

Global rapeseed production – How do key players perform economically?

Yelto Zimmer

Commercial
partners:



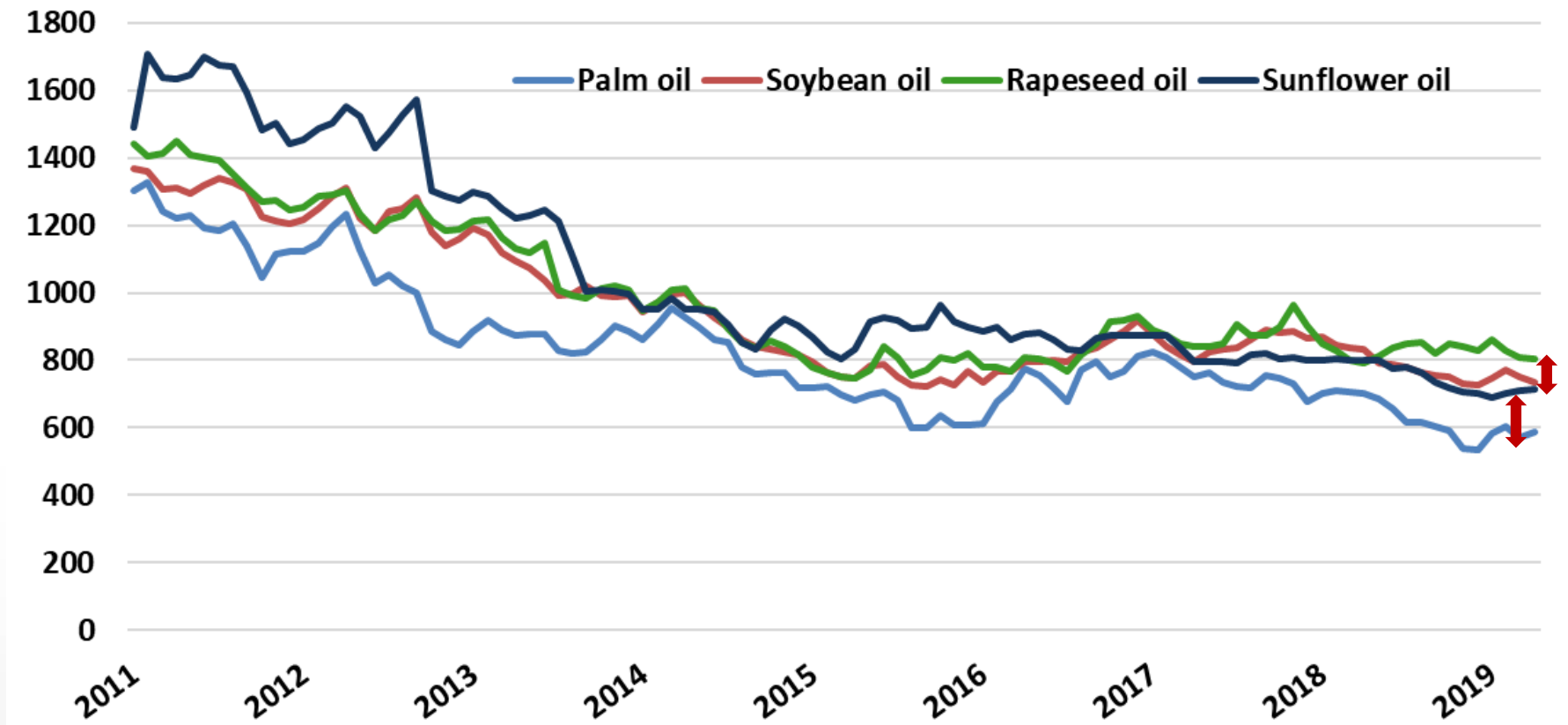
中粮国际
COFCO INTL



Agenda

- 1. Global markets**
- 2. Economics of rapeseed production**
- 3. Take home messages**

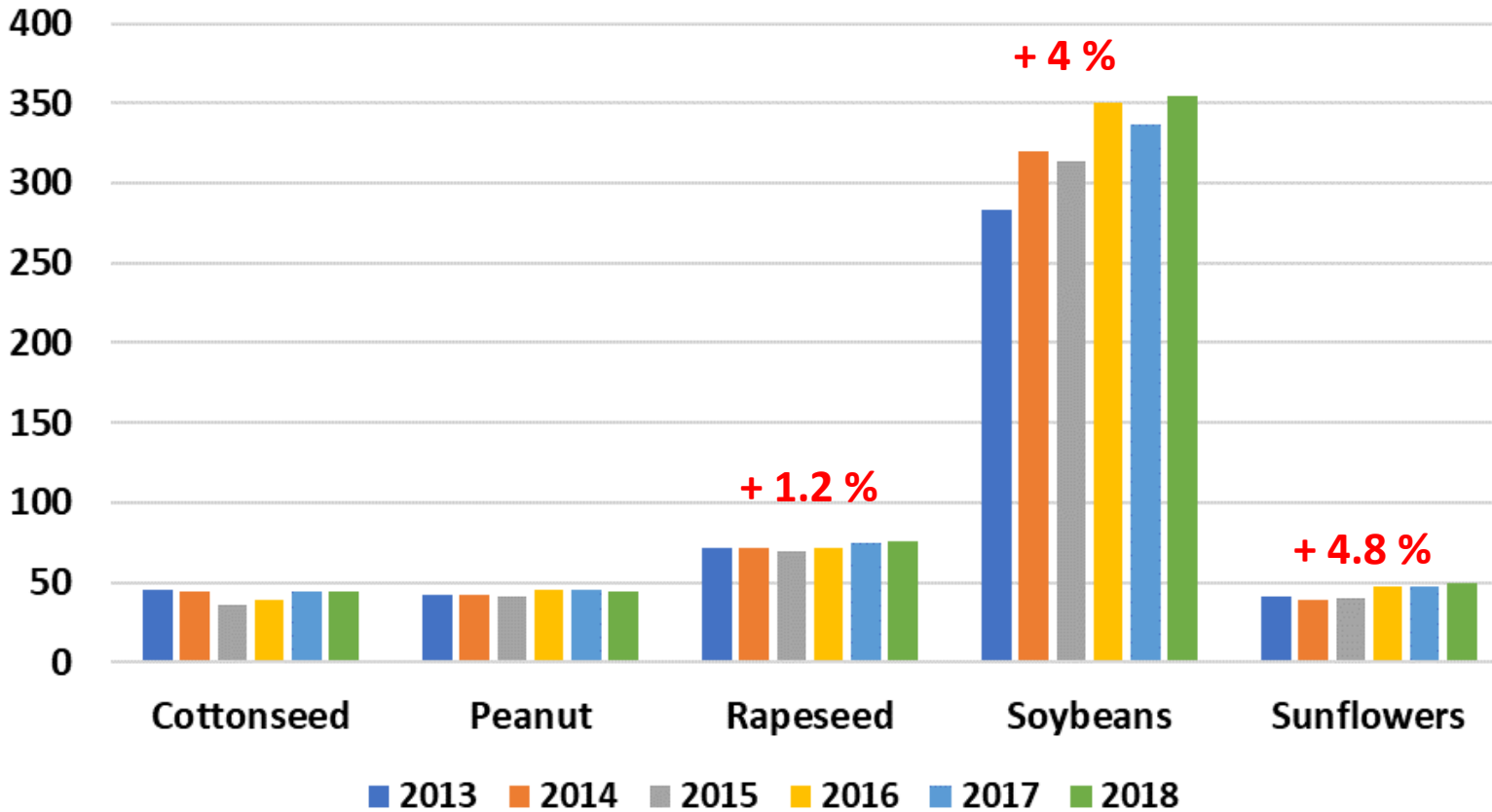
Global vegetable oil prices (USD/t)



- Since 2016: More or less flat prices – except for palm oil (-20%)
- Spread between palm oil and other oils rather high (+ 100 USD/t)
- Rapeseed traded at a premium of 50 USD/t – despite the Canada-China conflict

Source: World Bank (2019), own calculation

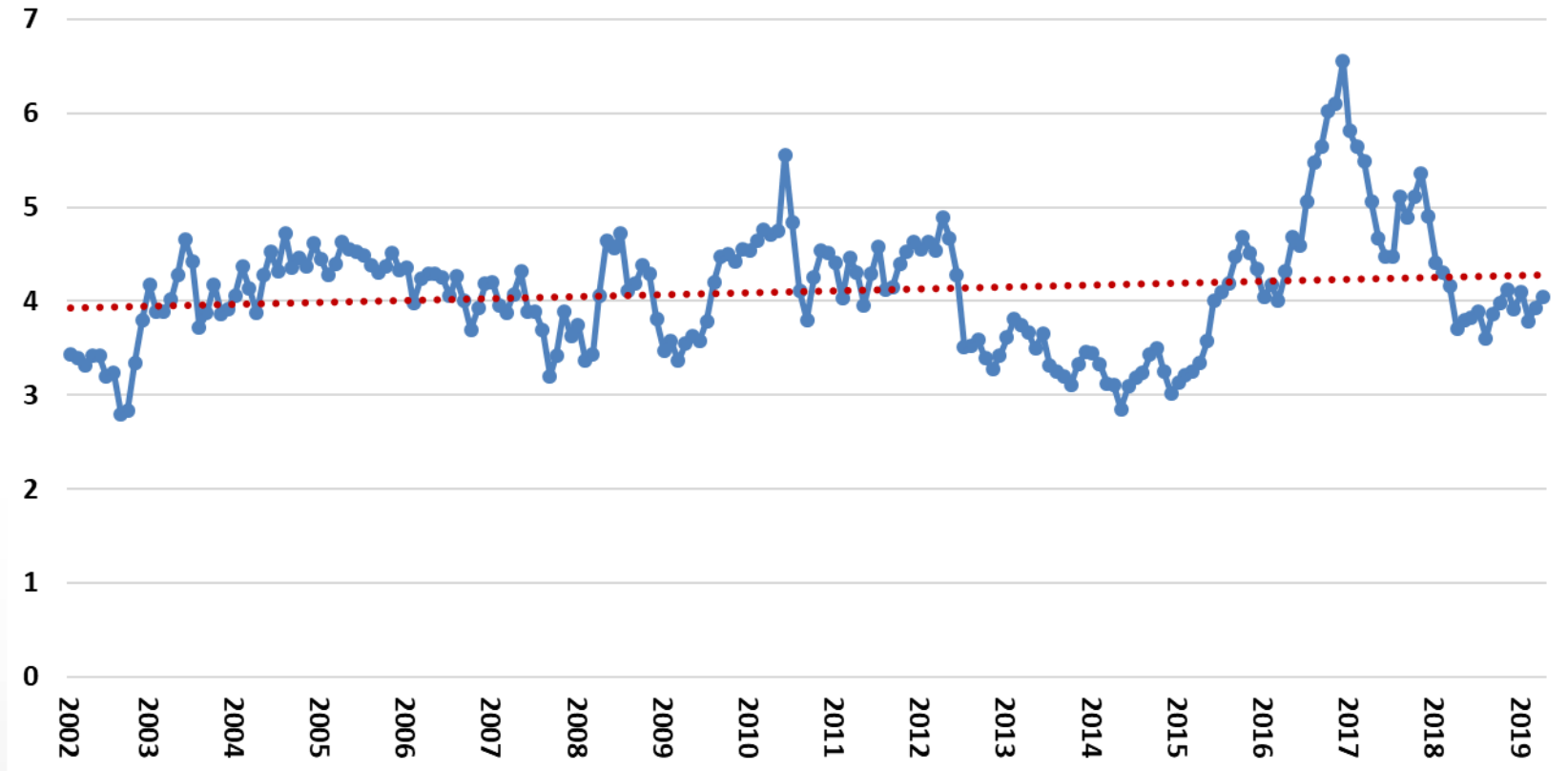
Global oilseed production (million t)



- Rapeseed is second to soybeans only.
- But: Soybeans & sunflowers grow dynamically (+ 4% p.a.), rapeseed just 1.2 %

Source: USDA – FAS (2018), own calculation

Relative rapeseed prices (Ratio rapeseed oil vs. wheat prices)



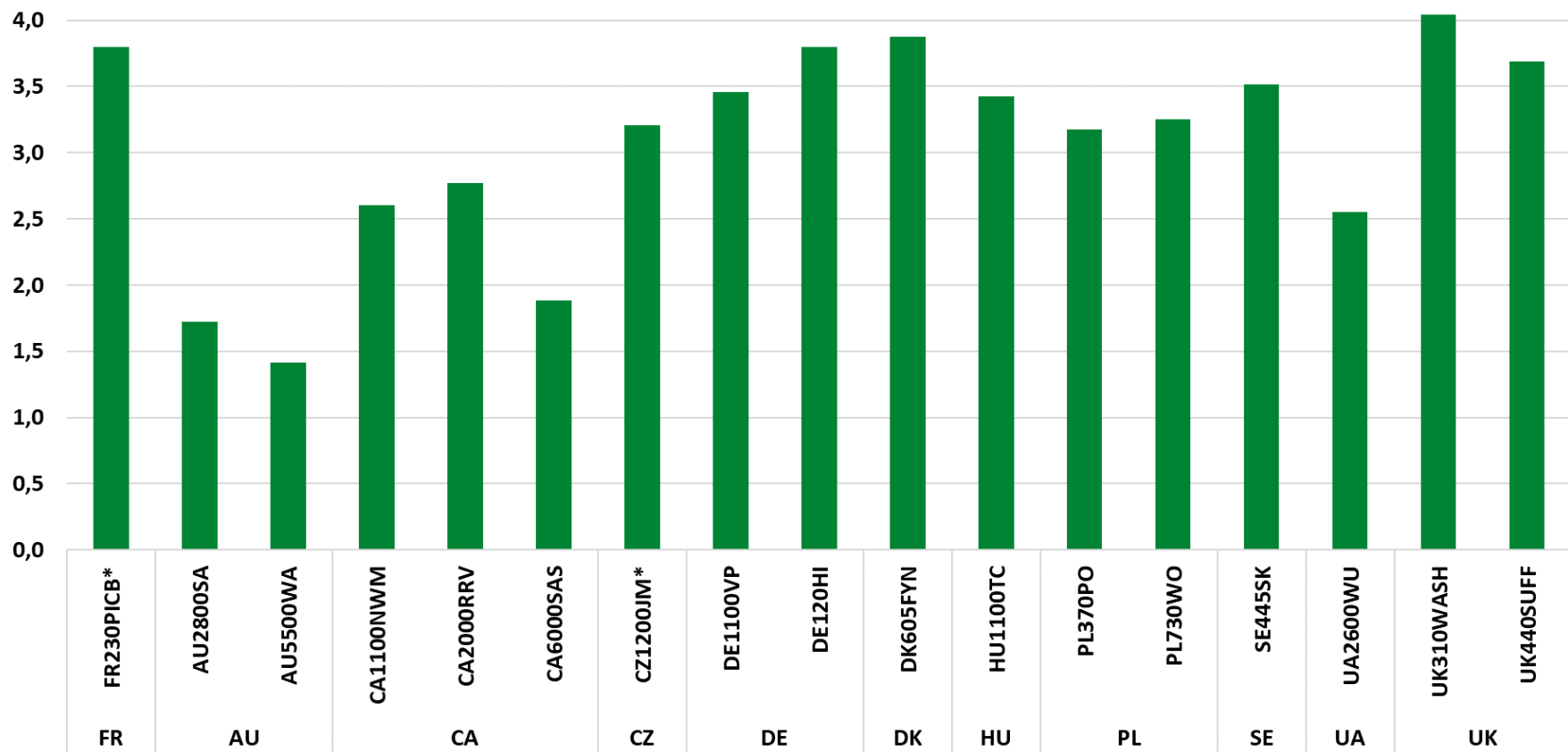
- Current relative rapeseed oil prices relatively high, slight increase in the long run
- Support for on-farm competitiveness of rapeseed

Source: World Bank (2019), own calculation

Economics of rapeseed production



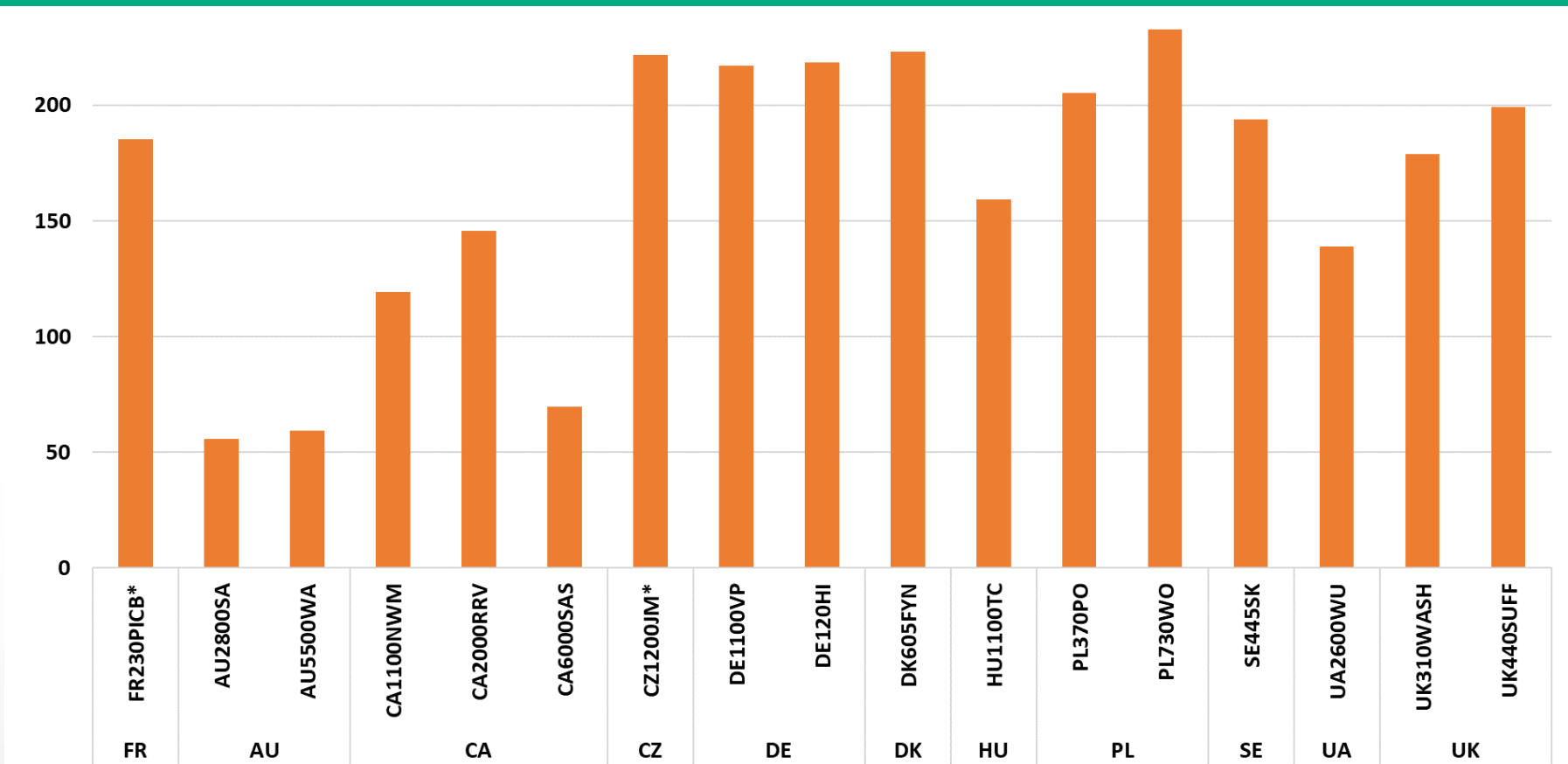
How do rapeseed yields compare? (t/ha, Ø 2015-18)



- EU farms below 4t/ha – only 1 to 1.5 t above Canadian levels
- 3 years of poor yields in Europe

Source: agri benchmark (2019)

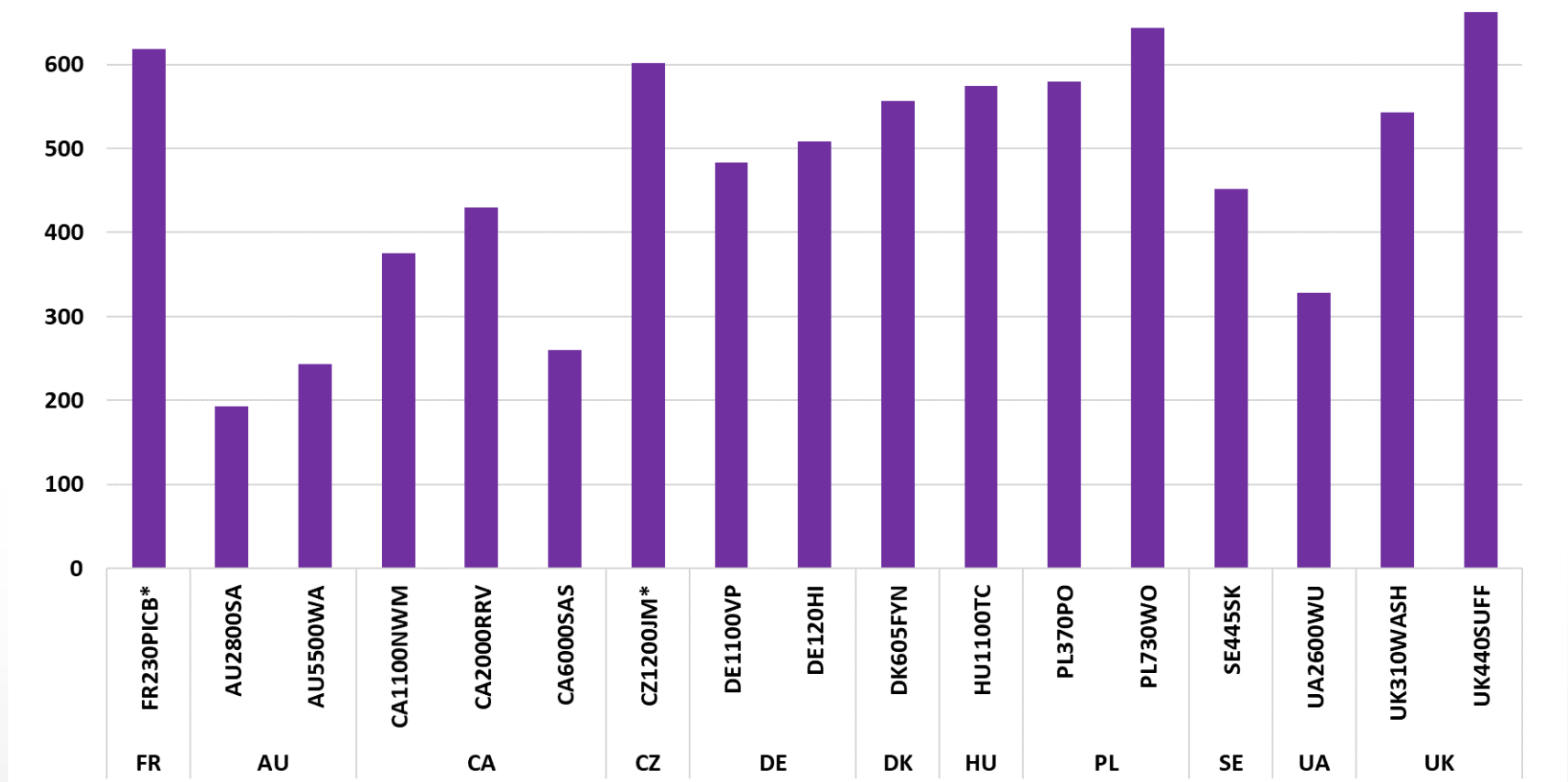
How much Nitron is applied? (kg N/ha, Ø 2015-18)



- EU farms at 200 to 230 kg N/ha
- Ukrainian intensity similar to Canada

Source: agri benchmark (2019)

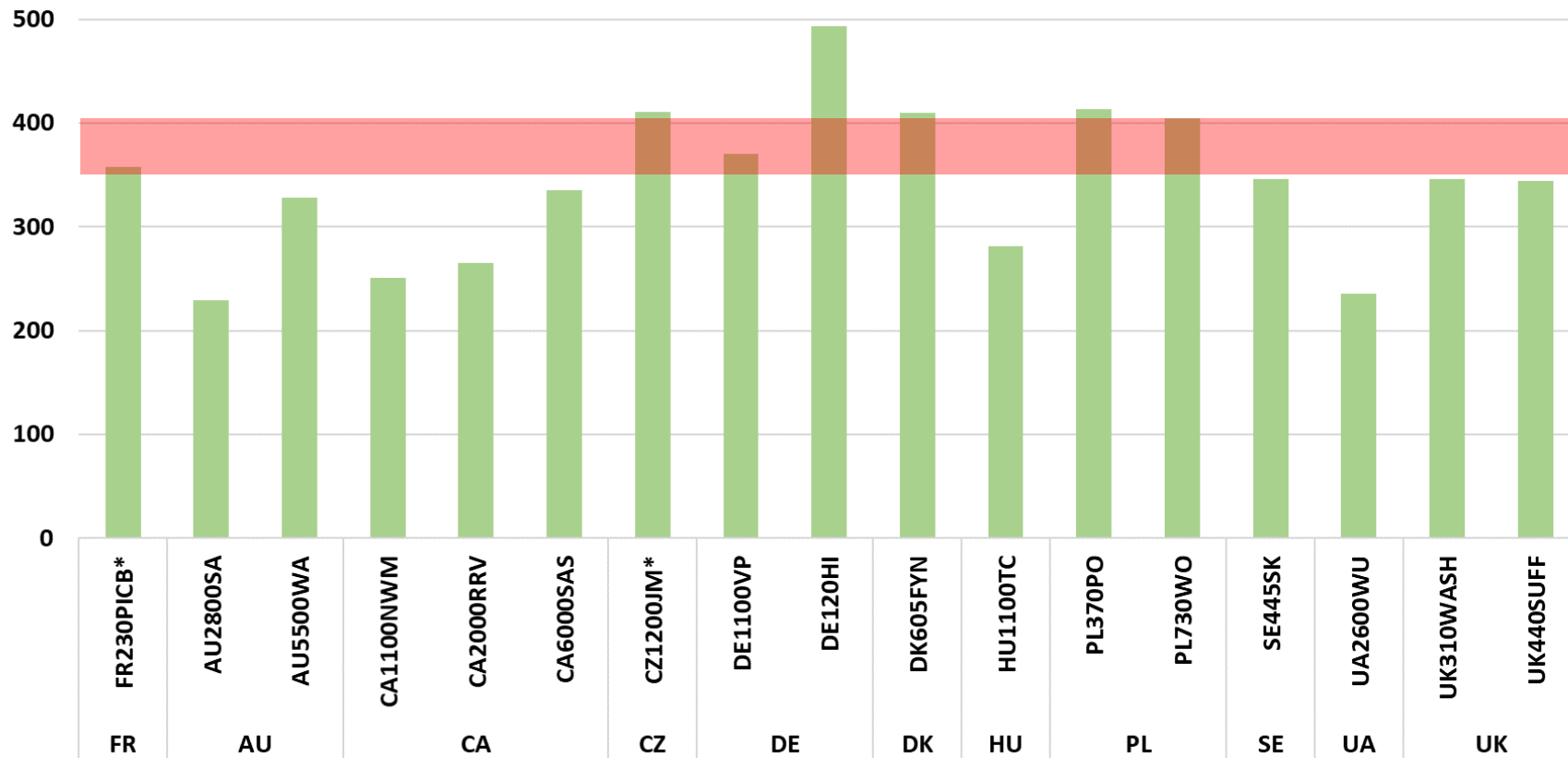
Seeds, fertilizer, crop care cost (USD/ha, Ø 2015-18)



- EU farms pretty much on the same page (500 - 600 USD/ha)
- CA: divided – prairies more like AU (250 USD/ha) while Manitoba closer to EU
- UA system similar to CA

Source: agri benchmark (2019)

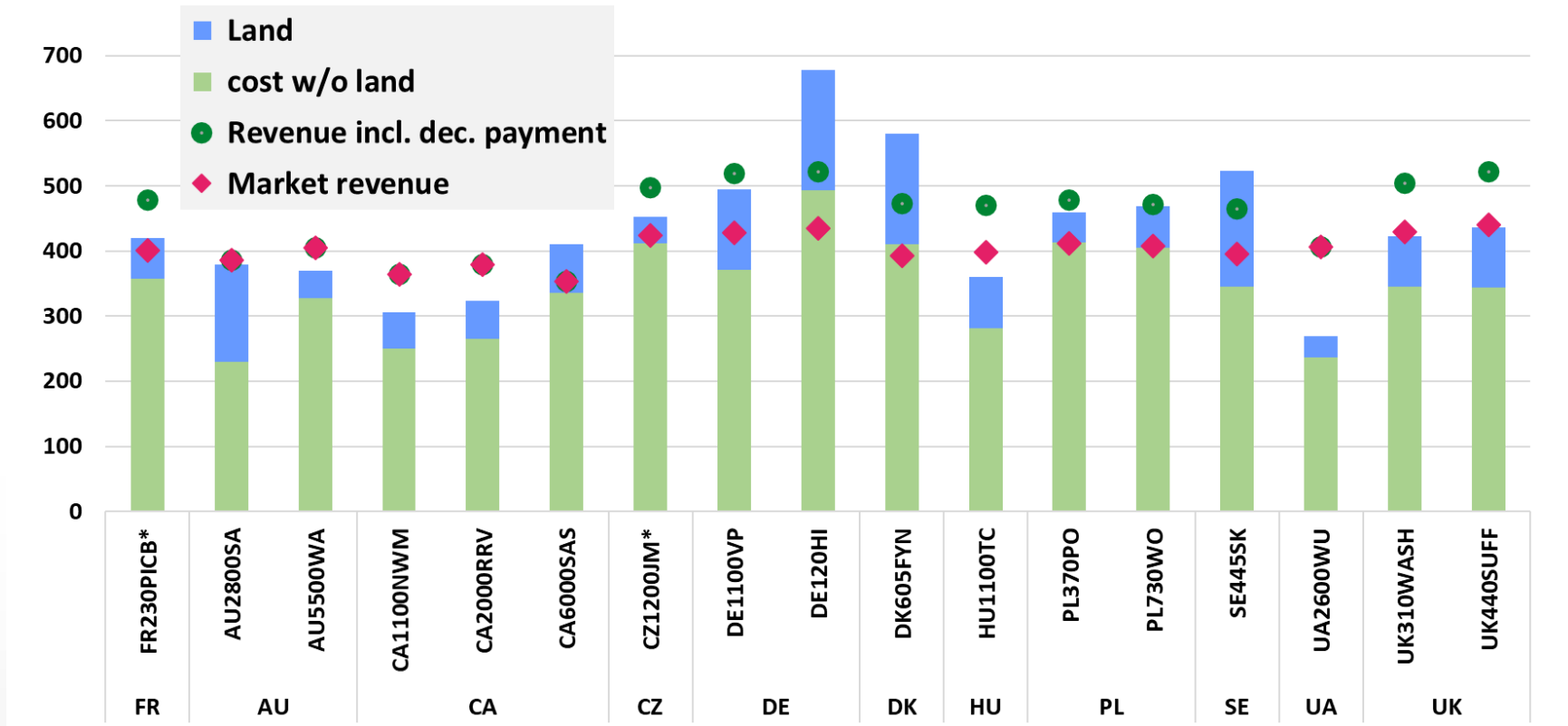
Total cost per tonne – w/o land cost (USD/t, ø 2015-18)



- Farms in AU, CA, UA and HU: rather competitive w/o land cost
- EU farms more expensive – 350 to 400 USD/t

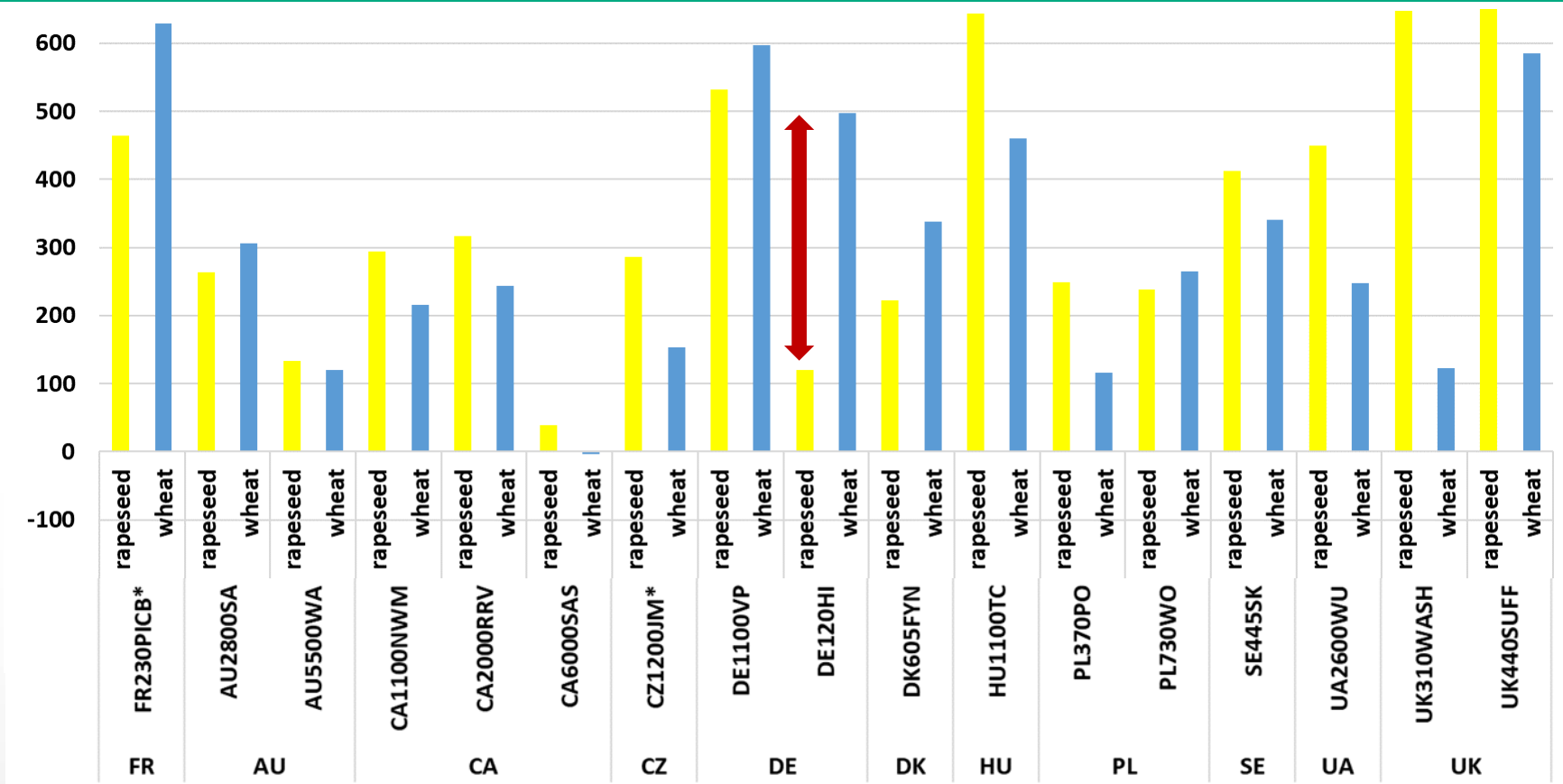
Source: agri benchmark (2019)

Total cost incl. land cost & revenue (USD/t, ø 2015-18)



- Incl. land, cost raise to 450 to 500, CA, AU, HU & UA-farms remain very competitive
- Due to direct payments, revenues for EU farms app. 100 USD/t higher than for others
- Most farms rapeseed rather profitable – except 3 EU farms and 1 CA Source: agri benchmark (2019)

On-farm competitiveness : Return to land rapeseed vs. wheat (USD/ha, Ø 2015-18)



- Often rapeseed is more profitable than wheat, just one farm with massive disadvantage vs. wheat
- Despite poor rapeseed years, rapeseed is still rather competitive in EU

Source: agri benchmark (2019)

Take home messages

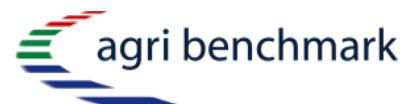


Take home message

- 1. Rapeseed oil prices rather high since 2017 – premium for rapeseed oil over other vegetable oils of app. 50 USD/t.**
- 2. Relative rapeseed oil prices compared to wheat high as well.**
- 3. Canadian systems intensity is approaching EU levels**
- 4. Total cost of production:**
 - * CA, AU, UA and HU farms rather competitive (250 -300 USD/t)**
 - * EU farms more expensive at 350 to 400 USD/t**
 - * Rapeseed usually profitable**
- 5. Despite poor yields in recent years in the EU, on-farm competitiveness of rapeseed still fairly strong for most farms.**

Let's grow together – Understanding agriculture worldwide.

Thanks a lot for your interest in



Jointly managed by :  THÜNEN

&  global networks



Dr. Yelto Zimmer

- Head of *agri benchmark* -

Managing Director global networks gUG

Bundesallee 63

38116 Braunschweig, Germany

phone

+49 - 531-596-5155

mobile

+49 - 173 - 5722723

e-mail

yelto.zimmer@agribenchmark.net

internet

www.agribenchmark.org