Food and Agriculture Organization of the United Nations

OILSEEDS, OILS & MEALS
MONTHLY PRICE AND POLICY UPDATE *

No. 141, April 2021

a) Global price review

In March, FAO's price index for oilseeds crept marginally higher, gaining 0.8 points (or 0.6 percent) month-on-month and marking an eight-year high. By contrast, the index for oilmeals fell for a second month in a row, down 12.2 points (or 9.4 percent) to reach a three-month low. In the meantime, the vegetable oil index rose for the tenth consecutive month, earning 11.8 points (or 8.0 percent) and touching its highest level since June 2011. Noticeably, all three indices tracking the oilcrops complex remained markedly above their respective year-earlier levels.

The slight increase of the oilseed index is the result of a small drop in soybean prices and rising rapeseed and sunflowerseed values. After rising for nine months in a row, international soybean quotations lost momentum and edged down in March. From a supply perspective, seasonal downward price pressure stemming from South America's ongoing soy harvest – in particular Brazil's prospective record output – outweighed the impact of tightening availabilities in the United States of America (USA). Moreover, sustained rainfall in major growing regions in Argentina during late March prevented further damage to yields – although rains arrived too late to recuperate earlier losses. On the demand side, concerns about rising African swine fever (ASF) instances in China continued to cast doubt on prospective demand in the world's top soybean importer, while additional pressure on prices came from lower than expected crushings in the USA.

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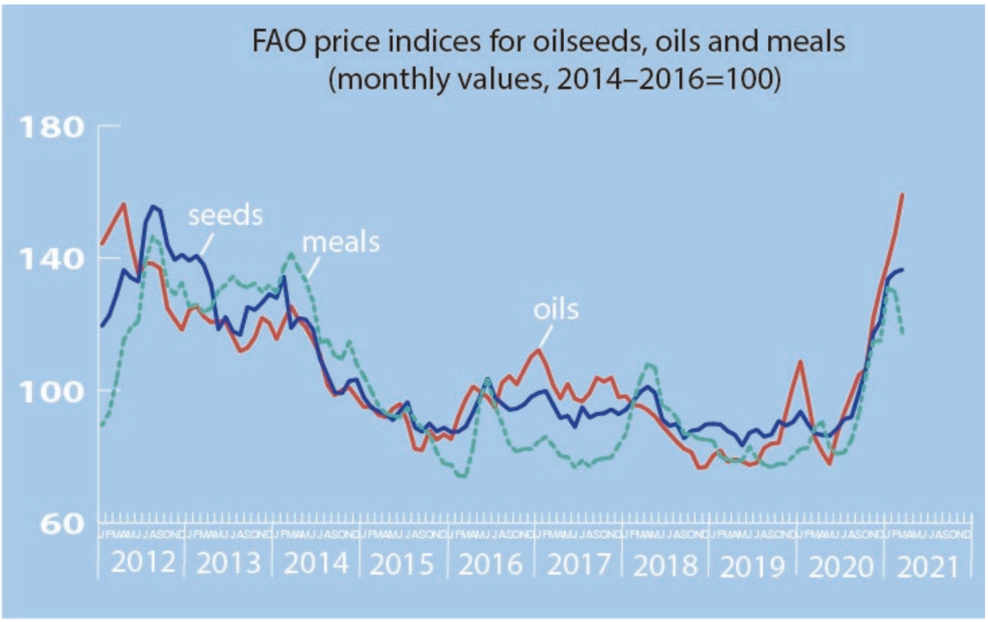


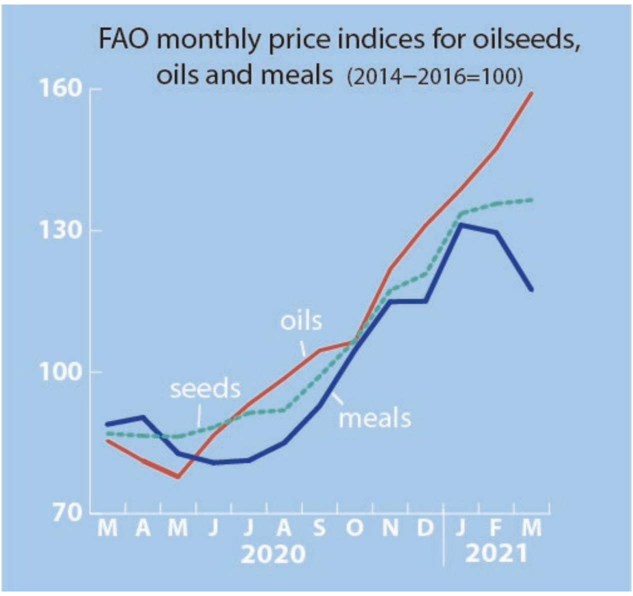
* The **Monthly Price and Policy Update**, or MPPU, is an information product provided by the oilseeds desk of the Markets and Trade Division of FAO. It reviews the development of international prices for oilseeds, oils and meals as reflected by FAO's price indices and spots salient policy and market events selected from a variety of official and unofficial sources. Section b) of the present issue covers developments observed during the **first quarter of 2021**. Previous issues can be downloaded from the FAO website at the following URL: http://www.fao.org/economic/est/publications/oilcrops-publications/monthly-price-and-policy-update/en/.

Global price review – *cont'd*

Meanwhile, international rapeseed quotations posted a twelfth consecutive monthly increase, largely underpinned by reduced availabilities in both Canada and the European Union, while low levels of soil moisture across the Canadian Prairies garnered attention as 2021/22 spring plantings approached. In the case of sunflower-seed, the prolonged strength in price reflected continued supply tightness in the Black Sea region, accentuated by limited farmer selling. Furthermore, the Russian Federation announced further increases in its duties on sunflowerseed exports from July, a measure aimed at stabilizing domestic prices (see policy section below).

As for oilmeals, the recent decline in the value of FAO's price index mainly reflects lower soymeal quotations – the leading component of the index. Besides the above-mentioned concerns over the impact of fresh ASF cases in China, exportable supplies are set to rise seasonally as South America's soybean harvests progress.

With regard to vegetable oils, the persistent strength of their price index reflected continued increases in palm, soy, rape and sunflower oil values. International palm oil quotations appreciated for the tenth month in succession, as lingering concerns over tight inventory levels in major exporting countries coincided with a gradual return of global import demand. Specifically, global food consumption started recovering steadily amid easing COVID-19 lockdowns in a number of countries. In addition, demand from the biodiesel industry remained robust and rather inelastic – tied to national mandatory blending requirements. Meanwhile, soyoil prices rose sharply, chiefly fuelled by prospects of firming demand, including from biodiesel producers. As for rape and sunflow-erseed oils, protracted supply tightness in, respectively, Canada and the Black Sea region continued to lend support to prices. In the Russian Federation, similar to the measures applied to sunflowerseed, the Government announced that sunflower oil exports would be taxed from September of this year.



b) Selected policy developments and industry news

ARGENTINA – biofuel policy:
In January, sharply rising prices of soybeans (– the main feedstock used by local biodiesel manufacturers –) and prospective rises in domestic mineral oil/gas supplies, prompted the Energy Ministry to i) raise the biodiesel price that oil refiners are required to pay, and ii) temporarily lower the 10 percent biodiesel blending obligation applied to transport diesel. In the months of January, February and March, refiners were required to supply blends of, respectively, 5 percent, 6.75 percent and 8.4 percent, before mandatory blending would return to 10 percent in April 2021.

ARGENTINA – market regulation:
In February, the country's oilseed processors entered an agreement with the Government to guarantee supplies of edible oils to the domestic market and hold down retail prices. Reportedly, the agreement allowed the Government to shelve plans to raise grain export taxes – a measure meant to stabilize domestic food prices in a context of sharply rising international commodity prices. Under the deal, the industry agreed to supply 29 million liters of vegetable oil a month – roughly three quarters of domestic consumption – at discounted prices. The scheme is expected to remain in place throughout 2021.

BANGLADESH – market regulation:
In January, to tackle supply chain issues and halt surges in domestic prices for edible oils prompted by steep rises in international prices, the Commerce Ministry considered suspending the value-added tax at cooking oil production and trading levels. Eventually, on 17 February, to stabilize domestic prices and prevent price manipulation by local traders, the Government decided to freeze domestic retail prices for edible oils at the following levels: BDT 115 and BDT 135 (USD 1.36 and 1.59) per liter of, respectively, loose and bottled soybean oil; BDT 630 (USD 7.44) for five-liter branded soybean oil; and BDT 104 (USD 1.23) per liter of loose palm oil. Following fresh rises in import prices, in mid-March, local edible prices were adjusted upward by 2–5 percent.

BELGIUM – biofuel policy:
In March, the Government notified the European Commission of a draft national decree transposing the EU's new Renewable Energy Directive for the period 2021-2030 *(see MPPU July'19)* into Belgian law. Aimed at excluding biofuels deemed to cause deforestation and land use changes from the domestic market, the draft decree would ban palm and soy oil-based biofuels and biogases from the local market starting 1 January 2022.

BOLIVIA – biofuel policy: After approving domestic production and marketing of biodiesel in 2019, in March 2021, the Government announced plans to set up the country's first biodiesel production facility. The plant, which would use soybean oil as its main feedstock, was expected to start operating in 2024 and would have an annual production capacity of 500 million liters. Based on plans to implement a 5 percent blend mandate for transportation diesel, the plant could absorb up to 20 percent of the country's soybean production.

BOLIVIA – market regulation:
Against the backdrop of surging international prices for soybeans and derived products, in March, the Government introduced a price band for soymeal with a view to stabilize domestic feed prices and secure supplies for local livestock producers. The measures complement the re-introduction of export restrictions for soybean products implemented in December 2020.

BRAZIL – agricultural support: According to media reports, ten of the nineteen rural credit lines administered by the country's National Bank for Economic and Social Development (one of the main channels used for the implementation of the Government's agricultural support programme) have been closed due to depletion of resources by early February 2021 – five months ahead of the end of the 2020/21 support cycle. Reportedly, in 2020/21, the rate of loan uptakes significantly exceeded the pace recorded in past years.

CANADA – import policy: On 10 March, the Canadian Food Inspection Agency (CFIA) introduced new import requirements for select feed ingredients, including wheat and soybeans imported from countries identified as posing potential concerns with respect to ASF. The named products will require an import permit prior to importation from concerned countries.

CHINA – agricultural policy
- Roadmap: The 2021 'No.1 Document' released by China's State Council in February concentrated on measures to foster rural growth and accelerate the modernization of agriculture. Stressing the importance of improved food

security, the document called for efforts to stabilize the country's grain area and improve crop yields. Specifically, domestic soybean output ought to be secured, while production of rapeseed, groundnuts and other oilcrops should be promoted in view of a possible tightening of global edible oil supplies. Furthermore, the document emphasizes the need to diversify agricultural import sources and envisages increased support for the domestic seed sector, especially improved protection of intellectual property rights and the promotion of commercial breeding systems, including genetic modification.

- Feed policy: In March, China's Agriculture and Rural Affairs Ministry launched a campaign to lower the content of maize and soymeal in feed rations. In a document addressed to animal feed producers and concerned government offices, the Ministry outlined options to replace maize and soymeal in feed rations by alternative grains including rice, wheat, barley, potatoes and other grains and oilseed meals. The measure reflects the Government's increased focus on domestic food security, after the COVID-19 pandemic revived concerns about the stability of supplies and regarding China's dependence on imports, especially of maize and soybeans.
- Procurement policy:

In March, the Government renewed its commitment towards guaranteeing stable supplies and prices of farm products and informed that, in 2021, outlays for public procurement of grains and edible oils would remain the same as in 2020 at CNY 12.5 billion (USD 19.28 bill). Furthermore, a 1 percent year-on-year increase in the minimum purchase prices for rice and wheat was announced.

CHINA – GMO policy: In January, China's Agricultural and Rural Affairs Ministry informed that it was ready to issue biosafety certificates for domestic cultivation of a locally developed soybean variety modified genetically (GM) to resist glufosate- and glufosinate-based herbicides. Reportedly, several additional steps are required before farmers will be allowed to plant the new GM crop. *(See also MPPU Mar.'20)*

CHINA – food/feed standards

- Soybeans: In February, China released a revised standard for soybeans, specifying terms and definitions, quality requirements, test methods, inspection rules and labelling, packaging, storage and transportation requirements for the commodity. The new standard has been notified to the WTO for comments by member countries.
- Oil palm products: In March, China issued a new palm oil standard that allows unrestricted imports of red palm oil – a premium palm oil rich in Vitamin A, Vitamin E and antioxidants that is produced primarily by Malaysia. Previously, the importation and sale of red palm oil was not allowed due to the colour specifications contained in the existing standard. Reportedly, the Malaysian Palm Oil Board already joined forces with local industry players to develop food and feed products formulated with red palm oil. In addition to red palm oil, China also published a new standard for palmkernel cake.

CÔTE D'IVOIRE – market regulation:
According to media reports, in January, the country's edible oil industry agreed to freeze retail prices for palm oil amid surging international prices. In turn, the Government committed to set up a technical, multi-stakeholder committee to discuss options to mitigate the impact of rising international prices on domestic production costs. Last year, the Government implemented price caps for edible oils from April until December, following price surges linked to the COVID-19 pandemic.

EUROPEAN UNION – GMO policy:
In January, the European Commission approved two new GM soybean varieties for importation and processing into food and feed within the EU, but not for cultivation. The authorizations are valid for 10 years.

GERMANY – production sustainability:
In March, the Government backed a draft due-diligence law requiring large businesses to enforce the protection of human rights and

environmental standards along their supply chains – a requirement expected to place a significant burden on German businesses. Under the proposed bill, companies would need to assess risks, set up grievance procedures and provide remedies when standards are violated.

INDIA – import policies: After lowering the duty collected on crude palm oil imports in November 2020 *(see MPPU Jan. '21)*, in January, the Government raised the import tariffs for crude palm oil, crude degummed soyoil and palm olein by an average 6 percent, with a view to protect domestic oilseed producers. Furthermore, in February, the Government released its annual budget for fiscal year 2021/22 (April-March), which included the introduction of an Agriculture Infrastructure Development Cess (AIDC). The tax will apply to a wide range of agricultural and non-agricultural goods, including imported crude palm, soy and sunflowerseed oil. Proceeds from the tax will be used to finance infrastructure development projects and related activities, with the ultimate goal of raising agricultural production and containing imports. At the same time, the Government decided to reduce basic customs duties charged on edible oil imports so as not to burden consumers. As a result of these changes, the effective import duty for crude palm oil climbed from 30.25 percent to 35.75 percent, while that for crude soy and sunflowerseed oil remained unchanged at 38.5 percent. The adjustment imply a reduction in the duty advantage previously enjoyed by palm oil.

INDIA – food standards:

- Blending prohibition: India's food standards regulator FSSAI banned blending of any kind of edible oil with mustardseed oil from 8 June 2021 onward. The measure is aimed at both i) ending the practice of selling vegetable oil blends as pure mustard oil and ii) ensuring that growers of the crop receive remunerative prices and remain motivated to expand cultivation.
- Trans fat content: In February, the FSSAI revised its regulation regarding the elimination of trans-fatty acids in food products. The amendment comprises i) a new definition of industrial trans-fatty acids, and ii) provisions that, from 1 January 2022, food products shall not contain more than 2 percent of industrial trans-fats by mass. Until that date, the permissible limit will remain at 3 percent.

INDIA – GMO policy: Regarding the recently introduced requirement to submit GMO-free certificates for imported crop products *(see MPPU Sep. '20)*, FSSAI clarified that the relevant certificates would be required from 1 March 2021 onward and that the permissible tolerance limit for the adventitious presence of GMOs had been set at 1 percent.

INDONESIA – palm oil export duties and related production support measures

- Palm oil export tax and levy: Fresh rises in international palm oil quotations triggered additional upward adjustments in Indonesia's palm oil export duties: in January, the country's tax on crude palm oil exports was raised from USD 33 per tonne to USD 74; in February and March, the export tax stood at USD 93 per tonne, while, in April, the tax was raised further to USD 116. At the same time, Indonesia's palm oil export levy was lifted from USD 180 per tonne in December 2020 to USD 225 and USD 255 in, respectively, January and February 2021 – with no further increments implemented for March and April.
- Biodiesel subsidy and oil palm replanting support: The levy collected on palm oil exports (see above) continued to be used to finance Indonesia's biodiesel and oil palm replanting programmes. In 2021, the Government expects to collect IDR 52.82 trillion (USD 3.64 billion), which compares to a total of IDR 20.26 trillion (USD 1.40 billion) raised in 2020. During 2021, the Government plans to allocate IDR 49.1 trillion (USD 3.39 billion) to its biodiesel subsidization scheme and IDR 5.58 trillion (USD 0.39 billion) to its national replanting programme – up respectively 75 percent and 107 percent from last year's allocations. The amount earmarked for biodiesel subsidies rests on a biodiesel consumption

forecast of 9.59 million kiloliters, up one-third from last year's COVID-19 affected level – assuming no change in the country's current 30 percent blending mandate *(see MPPU Jan.'21)*. The amount of biodiesel subsidized depends on the prevailing price difference between palm oil methyl ester, the primary feedstock for Indonesian biodiesel production, and regular diesel, which rose to around USD 400 per tonne in 2020 (compared to the USD 100–150 gap recorded in previous years). With respect to the country's blending mandate, the Indonesian's Palm Oil Association (GAPKI) pointed out that government plans to roll out the 40 percent blending requirement could be delayed beyond the end of 2022.

INDONESIA – market regulation:
According to the country's tempe and tofu producers, who mostly process imported soybeans, the recent surge in international soybean prices led to a sharp decline in profit margins. Therefore, to stabilize domestic prices, the Government is considering to i) instruct importers to temporarily sell a percentage of their soybeans at below market prices; ii) ask importers to form partnerships with local soy farmers to ensure domestic production is absorbed; and iii) add soybeans to the list of 'strategic commodities', which would allow the Government to exert greater control over the source, timing and volume of imports.

KAZAKHSTAN – market regulation:
As international sunflowerseed prices surged in response to poor Black Sea harvests and firm global demand, many Kazakh growers preferred to export their sunflower crops, thereby exposing local crushers to surging raw material prices. To protect the crushing industry and stabilize local prices, the Government considered introducing a 15 percent tax on sunflowerseed export – following the example of the Russian Federation *(see MPPU Jan.'21)*. In the meantime, domestic sunflower oil prices continued rising and, after detecting signs of price collusion, the country's market regulator requested seven edible oil producers to lower their prices.

MALAYSIA – variable palm oil export tax:
The 8 percent tax rate applied in January 2021 was confirmed for the months of February, March, April and May. Eight percent is the maximum rate envisaged under the country's palm oil taxation scheme. In the meantime, as the reference price for palm oil kept increasing, the per tonne duty payable on palm oil shipment will rise from MYR 278 (USD 68) in January 2021 to MYR 362 (USD 88) in May 2021.

MALAYSIA – biodiesel policy:
In January, the Government announced that, given the economic difficulties caused by the COVID-19 pandemic, the nationwide roll-out of its B20 biodiesel mandate (which requires the blending of regular transport diesel with 20 percent of palm oil-based diesel) would be postponed from mid-2021 to early 2022 *(see also MPPU Nov.'20)*. Meanwhile, the recent surge in palm oil prices led to a widening in the oil's premium over mineral oil prices, reducing the competitiveness of palm oil as biodiesel feedstock.

MALAYSIA – palm oil production cess:
Based on the recent firmness in palm oil prices, the Government decided to raise the cess collected on palm oil products by the Malaysian Palm Oil Board (MPOB) from MYR 14 per tonne to MYR 16 (USD 3.42 and 3.90 respectively), effective 1 March 2021. The cess was last raised in 2019. According to industry estimates, with the new cess rate, the country's palm oil growers will contribute about MYR 344 million per year (USD 83.9 million) to the MPOB. Reportedly, the proceeds from the additional cess collection will be used to support the establishment of a consortium charged to conduct research on mechanization and automation in the oil palm sector.

THE NETHERLANDS – sector development measures (protein crops): With a view to reduce the country's dependence on imports of protein-rich crops, especially soybeans, the Government presented a National Protein Strategy aimed at promoting, over the next 5–10 years, the sustainable production of existing and new protein sources for food and feed use. The initiative mirrors EU-wide efforts to reduce the bloc's reliance on protein imports *(see MPPU Dec.'28 & Jan.'21)*. Furthermore, recognizing that it will be difficult to replace soybean imports entirely, the Dutch Government plans to share the EU's preference for imports of sustainably produced, deforestation-free soybeans.

NIGERIA – seed policy (biotechnology): The Government approved a set of guidelines governing the use of gene-editing techniques (as opposed to genetic modification methods). The guidelines aim to ensure that the techniques used are safe and do not have adverse effects on human health, animals, plants and the environment.

THE PHILIPPINES – biodiesel policy: In a bid to raise domestic uptake of coconut oil and support coconut farmers affected by falling prices, the Philippine Coconut Authority called on the National Biofuels Board to raise mandatory blending of coconut oil-based biodiesel into transportation diesel from its present level of 2 percent to 5 percent. The government agency recommended a stepwise increase in the blending rate, starting with 3 percent on 1 August 2021. Originally, the 5 percent blending mandate was meant to be introduced in 2020, but the implementation date was pushed back after the COVID-19 pandemic disrupted the country's biodiesel supply chain.

RUSSIAN FEDERATION – market regulation: Continued concerns about rising prices of edible oils and other staple foods (and related inflation risks) prompted new government measures aimed at stabilizing domestic supplies and prices of edible oils and oilmeals *(see also MPPU Jan.'21)*:

i) Export measures: In March, the Government announced that, the export duty on sunflowerseed would be raised further to 50 percent (but not less than USD 320 per tonne) from 1 July 2021 to 1 September 2022 – a move meant to stimulate domestic crush and stabilize local sunflower oil prices. As for rapeseed and soybean, the recently introduced 30 percent export duty (but no less than EUR 165 per tonne) would remain in place until 1 September 2022. In addition, a new tax would be applied to sunflower oil exports, from 1 September 2021 to 31 August 2022. Similar to the duty recently introduced for wheat, sunflower oil shipments will be taxed at 70 percent of the difference between the oil's floating market price and a cut-off per tonne price of USD 1 000.

ii) Retail price ceilings: As for the recently introduced price limits for sunflower oil, the Government indicated that the retail price caps will likely remain in place until 1 October 2021. Accordingly, the wholesale and retail prices of sunflower oil are not supposed to exceed, respectively, RUB 95 (USD 1.27) and RUB 110 (USD 1.47) per litre.

iii) Crushing subsidy: To help sunflowerseed crushers respect the agreed price ceilings and guarantee sufficient domestic sunflower oil supplies, the Government plans to introduce a subsidy in the form of a RUB 10 (US 13 cents) reimbursement for each litre of product bottled and sold to retail chains. The subsidy would be introduced in April and remain in place until end-September.

RUSSIAN FEDERATION – GMO policy: In February, the Government issued a draft law regulating the quality control of imported seeds of grains, vegetables and other crops, while preventing the entry of genetically modified seeds into the country.

SRI LANKA – import policy:
In April, following the detection of aflatoxins in imported coconut oil and considering the practice of local edible oil manufacturers to mix palm oil and coconut oil, Sri Lanka's President ordered to ban palm oil imports and proposed to consider measures to restrict oil palm cultivation throughout the country. Subsequently, recognizing that several domestic industries rely on imported palm oil for their operations, the Government decided to exempt certain refined palm oil-based products from the import ban.

THAILAND – farmer support:
In February, the Government renewed its price guarantee programme for palm oil, with a total allocation of THB 8.8 billion (USD 280 million). As in past years, the funds will be used to provide cash compensations to registered oil palm farmers whenever the market price for fresh palm fruit drops below the Government's guaranteed level of THB 4 per kg (US 13 cents). *(See also MPPU Nov.'19 & Jan.'20)*

TURKEY – import policy: After raising the tariff on imported sunflower oil to 10 percent in December 2020, in March, the Government suspended the oil's import duties until 30 June 2021, reflecting concerns over the prevailing tightness of domestic supplies and the depreciation of the country's currency against the US dollar. The standard tariff rate of 36 percent is expected to be reinstated in July 2021. The temporary tariff suspension also applies to rapeseed, safflower and their respective oils. Also the tariff suspension for sunflowerseed introduced in November 2020 remains in place.

TURKEY – GMO permits:
The Government cancelled the approvals of three GM soybean varieties that expired in January 2021, while reapproving three GM soy events. In addition, three new GM soybean varieties were approved for feed use. According to trade sources, the new authorizations open the doors for increased imports from the United States.

UKRAINE – market regulation:
According to media reports, faced with criticism from the country's sunflowerseed industry, the Government shelved plans to regulate domestic prices of sunflower oil. Similar to measures introduced in the Russian Federation (see above), the voluntary price agreements envisaged by the Government were meant to bring down local retail prices amid growing risks of food price inflation. Reportedly, the industry provided assurances that available edible oil supplies would be sufficient to meet domestic demand.

UNITED STATES OF AMERICA – COVID-19-related measures

- Debt relief: In January, USDA temporarily suspended debt collections, foreclosures and other activities on farm loans for distressed borrowers affected by the COVID-19 pandemic. Some 12 000 farmers who borrowed money under USDA's Farm Storage Facility Loan and Direct Farm Loan programmes were expected to benefit from the measure.
- Production support:
In March, after identifying gaps in previous aid programmes, USDA presented its Pandemic Assistance for Producers package. Worth USD 6.5 billion, the new scheme is aimed at distributing resources more equitably. Under the package, USDA will open programme sign-up to a larger share of agricultural producers. Several new programmes will place greater emphasis on outreach to small and socially disadvantaged producers and on support for food supply chains and producers of renewable fuel, among others. Existing schemes like the Coronavirus Food Assistance Program (CFAP) will fall within the new package and will be refined to better address the needs of farmers.
- Economic stimulus bill:
The American Rescue Plan Act of 2021 entered into force in March. Agricultural provisions of the plan allocate an estimated USD 10.4 billion for programmes designed i) reduce hunger across the country, ii) strengthen the country's food supply chains, iii) invest in rural America, and

iv) provide support to underserved, socially disadvantaged farmers.

Bilateral/regional trade initiatives

- Malaysia / Indonesia – palm oil campaign: The two countries joined forces – through the platform of the Council of Palm Oil Producing Countries (CPOPC) – to launch an advocacy campaign in Europe, where increasingly stringent regulations and negative consumer sentiment related to sustainability issues are believed to threaten sales in the commodity's third-largest market. Although India and China are larger buyers of palm oil, sentiment in Europe is considered crucial to protect palm oil's repute-tion globally.
- European Union / ASEAN – palm oil trade: The Joint Working Group on Palm Oil set up as part of a commitment reached at a recent ASEAN-EU Ministerial Meeting held its first meeting in January 2021, bringing together representatives from Indonesia, Malaysia, Cambodia, Thailand, Laos, Viet Nam, the European Commission and the European External Action Service. Meeting participants engaged in discussions on sustainability goals regarding vegetable oils in general and palm oil in particular. The group agreed on the importance of i) establishing a dialogue on the challenges faced in sustainable vegetable oil production; ii) ensuring that environmental challenges within the palm oil sector are mutually understood, with a view to addressing them in a holistic, transparent and non-discriminatory manner; iii) sharing relevant information on sustainable production methods; iv) contributing towards a shared understanding of sustainability criteria and certification processes; and v) considering possible collaborative actions to underpin this process, such as the promotion of sustainable practices, especially among smallholders and detailed studies on appropriate sustainability criteria and certification methods.
- China / Jordan – olive oil trade: Backed by government officials, stakeholders of the Chinese and Jordanian olive oil industry agreed to foster business cooperation, with the aim of advancing bilateral olive oil trade activities. Olive oil is regarded as one of Jordan's most important agricultural products with a distinguished reputation in global markets, while, in China, demand for high quality olive oil is reported to expand rapidly.
- Switzerland / Indonesia – palm oil trade: In March, Swiss voters backed the Indonesia-Europe Comprehensive Economic Partnership Agreement (IE-CEPA), which Switzerland signed as a member of the European Free Trade Association, EFTA *(see also MPPU Dec.'18).* Controversy surrounding the importation of Indonesian palm oil and its sustainability had triggered a public referendum on the agreement. Under the deal, Switzerland's import tariffs on crude palm oil, palmkernel oil and palm stearin from Indonesia will be lowered by 20–40 percent on an annual volume limited to 10 000 tonnes (rising to 12 500 tonnes over 5 years). The preferential treatment will only apply to importers able to demonstrate that the imported products were produced sustainably. In this regard, the Swiss Government tabled draft implementation guidelines listing relevant sustainability criteria and traceability requirements. According to the document, initially, Switzerland would rely on the following three globally recognized and third-party verified certification schemes:
  i) the Roundtable on Sustainable Palm oil (RSPO), limited to its 'segregated' and 'identity-preserved' supply chains;
  ii) the International Sustainability and Carbon Certification (ISCC), in its PLUS Segregated version;
  iii) the Palm Oil Innovation Group (POIG), in combination with RSPO's segregated/identity-preserved channels.

  Furthermore, palm oil may only be imported in containers up to 22 tonnes, so as to facilitate product traceability. Through these provisions, Switzerland wishes to provide a concrete incentive for sustainable palm oil production in Indonesia, while ensuring that trade in palm oil produced at the expense of society and the environment is not encouraged. The country's reliance on existing certification schemes is expected to promote healthy competition between industry-led standard setting bodies. Switzerland also reiterated its commitment to fully adhere to all relevant WTO regulations and to minimize disruptions to commercial trade in palm oil.

- European Union / United States of America – retaliatory import tariffs: In March, in a bid to allow both sides to focus on resolving the long-running Airbus-Boeing dispute, the EU and the USA agreed to suspend, for an initial period of four months, the retaliatory tariffs imposed on each other's exports *(see MPPU Jan.'21 & Sep.'20)*. The suspended measures include additional import duties on selected oilcrops and oilcrop products tariff lines.
- United States of America / China – Phase-One Deal: According to an analysis of official export statistics carried out by the Iowa States University, in calendar year 2020, China imported USD 27.3 billion worth of agricultural and related products from the United States, which is around 75 percent[1] of the USD 36.6 billion obligation set under the Phase-One Deal signed by the two countries in January 2020 *(see MPPU Jan.'20)*. As for soybeans, USDA records up to 15 April 2021 show that, in 2019/20 and 2020/21 (based on the September/August soybean marketing year), China imported, respectively 16.3 million tonnes and 34.9 million tonnes of US soybeans. Adding an outstanding 700 000 tonnes for delivery in 2020/21, the United States has committed a minimum of 35.6 million tonnes for delivery in 2020/21, which compares to 27.7 million tonnes in 2017/18, i.e. the baseline year used in the trade deal.
- Malaysia / European Union – trade dispute: Following up on last year's announcement *(see MPPU July'20),* on 15 January 2021, Malaysia formally requested WTO dispute consultations with the European Union regarding measures adopted by the EU and certain member states affecting palm oil and palm oil-based biofuels. Specifically, the complaint refers to the EU's classification of palm oil as a biofuel feedstock with 'high indirect land use change (ILUC)-risk', which implies that – from 2030 – palm oil-based biofuels would no longer be counted against the bloc's renewable energy targets *(see MPPU Mar. & May'19)*. Malaysia claims that the EU's policy is inconsistent with the WTO Agreement on Technical Barriers to Trade, the GATT 1994, and the Agreement on Subsidies and Countervailing Measures. In case the consultations fail to resolve the dispute within 60 days, the WTO is expected to set up a panel of experts to review the case. Malaysia's complaint was preceded by a similar action launched by Indonesia in December 2019 *(see MPPU Jan.'20)*. According to market sources, steps by the EU towards eliminating deforestation also from the bloc's agri-food chains *(see MPPU Sep.'19 & Mar.'20)* are adding to the concerns of palm oil exporting countries.

National dietary guidelines

- Spain – olive oil: The Consumer Affairs Ministry informed that, in Spain, the controversial 'Nutri-Score' food labelling system proposed for EU-wide implementation in 2021 would not apply to extra virgin olive oil, as the scheme fails to adequately reflect the oil's health benefits. *(See also MPPU Mar.'20 & Jan.'21)*
- United States – soybeans: Reportedly, soy products are present in all three dietary patterns considered in USDA's recently released 'Dietary Guidelines for Americans', i.e. the US-style, the vegetarian and the Mediterranean-style pattern. Furthermore, soy-based products feature in four of the six core elements of dietary nutrient supply, namely in the dairy, oils, vegetables and protein foods categories. According to industry sources, the product's recognition in the Guidelines proves the versatility of soybean and represents a significant step towards increasing the demand for US soybeans.

[1] It should be noted that this value is only preliminary because the reference year used under the Phase One Deal goes from 15 February 2020 to 14 February 2021, whereas the present analysis uses 2020 calendar year as reference period.

Pesticide regulation

- Glyphosate – Austria, Brazil, Germany:

In March, the Austrian Parliament considered a motion to restrict certain uses of glyphosate-based herbicides, including pre-harvest treatments of agricultural crops *(see also MPPU Sep.'19).* Furthermore, Brazil adopted MRLs (maximum residue limits tolerated in food/feed products) for glyphosate, while Germany's Environment Ministry issued legislation to phase out the sale and use of glyphosate by the end of 2023. Until that date, in Germany, the use of glyphosate-based herbicides will be subject to a number of restrictions *(see also MPPU Sep.'19).*

- Various pesticides – European Union, Japan, United States of America: In the European Union, MRLs for a wide range of pesticides are set to enter into force in May 2021, while also Brazil, Japan and the United States adopted or proposed new MRLs for a number of pesticides used in the cultivation of soybeans and other oilcrops.

Pest control measures: The governments of Solomon Islands and New Zealand joined forces to step up the response to the invasive coconut rhinoceros beetle that poses serious threats to the Solomon Islands' coconut and palm oil industries. Under the partnership, New Zealand will provide financial support for measures to control and prevent the spread of the pest. The partnership will be complemented by New Zealand's broader programme supporting the Solomon Islands, Papua New Guinea and Vanuatu to manage the pest's spread across Melanesia.

Palm oil – industry sourcing policies: Confectionary group *Ferrero* committed to 100 percent satellite monitoring of its palm oil supply chain. The company will set up a monitoring and verification system that uses a combination of satellite imagery and on-the-ground expertise to monitor land cover change and forest cover disturbance in near real time. By analyzing data that show where potential deforestation occurs, the company expects to identify grievances in its supply chain. Reportedly, the initiative is aimed at driving transformative actions while respecting smallholder farmers' rights to improve their livelihoods. Meanwhile, chemical group *BASF* reported that it achieved its commitment to procure palm and palmkernel oil exclusively from RSPO-certified by 2020. Furthermore, the company managed to trace almost 95 percent of its global palm oil supplies back to oil mill level. The group also renewed its commitment towards certified sourcing of palm and palmkernel oil derivatives, i.e. fatty alcohols and fatty acids.

Palm oil production sustainability – selected industry developments

- Buying preferences – United States of America: According to media reports, a number of US food companies are seeking to exclude from their supply chains two palm oil companies that were banned last year by the U.S. Customs Border Protection (CBP) over alleged labour abuses in their operations *(see MPPU Nov.'20 & Jan.'21).*

- Conflict resolution – Indonesia:

Civil society groups pointed out that, in western Indonesian Borneo, efforts to settle land conflicts between palm oil companies and local communities tend to lack resolution. Reportedly, law enforcement on companies is slow, while other means of dispute settlement, such as lodging complaints with certification bodies like RSPO (where disputes concern RSPO members), are said to remain underutilized because of cumbersome procedures.

- Oil palm and agroforestry – Brazil:

In Brazil, recent agroforestry research suggests that palm oil can be grown sustainably without using chemicals. While, aside from deforestation, large oil palm monocultures are typically associated with water pollution from heavy chemical application, new research indicates that growing oil palm using ecologically friendly agroforestry practices can be equally profitable. Reportedly, intercropping oil palm with passion fruit, açaí palm, cassava, timber trees or fertilizer trees allows to generate competitive profits while refraining from using chemicals.

- Grievance cases – Africa: A study carried out by the High Carbon Stock Approach Foundation claims that an Asian oil palm company cleared large tracts of carbon-rich forests in Liberia. Reportedly, the company had signed an agreement with the Liberian Government in 2020 to develop a 220 000-hectare concession in remote, densely forested counties of the country. On a separate note, a US policy think-tank reported alleged environmental and human right abuses in a group of oil palm plantations in the Democratic Republic of Congo. Reportedly, pension funds, trusts and endowments in the United States, Europe and South Africa invested in the concerned companies.

Certified sustainable palm oil – RSPO news

- Consumer app: The RSPO launched a smartphone application that enables consumers to check the sustainability of the palm oil contained in their everyday food items by scanning the products' barcodes. The app measures the progress in a manufacturer's sustainable palm oil usage, using an algorithm that includes membership of the RSPO and the submission of annual communication and progress reports.
- Global production and sales of certified palm oil: Global supplies of certified sustainable palm oil (CSPO) currently stand at 17.2 million tonnes annually, which is equivalent to about 19 percent of world palm oil production. As for sales, RSPO statistics for calendar year 2020 confirm the customary gap between total supplies and actual transactions of certified produce: similar to past years, in 2020, roughly half of the available CSPO did not find a buyer and thus had to be sold as conventional palm oil without capturing a price premium – a problem the group is trying to address via its recently introduced Shared Responsibility Principle *(see MPPU Jan.'20).* With regard to the different sale channels used, in 2020, the three methods involving physical supply chains – i.e. 'identity-preserved', 'segregated' and 'supply-mass-balanced' transactions – accounted for 77 percent of total sales (compared to 75 percent and 21 percent in, respectively, 2019 and 2015), while the remaining 23 percent were marketed through book&claim mechanisms. As for palm kernel oil, global annual supplies of certified material stood at 3.8 million tonnes, of which close to 70 percent found a buyer in 2020.
- Members' uptake of certified palm oil: Following a review of its CSPO supply and demand projections, the RSPO decided to raise the mandatory uptake of certified produce that the group requires from its members under the Shared Responsibility Principle. The move confirms the important role assigned to members in closing the gap between CSPO supply and demand.
- Market promotion – China: The RSPO reported fresh efforts to promote CSPO consumption among consumers and businesses in China – the world's third-largest importer and fourth-biggest consumer of palm oil. Besides explaining market development prospects, end uses and supply chain certification systems, new publicity campaigns highlighted the role of sustainable palm oil production in improving the livelihoods of small-scale farmers and protecting biodiversity in producing countries. Reportedly, in 2018 and 2019, CSPO accounted for, respectively, 2 percent and 5 percent of China's palm oil consumption.
- Market promotion – India: The Sustainable Palm Oil Coalition for India (I-SPOC), a multi-stakeholder platform created in 2018 (with RSPO input) to promote CSPO consumption and trade in India (– the world's largest importer and second-biggest consumer of palm oil –), reported on progress made in i) raising awareness on sustainability issues within the industry and among consumers, ii) facilitating multi-sector industrial dialogues on CSPO uptake, and iii) engaging with the Government of India and state administrations. Recently, I-SPOC and RSPO jointly issued a business guide for companies on how to transition to CSPO. *(See also MPPU Dec.'18 & July'19)*

Soybean value chains – responsible sourcing and related industry initiatives

- Brazil: Brazilian soy traders *CJ Selecta*, *Caramuru* and *Imcopa*, which supply the European salmon industry as well as other markets, pledged to exclude soy grown on land deforested after August 2020 from their respective supply chains. The ban will apply to soy produced across the Brazilian territory, as opposed to the long-standing, industry-wide moratorium limited to the Amazon Basin. Reportedly, advocacy groups will assist the named companies in the enforcement of their new sourcing policy by setting up independent monitoring, reporting and verification systems. Market observers expect the initiative – reportedly the first of its kind – to put pressure on large global players like *Bunge* and *Cargill* to adopt similar policies.

- Brazil (Cerrado region): Global soybean trader *Bunge* launched a new programme to monitor soybean crops from its indirect supply chain in Brazil's Cerrado region. The company expects to reach 100 percent monitoring of its indirect soy purchases by 2025, in line with its global commitment towards deforestation-free supply chains. According to the new programme, *Bunge* will help partners implement supply chain verification systems, combining satellite images with government data to track land-use changes on individual farms. Reportedly, while tracing to farm level all of its direct purchases in the concerned region, the company currently monitors only 30 percent of its indirect purchases.

On a separate note, a third-party study shed light on the extent of legally permitted land clearance in the Cerrado region. While several leading soybean producers and traders acknowledged their involvement in soy grown on legally cleared land, the same companies reiterated their commitment to dissociate from all forms of deforestation over the coming years, the study reported.

- Europe: In February, the European Feed Manufacturers' Federation, FEFAC, released an upgraded version of its Soy Sourcing Guidelines, initially presented in 2015 *(see MPPU Apr.'15).* The revised guidelines contain a comprehensive set of criteria at agricultural, environmental and social level. The Guidelines are designed to support a benchmarking programme for schemes offering responsible soy to the European feed market, FEFAC explained.

- United States of America:

In January, the United Soybean Board (a federal programme that collects funds from soybean growers and channels them into promotion and research activities) pilot-tested a sustainability mark for soy-based products aimed at raising demand for sustainably grown soybeans. Reportedly, consumer goods carrying the mark contain soybeans that i) are compliant with relevant US environmental laws and regulations, ii) protect highly erodible soils and wetlands, and iii) have been grown on family farms using responsible labour practices. Companies interested in using the mark will be required to submit an overview of their supply chains which will be reviewed by a third-party auditor.

- Global: International tire producer *Goodyear* renewed its commitment to increase the use of sustainable materials in its products, including soybean oil *(see also MPPU Nov.'19).* Specifically, the company developed a new soybean oil procurement policy designed to foster the adoption of environmentally and socially sustainable practices throughout its supply chain. Under the new policy, the company is expected to pay increased attention to human rights protection, responsible land acquisition, responsible cultivation and processing practices, supplier alignment and transparent governance.

Sustainable coconut value chains:
Swiss chocolate maker *Lindt&Sprüngli* reported about progress in a sustainable coconut project the company launched in 2017 (together with civil society group Earthworm Foundation) to improve the livelihood and resilience of coconut growing communities in the Solomon Islands, where the company sources its coconut oil. After an in-depth analysis of the challenges faced by producers, the project concentrated on i) mapping the current and potential supply chains, ii) training farmers on sustainable, cost-efficient cultivation and processing techniques, iii) providing producers with better access to appropriate tools and equipment, iv) improving the traceability of copra, and iv) developing adequate transport

strategies. Reportedly, the project's interventions helped raise productivity and resilience, while reducing the risk of deforestation.

Sustainable value chains – cross commodity

- Sector comparison: A new study conducted by environmental advocacy group Carbon Disclosure Project (CDP) found that more companies are demonstrating progress towards eliminating palm oil-related deforestation, even outperforming companies in timber product supply chains. By contrast, businesses operating in the cattle products market and soy supply chains were found to continue to trail behind. Reportedly, the improved performance of the palm oil sector reflects years of intense public scrutiny as well as company concerns over reputational risks.
- Lending policies: French banking group *BNP Paribas* has adopted a restrictive lending policy to fight deforestation associated with the expansion of beef and soybean production in Brazil's Amazon and Cerrado region. Aimed at accelerating the progress of its customers towards deforestation-free operations and improved supply chain traceability, the bank's new loan policy includes specific conditions for lending to companies producing or buying beef/soybeans from the named regions. Specifically, the bank informed that it would i) refrain from financing customers producing or trading beef/soy that was raised/grown on land cleared or converted after 2008 in the Amazon; ii) urge clients not to produce or buy beef/soybeans originating from land cleared in the Cerrado region after 1 January 2020; and iii) require full traceability of beef/soybeans channels – comprising both direct and indirect suppliers – by 2025. Reportedly, this policy is a first on the part of a major international bank. Environmental advocacy groups expected the bank's move to send a strong signal to companies trading agricultural commodities in the region. *(See also MPPU Jan.'20)*
- Food marketing strategies:
In March, Belgian food retailer *Colruyt* launched a sustainability label named 'Eco-Score' for products of its private label brand. Under the new labelling scheme, food products are scored from A to E based on their environmental impact. Reportedly, products are given a score, which is then weighted with qualitative criteria via a bonus-malus system, taking into account the country of origin, seasonality, recyclability of packaging and other parameters. Driven by specific consumer concerns, the initiative is aimed at raising buyers' awareness of the environmental impact of individual food products.
- Responsible sourcing commitments:
Global agri-trade company *ADM* renewed its commitment to sustainable, ethical and responsible food/feed production and confirmed its objective to eliminate deforestation from its supply chains by 2030 *(see also MPPU May'15).* Specifically, the company intends to focus on achieving full traceability of its direct and indirect sourcing of soy in high risk areas in Brazil, Paraguay and Argentina – with a view to end native vegetation conversion in the shortest time possible, while reconciling soy production with environmental, economic and social interests.
As for its palm oil supply chain, the company reported to have achieved a high level of traceability to the mill level and reiterated its commitment to improve traceability to plantations.

Biofuel – industry news

- Sustainable aviation fuel:
Aircraft maker *Boeing* pledged to deliver commercial airplanes capable of flying exclusively on renewable fuels by the end of the decade. In view of the industry-wide commitment to reduce carbon emissions by half (from 2005 levels) by the year 2025, the company already conducted test flights on jet fuel containing up to 100 percent biofuels – even if current industry specifications only allow blends of up to 50 percent. The company is committed to determining what changes are required for airplanes to fly exclusively on sustainable fuels derived from used vegetable oil, animal fats, sugarcane, waste and other sources. At the same time, it plans to work with regulatory authorities to raise the relevant blending limits. On a separate note,

in Europe, several aerospace players (including *Airbus*) have joined forces to study the in-flight emissions of sustainable aviation fuel. Reportedly, the initiative will concentrate on fuels made of hydro-processed esters and fatty acids (HEFA), while other technologies, such as hybrid-electric and hydrogen, are said to be further from maturity.

- Renewable diesel: Indonesian state oil/gas company *Pertamina* informed that it is conducting a second round of trials with renewable transport diesel made entirely from refined palm oil *(see also MPPU Sep.'20).* In addition, the company is continuing production trials for palmkernel oil-based jet fuel. The company's activities back government efforts to promote energy uses of oil palm products aimed at both reducing the country's mineral oil imports and supporting the country's oil palm sector.

Selected industry initiatives

- Canada – dairy products question:

Following consumer inquiries about butter becoming harder to melt – possibly due to increased use of palm oil additives in cattle feed – the Dairy Farmers of Canada association advised its members to drop such additives as an ingredient in rations, adding that this would be a purely precautionary measure to ensure that consumers maintain confidence in Canada's dairy products. In the meantime, the association has set up a task force to study the issue of fat supplementation in the dairy sector. Palm fat is approved as energy supplement by the Canadian Food Inspection Agency, and its addition to rations is practiced regularly also in other countries, notably the United States, the United Kingdom, Australia and New Zealand.

- Brazil – soybean contract compliance:

According to media reports, Brazil's association of soy crushers and traders, ABIOVE, commissioned a firm to monitor soy farmers' contract compliance, as global trading companies seek to secure deliveries of grains sold ahead of the start of the 2020/21 cropping season. The move reflects concerns that farmers that pre-sold their crops could aim for contract renegotiations, given that international soy quotations have risen sharply in recent months.

- Malaysia – palm oil producer concerns:

In March, Malaysia's oil palm industry associations jointly appealed to the Government on labour market, taxation and market access issues. To put an end to the sector's chronic shortage of migrant workers (which has worsened as a result of COVID-19-related measures – *see MPPU Sep./Nov.'20 & Jan.'21*), the associations called on the Government to consider allowing guest workers working in the sector who are currently in their respective countries of origin to return to Malaysia, as well as to end the current pause in foreign worker recruitment for the sector.
On the issue of taxation, the industry voiced concerns that, due to firm palm oil prices in 2021, businesses will likely face an excessive tax burden (arising from various taxes, levies and cess payments, excluding export duties). Consequently, policy makers were invited to engage with the industry and review the present taxation structure. On international trade, the associations appealed to the Government to invest more resources in government-to-government negotiations to address market access related issues, notably i) anti-palm oil campaigns conducted by environmental advocacy groups, ii) trade barriers introduced by a number of trade partners, and iii) sustainability/food safety-related compliance requirements viewed as unrealistic and overly stringent.

- Brazil – non-GM soybeans:

Industry sources estimated that, in 2020/21, non-GM soybeans will account for about five percent of soybean production in Mato Grosso state. The country's non-GM soy production is concentrated in Mato Grosso because of the state's access to Amazon River ports equipped to handle conventional and GM-free soy separately. According to the Free Soybean Institute, which promotes the use of conventional soybean varieties, in March, the premiums paid on non-GM material ranged USD 4–5 per 60 kg sack (approximately USD 75 per tonne). Reportedly, in addition to customary buyers in Europe, new companies – including businesses in China –

started to show interest in the region's non-GM soybeans, which are primarily used for the production of high-protein ('hi-pro') soybean meal, soy protein concentrates and lecithin. *(See also MPPU May'14, June & Sep.'17)*

- Europe – organic oils & fats:

Specialty oils/fats company *Bunge Loders Croklaan* expanded its organic portfolio in Europe and is offering a steady and scalable supply of organic oils and fats, ranging from sunflower, rapeseed and soy to palm, shea and coconut. Reportedly, the company has broadened its select network of organic farmers to secure sufficient and reliable supplies.

Transports & logistics issues

- Argentina – strike actions:

In January, prolonged strike actions by truck owners and drivers disrupted transports of grains and oilseeds across the country, affecting deliveries at the country's main ports. Protesters called for freight rate increases (in line with rising costs), infrastructure improvements, and enhanced security for lorry drivers. The strikes followed earlier industrial actions by oilseed workers and grain inspectors over wage increases, which led to disruptions in milling and loading operations.

- Brazil – export routes: According to data from Brazil's grain exporters association, ANEC, in 2020, the country's recently developed, northbound export routes accounted for 29 percent of the nation's total soybean exports. For comparison, in 2018 and 2015, the share of Northern Arc (Arco Norte) ports stood at, respectively, 26 and 18 percent.

Futures markets

- Palmkernel oil futures – Malaysia:

In March, the *Bursa Malaysia Derivatives (BMD)* exchange launched a revised palmkernel oil futures contract, reporting improvements made with regard to contract grade, delivery points, daily price limits, speculative position limits and traceability document requirements. The new contract is expected to cater to industry players' demand to hedge against the risk of adverse price movement in the lauric oil market.

- High-protein soybean meal futures – India:

In February, India's *National Commodity and Derivatives Exchange (NCDEX)* launched a futures contract for high-protein soybean meal to complete its basket of contracts for the soy complex. Obtained from dehulled beans, 'hi-pro' soybean meal is characterized by a crude protein content of at least 50 percent as compared with around 46 percent in conventional soymeal.

- Organized trading facility:

In March, UK brokerage firm *Griffin* and French IT company *Logaviv* jointly launched an organized trading facility (OTF) for agricultural commodities, offering contracts for wheat, maize, and rapeseed. Reportedly, the contracts via the new electronic trading platform don't require backing by clearing houses.

R & D – varietal research (high-yielding rapeseed): Applying gene-editing technologies to wild strains, Canadian scientists developed a rapeseed variety with high yield potential, characterized by more flowers and branches than conventional strains. Reportedly, the new variety is also shorter, which makes it less susceptible to lodging. Field trials to verify the variety's high yield potential are expected to start this year.

R & D – pest control (*xylella fastidiosa*): According to media reports, Italian researchers discovered that a recently patented organic compound based on zinc, copper and citric acid had killed bacteria from three strains of *xylella fastidiosa* in infected olive trees, increasing the trees' resilience to the disease. *(See also MPPU May'20)*

R & D – product development

- Soybean protein isolates:

A Canadian industry consortium started funding the development and commercialization of protein isolates and concentrates produced from home-grown, non-GM, organic soybeans. The project envisages the establishment of a dedicated processing facility in the government-backed Protein Industries Supercluster located in Canada's Prairie Provinces.

- Coconut oil coffee creamer:

Global food company *Danone* launched a plant-based coffee creamer produced with sustainably sourced almond milk and coconut oil. Reportedly, the new product targets younger consumers who tend to prioritize sustainable and transparent ingredient sourcing.

- Vegetable oil-based lecithin:

In February, global oils/fats manufacturer *AAK* launched a new plant-based lecithin ingredient line. Sourced from sunflower and soybean oil, the new lecithin emulsifiers have been designed to help improve nutrition, functionality and processing of a variety of foods and beverages. Reportedly, the non-GM, organic products are traceable and sustainably produced.

- Rapeseed-based fish feed:

In March, rapeseed-based omega-3 oil – the world's first non-marine omega-3 oil developed for use as aquaculture feed – obtained the Friends of the Sea sustainability seal. According to industry experts, large-scale production of the fishoil substitute has the potential to ease harvesting pressure on finite wild fish populations. *(See also MPPU Dec.'16 & Sep.'20)*

- Palm oil applications:

The Malaysian Palm Oil Board (MPOB) developed three new palm oil applications, namely chewable Vitamin E (or tocotrienol rich fraction) tablets, polyol for floor coverings, and moisturizing hand sanitizer with Vitamin E. Reportedly, all three products gained regulatory approval and are ready for commercialization.

- Soy-based bioplastics:

In Finland, four companies joined forces to commercially produce compostable, multipurpose bioplastics made from soy by-products. Specifically, the biopolymers will be produced using soy molasses that are not suitable for food and have hitherto been disposed of via incineration.

- Soy-based sealant:

Reportedly, trials carried out in Minnesota, United States, with a soyoil-based asphalt preservation product have shown positive results, paving the way for a new form of cost-effective, bio-based road preservation. *(See also MPPU Jan.'19)*

For comments or queries
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	International Prices (US$ per tonne) [1]					FAO Indices (2014–2016=100) [7]		
	Soybeans[2]	Soybean oil[3]	Palm Oil[4]	Soybean Cake[5]	Rapeseed Meal[6]	Oilseeds	Vegetable oils	Oilcakes/ Meals
Annual (Oct/Sep)								
2006/07	335	772	684	264	184	80	93	66
2007/08	549	1325	1050	445	296	133	153	109
2008/09	437	849	682	409	206	96	90	89
2009/10	429	924	806	388	220	100	109	92
2010/11	549	1308	1147	418	279	132	159	102
2011/12	562	1235	1051	461	295	132	143	111
2012/13	563	1099	835	539	345	131	120	129
2013/14	521	949	867	534	324	120	116	128
2014/15	407	777	658	406	270	95	93	99
2015/16	396	773	655	351	232	93	95	85
2016/17	404	806	729	336	225	95	103	81
2017/18	402	820	648	381	258	94	94	93
2018/19	370	744	523	328	247	88	80	81
2019/20	379	783	668	338	243	90	93	84
Monthly								
2019 – September	366	765	563	315	201	87	84	77
2019 – October	386	765	579	319	214	91	84	78
2019 – November	377	771	683	318	216	89	93	78
2019 – December	377	814	765	324	237	90	101	80
2020 – January	391	872	840	332	240	94	109	82
2020 – February	376	801	741	334	245	90	98	83
2020 – March	367	722	621	364	255	87	85	89
2020 – April	363	675	573	363	280	87	81	90
2020 – May	361	675	531	328	262	86	78	83
2020 – June	369	741	594	325	229	88	87	81
2020 – July	383	815	659	329	227	91	93	81
2020 - August	387	865	707	345	245	92	99	85
2020 - September	418	893	740	378	270	99	105	93
2020 - October	454	900	763	430	294	107	106	105
2020 - November	502	978	875	470	319	117	122	115
2020 - December	516	1036	963	468	328	121	131	115
2021 - January	576	1074	1026	535	382	134	139	131
2021 - February	580	1136	1086	526	380	136	147	130
2021 - March	568	1296	1135	472	364	136	159	117

[1] Spot prices for nearest forward shipment

[2] Soybeans (US, No.2 yellow, c.i.f. Rotterdam)

[3] Soybean oil (Dutch, f.o.b. ex-mill)

[4] Palm oil (Crude, c.i.f. Rotterdam)

[5] Soybean meal (44/45%,Hamburg f.o.b. ex-mill)

[6] Rapeseed meal (34%,Hamburg f.o.b. ex-mill)

[7] The FAO indices are calculated using the Laspeyres formula ; the weights used are the average export values of each commodity for the 2014-2016 period. The indices are based on the international prices of five selected seeds, ten selected vegetable oils and five selected cakes and meals.

Sources: FAO and Oil World