

Market Report July 2024

■ GENERAL OILS AND FATS COMPLEX

Soybean Oil

The condition of the growing crop has improved significantly following the extensive rainfall in the main growing regions of the United States in recent days. This has led to a severe fall in prices for soybean contracts for the new harvest on the Chicago exchange. If weather conditions remain favorable, further price declines can be expected. This will also increase the production of soybean oil, which in turn could revive the interest of biodiesel producers.



Rapeseed Oil

Rapeseed oil continues to trade at a premium to soybean oil. This year's Canadian harvests will be slightly better than originally expected, but this will not compensate for the decline in the EU. Processing capacities in the EU are fully utilized, so that forward dates continue to carry a premium.



Sunflower Oil

Ukraine's sunflower oil exports fell slightly for the first time in June compared to the same month last year. The upcoming Ukrainian sunflower harvest is expected to be lower than last year's due to weather conditions. The same applies to the Russian harvest. As a result, many seed sellers are holding back on sales for the new harvest. Sunflower oil prices therefore have increased by about 5% in June. However, better harvests in the EU, Argentina, and Turkey are expected to have a price-dampening effect in the near future.



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Olive Oil

Prices for the current harvest have fallen slightly. However, the availability of sensorially high-quality oils has decreased, so that prices for these oils have remained largely unchanged. The upcoming harvest is currently viewed positively, leading many market participants to expect significant price declines for deliveries starting in November.



■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

The California almond industry is now 10 months through the crop season with Harvest fast approaching. This season, California has shipped 2.3 billion pounds of almonds, already securing the second largest sales/year in California almond history. The total crop came in at 2.44 billion pounds, meaning the supply of processed almonds is becoming low. 173 million pounds of this next crop has already been sold, but early estimates are indicating a large crop size. The objective crop estimate is to be released on July 10th, which historically has been the best indication of crop size. Many buyers and sellers will patiently wait for the next couple of weeks before making long term decisions.



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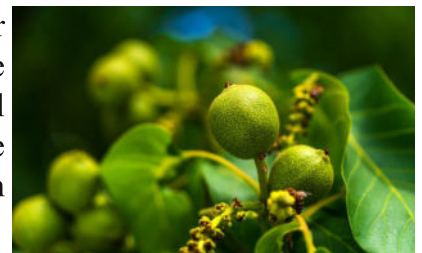
Pistachio Oil

Shipments of pistachios over the past month are down 16% while year to date shipments are up 42%. The decrease is due to shrinking inventory, many sellers are looking to hold current stocks as there are concerns the next crop will be less than 1 billion pounds. California pistachios alternate between on and off years. In off years like 2024 production may be down as much as 40% compared to on years. Crop assessments have produced mixed results. Golden Hills and Lost Hills varieties look strong, but the Kerman variety is certainly having issues this year.



Walnut Oil

California has run out of walnuts to sell. There are still kernels for sale at elevated prices, but processors have shut down for the season. Many farmers either pulled out or reduced the total production of their orchards. We are now starting to see the consequences. The coming crop is expected to be between 675,000 and 750,000 tons. (2023 crop was 820,000 tons)



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■ AMENDED SPECIFICATIONS

Click [here](#) for all actual specifications.

- Each month we will send you current information on the vegetable oils and fats market in form of this market report. Stay tuned and assess the current developments. If you have any questions, please do not hesitate to contact your usual contact person.

Your Gustav Heess Team



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