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Market Report January 2025

General Oils and Fats Complex

Soybean Oil

The harvest conditions in Brazil are still considered to be good to excellent. Argentina is currently suffering from very dry weather. La Niña conditions are expected to persist in the coming months. However, it is still anticipated that large quantities of soybean oil will be available to the market in 2025. Many palm oil consumers are still switching to the cheaper soybean oil, which keeps demand strong.
Uncertainties remain regarding U.S. biodiesel regulations. It is not yet clear which direction the next US administration will take. Ongoing tariff discussions further increase these uncertainties.

Sunflower Oil

Russia has significantly processed more sunflower seeds than initially estimated in recent months, despite a smaller harvest compared to the previous year. The reason for this is the anticipated increase in export taxes in Russia. This led to a price decline in recent weeks. However, this means that significantly lower quantities are available for the rest of the campaign until September, which will cause prices to rise again for later dates in the year. Some market participants are already sold out or very well booked for the first quarter.again for later dates in the year. Some market participants are already sold out or very well booked for the first quarter.

Rapeseed Oil

Rapeseed oil prices have continued to strengthen in recent weeks. This trend is expected to persist until the new harvest in June, as the rapeseed crop has also been smaller than last year.

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Olive Oil

The harvest in Spain is progressing well, with 583,000 tons of olive oil produced in December. Current stocks amount to 823,000 tons, and experts estimate total production to reach approximately 1.4 million tons. These projections have caused prices to drop significantly over the past two months. However, prices have rebounded by about 5% in the last two weeks. A large portion of the stock remains with cooperatives, while buyers are holding back in anticipation of further price declines, resulting in limited market activity at the moment. Recent rainfall has generally improved the situation.
In contrast, the Italian harvest is expected to be below average this year. Italian oil is trading at historically high premiums compared to Spanish or Greek olive oil.

Key Products from the GUSTAV HEESS Production in the USA

Almond Oil

Last week the Almond Board of California (ABC) released their position report regarding the month of December. Total crop receipts came in at 2.576 billion pounds, falling just short of the projected 2.6 billion pounds. Shipments for the month of December fell right in line with projections and while sales are down from last year, they are still well within projections. Exported shipments continue to grow and overall, the market remains in a strong position.

Pistachio Oil

Demand for American pistachios remains strong. We are seeing a 2.3 % YoY increase in shipments. Adjusted inventory is currently at 1.18 billion pounds, which is 22 % down from last year. This was expected as American pistachios are in their off year of their 2-year production cycle.

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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.

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