

Market Report December 2024

■ GENERAL OILS AND FATS COMPLEX

General information

Palm oil prices remain firm and continue to show significant premiums over soybean oil and rapeseed oil. The main price drivers were the heavy rainfall and resulting floods in parts of Southeast Asia on the one hand, and on the other hand, the emerging higher demand from the Indonesian biodiesel industry. Nevertheless, these significant premiums will not be sustainable, as many consumers have switched to cheaper soybean oil. If palm oil producers want to avoid permanently losing key markets, such as those in Africa, price adjustments will be necessary.

An important factor for future price developments will be the plans of the upcoming U.S. administration to impose tariffs on various products. These potential import tariffs could, in turn, trigger corresponding countermeasures.

Soybean Oil

The favorable forecasts for South American soybean harvests have helped mitigate the general upward trend in vegetable oil prices. However, the discount on palm oil is gradually narrowing due to current strong demand. The demand volumes of the biodiesel industries in Brazil and the U.S. remain uncertain.



Rapeseed Oil

Rapeseed oil prices have risen noticeably in recent days. This is due to dwindling rapeseed stocks. Additionally, last week, Statistics Canada revised the Canadian rapeseed harvest down by 1.1 million tons.



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Sunflower Oil

Sunflower oil prices remain stable. The Russian harvest turned out better than initially expected. The premium for high-oleic sunflower oil remains unusually high. Physical supply for near-term delivery remains limited.



Olive Oil

The Spanish harvest has been underway for about four weeks. Production for the month of November amounted to 255,000 tons, which increased total stocks in Spain to 320,000 tons after outflows (domestic consumption and exports) of 75,000 tons. December production is also proceeding well so far. Cooperatives have started marketing larger quantities. For this reason, price levels for near-term delivery have dropped significantly. Italian buyers are particularly active at the moment, as this year's Italian harvests are expected to be below average. Prices for Italian olive oil have been raised significantly in recent weeks. However, it remains to be seen how consumers will react to such a large price gap compared to Spanish or Greek oil.



■ KEY PRODUCTS FROM THE GUSTAV HEESS PRODUCTION IN THE USA

Almond Oil

The California Almond trees are starting to go dormant for winter. It looks like California will fall just short of the 2.8 billion pound estimate. Last week was the California Almond conference. Growers, processors, and other industry professionals came together in the State capital of California to discuss the most important topics and give a prediction of the crop size.



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Pistachio Oil

Now that Pistachio harvest is over all of the crop has come in. Crop Receipts were revised to 1.11 billion pounds and with a carry over of 184 million lbs. from the previous crop, gross inventory stands at 1.29 billion pounds. Shrinkage and other losses, results in an adjusted inventory of 1.18 billion pounds. Compared to last year, availability is down by 22%. This was expected as California is in the down year of the 2 year pistachio cycle.



Hazelnut Oil

Hazelnut harvest numbers have come in near projections, but quality concerns have come true in many areas. Prices have seen large variations depending on crop quality.

Walnut Oil

Due to lower acreage the crop size of California appears to be around only 600,000 tons. In addition, the crop size of Chile appears to be only mediocre and China is buying more walnuts currently. This could have an impact and increase the price level.



■ AMENDED SPECIFICATIONS

300040 Soybean oil hydrogenated Ph. Eur.

140041 Shea butter refined melting point 43°C

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

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we are closed on the following days:
12/24/2024 Christmas Eve | 12/25/2024 Christmas Day
12/26/2024 Boxing Day | 12/31/2024 New Year's Eve | 01/01/2025 New Year

- 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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