



Market Update March 2025





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Vegetable Oils



1. POC 2025 (Kuala Lumpur)

Highlights of the vegetable oils market

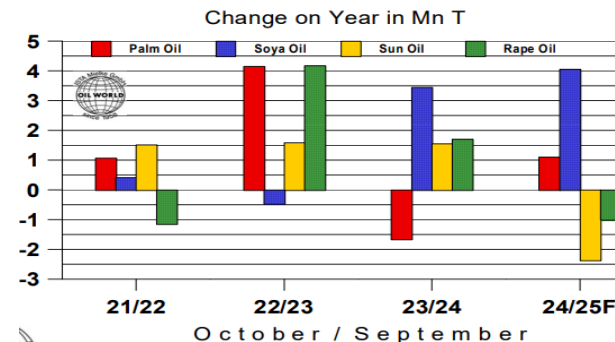
Dorab E. Mistry, Director at Godrej International

- CPO production needs to be raised, and it can and must be done in a sustainable way; CPO supplies will become more comfortable from April onward seasonally.
- Uncertain political outlooks can have major impacts on vegetable oils prices.
- Soybean seed production is expanding worldwide.
- SFO most likely to regain its premium oil position.

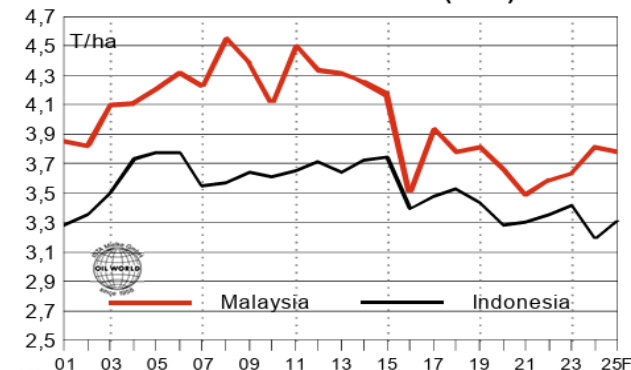
Thomas Mielke, Director at Oil World

- Deficit in vegetable oils production in 2024/2025 campaign.
- Challenge for the years ahead: Produce sufficient supplies of vegetable oils in a sustainable way.
- Price volatility has increased.
- Big challenges in CPO market: Lack of replanting, increase in mature area, rising costs, disease of trees.
- Shortage of CPO has triggered area expansion of other oilseeds.
- Biodiesel production could turn out lower than expected in 2025.
- Downward potential for CPO when production will seasonally rise and premium over SBO will decrease.
- SFO will appreciate and become the price leader upward.

World Production of 4 Major Oils

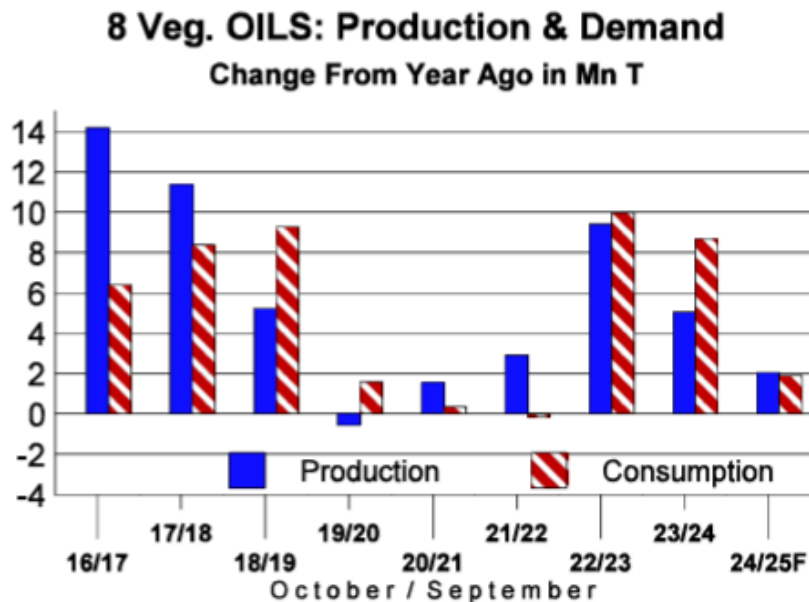


Annual Palm Oil Yields (T/ha)



1. VEGETABLE OILS

Recent price developments



CPO prices plunged in the past days on slower than expected fall in February production. However, for now **CPO remains the price leader** as stocks in Malaysia and Indonesia remain low and as production is still constrained.

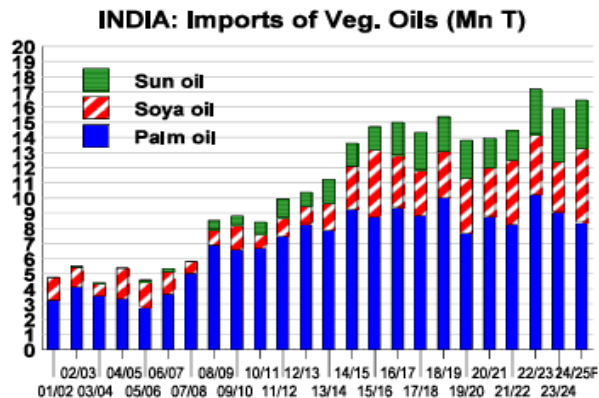
Many consumers have shifted part of their demand towards more competitive SBO.

SFO prices have appreciated as well, triggered by the ongoing slowdown of production.

RSO has remained the cheapest oil due to lack of demand from biodiesel producers as well as high crushing resulting in **supply surplus in EU in December and January**. Recent tariffs imposed on Canadian canola and products by China and USA have pressured prices.

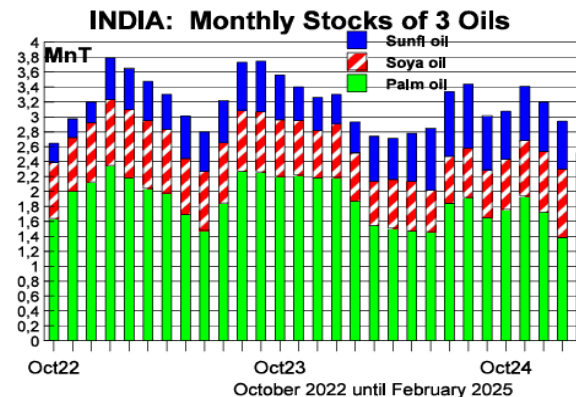
1. VEGETABLE OILS

Indian CPO stocks are at multi-year low



The **unusually high price premium** have curbed **Indian imports** and consumption of CPO in recent months.

CPO stocks have plunged in India over the past 3-months and combined stocks of major vegetable oils also appear reduced. SBO imports have also slowed down to an 8-month low in February.



India have accumulated large vegetable oils stocks by end of Nov explaining the recent slowdown in imports.

However, **stocks are decreasing rapidly, and purchase will inevitably need to pick up** and therefore have a repercussion on vegetable oils.



Palm oil market





Palm oil market

Production problems

Higher yields and acreage expansion are needed to produce sufficient CPO supplies in the years ahead to meet yearly growing demand.

Global annual average growth of CPO production slowed down to only 0,6% in the last 5 years to 2024 resulting in **alarming decline in exports**.

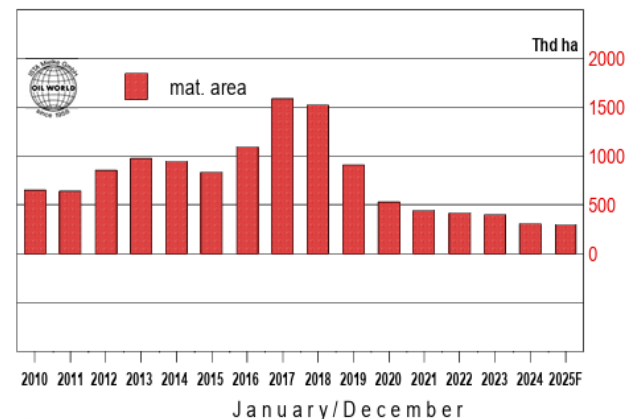
Challenges for the coming years:

- **Mature area is declining:** New plantings of oils palms must be encouraged.
- **Lack of replanting.**
- **Disease infestation spreading** at an alarming rate in Malaysia and Indonesia.

PALM OIL: World Supply & Demand Balance (Mn T)

	October / September				
	24/25F	23/24	22/23	21/22	20/21
Op'g stocks	12.73	14.60	14.64	12.52	12.81
Production . . .	81.23*	80.13	81.78	77.63	76.57
Imports.	48.15*	48.46	53.26	47.57	51.64
Exports.	48.18*	48.56	53.58	47.86	51.59
Consumption	80.94*	81.89	81.50	75.23	76.91
End'g stocks	13.00*	12.73	14.60	14.64	12.52
Stocks/usage	16.1%	15.5%	17.9%	19.5%	16.3%

PALM OIL : Annual Chnage in Area





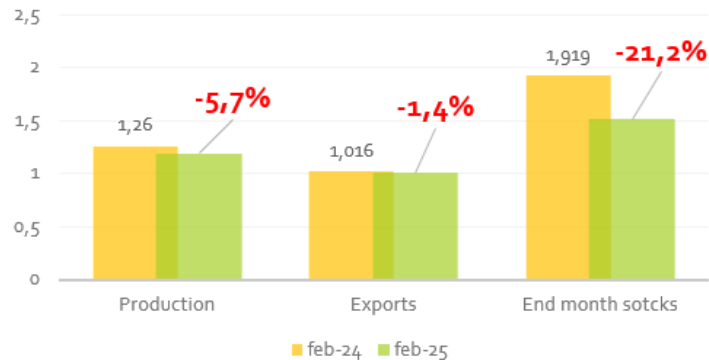
Palm oil market

Malaysia



Malasian CPO outlook

Feb-25 vs Feb-24
(millions tons)



MPOB February supply and demand estimates:

- **PRODUCTION:** 1.19 MnT, **-4%** vs. January; higher than market estimates.
- **END-MONTH STOCK:** 1.51 MnT, **-4,3%** vs. January; lowest level since April 2023.
- **EXPORTS:** 1.002 MnT, **-16%** vs. January; higher drop than market expectation.

Heavy rainfall and harvest delays have contributed to constrain February production. Moreover, infestation of bagworms is threatening yields and production

March production could see a marginal recovery.

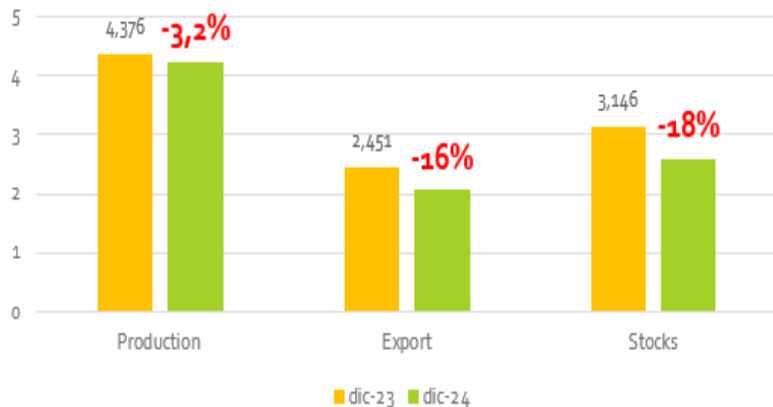


Palm oil market

Indonesia



Indonesia CPO + CPKO
Dec-24 vs Dec-23
(millions tons)



The GAPKI data for Dec have been released:

- **PRODUCTION:** 4.24 MnT, **slightly lower** than last year's level.
- **STOCKS:** 2.58 MnT a **large drop of 18%** vs. last year.
- **EXPORTS:** 2.06 MnT, **down 16%** vs. last year.

The higher-priced Indonesian CPO in December largely contributed to the sharp drop in exports.

In 2025 exports could be down on the back of higher domestic consumption despite higher production.

Indonesian palm consumption for biodiesel could rise by 1.1 MnT this year to 13.2 MnT.



Palm oil market

CPO still commands premium over SBO



CPO remains the price leader, still supported by production problems in Malaysia and Indonesia.

However, some downward pressure could occur if exports from Malaysia and Indonesia rise on the back of higher seasonal production in the coming month.

Moreover, the current weak demand is most likely to contribute to **price adjustment in the near/medium term**, indeed consumers continue to shift part of their demand towards SBO.

Indonesian compliance with new biodiesel mandate is a swing factor to watch however February consumption for biodiesel in the country has again fallen short of B40 mandate.



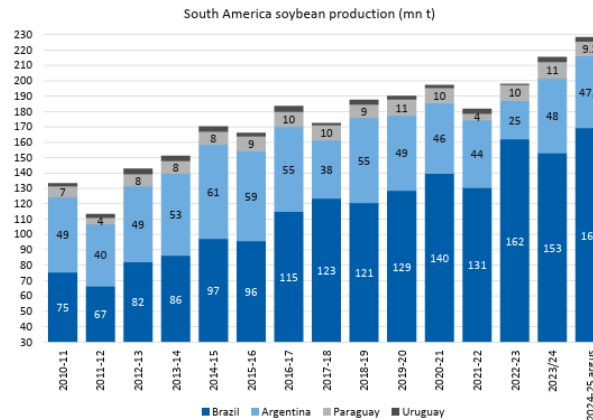
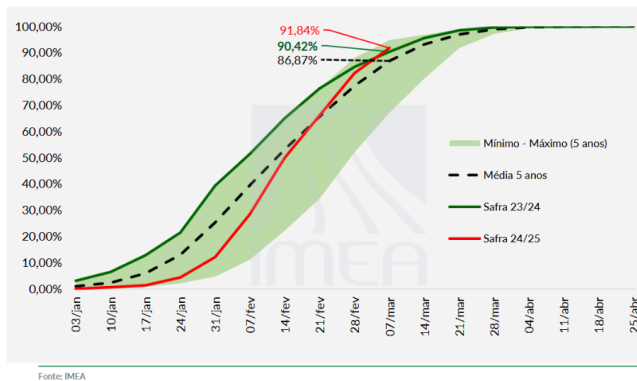
Soybean oil market





Soybean oil market

South American production still expected at a record level



Cut in South American production to 229 Mnt (vs. 236 Mnt early estimates) but still a record:

- **ARGENTINA:** For the third consecutive week crop conditions have improved. Soybean are rated 29% in good to excellent conditions; production has been revised down to 47 Mnt (vs. 49.2 Mnt last year.)
- **BRAZIL:** Acreage has slightly been revised downward due to torrential rains that occurred in end-January, however heavy rainfall recently stopped and permitted harvest work to progress at a good pace. Brazilian soybean harvest is estimated to be 70% completed. Brazilian production is still expected at a record between 169-170 Mnt (vs. 155 Mnt last year.)



Soybean oil market

Demand shift has triggered prices



Consumers in many importing countries have **switched part of their demand from CPO to more competitive SBO**. As a result, current high discount vs. CPO is most likely to narrow down in the coming weeks with both an appreciation of SBO prices and a declining of CPO prices.

US government decided to raise tariffs on imports from China/Mexico and Canada and retaliate measures from these countries have been taken.

Any trade war escalation will have major impact on prices. Indeed, this could result in a US soybean export decline and a slowdown of crushing bringing pressure to local prices.

Prices could remain volatile as uncertainties remain whether trade war will amplify or not.



Sunflower oil market





Sunflower oil market

Crushing keeps on declining

Sunflower seed crushing are declining sharply since December in Ukraine and in the EU and since last month in Russia.

In Q4 2024 Russian exports of SFO were boosted by 23% on the year to an estimated 1.35 MnT which occurred despite a smaller crop. This explains the sharp decline in Russian exports that has already started and will most likely continue to decrease until September.

In Ukraine, the decline in crushing accelerated in the past 3 months. For the full season sunflower seeds crushing will most likely decrease by 3 MnT in Ukraine.

Global crushing is estimated to be down 7 MnT this season vs. 2023/2024 campaign.

In Argentina, crop has now been largely harvested in the northern parts and will soon be collected in major producing areas of central Argentina; crop estimates remains around 4 MnT mainly on higher area.

Argentinian crop could bring some relief to the global tightness during March/August.

2.12. SUNSEED CRUSHING IN MAIN COUNTRIES IN 2024/25

Mt	2023/24	2024/25	Δ/prev.report	Δ/prev. camp.
Ukraine	14.50	11.51	-0.64	-2.99
Russia	17.89	16.46	0.00	-1.43
EU 27	9.33	7.65	-0.17	-1.67
Argentina	3.81	3.76	0.06	-0.05
Turkey	1.81	1.73	0.13	-0.08
China	1.40	1.39	0.01	-0.01
Sth Africa	0.66	0.72	0.00	0.06
Kazakhstan	1.25	1.45	0.08	0.20

ARGENTINA: Sunflowerseed Supply & Demand

(Mn T)

January / December

	2025F	2024	2023	2022	2021
Open. stocks	.18*	.27*	.23*	.48*	.63*
Output	4.30*	3.84*	4.13*	3.36*	3.20*
Imports . . . . .	.*	.	.	.	.
Exports . . . . .	.08*	.08	.09	.16	.18
Crushings	4.10*	3.78	3.93	3.38	3.10
Other use. . . . .	.08*	.07*	.07*	.06*	.07*
Ending stocks	.22*	.18*	.27*	.23*	.48*



Sunflower oil market

SFO is most likely to regain its premium position

Prices have developed sharply above average premiums vs. SBO and RSO over the past 2 months mainly on the account of the ongoing slowdown in production.

However, **due to lack of demand SFO hasn't develop independent strength. Indeed, consumers are either postponing purchases or shifting towards SBO.**

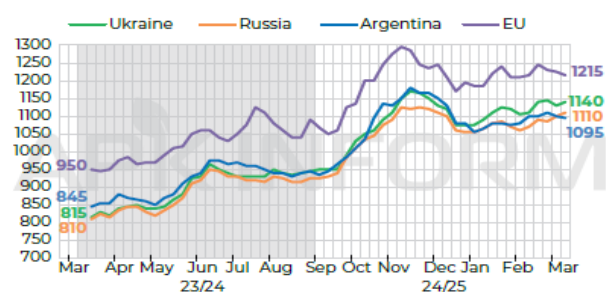
April/Sept are most likely to be the tightest months for SFO supplies with global exports seen declining by more than 1 MnT in the same period.

Argentinian exports are most likely to pick up and reach 1.3 MnT this season but this will be however insufficient to offset the setback of exports from Russia and Ukraine of a combined 1.9 MnT.

In this context SFO are most likely to regain its position of premium oil.



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





Rapeseed oil market





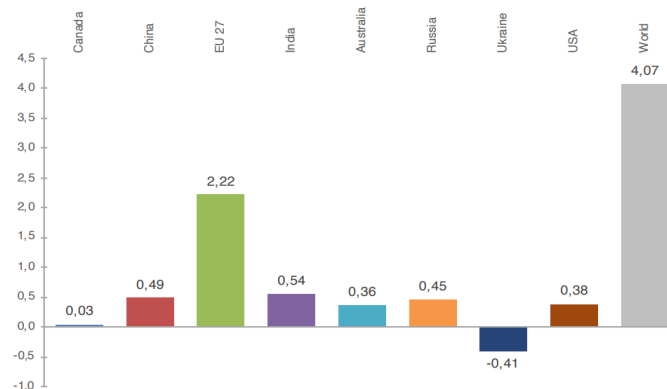
Rapeseed oil market

2025/2026 production is expected to rise

1.1. WORLD RAPESEED AND CANOLA BALANCE

Rapeseed (Mt)	2024/25		2025/26	
	31/01/25	28/02/25	31/01/25	28/02/25
carry-in	10.2	10.3	8.2	7.8
production	83.6	83.6	87.3	87.6
trade	17.8	17.8	17.5	16.6
crush	82.6	83.3	83.8	85.5
other cons.	3.0	2.8	3.1	3.0
carry-out	8.2	7.8	8.6	6.9
stock/use ratio	9.5%	9.1%	9.9%	7.8%

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



For 2025/2026 a production increase is expected mainly in EU but also in Australia and Russia. However, **Canadian production could stay steady.**

Global production could be up 4 MnT vs. 2024/2025.

A supply deficit is still expected for the new season, mainly on low carry-in stocks and a higher crushing activity.



Rapeseed oil market

Uncertainties regarding trade wars



The slowdown of rapeseed crushing and the appreciation of SFO prices have failed to bring support to RSO prices.

The lack of demand from biofuel sector along with high crushing in the beginning of the season resulted in a temporary surplus in EU in December and January, making RSO the cheapest oil.

Moreover, **recent US and China's tariff applied on Canadian canola and products made prices plunged** in the past days.

This new Chinese measure comes only weeks before Canadian farmers starts their planting works.

Prices development will highly depend on trade situation/evolution in the coming weeks.



Lauric oils market





Laurics oil market

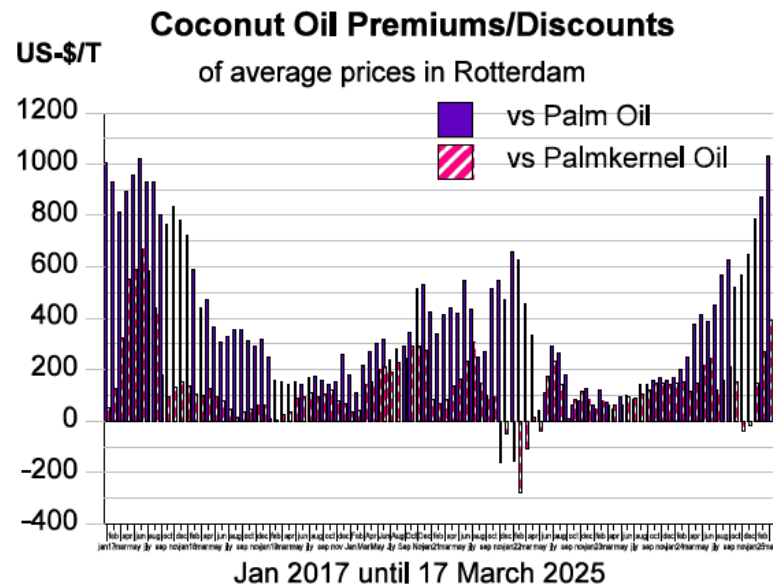
Prices development

Coconut Oil (CCNO)

- **Prices have risen mainly on supply shortages in the Philippines** and in **Indonesia** due to adverse weather conditions. CCNO has usually a premium of around \$100–200 per ton over CPKO but the **spread has surged to over \$300** in the past weeks reflecting the supply problems.
- The higher prices have been reflected in **a slowdown of export demand**.

Palm Kernel Oil (CPKO)

- **Local prices in Malaysia have recovered recently on higher export demand and higher CPO and CCNO prices.** Demand of CPKO is most likely to stay supported.
- March production is likely to be up in Malaysia.





Conclusions



VEGETABLE OILS MARKET:

Conclusions



- **PALM OIL:** Production problems in Malaysia and Indonesia are still supporting prices. Spread with SBO most likely to decrease when we enter in the higher production cycle. Uncertainties regarding Indonesian consumption for biodiesel sector remains a factor to watch.
- **SOYBEAN OIL:** Harvest have picked up in Brazil and crop conditions have improved in Argentina. A record South American crop is still expected. Spread with CPO most likely to adjust. Trade policies important factor to watch.
- **SUNFLOWER OIL:** Have failed to develop independent strength for now due to rather poor demand, but the situation will be the tightest in the coming month and prices still have an upward potential.
- **RAPESEED OIL:** Recent trade policies could have a bearish impact on Canadian canola prices. Any new/retaliate measure are swing factors to follow.

A world of vegetable oils!



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