

Market Report October 2024

■ GENERAL OILS AND FATS COMPLEX

Soybean Oil

The competitiveness of soybean oil compared to other oils has increased in recent months. The estimates for global production for the period Oct. 24/Sept. 25 have been revised up to around 66 million tons. This is in comparison over 3 million tons more than the previous year. However, exports from Brazil will decline significantly next year as the biodiesel blending rate there will increase to 15% starting in March 2025. Additionally, stocks in the U.S. are currently at an unusual low level. In the near future, exports from Argentina are expected to play a bigger role.



Due to significantly lower quantities of sunflower oil and rapeseed oil, large importing countries like Egypt, India, and Iran are turning to soybean oil, which could quickly use up the larger quantities of soybean oil and cause prices to rise again. There is also the surplus of soybean meal due to the higher demand for soybean oil, which is putting pressure on the market. In order to maintain crushing margins, processors will inevitably have to raise oil prices in the medium term.

Sunflower Oil

The latest estimates assume a global production of only 21.2 million tons for the period Oct. 24-Sept. 25. This is 2.4 million tons less than in the same period last year. The sowing conditions in Argentina are also not looking good due to the unfavorable weather conditions and suggest a below-average harvest. However, these unfavorable trends are somewhat mitigated by high stocks. Nevertheless, it can be assumed that prices will rise in the coming months and that many consumers will switch to other oils.



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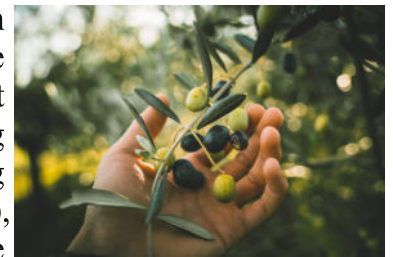
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Rapeseed Oil

Quantities are expected to decline here too. In particular, significantly lower harvests than in previous years were recorded in the EU, which will lead to a decrease in global production by approximately 1.3 million tons for the period Oct. 24-Sept. 25. Due to trade restrictions with Russia and Belarus, as well as reduced quantities from Ukraine, it will be difficult for the EU to compensate for local declines with imports. Therefore, supply rationing and rising prices are also expected in this case.

Olive Oil

Current estimates suggest an olive oil production of around 1.3 million tons for Spain. This has recently led to significantly more attractive prices for contracts from January 2025 onwards. For the old harvest (delivery in October and early November), high prices are still being asked, but demand is very low. If weather conditions in the coming weeks are favorable (moderate temperatures and beneficial rainfall), prices could continue to go down. However, if conditions are unfavorable, the cooperatives will be more cautious again. Italian production is likely to be below average this year.



Castor Oil

The Castor Market is currently seeing price increases and a high volatility. The monsoon is over, and castor sowing is completed in all main castor growing areas. With excess rain this year some parts of the castor growing areas received too much rain and many areas were submerged in water and hence the crop failed. Overall, around 0.8 million hectares were planted this year, while last year it was 0.95 million hectares. However, there will be enough water available in the soil and reservoirs are filled so at least the yields should be ok. Currently the market is moving up daily, main reasons are speculators that are pushing the market and the unknown carryover from the 2024 crop as seed arrivals in the oil mills are declining. Furthermore, India has introduced import duties on refined Palm oil, Sunflower oil and Soybean oil which increased overall vegetable oil prices in India. Also, shipments out of India are still delayed by at least a month due to congested ports and longer time on sea due to the detour around the Cape of Good Hope.



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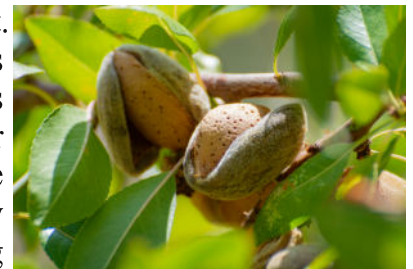
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■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

Temperatures have been extremely high during this year's harvest. This has put pressure on farmers to harvest faster to protect the nuts from the intense heat. Many in the industry are concerned this sustained heat will result in a lower quality overall crop. Early huller information is that damage is as bad as last year and most likely the crop will not reach the USDA estimates of 2.8 billion pounds. New sales have been down from last year as many producers are waiting to see what the new crop looks like.



Hazelnut Oil

The Oregon hazelnut industry has recently paused its objective surveys with the National Agricultural Statistical Service, mainly because the traditional modeling practices couldn't accurately reflect the rapid changes within the industry. Over the past decade, the industry has tripled in size, now encompassing nearly 100,000 acres of hazelnuts. Moreover, many new varieties with different production levels per acre have been introduced, adding further complexity to the estimates. Although the subjective estimate relies only on input from participating growers, it still provides a valuable benchmark. This year's subjective estimate is 97,460 short tons. This suggests a range between 85,000 and 105,000 short tons. The nut set appears promising, with many growers satisfied with their production levels. Nut size also seems to be within the normal range, and we are optimistic that this crop will yield more nuts measuring 15mm or larger, with fewer under 10mm, compared to the 2023 crop.



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Walnut Oil

The USDA's National Agricultural Statistics Service (NASS) released the official 2024 California Walnut Industry Objective Measurement Report, and the 2024 California walnut production is forecasted at 670,000 tons (607,814 MT), down 19% from 2023's production of 824,000 tons (747,520 MT). In addition, the quality is not good with a lot of sunburned nuts especially in the Chico area. The forecast is based on 370,000 bearing acres, down 4% from 2023's estimated bearing acreage of 385,000 acres.



■ AMENDED SPECIFICATIONS

300131 Organic soybean oil refined Ph. Eur.

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.

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