

# Markets & Pricing 101



Simplifying the two commonly used pricing models for oils

## “Board and Basis” vs “Flat Pricing”

**Board and Basis** pricing ties the cost of oil to a publicly traded commodity index such as the Chicago Mercantile Exchange (CME), plus a fixed “basis” that covers processing, packaging, and logistics. This model allows buyers to take advantage of market dips or secure future pricing through hedging, offering flexibility for those who monitor commodity trends closely.

	What	Factors
Board	Cost of raw material	Trading rates at the Chicago Mercantile Exchange (CME) - current and future
Basis	Cost of processing	Current and projected refining, shrinkage, and shipping costs

**Oils:** Soybean, canola, cottonseed, palm

**Flat Pricing** provides a single, all-inclusive cost per unit that remains fixed for a set period. It's simpler, predictable, and preferred by buyers who prioritize budget stability over market fluctuation.

	What	Factors
Flat Pricing	All combined: raw material + processing	Original source cost, refining cost, supply vs demand, seasonality, and shipping cost

**Oils:** Olive, avocado, corn, safflower, sunflower, peanut, and other organic oils

## Other Pricing Influences

**Geopolitics:** People at war are not available to farm, and nations trying to leverage diplomacy redirect exports to achieve political goals. These supply fluctuations result in price variations.

**Weather:** Conditions determine how much a region's crop yields and the quality of that yield, especially at planting and harvest times.

**Shipping:** Seasonal demand for material goods creates freight backups at major ports. Unexpected periodic increases in shipping times and costs are now part of the “new normal”.

## Stay Ahead With Market Insights From Catania Oils

The global oils market changes fast. When you partner with Catania Oils, you don't have to navigate it alone. Our weekly Market Updates and Monthly Olive Oil Reports distill key trends affecting oil supply, demand, and pricing, from geopolitics and harvest conditions to shipping disruptions and consumer behavior. Every update is written by our industry partners and in-house experts, designed to help you mitigate risk, and make confident buying decisions.

Each report helps you stay informed, protect your margins, and plan with clarity.

- **Reduce Risk Through Awareness:** Get insights into the forces shaping oil availability and pricing; from weather and crop yields to geopolitical shifts.
- **Buy With Confidence:** Understand the "why" behind market movements so you can source strategically and stay ahead of volatility.
- **Expert Guidance, Always Ready:** Our analysts and sales experts are available to talk through the data, discuss timing, and align your purchasing strategy with the market.

Go to: <https://www.cataniaoils.com/get-market-updates>

**Weekly Market Updates:** Covering topics including crop and harvest health, weather, consumer trends, and commodity (and oil) pricing.

**Bi-Monthly Olive Oil Updates:** Valuable insights from domestic and international olive oil producers, traders and buyers.

*Example soybean meal futures chart – impacting future cost of soybean oil*



**Let's create something great together.**

Catania Oils delivers premium, authentic oils with the flexibility, reliability, and care your business deserves, whether you're running a kitchen, building your own brand, or scaling bulk production.