



OILSEEDS, OILS & MEALS
MONTHLY PRICE AND POLICY UPDATE *

No. 140, March 2021
- short version -

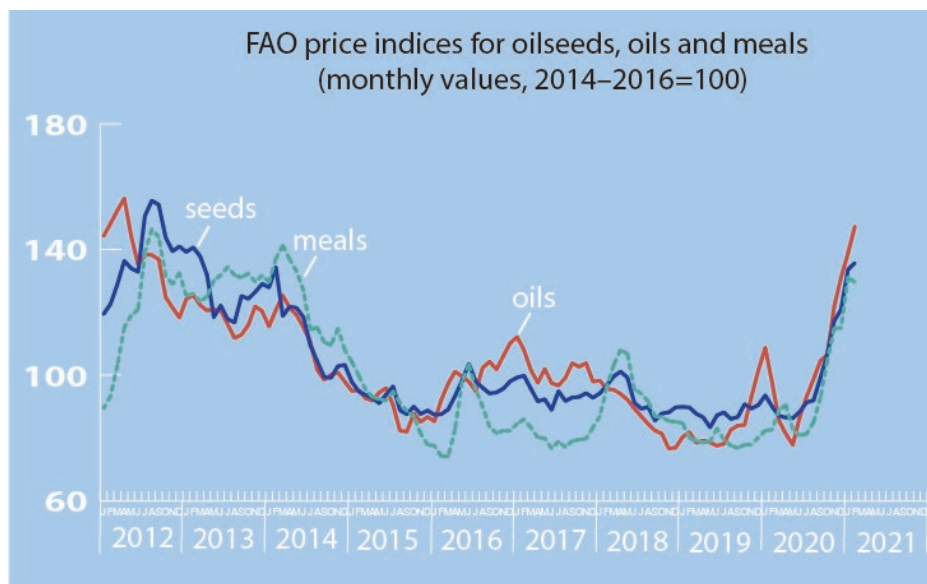
Global price review

In February, FAO’s price index for oilseeds rose for the ninth month in succession, gaining 2.1 points (or 1.6 percent) and reaching an eight-year high. The vegetable oil index gained another 8.6 points (or 6.2 percent) in February, marking the highest level since April 2012. By contrast, the price index for oilmeals registered its first month-on-month decline since mid-2020, shedding 1.6 points (or 1.2 percent). Noticeably, all three price indices trailing the oilcrops complex continued to fare well above their respective year-earlier levels.

The latest increase of the oilseed index mainly reflected firmer soybean, rapeseed and sunflowerseed values. International soybean quotations rose

only marginally in February, with initial price drops offset by increases during the second half of the month. The price weakening registered in early February reflected i) the arrival of favourable rainfall across main growing areas in both Argentina and Brazil, and ii) slower pace in purchases by China, where local crush margins decreased and the national holiday week for the Chinese New Year approached. Towards mid-February, however, international soybean prices regained momentum, fuelled by i) concerns about renewed dryness in Argentina; ii) heavy rainfall in Brazil, which delayed harvesting operations and hampered logistics in the country’s export hubs; and iii) higher than expected crushings in the United States of America, stemming from

– cont’d on next page –



* 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 important policy and market events selected from a variety of sources. This particular issue only reviews price developments observed in **February 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/>

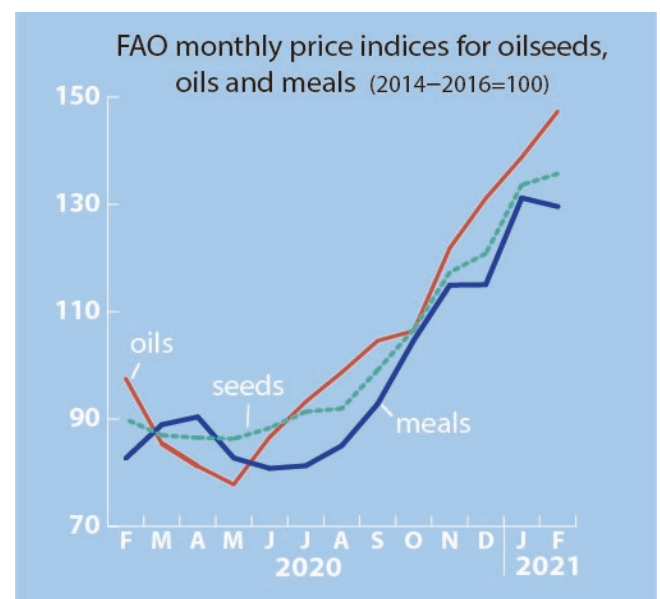
Global price review – cont'd

attractive processing margins. Eventually, by the end of February, international soybean quotations reached seven-year highs. As for rapeseed, prices firmed further (marking the eleventh consecutive rise), driven by tightening supplies in Canada and in the European Union (EU). Furthermore, fresh reports of lower than initially expected plantings for the EU's 2021/22 crop continued lending support to rapeseed values. In the case of sunflowerseed, global prices remained on an upward trajectory and rose to their highest level since July 2008, reflecting shrinking availabilities in the Black Sea region, following lower than initially anticipated harvests.

With regards to oilmeals, the slight drop in the price index mainly reflects lower soymeal values. From the supply perspective, the looming seasonal arrival of South American soybean supplies started weighing on international soymeal quotations, while, on the demand side, reports of surging instances of African swine fever and other swine diseases in China led to uncertainties regarding the pace of the country's soybean imports.

As for vegetable oils, the continued increase in the price index reflected firmer prices of palm, soy, rape and sunflower oils. International palm oil quotations rose for the ninth consecutive month in February, fuelled by concerns over low inventory levels in leading exporting countries. In Malaysia, particularly, palm oil production continued to be affected by both excessive rainfall and protracted migrant labour shortages. On the policy front, India raised its import duty on palm oil from

30.25 percent to 35.75 percent, while keeping the tariffs for soyoil and sunflowerseed oil unchanged, the implications of which for the country's import pattern remains to be seen. As for soyoil, international quotations remained on an upward path, mainly reflecting continued global supply tightness prior to the arrival of the new crop in South America. At the same time, rapeseed oil prices increased for a fourth consecutive month, chiefly underpinned by the above-mentioned uncertain production prospects in the EU –notwithstanding sluggish demand from the bloc's biodiesel sector stemming from renewed COVID-19-related lockdowns. Lastly, in the case of sunflowerseed oil, international prices were buoyed by a further tightening of export availabilities in the Black Sea region following logistic constraints due to heavy snowfall. Noticeably, rising mineral oil prices also lent support to vegetable oil values.



For comments or queries please use the following Email contact: FAO-oilcropsmarkets@fao.org

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

The use, reproduction and dissemination of this product is encouraged, provided that appropriate acknowledgement of Food and Agriculture Organization of the United Nations (FAO) as source is given.

	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 – July	374	738	498	322	225	88	78	79
2019 – August	363	775	540	315	215	86	83	78
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
¹ Spot prices for nearest forward shipment ² Soybeans (US, No2 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								