

Mintec Benchmark Prices

Vegetable Oil Weekly Update

European Vegetable Oil, Spot

MINTEC BENCHMARK PRICES	MINTEC CODE	CURRENT PRICE	PREVIOUS WEEK'S PRICE	W-O-W	W-O-W%
Rapeseed Oil FOB Rotterdam	RSOR	€1,510.50/mt	€1,479.50/mt	+€31.00/mt	+2%
Palm Oil Crude CIF Rotterdam	CPOR	\$1,430.00/mt	\$1,360.50/mt	+\$69.50/mt	+2%
Sunflower Oil FOB NW Europe	SFOR	\$1,500.00/mt	\$1,400.00/mt	+\$100.00/mt	+7%
Coconut Oil Crude CIF Rotterdam	CNOR	\$2,199.50/mt	\$2,100.00/mt	+\$99.50/mt	+4%
Palm Kernel Oil Crude CIF Rotterdam	PKOR	\$2,500.50/mt	\$2,429.50/mt	+\$71.00/mt	+2%
Soybean Oil Crude FCA Netherlands	SBOR	€1,380.00/mt	€1,334.50/mt	+€45.50/mt	+3%
Olive Oil Extra Virgin EXW Andalucía	8G39	€3.38/kg*	€3.37/kg*	+€0.01/kg	+0%

Prices as at 16:00 London time: 2-February-2022

Previous prices as at 16:00 London time: 26-January-2022

*Prices as at 16:00 London time: 27-January-2022

**Previous prices as at 16:00 London time: 21-January-2022

Key Points

- Price Points Observed are published at the end of the report.
- Vegetable Oils move up in price.
- Sunflower Oil prices increase on limited supply and increased demand.
- Rapeseed Oil prices move up on buyers particularly in the food sector being short of the commodity.

Sunflower Oil: Lack of Supply and Increased Demand Moves Prices Up

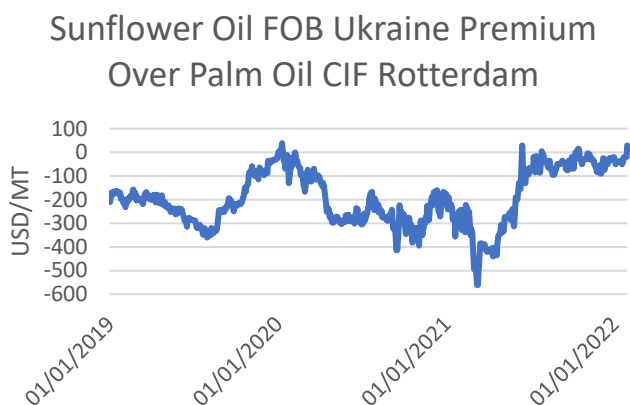
The Mintec Benchmark Prices [MBP] for Sunflower Oil 6 Ports Option [Mintec Code: SFOR] was assessed at \$1,500.00/mt which is up \$100/mt (+7%) compared to 26 January when this report was last published. This increase was led by sunflower seed farmers continuing to hold onto supply as they believe prices still have scope to move further upward. To this end market players surveyed by Mintec suggested that an increase of 10% by mid-February would not be out of the question. This view was underlined by the Mintec Benchmark Prices for Sunflower Seeds EXW Ukraine assessed at UAH 21,150/mt (\$734/mt) on 27 January, up 3.55% from the week prior.

On this a trader said 'farmers are not selling sunflower seeds on mass. They think that if they continue to hold onto supply buyers will be forced to pay more. They might very well be right – available supply in the market is limited despite the huge stocks and buyers are paying more to get some volume. Of course, the expensive seed price is feeding through to sunflower oil prices and no one is going to sell sunflower oil cheaply. I cannot see the sunflower oil prices falling particularly when sunflower oil is gaining demand as an alternative to palm as the prices for palm are insanely high'.

The palm oil MBP currently holds a premium over the Sunflower Oil FOB Ukraine MBP [Mintec Code: 0V31] of \$30/mt. This is a particularly unusual scenario as palm is often the 'cheapest' oil in the complex and used as an affordable substitute for the other vegetable oils. This has caused switching from palm oil into other soft oils such as sunflower oil. This is evident when looking at official statistics released from the world's largest edible oil importer India which show imports of vegetable oil to be rising 5-6% on the month; with sunflower and soybean oil gaining significant market share at the expense of palm oil. If this trend continues this could be an extra factor in sunflower oil maintaining its current upward trend.

A trader said 'there is no doubt that sunflower oil is gaining a lot of demand from palm oil prices being too high. We also need to consider the fact that many players particularly in the EU prefer sunflower oil...

...over palm oil. With sunflower oil from the black sea being discounted to palm oil it makes the decision very easy – of course I will buy sunflower oil. The only factor I am concerned about is how many players are short of the commodity if everyone rushes in to buy at the same time. Prices could move up from the current levels. Demand only weakens if sunflower oil prices move far above palm oil prices, but currently sunflower oil is too much of an attractive prospect – it's cheap compared to everything else and a favoured oil.'



Looking at the sunflower seed and sunflower oil market from another angle, the potential conflict between Russia and Ukraine could yet weigh on the market. This is due to the fact that Ukraine and Russia produce the majority of sunflower seeds and account for the lion's share of sunflower oil export. The potential conflict could see a significant proportion of the sunflower seed and oil market unavailable to buyers as ports could be inaccessible and sanctions placed on the market. The potential issues that could arise has already seen key importers in Asia looking at alternative origins or at other vegetable oils altogether, such as soybean oil. This could cause sunflower oil prices to move upward from all alternative origins as supply on the global marketplace, if Russia and Ukraine are excluded, is minimal according to market participants.

On this topic a buyer said 'sunflower seed and oil prices in my view are a little low. I say this as we have already seen the impact on price the potential conflict might have on wheat – it's moved up significantly from its December lows. The sunflower seed and oil market hasn't benefitted from this factor yet – but I think it's only a matter of time. We have to realise if anything happens between Russia and Ukraine their main priority is not going to be the exporting commodities. This could remove the two key suppliers, and who else has enough material to supply the global marketplace?'

'No one' is the answer. If the market begins to worry, as they have in wheat, then prices could increase another \$50/mt from current levels'.

Rapeseed Oil : Prices Move Up As Buyers Look To Secure Volume

In the Rapeseed Oil market prices increased by €31.00/mt compared to 26 January. This was in part on the back of buyers in the food sector being short of the commodity and looking to secure volumes. To this end, due to prices trending at the highest levels since the commodity super cycle of 2008, many food sector buyers were 'paralysed' and attempted to stretch current supplies. This, however, has left some of them needing to secure volumes as they have all but run out of current supply. If realised, this could bolster demand for rapeseed oil whilst the food sector demand remains.

A buyer in the food sector told Mintec, 'the prices have moved lower and made things a little easier – still a large increase year-on-year but it is a little less painful. Yet, the concern I have is that many players don't have good coverage and we are seeing many players competing against us for the volumes. I am hoping prices don't move up on the back of this, but I have to say I am not over optimistic – I think €1,530/mt is where prices could move to. This would mean I am back to square one.'

Looking at rapeseed and rapeseed oil from a different angle, rapeseed stock levels within the European Union are low. Market players surveyed by Mintec held a consensus that the EU holds stocks of an estimated 8.3 million metric tonnes of rapeseed which would mean that stock levels are at the lowest level for a January since 2019. This is in part due to the limited amount of imports the EU has been able to get from Canada and the Ukraine, who themselves are thought to have less than 6 million tonnes combined according to market sources. This is particularly important as there is a long way to go before the harvest. Stock levels being this low so early in 2022 could mean that supply begins to run out. If realised prices for rapeseed could move higher during February, on the back of dwindling supplies. This could trigger higher rapeseed oil prices due to...

...refiners needing to pay more for the raw material, according to market participants.

A trader said 'I don't understand how some players think rapeseed and rapeseed oil prices fall. The amount of material left from a global perspective is minimal and it's only getting shorter as time goes on. I don't think we have seen the last of rapeseed oil highs – when players see some of the figures around the supply and demand balance, they are going to pull the trigger on purchasing in a big way. The price could very easily hit the €1,600/mt level in this type of situation. I don't mind telling you we are now well covered - I don't have a horse in the race anymore I can sit and watch it unfold.'

Despite the bullish sentiment around rapeseed oil demand, some sellers are concerned by the decreasing interest from the biodiesel industry who use rapeseed oil as a feedstock to produce the biodiesel RME (Rapeseed Methyl Ester).

In addition to the lower margins for creating RME from rapeseed oil, the biodiesel industry is moving away from winter grade RME. This has limited rapeseed oil demand from the biodiesel industry as less rapeseed oil is purchased during the warmer months. This is because winter grade has a higher percentage of rapeseed oil due to its anti-waxing properties which are important during the winter period.

A trader commented 'biodiesel players interest is very low. They do not need to buy any winter grade RME as they have stock, and we are now entering what is likely to be warmer weeks and months. The high rapeseed prices are also an issue for the food sector. Food sector buyers want the commodity but not at the levels at which sellers are willing to let it go. It is likely that sellers

get a little more nervous about demand and begin to offer the product for less and closer to the buying levels. This should keep rapeseed oil prices above €1,400/mt until June, but not by very much.'

Assessment Rationales

Mintec Benchmark Prices for Rapeseed Oil FOB Rotterdam [RSOR] – 2 February 2022

Mintec assessed its Mintec Benchmark Prices for spot Rapeseed Oil FOB Rotterdam at €1,510.50/mt, up €15.00/mt from the previous assessment. Prices in the European rapeseed oil market moved up during the assessment period as buyers particularly in the food sector attempting to secure spot rapeseed oil volumes. A competitive bid was received at €1,510.50/mt and in line with Mintec's published methodology the assessment was made one increment (€0.50/mt) above this bid. No data was excluded from the assessment.

Mintec Benchmark Prices for Olive Oil Extra Virgin EXW Andalucía [8G39] – 28 January 2022

Mintec assessed its Mintec Benchmark Prices for Olive Oil Extra Virgin EXW Andalusia at €3.38/kg, up €0.01/kg from the previous assessment. The olive oil market moved up as weather concerns led to increased demand. A number of indications were received higher than the previous assessment moving the price upward. No data was excluded from the assessment.

Methodology, Feedback & Forward-Looking Statements

Mintec is committed to ensuring all published Mintec Benchmark Prices are representative of market value and in line with Mintec's transparency principles we encourage industry participants to reach out to the Proprietary Pricing Team. Any feedback and comments related to this document and prices contained within are welcomed and should be directed to PRA@Mintecglobal.com.

All forward looking statements in this report are the views and expectations of the individual market participants. The Mintec Proprietary Pricing Team does not have a forward-looking view and are not involved in price forecasting.

The Vegetable Oils Weekly Pricing Update is published each Wednesday, except for the final week where the Vegetable Oil Monthly Update is published on the last business day, and contains proprietary data exclusive to Mintec. If you would like to gain access to this report, contact PRA@mintecglobal.com. For details on the methodology used to assess the Mintec Benchmark Prices visit this [link](#).



Appendix – Price Points Observed

Date Reported	Source Type	Commodity	Specification	Origin	Incoterm	Location	Price	Currency	Unit	Delivery Horizon	Type	Date Occurred
02/02/2022	Broker	Rapeseed Oil	Crude Degummed	any	FOB	Rotterdam	1590	Euro	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Rapeseed Oil	Crude Degummed	any	FOB	Rotterdam	1590	Euro	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Rapeseed Oil	Crude Degummed	any	FOB	Rotterdam	1510	Euro	MT	Feb	Bid	02/02/2022
02/02/2022	Broker	Rapeseed Oil	Crude Degummed	any	FOB	Rotterdam	1565	Euro	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Rapeseed Oil	Crude Degummed	any	FOB	Rotterdam	1560	Euro	MT	Feb	Indication	02/02/2022
02/02/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1445	USD	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1415	USD	MT	Feb	Bid	02/02/2022
02/02/2022	Broker	Palm Kernel Oil	Palm Kernel Oil	Any	CIF	Rotterdam	2480	USD	MT	Feb	Bid	02/02/2022
02/02/2022	Broker	Soyabean Oil	Crude Degummed	NL	FCA	NL	1400	Euro	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Soyabean Oil	Crude Degummed	NL	FCA	NL	1400	Euro	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	any	FOB	EU	1530	USD	MT	Feb	Indication	02/02/2022
02/02/2022	Broker	Soyabean Oil	Crude Degummed	NL	FCA	NL	1390	Euro	MT	Feb	Indication	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	any	FOB	EU	1560	USD	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1430	USD	MT	Feb	Trade	02/02/2022
02/02/2022	Broker	Palm Oil	Crude	Any	CIF	Rotterdam	1440	USD	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Coconut oil	Crude	Any	CIF	Rotterdam	2200	USD	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	Ukraine	FOB	Ukraine	1415	USD	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	Ukraine	FOB	Ukraine	1405	USD	MT	Feb	Bid	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	Black Sea	FOB	Black Sea	1430	USD	MT	Feb	Offer	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	Black Sea	FOB	Black Sea	1400	USD	MT	Feb	Bid	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	Ukraine	FOB	Ukraine	1415	USD	MT	Feb	Indication	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	Black Sea	FOB	Black Sea	1410	USD	MT	Feb	Indication	02/02/2022
02/02/2022	Broker	Sunflower oil	Crude	RU	FOB	RU	1410	USD	MT	Feb	Indication	02/02/2022
01/02/2022	Trader	Extra Virgin Olive Oil	Andalusia 0.4%	Andalusia	EXW	Andalusia	3.35	Euro	KG	Feb	Indication	01/02/2022
02/02/2022	Broker	Extra Virgin Olive Oil	Andalusia 0.4%	Andalusia	EXW	Andalusia	3.37	Euro	KG	Feb	Indication	01/02/2022