



Market Update February 2025





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Vegetable Oils



1. VEGETABLE OILS

Recent price developments

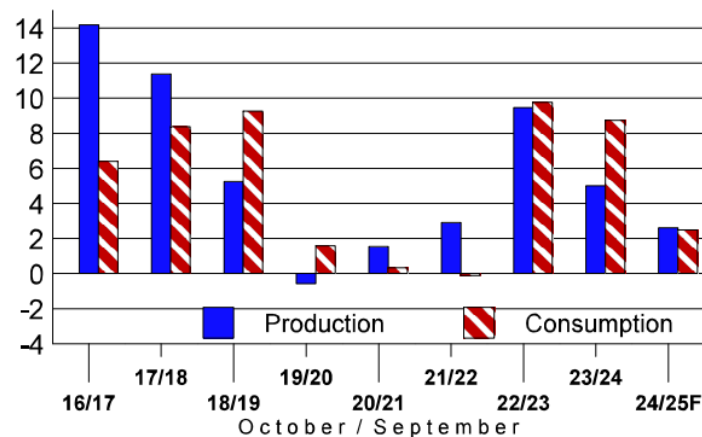
CPO prices have continued to ease but remain supported by the seasonally low production and prospective of additional demand for biodiesel sector in Indonesia.

SBO remains competitive. However, the ability of SBO to offset shortages in other vegetable oils will diminish during this season.

SFO still commands large price premiums vs. SBO in RSO. Prices still have an upward potential to accomplish the required demand rationing.

Prospective setback in crushing are seen **tightening RSO supplies in the coming weeks.**

8 Veg. OILS: Production & Demand
Change From Year Ago in Mn T





Palm oil market





Palm oil market

Malaysia



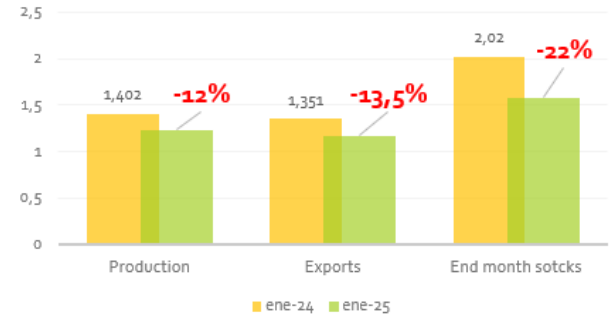
MPOB Jan supply and demand estimates:

- **Production:** 1.237 MnT, -17% vs. December and the lowest monthly production since February 2022.
- **End-month stock:** 1.58 MnT.
- **Exports:** 1.168 MnT, -13% vs. December, lowest level since February last year. Within market expectations.

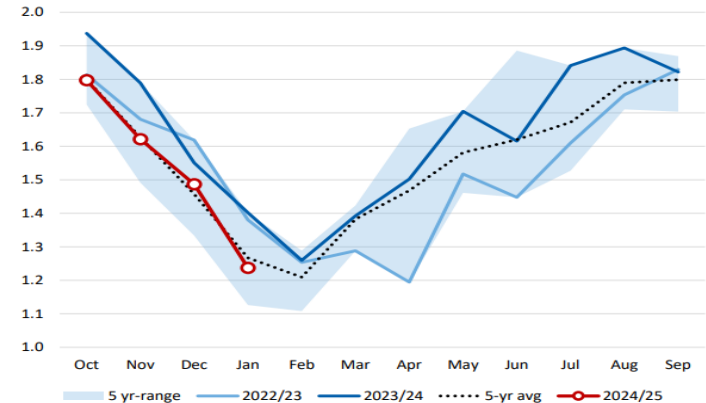
Supplies could remain tight in February with production anticipated to drop again.

Malasian CPO outlook

Jan-24 vs Jan-25
(millions tons)



Malaysia palm oil monthly production (mn t)





Palm oil market

Indonesia



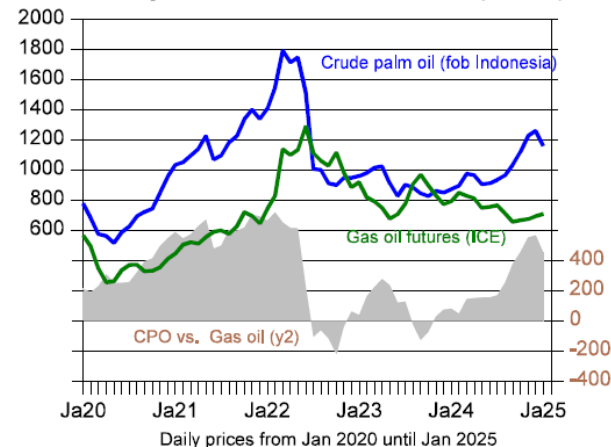
The GAPKI data for Nov have been released:

- **Production:** 4.745 MnT in line with last year's level.
- **Stocks:** 2.583 MnT up 3.2% vs. previous month but a large drop of 20% vs. November 2023.
- **Exports:** 2.637 MnT, up 22% vs. last year's level.

CPO production is expected to be up on the year with main Increase in Indonesia.

However, magnitude of Indonesia export will highly depend on the extend to which the B40 biodiesel mandate is fulfilled. For now, **it appears unlikely that B40 will be reached in coming month** also due to the unusually wide price spread to fossil fuels.

Monthly Prices of Palm Oil & Gas Oil (US-\$/T)





Palm oil market

CPO still commands premium over SBO

For now, **CPO prices remain supported by seasonal low production** and at a premium over SBO on the world market.

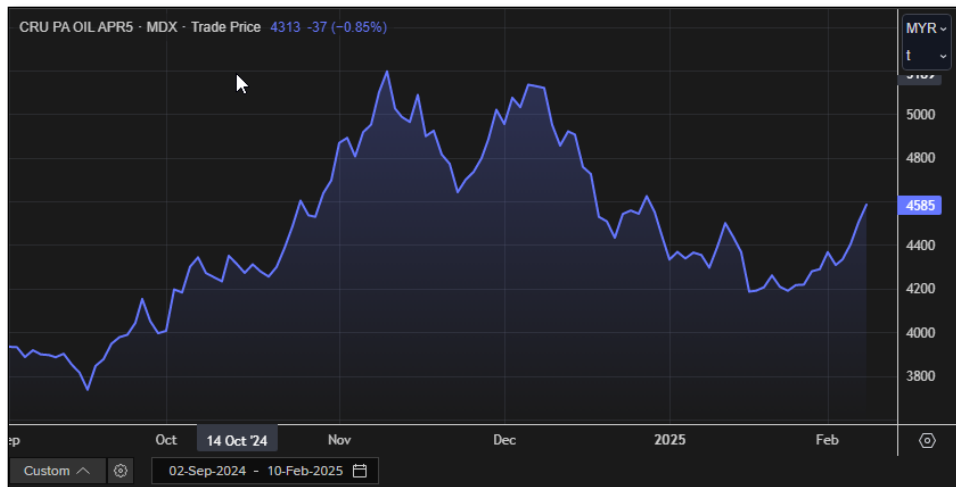
Prices will most likely decrease only once stocks in origin will recover.

Jan/March is generally the low production period in Southeast Asia and **stocks ended up about 2 MnT lower than last year in early January.**

World supplies are down about 1.6 MnT from a year earlier this quarter which justifies premium over SBO.

However, global production is expected to recover by almost 2 MnT between Jan/Aug 2025 which could raise export capacity.

Timing of implementation of new biodiesel admixture in Indonesia remains a swing factor to follow.





Soybean oil market

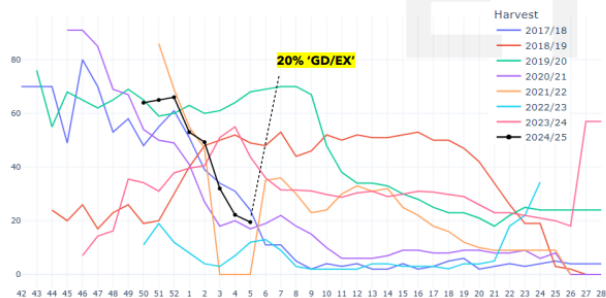




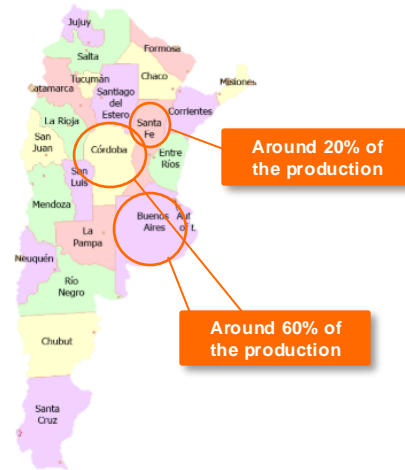
Soybean oil market

Crop conditions continue to deteriorate in Argentina

ARG SBS Crop condition // Good + Excellent



ARG SBS Moisture Condition // Favourable-Optimum



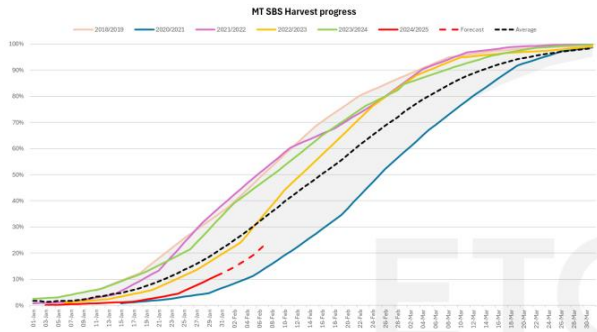
Argentina is still facing drought and high temperature, and rainfall still appear insufficient, principally in the Buenos Aires province, La Pampa and several other regions; 32% of the soybean crop is now rated poor to very poor (vs. 19% a year earlier) and 17% good to excellent (vs. 31% last year.)

The Oil World reduced its estimates by 3.8 MnT vs. last month to 48 MnT and further downward revision could still occur if it remains dry in February and March due to strengthening la Niña conditions. **Some observers even show estimates down to 44 MnT.**

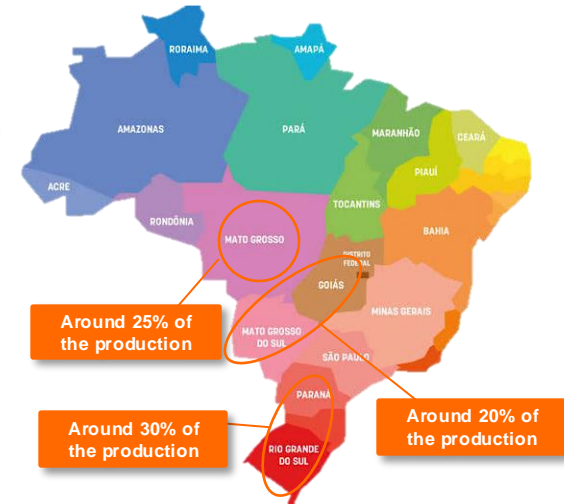
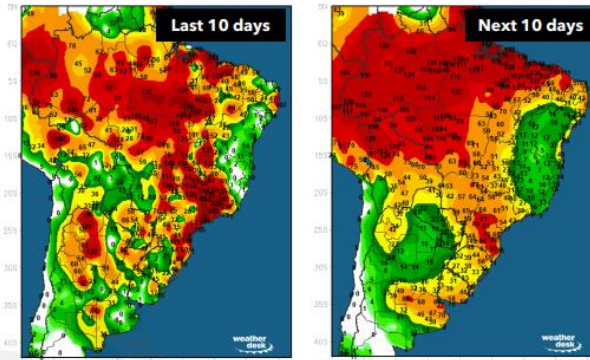


Soybean oil market

Severe delays in Brazilian harvest



Cumulative Precipitation //



Harvest is severely delayed with only about 1.5 Mn Ha or **3% of the area collected vs. almost 9% last year** (4 Mn Ha.) It is the slowest pace in 15 years principally in Mato Grosso, Parana and Sao Paulo.

Conditions have improved in northern parts with arrival of favorable rainfall, but the situation remain concerning with persisting drought in many parts of Rio Grande do Sul.

On the contrary in other parts heavy rainfall was received leading to quality deterioration to mature soybean which cannot be harvested as fields are too wet. Crop estimates vary widely between 169-174 MnT which would still be a new high despite some crop losses.



Soybean oil market

Weather market



Deterioration of crop prospects in Argentina, Paraguay and parts of Brazil supported the soybean complex lately.

Prospects for SBO remain supportive as record disposals in recent months will most likely lead to lower production and exports in the medium term. Moreover, **dependence on SBO will continue to grow to fill the gap of insufficient supplies in other oils.**

The prospective increase in global SBO production by 2 MnT (44.3 MnT) between Jan/Aug 2025 doesn't appear sufficient to offset reductions in SFO and RSO.

Price discount of SBO vs. other vegetable oils could therefore diminish in the coming months.

Trade and biofuels policies in US are important factors to watch as tariff hikes on Canadian Canola oil and/or Chinese UCO would both inflate SBO demand in the US market and therefore support prices.



Sunflower oil market





Sunflower oil market

High crush rate have weighted on prices, but fundamentals remain positive

Sunflower seed production estimates have been scaled back further in EU and in the Black Sea region. Global production has fallen to a 4-year low of 54 MnT (-5.2 MnT vs. previous season).

As a result, SFO output are estimated to only reach 21.2 MnT in Oct/Sept 2024/25 (-2.4 MnT vs. previous season) with global exports most likely to decline by 2.3 MnT in the same period.

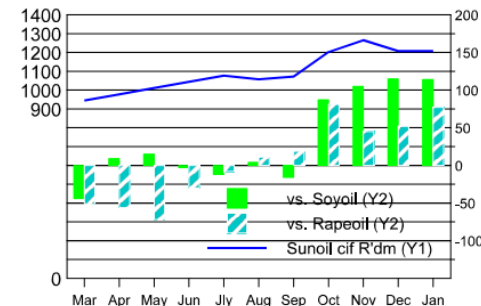
But high disposals led crushing to 18 MnT between Sept/Dec 2024 which implies that most of the necessary rationing will have to occur between Jan/Aug 2025.

The tightening supplies of SFO have resulted in a large premium vs. SBO and RSO in Rotterdam since October. **Independent strength of SFO is likely to develop in the coming month.**

SUNSEED : World Supply & Demand (Mn T)				
	24/25F	23/24	22/23	21/22
Open'g stocks	4.61	6.46	7.94	2.87
Production	53.93*	59.10	56.03	58.31
EU-27	8.53	9.89	9.52	10.39
Russia (a)	17.50*	18.60*	17.10*	15.66
Ukraine	12.20*	14.90*	12.68*	16.90*
Rep. of S. Africa81*	.64	.72	.85
U.S.A.52	1.02	1.27	.86
Argentina	4.10*	3.84*	4.13*	3.36*
Türkiye.	1.30*	1.28*	1.73*	1.75*
Total supplies	58.54*	65.56	63.97	61.18
Crush (Sept/Aug)	50.53*	55.51	52.03	47.84

Monthly Sun Oil Prices & Differentials (US-\$/T)

March 2024 until 23 Jan 2025





Sunflower oil market

HOSO is the most affected

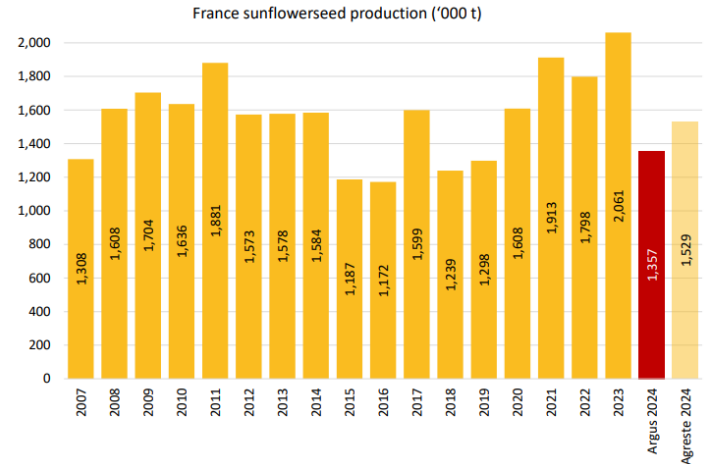
Supplies of HOSO are the most affected by this season's crop failure. **Production have been sharply affected in main High oleic producing regions.** This is primarily true in France due to drought and then heavy rainfall before and during harvesting.

France, Spain and Hungary are the largest producers of high oleic SFO; in France 75-80% of the crop normally consists of high oleic and the total French crop drop to 1.5 Mnt (vs. 2.06 Mnt last season.)

Moreover, Ukraine will probably only export 75-85 KTM of HOSO this season, down sharply from the 219 KTM in 2023/2024. This is mainly due to this season's reduced crop but also to the ongoing war and increasing problems in segregating.

Argentina is not really saving the situation: Most farmers have lost interest in high oleic due to higher costs, lower yields and price premiums fluctuations sometimes unattractive.

This year's price incentive caused by crop losses in EU and in the Black Sea region came too late to change planting intentions.





Rapeseed oil market





Rapeseed oil market

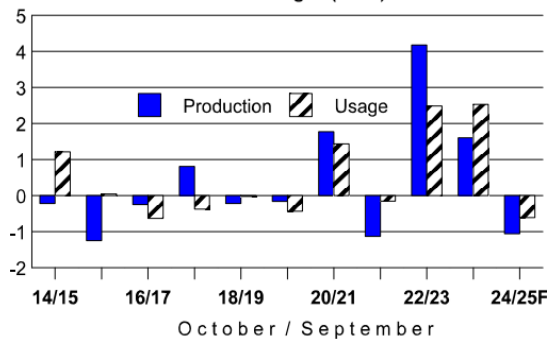
Crushing will decline in Jan/June 2025

RAPESEED & CANOLA : World Supply & Demand

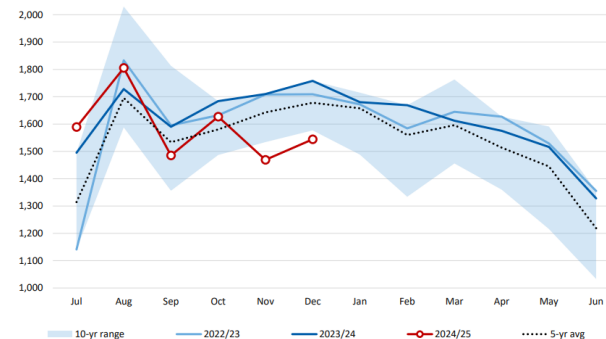
(Mn T)	24/25F	23/24	22/23	21/22
Open'g stocks	14.89	16.03	9.97	9.07
Production	74.28*	79.64	80.46	67.52
EU-27	16.83	20.17	19.64	17.23
Russia	4.66	4.20	4.33*	2.88*
Ukraine	3.80*	4.63*	3.73*	3.17*
Canada	18.60*	19.19	18.85	14.25
U.S.A	2.21	1.90	1.66*	1.30*
China	6.30*	6.60*	6.70*	6.50*
India	10.40*	11.00*	10.90*	10.70*
Australia	5.91	6.50*	8.58*	6.82
Total supplies	89.17*	95.67	90.43	76.59
Crush (July/June)	75.79*	77.70	71.26	64.73
Other use	2.30*	3.08	3.14	1.89
End'g stocks	11.08*	14.89	16.03	9.97
EU-27 (Jun 30)	.87*	1.66	1.93	.88
Canada (July31)	1.61*	3.18*	2.00*	1.48
Stocks/usage	14.2%	18.4%	21.5%	15.0%

RAPE OIL: World Production & Usage

Annual Change (Mn T)



EU Federal rapeseed crushing activity, ('000 t) [about 80% of total EU OSR crush]



High disposals in the first 6 months of this season's are leading to an expected decline of crushing by 4% between January/June 2025.

Total EU stocks are estimated to have fallen to a 3-years low of 9.5 MnT as of the end of December, down 18% vs. last year. **Global RSO production is seen declining to 15.4 MnT in Apr/Sept 2025** (-0.5 MnT vs. previous year) with main decline in Europe.



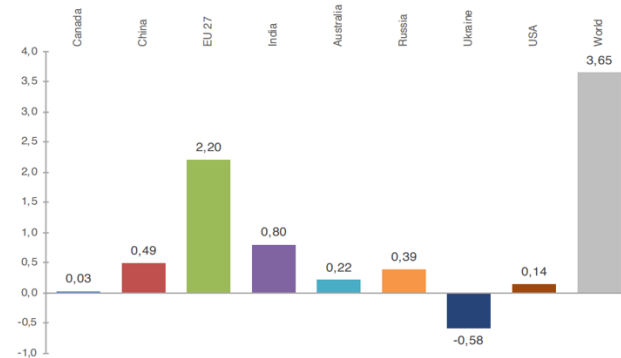
Rapeseed oil market

2025/2026 global production is expected higher

1.17. RAPESEED PRODUCTION IN MAIN COUNTRIES IN 2025

	Area (Mha)			Yield (t/ha)			Production (Mt)		
	2024/25	2025/26	Δ/ prec. report	2024/25	2025/26	Δ/ prec. report	2024/25	2025/26	Δ/ prec. report
Canada	8.84	8.36		2.06	2.18		18.22	18.25	
China	7.88	8.04		2.08	2.10		16.38	16.87	
EU 27	5.61	5.93		2.99	3.20		16.76	18.97	
Unit. King.	0.29	0.26		2.81	3.28		0.82	0.84	
India	9.05	9.50		1.14	1.17		10.34	11.14	
Australia	3.29	3.42		1.77	1.77		5.83	6.05	
Russia	2.59	2.76		1.86	1.88		4.80	5.20	
Ukraine	1.40	1.24		2.87	2.77		4.01	3.43	
USA	1.11	1.16		1.99	2.02		2.21	2.35	
Belarus	0.42	0.43		2.45	2.18		1.03	0.94	
Uruguay	0.13	0.15		1.71	1.72		0.22	0.26	
Others	1.78	1.77		1.67	1.69		2.98	2.99	
World	42.39	43.01		1.97	2.03		83.62	87.27	

1.18. MAIN CHANGES IN RAPESEED PRODUCTION IN 2025 COMPARED TO PREVIOUS MARKETING YEAR (MT)



Global rapeseed production could be up 3.7 Mnt in 2025/2026 (87.3 Mnt) vs. previous season. **Recovery are particularly expected in Europe due to higher expected yields.** Increases are also expected in China, Australia and Russia thanks to larger acreage.

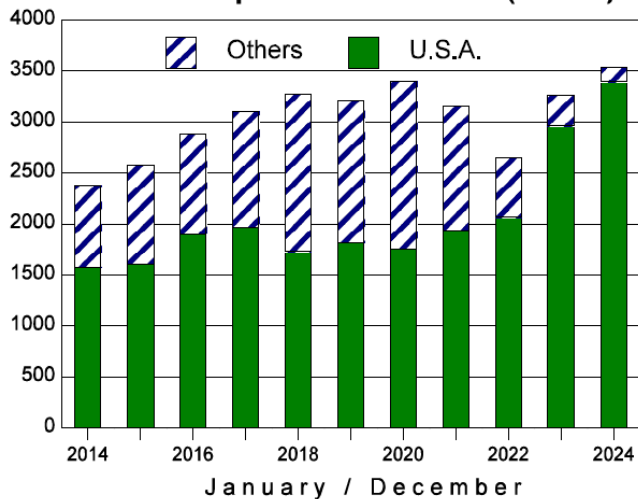
However Canadian production is expected to stay steady despite an expected increase in the yields. A 5% decline in the acreage is expected in Canada due to the loss of profitability of this crop and difficulties Canadian farmers have had in achieving satisfactory yields for years.



Rapeseed oil market

New US tariff could have impact on prices

CANADA: Exports of Canola Oil (1000 T)



The development of the trade relations between USA and Canada will be an important factor to follow.

Potential US tariff of 25% on Canadian products would slow down exports of canola seeds and oil into the USA and therefore Canadian crushing could decline and more seeds could be available for exporting to EU and Asia.

This new tariff could also have a negative impact on Canadian canola oil prices.



Lauric oils market





Laurics oil market

Prices development

Coconut Oil (CCNO)

- Prices have shown independent strength so far, although PKO and CPO prices have set back, and they have reached their highest level in more than 2 years.
- Exports supplies are seen tightening as yields are diminishing and biodiesel admixture is raising in the Philippines. Indeed, exports from Philippines were 10% down in January compared with December.

Palm Kernel Oil (CPKO)

- Malaysian production is reported down in January vs. December (-13%) at the lowest level since April 2023. Despite the drop in production, stocks rose vs. December mainly on the account of a steep drop in CPKO exports.
- February production is likely to see a further monthly decline as we are in the seasonal low production period and as heavy rains continue to affect harvesting.



Conclusions



VEGETABLE OILS MARKET:

Conclusions



- PALM OIL:** Low seasonal production is currently supporting prices. Production could be up in 2025 mainly in Indonesia, but details/delay of new biodiesel mandate implementation in Indonesia are still unclear. Dependence on CPO is most likely to rise to fulfill gaps caused by other vegetable oils shortages.
- SOYBEAN OIL:** Weather market is the main price determining factor in the short term, with drought problems in Argentina and slow harvest in Brazil. Dependence on SBO most likely to grow. US trade policies are an important factor to watch.
- SUNFLOWER OIL:** Tightening supplies have brought prices to a large premium over SBO and RSO. Prices still have an upward potential and could convert in the price leader upward.
- RAPESEED OIL:** Crushing is expected to be down in the remainder of the season. Trade relation between USA and Canada could have an important impact on prices.

A world of vegetable oils!



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