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Rapeseed markets under abnormal pressure from waste biodiesel

Brussels, 25 May 2023 – FEDIOL, the vegetable oil and protein meal industry, draws attention to acute market developments due to massive increases of imported biodiesel which lead to devastating consequences for the Europe based feedstock up to EU farm level.

Imports of biofuels, classified as waste based, for example identified as HVO (hydro-treated vegetable oil) or FAME (fatty acid methyl esters) are taking place at such scale, that it has led to important disturbances in the EU markets for rapeseed methyl ester, and as a consequence also in the rapeseed and rapeseed oil markets.

Over the last 5 months, prices for rapeseed oil have dropped significantly by over 30 % to 800 €/ton, driving down physical rapeseed prices for spot delivery from 625 €/ton to 410 €/ton over the same period. Also, futures prices for new rapeseed crop, providing rapeseed farmers with a price indicator, have declined from about 600 € per ton early January 2023 to levels of about 400 € per ton by mid-May 2023. This will not only impact rapeseed farmers' revenue, but also future planting decisions.

These trends cannot be explained by other market developments and are a signal that there is abnormal market behaviour. The magnitude of biodiesel imports' growth is such that it raises question as to the authenticity of their classification as originating from waste streams. There is urgent need to investigate the legitimacy of these imports.

FEDIOL represents the interests of the **European vegetable oil and protein meal industry**. With over 180 facilities in Europe, the sector provides over 20.000 direct employments. Our members process approximately 55 million tonnes of basic products a year for the food and non-food markets. Oilseed crushing produces vegetable oils and protein meals as co-products. While vegetable oils are used for food and technical uses (pharmaceuticals, paints, detergents, biodiesel, etc.), protein meals are used to meet the increasing global demand for meat and protein. For further information, please contact Nathalie Lecocq, FEDIOL Director General, fediol@fediol.eu