and smallholders cultivating oil palm.
	Palm oil	Sep-11	Bilateral trade	Free trade agreement signed with Pakistan, including reduction of Pakistani import duty on palm oil from Indonesia.
	Palm oil	Oct-11	Export policy	Modified upper and lower boundaries applied under the sliding export tax regime with a view to promoting shipment of refined (high value) palm oil.

Country	Product	Date	Policy Domain	Description
Japan	Edible oils & fats	Jan-11	Health policy	Moved to voluntary disclosure of levels of trans fatty acids in food products to reduce risk of cardiovascular diseases.
Kazakhstan	All major oilseeds and their oils	Oct 10 to Mar 11	Export policy	Temporary export ban applied.
Liberia	Oil palm	Jan-11	Sector development assistance	Concessions granted to foreign investors for establishment of large-scale oil palm plantations.
Libya	Edible oils	Feb-11	Import policy / Market regulation	Custom duties and domestic sales taxes suspended on edible oils to check rise in consumer prices.
Malaysia	Oil palm	Jan-11	Sector development assistance	New oil palm replanting scheme launched to raise productivity in oil palm cultivation, including measures specifically geared toward smallholders.
	Palm oil	Jan-11	Market regulation / Food assistance	Edible oil producers ordered to raise sales of palm oil at subsidized prices to prevent artificial shortages on domestic market.
	Palm oil	Jan-11	Bilateral trade	Free Trade Agreement with India in force, including reduction of Indian import duties on Malaysian palm oil.
	Palm oil	Mar-11	Renewable energy policies	Phased introduction of mandatory B5 admixture initiated, accompanied by tax exemption and variable subsidy.
	Palm oil	Jun-11	Renewable energy policies	Public funds allocated to petrol companies for investment in infrastructure for biodiesel blending.
	Palm oil	Sep-11	Environmental policy	Public-private partnerships promoted for waste product recycling in the palm oil milling process.
Mozambique	Biodiesel	Jul-11	Renewable energy policies	Regulation mandating nationwide B3 admixture by 2012 passed into law.
Pakistan	Rapeseed	Nov-10	Emergency assistance	Concessional and interest-free loans offered to help farmers recover from impact of floods.
	Sunflower	Jan-11	Farmer support	Negotiations conducted with the private sector concerning rises in the farm-gate price (to stimulate domestic production).
	Edible oils	Jul-11	Market regulation / Competition policy	National association of cooking oil manufacturers forbidden to coordinate costing and pricing activities.
	Palm oil	Sep-11	Bilateral trade	Free trade agreement signed with Indonesia, including tariff concessions on palm oil imports from Indonesia.
Philippines	Coconut	Jan-11	Sector development assistance	Six-year programme presented, to raise productivity in coconut cultivation.
South Korea	Soybeans	Feb-11	State reserves	Inclusion of soybeans in public reserves announced, to stabilize domestic supplies.
	Soybeans	Mar to Dec 2011	Import policy	Import tariff temporarily reduced.
Sri Lanka	Edible oils	Nov-10	Import policy	Taxes applied on palm and coconut oil imports reduced to check surge in consumer prices.
	Coconut	Jan-11	Sector development assistance	Chemical fertilizers offered to producers at subsidized prices to raise coconut production.
Tanzania	Edible oils	Mar-11	Sector development assistance	Manufacturers using home-grown oilseeds exempted from paying VAT to stimulate demand for local oilseeds.

Country	Product	Date	Policy Domain	Description
Thailand	Palm oil	Nov-10	Market regulation / Price control	Temporary controls on palm oil stockholding and sales introduced to protect consumers from unusual price rises. Temporary retail price caps imposed, accompanied by compensatory subsidies to crushers/ manufacturers.
	Palm oil	Jan-11	Trade & market regulation / Food assistance	One-time palm oil import permissions granted; public sales introduced at subsidised prices; and biodiesel production/consumption targets adjusted to safeguard domestic supplies.
	Soymeal	Jan-11	Import policy	Reduced import duty on soymeal extended for one year to secure domestic feedstock supplies.
	Soybean oil	Apr-11	Food assistance	Temporary controls introduced on soybean oil retail price.
Uganda	Oil palm	Nov-10	Sector development assistance	Support to national oil palm development project renewed to foster domestic production.
Ukraine	Sunflower seed & oil	Feb-11	Trade & market regulation	Agreement reached with private sector to restrict exports temporarily, so as to secure domestic supplies.
United Arab Emirates	Biodiesel	Jul-11	Renewable energy policy	Private sector partnership established to produce biodiesel from recycled cooking oil.
United States	Olive oil	Nov-10	Food safety	Voluntary standards launched for domestic and imported olive oils to ensure consistency and transparency in labelling.
	Biodiesel	Dec-10	Renewable energy policies	Extension of biodiesel tax credit approved until Dec. 2011 (as well as, retroactively, for entire 2010) to encourage production.
	Camelina seed	Jul-11	Renewable energy policies	Production subsidies granted to farmers entering into production of camelina seed as alternative biodiesel feedstock.
	Soybeans	Jul-11	Research and development	Funding provided for research on farming techniques that will help farmers adjusting to climate change.
	Rapeseed oil	Sep-11	Renewable energy policies	Use of Canadian rapeseed oil approved for US biodiesel production and consumption.
Venezuela	Soybeans	Aug-11	Farmer support	Soybean farm-gate prices increased to stimulate domestic production.

Table A10. Total oilcrops statistics *(million tonnes)*

	Production[1]			Imports			Exports		
	07/08-09/10 average	2010/11 estim.	2011/12 f'cast	07/08-09/10 average	2010/11 estim.	2011/12 f'cast	07/08-09/10 average	2010/11 estim.	2011/12 f'cast
ASIA	**124.7**	**130.3**	**133.6**	**67.1**	**76.7**	**82.1**	**2.3**	**2.0**	**2.0**
China	57.5	59.7	59.3	47.8	56.7	61.3	1.3	0.9	0.9
of which Taiwan Prov.	0.1	0.1	0.1	2.3	2.4	2.5	-	-	-
India	35.3	37.5	39.4	0.2	0.2	0.4	0.5	0.5	0.5
Indonesia	8.4	9.3	9.9	1.7	2.1	2.1	0.1	0.1	0.1
Iran, Islamic Republic of	0.7	0.7	0.9	0.8	0.8	0.8	-	-	-
Japan	0.3	0.3	0.2	6.2	5.8	5.9	-	-	-
Korea, Republic of	0.2	0.2	0.2	1.4	1.5	1.6	-	-	-
Malaysia	4.6	4.8	4.9	0.7	0.7	0.7	-	-	-
Pakistan	4.8	4.7	5.1	1.1	1.0	1.2	-	0.1	-
Thailand	0.7	0.8	0.8	1.7	2.2	2.1	-	-	-
Turkey	2.1	2.6	2.6	2.1	2.2	2.6	-	0.1	0.1
AFRICA	**16.6**	**17.4**	**17.9**	**2.7**	**3.2**	**3.0**	**0.8**	**0.8**	**1.1**
Nigeria	4.7	4.7	4.9	-	-	-	0.2	0.2	0.2
CENTRAL AMERICA	**1.2**	**1.3**	**1.2**	**5.9**	**5.9**	**6.0**	**0.1**	**0.2**	**0.2**
Mexico	0.7	0.8	0.7	5.2	5.3	5.3	-	-	-
SOUTH AMERICA	**124.7**	**147.5**	**149.6**	**2.7**	**1.1**	**1.0**	**45.3**	**48.0**	**54.2**
Argentina	48.8	54.1	58.0	1.5	0.1	-	11.3	9.6	11.3
Brazil	64.9	79.3	77.3	0.1	-	-	28.0	31.1	34.5
Paraguay	6.5	8.7	8.7	-	-	-	4.5	5.4	6.4
NORTH AMERICA	**106.8**	**119.2**	**110.2**	**2.1**	**1.9**	**1.9**	**46.8**	**52.2**	**49.5**
Canada	16.1	18.4	18.0	0.7	0.7	0.5	10.0	10.9	10.7
United States of America	90.7	100.9	92.2	1.4	1.3	1.4	36.8	41.3	38.8
EUROPE	**46.9**	**50.1**	**55.0**	**19.6**	**19.7**	**20.3**	**3.6**	**3.7**	**5.2**
European Union	27.5	29.0	28.7	18.1	17.9	18.7	0.8	0.8	0.8
Russian Federation	8.0	7.5	11.6	0.9	1.3	1.0	0.3	0.1	0.9
Ukraine	9.3	11.6	12.5	-	-	-	2.4	2.5	3.2
OCEANIA	**2.6**	**4.1**	**4.6**	**0.1**	**0.1**	**0.1**	**1.1**	**1.8**	**2.2**
Australia	2.2	3.7	4.2	0.1	0.1	0.1	1.0	1.8	2.1
WORLD	**423.4**	**469.9**	**472.0**	**100.2**	**108.7**	**114.3**	**100.1**	**108.8**	**114.3**
Developing countries	262.0	291.0	296.6	71.2	80.3	85.2	48.4	51.0	57.0
Developed countries	161.4	178.9	175.4	29.0	28.4	29.1	51.7	57.8	57.3
LIFDCs	128.7	133.8	137.6	52.0	61.3	66.0	2.9	2.7	2.7
LDCs	10.2	10.6	10.9	0.3	0.3	0.3	0.4	0.5	0.5

[1] The split years bring together northern hemisphere annual crops harvested in the latter part of the first year shown, with southern hemisphere annual crops harvested in the early part of the second year shown; for tree crops which are produced throughout the year, calendar year production for the second year shown is used.

Table A11. Total oils and fats statistics [1] *(million tonnes)*

	Imports			Exports			Utilization		
	07/08-09/10 average	2010/11 *estim.*	2011/12 *f'cast*	07/08-09/10 average	2010/11 *estim.*	2011/12 *f'cast*	07/08-09/10 average	2010/11 *estim.*	2011/12 *f'cast*
ASIA	**34.6**	**37.4**	**38.7**	**39.7**	**42.6**	**44.3**	**79.9**	**87.4**	**92.9**
Bangladesh	1.2	1.4	1.4	-	-	-	1.5	1.6	1.6
China	10.8	10.6	11.4	0.7	0.8	0.7	30.1	33.0	35.7
of which Taiwan Prov.	0.4	0.5	0.5	-	-	-	0.9	0.9	0.9
India	8.0	8.7	9.1	0.5	0.4	0.4	17.4	18.7	19.5
Indonesia	0.1	0.1	0.1	17.9	19.8	21.0	5.7	6.9	7.8
Iran	1.2	1.6	1.5	0.1	0.2	0.1	1.6	1.8	1.9
Japan	1.1	1.2	1.2	-	-	-	3.1	3.1	3.1
Korea, Republic of	0.9	0.9	0.9	-	-	-	1.2	1.3	1.3
Malaysia	1.5	2.2	2.1	17.2	18.5	19.1	3.8	3.8	4.0
Pakistan	2.1	2.4	2.4	0.1	0.1	0.1	3.6	4.0	4.0
Philippines	0.5	0.5	0.5	1.1	1.0	1.1	1.0	1.1	1.1
Singapore	0.6	0.8	0.9	0.3	0.3	0.3	0.3	0.5	0.7
Turkey	1.2	1.2	1.4	0.3	0.3	0.3	2.3	2.5	2.7
AFRICA	**7.4**	**7.8**	**8.0**	**1.2**	**1.3**	**1.3**	**13.0**	**13.8**	**14.1**
Algeria	0.6	0.5	0.6	0.1	-	-	0.7	0.7	0.7
Egypt	1.6	1.5	1.7	0.1	-	0.1	2.0	2.1	2.1
Nigeria	0.8	1.1	1.1	0.1	0.1	0.1	2.5	2.8	2.9
South Africa	0.7	0.8	0.8	0.1	0.1	0.1	1.1	1.2	1.2
CENTRAL AMERICA	**2.3**	**2.4**	**2.4**	**0.6**	**0.6**	**0.6**	**4.5**	**4.7**	**4.6**
Mexico	1.2	1.2	1.2	0.1	0.1	0.1	2.9	3.0	3.0
SOUTH AMERICA	**2.3**	**2.5**	**2.6**	**9.7**	**9.2**	**9.3**	**12.3**	**14.5**	**15.6**
Argentina	0.1	0.1	0.1	6.2	6.1	6.1	2.2	3.0	3.3
Brazil	0.4	0.5	0.6	2.1	1.8	1.9	6.5	7.4	8.2
NORTH AMERICA	**4.0**	**4.4**	**4.6**	**6.1**	**6.9**	**6.5**	**17.3**	**18.0**	**18.9**
Canada	0.5	0.6	0.5	2.3	3.1	3.2	0.9	0.8	1.0
United States of America	3.5	3.8	4.1	3.8	3.8	3.4	16.4	17.2	17.9
EUROPE	**13.4**	**13.0**	**13.6**	**5.4**	**5.7**	**6.6**	**34.9**	**35.8**	**36.4**
European Union	10.8	10.3	10.9	2.1	2.1	2.1	29.2	29.7	30.0
Russian Federation	1.2	1.2	1.2	0.8	0.4	1.3	3.6	3.7	3.8
Ukraine	0.5	0.5	0.5	2.2	2.8	2.8	0.9	0.9	1.2
OCEANIA	**0.5**	**0.6**	**0.6**	**1.7**	**1.8**	**1.9**	**1.0**	**1.1**	**1.1**
Australia	0.4	0.4	0.4	0.6	0.7	0.7	0.7	0.7	0.7
WORLD	**64.5**	**68.0**	**70.4**	**64.5**	**68.0**	**70.4**	**163.0**	**175.3**	**183.8**
Developing countries	44.4	47.7	49.4	51.8	54.2	56.1	104.6	115.2	122.1
Developed countries	20.1	20.3	21.0	12.7	13.8	14.4	58.3	60.0	61.7
LIFDCs	30.3	31.7	33.2	22.1	23.9	25.0	72.9	79.7	84.5
LDCs	4.2	4.6	4.6	0.4	0.5	0.4	7.1	7.6	7.7

[1] Includes oils and fats of vegetable, marine and animal origin.

Table A12. Total meals and cakes statistics[1] *(million tonnes)*

	Imports			Exports			Utilization		
	07/08-09/10 average	2010/11 *estim.*	2011/12 *f'cast*	07/08-09/10 average	2010/11 *estim.*	2011/12 *f'cast*	07/08-09/10 average	2010/11 *estim.*	2011/12 *f'cast*
ASIA	**25.8**	**30.0**	**31.0**	**13.7**	**14.7**	**15.0**	**106.7**	**125.7**	**133.6**
China	3.0	4.0	4.2	1.6	0.9	0.8	54.6	69.6	75.1
of which Taiwan Prov.	0.5	0.5	0.5	-	-	-	2.3	2.4	2.4
India	0.1	0.2	0.1	5.1	5.9	6.2	11.4	12.2	13.1
Indonesia	2.7	3.1	3.4	2.8	3.3	3.3	3.0	3.3	3.8
Japan	2.5	2.9	2.9	-	-	-	7.1	7.1	7.1
Korea, Republic of	3.5	3.3	3.4	-	-	-	4.6	4.4	4.5
Malaysia	1.0	1.1	1.2	2.3	2.4	2.5	1.8	1.9	2.0
Pakistan	0.5	0.6	0.6	0.1	0.2	0.1	2.8	3.1	3.1
Philippines	1.7	1.9	2.1	0.5	0.5	0.6	2.3	2.4	2.6
Saudi Arabia	0.5	0.5	0.5	-	-	-	0.6	0.5	0.5
Thailand	2.7	2.8	2.9	0.1	0.1	0.1	4.5	5.0	5.3
Turkey	0.9	1.1	1.1	-	0.1	0.1	3.1	3.5	3.7
Viet Nam	2.8	3.5	3.6	0.1	0.1	0.1	2.9	3.8	4.1
AFRICA	**3.6**	**3.9**	**4.3**	**0.9**	**0.9**	**0.9**	**9.5**	**10.5**	**10.7**
Egypt	0.5	0.6	0.7	-	-	-	1.8	2.2	2.3
South Africa	1.1	1.1	1.2	0.1	0.1	0.1	1.8	1.9	1.9
CENTRAL AMERICA	**3.4**	**3.3**	**3.3**	**0.2**	**0.2**	**0.2**	**8.0**	**8.0**	**8.0**
Mexico	1.8	1.8	1.9	0.1	0.1	0.1	6.0	5.9	6.0
SOUTH AMERICA	**4.4**	**4.5**	**4.6**	**42.7**	**46.4**	**48.4**	**23.2**	**23.6**	**25.8**
Argentina	-	-	-	26.1	28.5	29.5	3.3	2.4	3.1
Bolivia	-	-	-	1.1	1.2	1.3	0.2	0.4	0.4
Brazil	0.3	0.2	0.1	12.5	14.1	14.7	14.0	14.6	15.9
Chile	0.9	1.0	0.9	0.5	0.4	0.4	1.3	1.3	1.4
Paraguay	-	-	-	0.8	0.8	1.0	0.4	0.5	0.5
Peru	0.7	0.8	0.9	1.4	1.1	1.3	0.9	1.1	1.2
Venezuela	1.2	1.1	1.1	-	-	-	1.3	1.3	1.3
NORTH AMERICA	**3.2**	**3.5**	**3.4**	**11.8**	**12.3**	**12.0**	**34.3**	**33.5**	**34.1**
Canada	1.3	1.2	1.2	2.7	3.8	3.7	2.2	1.9	2.2
United States of America	1.9	2.3	2.2	9.1	8.5	8.2	32.1	31.6	31.9
EUROPE	**31.5**	**32.1**	**33.3**	**4.4**	**5.1**	**5.6**	**61.4**	**62.7**	**63.7**
European Union	29.1	29.6	30.7	1.0	1.2	1.1	55.6	56.2	57.1
Russian Federation	0.6	0.6	0.6	1.0	0.8	1.3	3.0	3.6	3.7
Ukraine	0.1	0.1	0.1	1.9	2.6	2.6	0.4	0.3	0.3
OCEANIA	**2.0**	**2.4**	**2.4**	**0.2**	**0.2**	**0.2**	**2.6**	**3.2**	**3.3**
Australia	0.8	0.8	0.9	-	0.1	0.1	1.4	1.6	1.7
WORLD	**73.9**	**79.6**	**82.4**	**74.0**	**79.6**	**82.3**	**245.8**	**267.0**	**279.2**
Developing countries	33.2	37.1	38.7	57.3	61.9	64.4	136.7	157.0	167.2
Developed countries	40.7	42.5	43.7	16.6	17.7	18.0	109.0	110.1	112.0
LIFDCs	10.7	13.2	14.0	11.2	11.8	12.3	82.4	99.8	106.9
LDCs	0.5	0.5	0.5	0.4	0.4	0.4	3.4	3.6	3.6

[1] Expressed in product weight; includes meals and cakes derived from oilcrops as well as fish meal and other meals from animal origin.

Table A24. Selected international prices for oilcrop products and price indices

Period	International prices *(USD per tonne)*					FAO indices *(2002-2004=100)*		
	Soybeans [1]	Soybean oil [2]	Palm oil [3]	Soybean cake [4]	Rapeseed meal[5]	Oilseeds	Edible/soap fats/oils	Oilcakes/meals
Annual (Oct/Sept)								
2003/04	322	632	488	257	178	121	116	114
2004/05	275	545	419	212	130	105	105	104
2005/06	259	572	451	202	130	100	125	107
2006/07	335	772	684	264	184	129	153	148
2007/08	549	1 325	1 050	445	296	217	202	243
2008/09	422	826	627	385	196	156	144	180
2009/10	429	924	806	388	220	162	173	215
2010/11	549	1 308	1 147	418	279	215	254	221
Monthly								
2009 - October	427	891	676	413	187	158	152	207
2009 - November	442	939	728	422	196	164	162	216
2009 - December	448	931	791	425	219	167	169	224
2010 - January	435	919	793	407	243	163	169	221
2010 - February	406	915	804	393	230	154	169	214
2010 - March	410	920	832	381	200	156	175	213
2010 - April	412	900	826	378	205	157	174	224
2010 - May	406	864	813	353	226	153	170	214
2010 - June	408	860	794	342	194	154	168	206
2010 - July	426	911	811	361	225	162	174	211
2010 - August	457	1 002	901	389	245	175	192	213
2010 - September	468	1 036	910	398	277	180	198	218
2010 - October	496	1 165	998	415	285	193	220	227
2010 - November	526	1 248	1 117	430	292	205	243	225
2010 - December	550	1 321	1 229	437	289	216	263	222
2011 - January	572	1 384	1 279	454	313	225	278	234
2011 - February	569	1 366	1 286	447	290	224	279	241
2011 - March	552	1 305	1 172	423	264	217	260	234
2011 - April	553	1 310	1 148	406	277	219	259	227
2011 - May	556	1 291	1 155	403	280	218	259	220
2011 - June	559	1 321	1 137	396	289	219	257	211
2011 - July	558	1 345	1 100	405	262	217	251	209
2011 - August	557	1 327	1 080	402	248	214	244	206
2011 - September	546	1 310	1 065	396	255	209	238	200
2011 - October	502	1 216	995	378	243	194	223	194

[1] Soybeans: US, No.2 yellow, c.i.f. Rotterdam.
[2] Soybean oil: Dutch, fob ex-mill.
[3] Palm oil: Crude, c.i.f. Northwest Europe.
[4] Soybean cake: Pellets, 44/45 percent, Argentina, c.i.f. Rotterdam.
[5] Rapeseed meal: 34 percent, Hamburg, f.o.b. ex-mill.

Note: The FAO indices are calculated using the Laspeyres formula; the weights used are the average export values of each commodity for the 2002-2004 period. The indices are based on the international prices of five selected seeds, ten selected oils and fats and seven selected cakes and meals.
Sources: FAO and Oil World.