



Market Report

December 2024





CONTENT

1. [VEGETABLE OILS](#)
2. [PALM OIL MARKET](#)
3. [SOYBEAN OIL MARKET](#)
4. [SUNFLOWER OIL MARKET](#)
5. [RAPSEED OIL MARKET](#)
6. [LAURIC OILS MARKET](#)
7. [CONCLUSIONS](#)



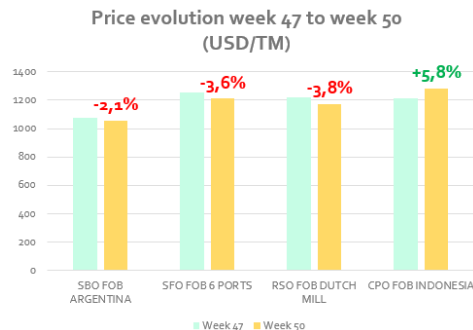
Vegetable Oils



1. VEGETABLE OILS

CPO remains the price leader

8 VEGETABLE OILS: World Balance (Mn T)	October / September				
	24/25F	23/24	22/23	21/22	20/21
Op'g stocks	31.02*	32.35	29.79	27.51	27.60
Production	221.13*	218.94*	213.84	204.46	201.59
Change	+0.8%	+2.7%	+4.6%	+1.4%	+0.8%
Imports	89.96*	90.03*	92.45	82.96	88.58
Exports	90.12*	90.55*	92.59	83.54	88.53
Consumption	222.45*	219.75*	211.15*	201.60	201.73
Change	+1.7%	+4.1%	+4.7%	-0.1%	+0.2%
End'g stocks	29.54*	31.02*	32.35	29.79	27.51
Stocks/use ratio	13.3%	14.1%	15.3%	14.8%	13.6%



Vegetable oils prices have taken a breather lately, but fundamentals still however appear positive. Indeed, vegetable oils balance for 2024/25 appears every time tighter with an increase of only 2.2 MnT, less than half the growth registered in 2023/24.

CPO prices have continued with an unusual large price premium over SBO, RSO and SFO. CPO futures have even reached a new high on various positive fundamentals.

SFO prices experienced a recent setback for the first time since the start of the campaign as demand has been stagnant and sunflower seeds crushing exceeded expectations in Russia.

SBO prices currently have a large discount vs. CPO prices, triggering demand in importing countries like India. **Spread narrowing appears inevitable as SBO can only replace CPO as a certain extend.**



Over the past weeks SBO, SFO and RSO have been slightly down while CPO is up again (+6%).



Palm oil market





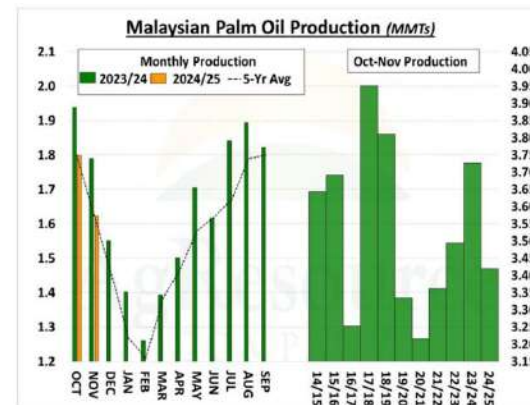
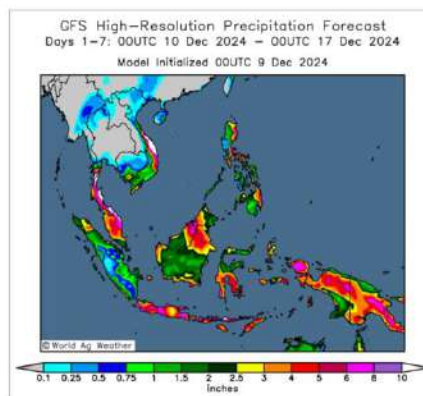
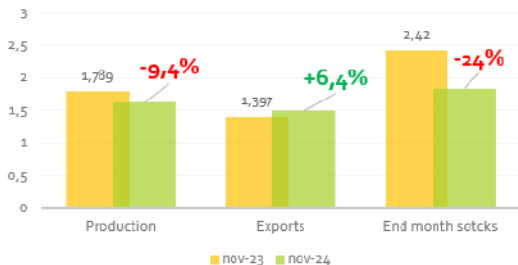
Palm Oil Market

Malaysia



Malasian CPO outlook

Nov-24 vs Nov-23
(millions tons)



MPOB Nov supply and demand estimates:

- **Production = 1.621 MnT down 10% vs. Oct.** (slightly lower than market expectations) and vs. last year's level.
- **End-month stock slipped by 2.6% vs Oct.** (1.836 MnT) higher than market expectations but -23% vs. last year's level.
- Exports are down 15% vs. Oct. but up 6.4% vs. Nov. 2023.

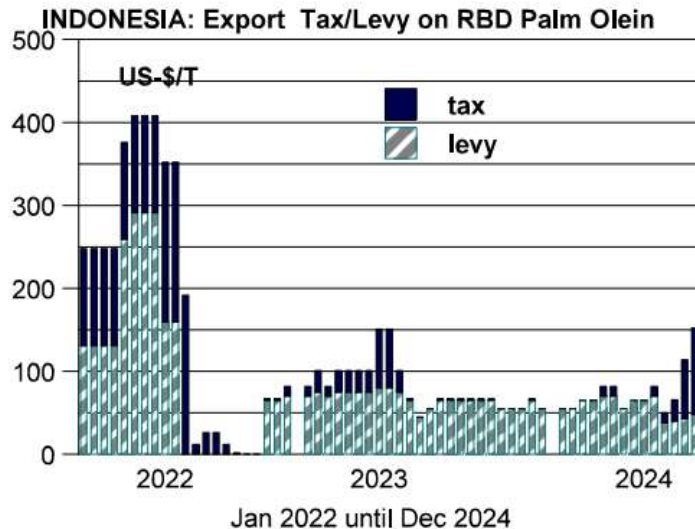
Ongoing heavy rains in parts of Malaysia are expected to take a toll on December production adding concerns on an already tight CPO supply outlook.

Indeed, floodings in producing regions have perturbed logistic with blocked roads affecting transport of fresh fruit to mills.



Palm Oil Market

Indonesia



Further increase in export taxes and levies in December have implied a significant uptrend of prices in the domestic market. A new upward revision may already follow in January.

The export levies are mainly used for financing biodiesel admixture.

Indonesian government has reaffirmed its plan to introduce the B40 biodiesel blending mandate by Jan 2025. However, such a measure is forecasted to take at least 6-months for its implementation.



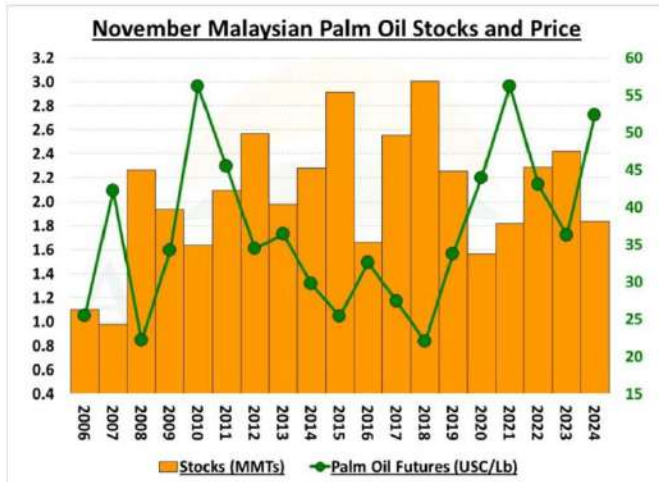
Palm Oil Market

Palm oil remains the price leader upward

A 6-months delay in implementing the B40 biodiesel mandate in Indonesia has been discussed, bringing relief to CPO prices last week. However, over the past weeks **CPO have remained the price leader upward** due to various supportive fundamentals:

- **Heavy rains and floodings** currently impacting logistic and production in Southeast Asia.
- Potential **increase in Indonesian CPO usage for biodiesel.**
- **Lower production coupled with low stocks.**

Malaysian production could end up lower in December due to detrimental weather. Price direction will highly depend on the extend of the loss in production in Malaysia for the month but also on new conditions/delay of Indonesia biodiesel new policy implementation.





Soybean oil market

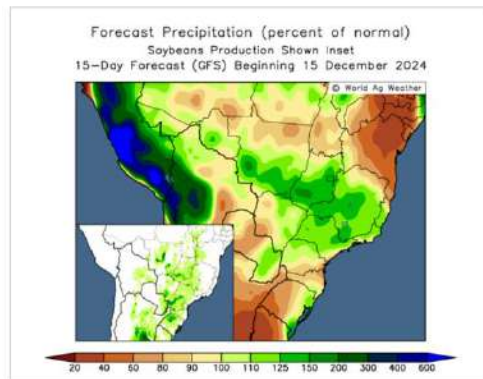




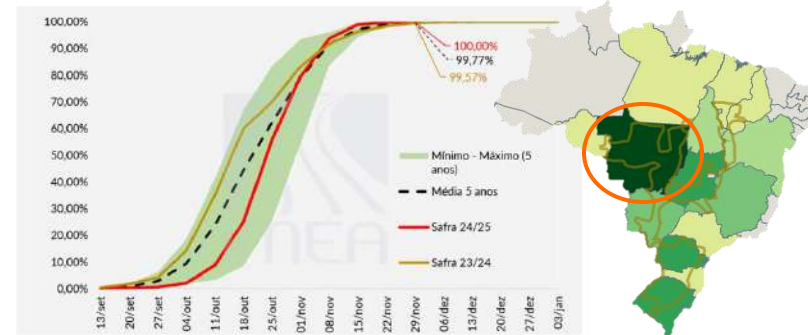
Soybean Oil Market

Prospects remain very favorable for South American production

	Harvest Area (Mn Ha)		
	24/25	23/24	22/23
Brazil	48,1	46,8	45,7
Argentina	17,6	16,3	14



Mato Grosso planting progress

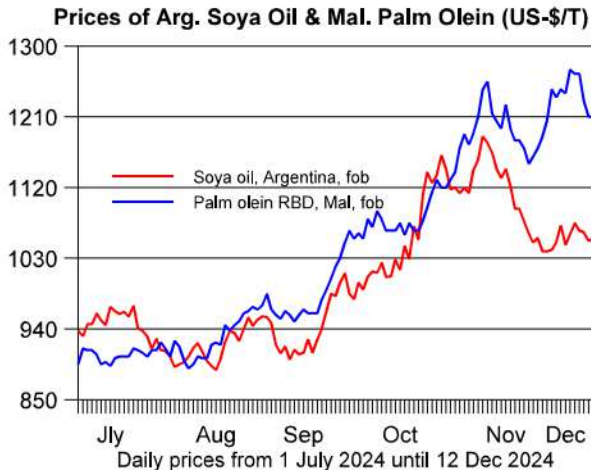


ARGENTINA: Crop prospects are very good. Plantings are slightly ahead of last year's level and average (about 65% is done). About 64% of the crop is rated good to excellent (vs. 36% last year) and 36% is rated normal (vs. 62% last year.) Soil moisture is adequate almost everywhere and weather forecast appear positive. **USDA has raised its production estimates for Argentina by 1 MnT, to 52 MnT.**

BRAZIL: Soybean plantings are almost done favored by beneficial rainfall and forecasts points to more rains that will allow the crop to develop normally. Soil moisture has been improving week by week and soybean are generally in good conditions with high yield potential. Soybean plantings are completed in Mato Grosso (ahead of last year's pace) and Parana. **CONAB is estimating soybean crop to reach 166.2 MnT while private estimates show data around 170 MnT. USDA estimates a crop of 169 MnT.**

Soybean Oil Market

Prices may have an upward potential



Consumers worldwide have reacted to the unusual discount of SBO vs. CPO and have stepped up SBO purchases.

Combined SBO exports of Argentinian, US, Brazil and Paraguay increased by 1.15 MnT (+86%) from a year earlier to a record 2.5 MnT in Sept/Nov 2024 (vs. 1.3 MnT in Sept/Nov 2023). **However, SBO can only partly offset shortages** in CPO and RSO and SFO shortages. **Narrowing down of the spread is therefore inevitable with SBO prices likely to strengthen.**

Indeed, a surplus of SBO will be absorbed quickly. **Weather developments in South America, trade relations between USA and China and price development of related vegetable oils will also be determining for SBO prices direction** in the coming weeks/months.



Sunflower oil market





Sunflower Oil Market

Harvest is completed in EU and Black Sea region

Ukraine

Harvest is over. **Yields are reported down 9% below the last 5 years average. Production has been further revised downward, below 12.5 MnT** which is 15% below last season's level.

Russia

Harvest is satisfactory in Volga region. **Estimates remain unchanged below 16 MnT, down 10% year-on-year** mainly due to disastrous results in the south and north Caucasus regions.

EU

Production has been further revised downward mainly in France, Romania and Bulgaria due to the bad weather conditions.

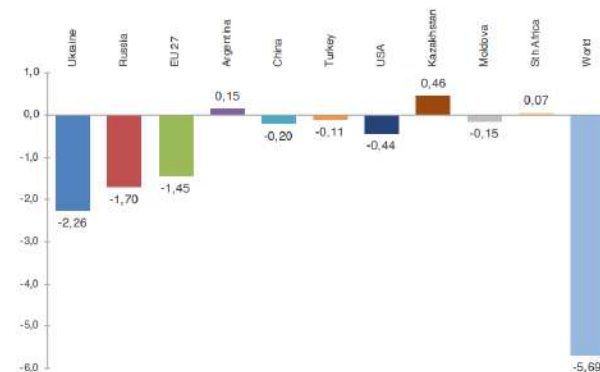
Argentina

Small increase in Argentinian production is expected mainly on increase acreage.

2.17. SUNSEED PRODUCTION IN MAIN COUNTRIES IN 2024

	Area (Mha)			Yield (t/ha)			Production (Mt)		
	2023/24	2024/25	Δ/prev. report	2023/24	2024/25	Δ/prev. report	2023/24	2024/25	Δ/prev. report
Ukraine	5.77	5.71	0.00	2.53	2.17	-0.03	14.62	12.36	-0.18
Russia	9.44	9.38	0.00	1.85	1.68	0.00	17.44	15.74	0.00
EU 27	4.80	4.85	0.00	2.06	1.74	-0.07	9.88	8.43	-0.34
Argentina	1.78	1.82	0.00	2.02	2.07	0.00	3.60	3.75	0.00

2.18. MAIN CHANGES IN SUNSEED PRODUCTION IN 2024 COMPARED TO PREVIOUS MARKETING YEAR (MT)





Sunflower Oil Market

Tight sunflower oil balance for 2024/25

Due to the global sunflower seeds deficit, **SFO ending stocks for 2024/2025 season are expected at an all-time low level**, with critical low stock/use ratio of 8.3%.

EU sunflower seeds processing is expected to decline by 15% in the first 6 months of 2025 with most of the setback likely to occur in France, Hungary, Netherlands and Romania.

The declining supplies and high prices of SFO from the Black Sea region have triggered import demand from Argentina. Certainly, Argentinian SFO exports are estimated to have reached a 16-year high of 1.14 MnT in Jan/Nov 2024 (vs. 1 MnT las year).

Global SFO production is estimated at 19.6 MnT this season, down from the 23.2 MnT in 2023/24.

4.22. SUNFLOWER OIL BALANCE SHEETS FOR RUSSIA, UKRAINE, AND ARGENTINA (KT)

	Ukraine			Russia			Argentina		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Carry-in stocks	434	300	72	638	815	505	46	96	60
Production	5720	6453	5162	8566	7720	6489	1473	1644	1509
Imports	2	1	4	10	10	11	0	0	1
Exports	5541	6397	4910	4170	5240	4190	822	1100	948
Industrial use	5	5	5	420	420	420	5	5	5
Food use	280	280	260	1960	2130	2000	570	550	555
Other uses	30	20	20	50	50	50	26	25	27
Carry-out stocks	300	72	43	615	505	345	96	60	35
stocks-to-use	5%	1%	1%	9%	6%	5%	7%	4%	2%

4.11. CHANGES IN PRODUCTION IN 2024/25 VS. 2023/24

	23/24	24/25	Δ/prev. report	Δ/23-24
Sun oil	23.2	19.6	-0.2	-3.6



Sunflower Oil Market

SFO could become the price leader upward

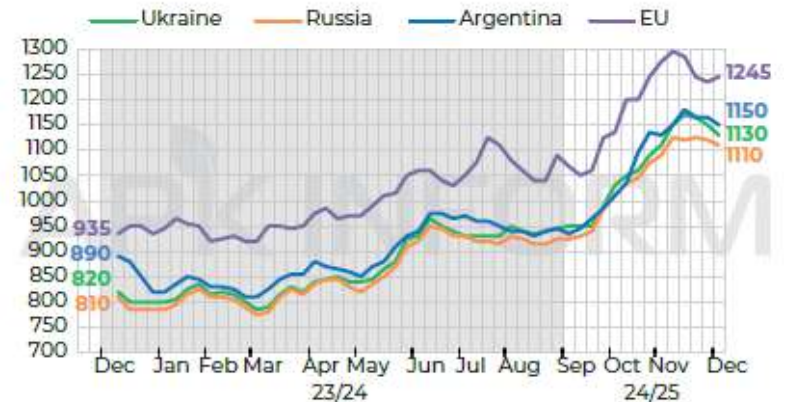
SFO prices have been dominated by a setback in the past weeks. Surely, demand has been low as **consumers have shifted to other vegetable oils and crushing apparently exceeded expectations** lately, mainly in Russia.

Large exports of SFO have been registered in Sept/Nov 2024 and even increased from a year earlier.

However, **demand might pick up in India and EU and SFO could convert in the price leader** within the next 3-4 months due to the sunflower seeds crushing decline expected in key exporting countries.

Moreover, any conflict escalation in the Black Sea region would lead to additional price premiums.

Price dynamics of sunflower oil (offer, FOB), USD/t





Rapeseed oil market

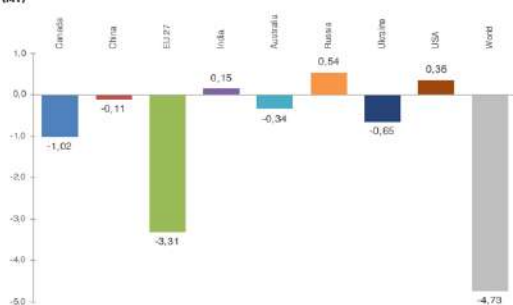




Rapeseed Oil Market

Global Rapeseed harvest slightly revised upward but global balance remains tight for 2024/25

1.16. MAIN CHANGES IN RAPESEED PRODUCTION IN 2024 COMPARED TO PREVIOUS MARKETING YEAR (MnT)



- CANADA:** Harvest is now fully done. **Statistic Canada revised downward its crop estimates by more than 1 MnT** to 17.84 MnT (vs. 19.2 MnT last year.) **This year's average canola yield was reduced by 7%, a 3-year low.** The bullish impact of lower supplies has however been offset by the uncertain canola oil demand prospects in the US.
- AUSTRALIA:** **ABARES increased its estimates to 5.6 MnT for 2024/25** season, up 8% vs. 2023/24. Recent rainfall seems to have improved yields.
- RUSSIA:** Production has been revised downward, but the **harvest is still however estimated at its highest level ever.**
- UKRAINE:** **Crop is estimated 3.85 MnT** (vs. 4.6 MnT in 2023.) Exports will most likely decline in the remainder of the season.

1.1. WORLD RAPESEED AND CANOLA BALANCE

Rapeseed (Mt)	2023/24		2024/25	
	25/10/24	29/11/24	25/10/24	29/11/24
July-June				
carry-in	9.4	9.4	9.4	9.3
production	89.2	89.2	84.4	84.5
trade	18.9	18.9	17.5	17.5
crush	85.3	85.3	84.3	84.2
other cons.	3.9	3.9	3.0	3.0
carry-out	9.4	9.3	6.5	6.6
stock/use ratio	10.5%	10.4%	7.4%	7.6%

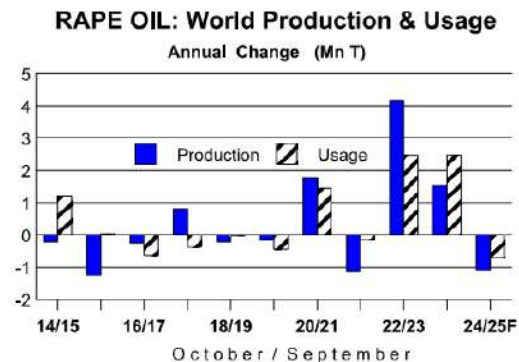
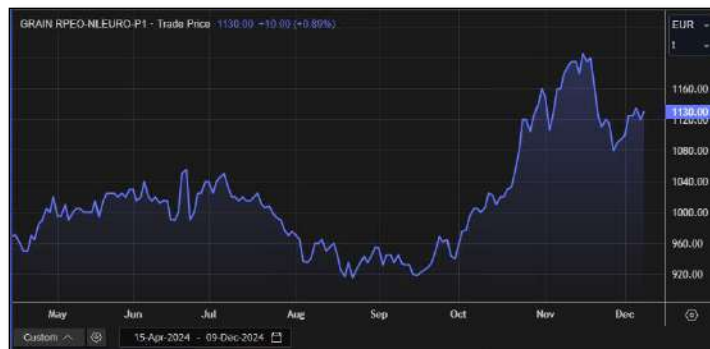


World ending stocks are forecasted at 6.6 MnT (-2.7 MnT vs. previous campaign.) The situation is expected to be particularly tight in EU, Canada, Australia and Russia.



Rapeseed Oil Market

RSO prices have an upward potential



RSO prices have been supported in the past days due to Incident on the Moselle river that disrupted rapeseed deliveries. RSO is currently highly competitive on the world market vs. CPO and SFO.

Demand is most likely to increase on the year despite declining supply vs. 2023/24 campaign. Therefore, global balance appears tight with a stock/use below the last 5-years average. In this context RSO prices remain with an upward potential. However, price directions could also highly depend on Canadian-USA trade relations but also on the development of the macroeconomic situation.



Lauric oils market





Laurics Oils Market

Prices development

Coconut Oil (CCNO): Supplies are to be tightening. CCNO has followed price leadership of PKO only at a distance during the past 2 months and **it is expected that prices return to a premium over PKO. CCNO prices are up 15% in Rotterdam since the past 2-months.** In 2025 a significant decline of Philippine production is expected.

Palm Kernel Oil (CPKO): Global production of PKO is currently expected to decline in 2024, leading decline in exports as well. **As a result, PKO prices in Rotterdam have been doubled within 12 months.**

Decline in production is expected to continue in the current quarter. Supplies will most likely recover between Jan/Sept 2025.



Conclusions



VEGETABLE OILS MARKET:

Conclusions



- Vegetable oils supplies appears every time tighter and as a result demand rationing has started both in the food and energy sector indeed, spread of vegetable oils vs. gas oil is severely impacting biodiesel competitiveness. Consumers have reacted to the large SBO discount vs. CPO by shifting demand.
- **PALM OIL:** The delay of a new biodiesel policy implementation Indonesia along with production development in Malaysia will be the main price determining factors in a context where requirements of CPO will most likely be high in 2025 in response to RSO and SFO shortages.
- **SOYBEAN OIL:** Although a comfortable balance is expected, the surplus will be absorbed rather fast and a narrowing down of spread vs. CPO appears inevitable.
- **SUNFLOWER OIL:** Could convert in the price leader as demand may pick up in a context where supplies are seen declining in exporting countries.
- **RAPESEED OIL:** Currently competitive vs. SFO and CPO but fundamentals remain positive with an expected tight balance sheet. Prices have an upward potential.

A world of vegetable oils!



LIPIDOS SANTIGA, S.A.
Ctra. B-141, Km. 4,3 - 08130 SANTA PERPETUA DE MOGODA (Barcelona) SPAIN

Tel. +34 935 443 110– Fax +34 935 741 936
info@lipsa.es | www.lipsa.es

Contact us:



The content of this presentation is proprietary and confidential information of LIPIDOS SANTIGA, S.A. It is not intended to be distributed to any third party without the written consent of LIPIDOS SANTIGA, S.A.