United States Department of Agriculture

OCS-04f

June 14, 2004

Outlook

Electronic Outlook Report from the Economic Research Service

www.ers.usda.gov

Oil Crops Outlook

Mark Ash and Erik Dohlman

U.S. Prices Dampened by Foreign Trade Developments

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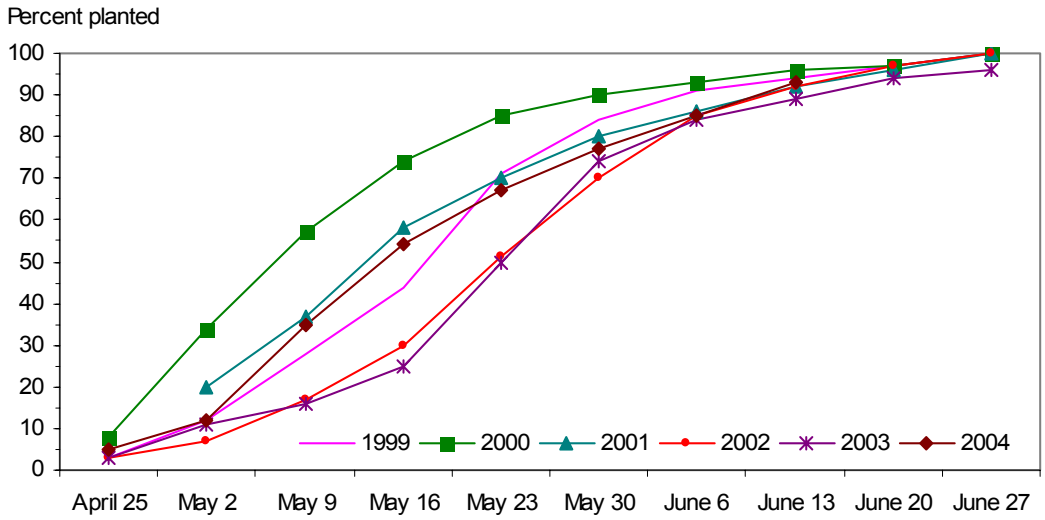
Approved by the World Agricultural Outlook Board.

The 2004/05 U.S. soybean export forecast was trimmed to 1,065 million bushels from 1,080 million last month based on an overflow of larger-than-expected South American inventories. Similarly, a milder recovery for U.S. soybean meal and soybean oil exports would curb next season's expected crush. The domestic soybean crush for 2004/05 is forecast at 1,650 million bushels versus the May forecast of 1,665 million. A lighter use of soybeans would shave 15 cents off last month's projected range for the U.S. season average farm price to $5.70-$6.70 per bushel.

The U.S. Department of Agriculture (USDA) reduced the forecast of China's 2003/04 soybean imports this month from 20.25 million to 19.0 million metric tons on account of the financial difficulties afflicting the country's crushing industry. The setbacks for

Figure 1

U.S. soybean planting off to a good start through mid-May



Source: National Agricultural Statistics Service, USDA.

Domestic Outlook

Ample Midwestern Rains Delay Conclusion of Soybean Planting

After a very brisk start for spring planting, persistent and heavy rains during the last half of May slowed progress throughout the Midwest. Although soybean planting as of June 6 (85 percent) was very close to the 5-year average, wetness over the past few weeks is hampering its completion. Standing water in low-lying areas will require replanting in some locations. Whenever it becomes possible for farmers to return to the fields again, they will most likely finish by sowing soybeans. Until a month ago, the subsoil moisture in many of the regions that were hurt by drought last year had not been fully recharged. So, provided that producers can get a little topsoil drying over the next few weeks to complete fieldwork, the moisture should serve to get the entire crop off to a very good start. For most of the country, soybean emergence by early June (at 70 percent) was still ahead of average. Crop development was lagging only in Wisconsin, Michigan, Ohio, and Kentucky, where the excess moisture has been the most extreme lately. In the Southeast, soybean producers would welcome some of that rain falling on their northern counterparts.

Foreign Events Indirectly Factor Into Recent U.S. Price Drop

The near-term outlook for a rationing of soybean use through next September (that would preserve a barely minimal level of carryover stocks) still holds. USDA's June 30 stocks report will likely define the difficulty of the task. That scenario, though, cannot explain why soybean prices plunged $2 per bushel between the beginning and the end of May. Likewise, domestic prices of soybean meal and soybean oil fell by nearly $70 per ton and 6 cents per pound, respectively. There may be some influence on old-crop values from news of soybean product imports and the generally favorable outlook for the new U.S. soybean crop. However, the perceptions of the international market have probably changed the most over the last month. The main one pertains to China, the world's leading user of oilseeds and the largest U.S. market for soybeans.

Many soybean crushers in China were already experiencing losses as they overbought soybeans while there was still a glut depressing the country's soybean meal prices. Output from a newly-harvested bumper crop of rapeseed is also pressuring meal and oil values. Simultaneously, the costs of the soybean imports just now landing in China are much higher than they are currently worth. With China's banking system tightening the overall availability of credit, cash-strapped crushers face severe financial distress. There are approximately 2 million tons of soybeans currently on the way to China. When the shipments arrive and payment is due, their liquidity crisis could cause buyers to default on them. In response, a number of domestic soybean processors (representing a majority of the country's capacity) formed an alliance to target a minimum soybean meal price by pooling and coordinating their resources. This agreement may support margins in isolated regions, but its chances of a wider success are poor because several major companies have not joined in. The stressed buyers may be able to cut their losses by re-selling the soybean shipments en route to other parties at a lower price. Their unshipped purchases can be either deferred or cancelled. Prices of vegetable oils have similarly fallen, and there are reports that previous Chinese purchases of Malaysian palm oil are getting cancelled, as well.

In May, China's inspection agency determined that several soybean shipments from Brazil were contaminated by fungicide, most likely because of a mixture of planting seed with market soybeans. Although the level of fungicide detected was below internationally-acceptable standards, China has imposed a zero-tolerance requirement. The same officials blocked soybean imports for a time last year because of difficulties passing their phytosanitary inspections. Therefore, the country indefinitely prohibited trade by seven Brazilian exporters with China. New trading in soybeans between the two countries has been nearly frozen.

These accounts cast doubt onto the market's impression of how much China can really consume out of a global supply that is soon set to rebound strongly. USDA reduced the forecast of China's 2003/04 soybean imports this month from 20.25 million to 19.0 million metric tons. By contrast, China's soybean imports in 2002/03 were 21.4 million tons. Yet, there are also signs that soybean buyers in China are still ready for an active import drive starting again by autumn. The recent collapse of prices will start to revive domestic consumption,

and processors will eventually work off the current surplus. There is a substantial amount of 2004/05 U.S. export sales of soybeans to China already booked. Any subsequent declines in new-crop soybean prices could encourage renewed purchasing.

Soybean demand by the 25 countries of the newly enlarged European Union (EU-25) is no longer seen meeting previous expectations, either. Soybean crush margins in Europe have not been very good. EU-25 soybean imports for 2003/04 were forecast down to 15.6 million tons (compared with 17.0 million last month and 16.8 million tons in 2002/03). There has been a steadier EU demand for soybean meal imports, which are expected to increase from 21.6 million tons last season to 23.8 million in 2003/04.

These setbacks for world demand were responsible for cutting the 2003/04 soybean export forecast for Brazil this month to 21.0 million tons from 23.0 million. While the domestic crop estimate for this year was lowered from 53.5 million to 52.6 million tons, the dimmer export outlook would raise the October stock carryover in Brazil from 12.0 million to 13.1 million tons. A weaker picture for foreign imports should also affect Argentina's 2003/04 soybean exports, which were forecast down 1 million tons to 8.8 million. By combining the resulting stock increases for Argentina and Brazil, the 2003/04 global ending stocks of soybeans were raised an aggregate 1.3 million tons (47 million bushels) from last month's forecast to 33.0 million.

Outlook for U.S. Soybean Demand Tempered by Foreign Stocks

By next September, an overflow of larger-than-expected South American inventories, along with the expected tightness of domestic soybean stocks, is viewed as moderating the increase of U.S. demand early in 2004/05. Domestic processors are working hard to procure enough soybeans to keep their mills running through September, so soybean exports may be unable to accelerate for at least a month into the new-crop year. The 2004/05 export forecast was trimmed to 1,065 million bushels from 1,080 million last month. Similarly, a milder recovery for U.S. soybean meal and soybean oil exports would curb next season's expected crush. The domestic soybean crush for 2004/05 is forecast at 1,650 million bushels versus the May forecast of 1,665 million. Given an unchanged supply outlook this month, season ending stocks (at 220 million bushels) would be 30 million bushels higher than the previous forecast. A lighter use of soybeans would shave 15 cents off last month's projected range for the U.S. season average farm price to $5.70-$6.70 per bushel.

U.S. soybean meal exports in 2004/05 are likely to bounce back from a low level in 2003/04, but less strongly than initially forecast because of greater foreign competition. Soybean meal trade is projected climbing from 4.25 million tons this season to 5.55 million tons, yet not as high as last month's projected 5.9 million tons. Moderately lower demand for both soybean meal and soybeans could dampen the price of soybean meal into a range between $185 and $215 per short ton, compared with the first USDA forecast of $195-$225.

Similarly, a slightly weaker recovery in U.S. soybean oil exports is anticipated. The export increase in 2004/05 would be limited to 1,150 million pounds (against the previous forecast of 1,200 million) by additional South American stocks. Although domestic use of soybean oil may still grow strongly in 2004/05 by 6 percent to 17,300 million pounds, it would moderate from the previous forecast of 17,400 million because of a smaller output level. A desire to lower the U.S. intake of trans-fat in foods is also encouraging a shift between soybean oil and other vegetable oils. That trend could leave a proportionately higher amount of soybean oil available for export.

The season average soybean oil price is still expected to soften to 24.5-28.5 cents per pound from 31.5 cents in 2003/04.

Better Weather in 2004/05 Seen Reversing World Soybean Supply From Tightness to Abundance

World oilseed production is projected up 13 percent for 2004/05 to 378 million metric tons. Most of the anticipated oilseed increase (84 percent) is due to an expansion of soybean output, which is seen rebounding by 19 percent to 225 million tons. The United States may account for approximately 42 percent of the soybean production gain in 2004/05, with South American producers contributing most of the remainder. A resurgence of output by all the major soybean exporters should lower prices and promote a 12-percent expansion in world trade next season to 66 million tons. Even so, the strength of soybean consumption is not expected to keep pace with the abundance of new supplies, and 2004/05 carryout stocks are seen surging by 41 percent to almost 47 million tons. Exports from a restored U.S. supply should get the first chance at refilling the world soybean pipeline, so much of the global accumulation next year may occur in South America.

Brazilian producers should follow up this year's disappointing soybean harvest with an aggressive area expansion. Despite a less attractive price outlook and the costs required to control soybean rust, many Brazilian producers lack a more profitable alternative crop. They are expected to raise soybean area by 10 percent in 2004/05 to 23.5 million hectares. A likely yield on that area indicates that Brazil's 2004/05 soybean production could climb to 66 million tons from a revised 2003/04 estimate of 52.6 million tons. Exporters of U.S. soybeans will have a nearly exclusive hold on the world export market for nearly 6 months while exports from Brazil must wait until next year to take advantage of an improved crop. That aspect could restrain the growth of Brazilian soybean exports to 23.2 million tons in 2004/05 from 21.0 million this season. Brazil's domestic crush may grow a brisk 12-percent to 35.0 million tons. If those supply and demand projections are realized, the stock carryout in Brazil next year could swell toward 18 million tons.

Argentine soybean area will not increase by very much in 2004/05 as it had been inflated this season by early weather problems. Only a slight rise in soybean area from 14.0 million to 14.2 million hectares is expected to occur. Despite that, with a likely improvement from this season's drought, better yields could push Argentine soybean production up to 39.0 million tons versus 34.0 million in 2003/04. Domestic soybean crushing will likely gain the most from the bigger harvest, expanding to 26.0 million tons in 2004/05 from 24.8 million. In contrast, soybean exports may not increase much at all from the 2003/04 volume of 8.8 million tons.

Although still at an early stage, India's summer monsoon has progressed well so far. That is a good omen for the country's 2004/05 sown area and yield of soybeans. A repeat of last year's excellent monsoon might not be anticipated (which culminated in a record harvest of 6.8 million tons) but the 2004/05 crop is projected at a respectable 5.7 million tons. In that event, Indian soybean processors would be unable to maintain the record volume of crush and soybean meal exports that they did in 2003/04.

Expansion of Rapeseed Planting To Raise World Production

A modest increase in global rapeseed output (from 39.3 million to 40.4 million tons) is anticipated for 2004/05 as area gains in Europe, China, and Canada offset lower yield forecasts for India and Australia. Output of rapeseed in the EU-25 is forecast to increase from 11.0 million to 12.6 million tons in 2004/05. Rapeseed area is expected to be 8 percent higher this year to 4.4 million hectares. Producers in several of the new member States anticipated once they joined the EU that they would now get the direct area payments, which will enhance their rapeseed profits. In addition, new biofuel legislation for the EU will aid market demand for rapeseed oil. Rapeseed yields will also benefit from fewer winter losses in Germany and Poland (one of the new member countries). Total production by the EU-25 is projected up 15 percent to 12.6 million tons.

The growth in China's rapeseed area has been steady over the last decade and is expected to continue up 5 percent in 2004 to 7.8 million hectares. Yields of rapeseed in China are improving as well, and while still well below average European levels, they have surpassed Canadian and Australian yields. Output this year is estimated at 12.0 million tons, compared with 11.4 million last year. A larger domestic harvest

is not expected to deter China's rapeseed imports, however. Enhanced availability of foreign supplies is seen encouraging the total crush of rapeseed in China, bringing imports up from 700,000 tons this season to 1 million tons in 2004/05.

In Canada, the western prairies this spring have been dry, although some precipitation in the last few weeks have helped newly seeded crops. In contrast, eastern Saskatchewan and Manitoba are experiencing rather frequent rains. The water-logged soils are foiling some Manitoba farmers from planting as much as intended. Based on attractive prices versus grains, Canada's harvested canola area is expected to reach 5.0 million hectares, up from 4.7 million a year ago. Given that estimate, projected Canadian output of canola would be near 6.85 million tons in 2004. Because last year's growing conditions were so good, the 2004 crop projection would be only 3 percent higher. A harvest of that size would allow for only modest increases in Canadian exports and domestic crush, and stocks would continue to remain relatively tight in the country.

Conditions for the 2003/04 Indian rapeseed crop were nearly ideal. While it is unlikely that such good weather can be counted on again for next season, the 2004/05 Indian rapeseed harvest should not be a big disappointment. Output is expected to decline by 1 million tons to 5.8 million on the basis of a slight drop in area and a modestly lower yield.

Lower Sown Area Expected To Cut 2004/05 Sunflowerseed Output, Curtail World Trade

Global sunflowerseed output is projected to drop from 26.5 million in 2003/04 to 25.7 million tons. A shrinking of supplies is likely to curb world sunflowerseed trade by about one-fourth to 2.2 million tons. Exports of sunflowerseed meal and sunflowerseed oil should not decline by very much, however.

Last year, an unusually harsh winterkill of grains in Russia and Ukraine resulted in substantial replanting with spring-sown crops, including sunflowers. Grain prices there have since surged, so a reversion back toward raising grain crops in both countries in 2004/05 would reduce sunflower area. An anticipated decline of Russian sunflower area by 13 percent to 4.2 million hectares could bring about a decrease of sunflowerseed production from 4.85 million to 4.2 million tons. Similarly, Ukraine sunflower producers are expected to cut back 2004 area by 16 percent to 3.2 million hectares, leading to a lowering of the crop to 3.5 million tons from 4.25 million in 2003. Modernization and expansion of crush capacity, particularly in Ukraine, will support growth in domestic processing, but at the expense of sunflowerseed exports.

Sunflower area in the EU-25 may be trimmed about 6 percent to 2.3 million hectares. Improved weather conditions are likely to raise yields above last year in Italy, France, and Spain. These offsetting factors may leave EU-25 sunflowerseed output almost unchanged near 3.9 million tons. Shorter supplies of sunflowerseed from Russia, Ukraine, and elsewhere in eastern Europe should curtail imports and crush within the EU-25 countries.

In contrast, planting conditions for Argentine sunflowers are likely to be much better than they were in 2003/04. Last year, very dry soils forced Argentine producers to abandon intentions of growing more sunflowers. So, they expanded soybean planting, instead, which could be done later. Without the abnormal weather, next season's Argentine sunflower area is projected recovering to 2.35 million hectares. Although that amount would not be any larger than the 2002/03 area, it would be 28-percent higher than in 2003/04. Consequently, 2004/05 sunflowerseed output for the country is forecast up 0.8 million tons to 4.0 million. Since most of Argentina's production is crushed domestically, the larger crop would enhance its producers' competitive position in the global markets for sunflowerseed meal and sunflowerseed oil.

Robust Growth Expected for China's Cottonseed and Peanut Production

Global cottonseed output is projected up 3.7 million tons in 2004/05 to 38.9 million largely on prospects for a sharp expansion of cotton area and improved yields in China. Cottonseed production in China is forecast up 30 percent from 2003/04 to 11.4 million tons. The gain is based on a 12-percent rise in cotton area and a return to trend yield, which were depressed last year by excess moisture before harvest. Virtually all of China's cottonseed and cottonseed products will be used internally. Last year's excellent yields in

India are not expected to be duplicated, although that decline could be nearly offset by a larger output in Pakistan.

The world's peanut output for 2004/05 is projected at 34.4 million tons compared with 32.2 million this season. Almost all of the expected increase is related to higher area and better yields for China, the largest peanut-producing country. Production is centered in the east-central provinces along the Yellow River, where yields were hurt last fall by very wet conditions. China's 2004 peanut crop is seen rising to 15.8 million tons versus 13.4 million in 2003. Typically half of the country's peanut crop is crushed for oil; however, in recent years a profitable export market has emerged and helped promote its cultivation. India is the second-ranked world producer of peanuts, although 2004/05 area is expected to be unchanged there, and yields are unlikely to perform quite as well as they did in last year's bumper harvest. Indian peanut production is therefore seen slipping from 7.7 million to 7.5 million tons.

Price Easing for Global Vegetable Oil Market Will Take Longer

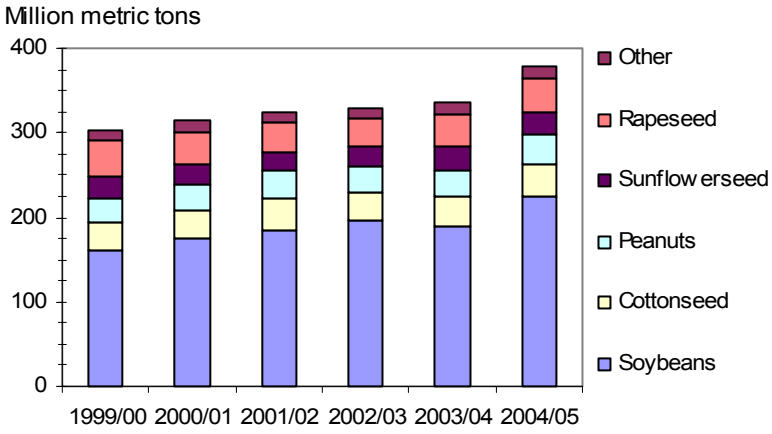
USDA is projecting a 4-percent increase in 2004/05 global vegetable oil production to 105.5 million tons. Output of soybean oil may account for approximately 57 percent of that gain by expanding from 31 million to 33.4 million tons. There could be a more modest increase in 2004/05 world palm oil output production from 29.1 million to 29.8 million tons.

In Malaysia, palm oil output may grow by a moderate 3-percent to 13.8 million tons. All of the expected Malaysian increase is related to a rising area of trees that have matured enough to bear fruit. Malaysian oil yields per hectare are seen declining again as they did in 2003/04. Consequently, Malaysian palm oil exports may rise only slightly in 2004/05 to 12.1 million from 11.9 million the previous year. Indonesian palm oil production could increase slightly faster (from 10.6 million to 11.0 million tons). Stronger palm oil prices have encouraged expansion of new Indonesian plantations and more intense applications of fertilizer.

The global rate of vegetable oil consumption should roughly match the supply growth. World vegetable

Figure 2

Soybeans to fuel strong recovery in 2004/05 global oilseed output



Source: Foreign Agricultural Service, USDA.

oil stocks could edge higher, based mainly on a more comfortable U.S. inventory of soybean oil. India and China alone could comprise more than three-fourths of the increase in world vegetable oil imports next year.

India's domestic oilseed crops are unlikely to encounter as good conditions as they had last year and are seen falling by 2.7 million tons in 2004/05. That could cut Indian domestic vegetable oil production by close to 0.5 million tons. To maintain an upward consumption trend, Indian imports of vegetable oil would have to increase by nearly that same amount. Palm oil imports may rise to nearly 4 million tons in 2004/05 and still account for the majority of Indian vegetable oil imports. However, the market share for soybean oil in total Indian imports could improve with a stronger proportional increase from 0.75 million to 1.15 million tons.

In contrast, China is anticipated to raise a record volume of oilseeds next season. But, China has the same circumstances as India in that its vegetable oil consumption is well exceeding its domestic production potential. A robust 9-percent expected growth in use would continue to require substantial imports of both soybean oil and palm oil. China's imports for 2004/05 are projected increasing from 2.4 million to 2.7 million tons for soybean oil and from 3.6 million to nearly 4 million tons for palm oil.

Contacts and Links

Contact Information

Mark Ash (soybeans, minor oilseeds)	(202) 694-5289	mash@ers.usda.gov
Erik Dohlman (peanuts)	(202) 694-5308	edohlman@ers.usda.gov

Subscription Information

Oil Crops Outlook is issued 11 times a year by the Economic Research Service, U.S. Department of Agriculture, Washington, DC, 20036-5831. Electronic release only; no published copies are available. Subscribe to ERS' e-mail notification service at http://www.ers.usda.gov/updates/ to receive timely notification of newsletter availability. To order printed copies of the five field crops newsletters–cotton and wool, feed, rice, oil crops, and wheat–as a series, specify series SUB-COR-4043.

Data

Monthly tables from *Oil Crops Outlook* are available in Excel (.xls) spreadsheets at http://www.ers.usda.gov/briefing/soybeansoilcrops/Data/data.htm. These tables contain the latest data on the production, use, imports, exports, prices, and textile trade of cotton and other fibers.

Reports from the Economic Research Service

Economic and Policy Implications of Wind-Borne Entry of Asian Soybean Rust into the United State examines how the economic impacts of soybean rust establishment will depend on the timing, location, spread, and severity of rust infestation and on how soybean and other crop producers, livestock producers, and consumers of agricultural commodities respond to this new pathogen. This report is available at http://www.ers.usda.gov/publications/OCS/APR04/OCS04D02/

*How Does Structural Change in the Global Soybean Market Affect the U.S. Price? e*stimates that a 1-percent increase in South American soybean production decreases U.S. soybean prices by about one-quarter percent. This report is available at http://www.ers.usda.gov/publications/OCS/APR04/OCS04D01/

Related Websites

WASDE, http://www.usda.gov/oce/waob/wasde/latest.pdf
Oilseed Circular, http://www.fas.usda.gov/oilseeds_arc.html
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Table 1--Soybeans: U.S. supply and disappearance

Year beg. Sept. 1	Area: Planted	Area: Harvested	Yield	Supply: Beginning stocks	Supply: Production	Supply: Imports	Supply: Total	Disappearance: Crush	Disappearance: Exports	Disappearance: Seed, feed, residual	Disappearance: Total	Ending stocks
	Million acres		Bu/acre	Million bushels								
2002/03[1]	73.9	72.4	38.0	208	2,756	5	2,969	1,615	1,045	130	2,791	178
2003/04[2]	73.4	72.3	33.4	178	2,418	8	2,604	1,475	900	114	2,489	115
2004/05[2]	75.4	74.1	40.0	115	2,965	5	3,085	1,650	1,065	150	2,865	220
2002/03												
September						0.1		122.3	30.9			
October						0.8		149.5	136.7			
November						0.5		145.7	152.8			
Sep-Nov				208.1	2,756.1	1.4	2,965.6	417.5	320.4	112.3	850.3	2,115.4
December						0.3		150.2	114.7			
January						0.3		142.7	157.0			
February						0.5		129.2	154.0			
Dec-Feb				2,115.4	---	1.1	2,116.5	422.0	425.7	66.7	914.4	1,202.0
March						0.3		142.7	91.5			
April						0.4		127.0	66.4			
May						0.5		130.5	38.6			
Mar-May				1,202.0	---	1.2	1,203.3	400.2	196.4	4.3	600.9	602.4
June						0.5		121.2	30.8			
July						0.3		129.3	39.0			
August						0.1		125.1	32.7			
Jun-Aug				602.4	---	0.9	603.3	375.6	102.5	(53.1)	424.9	178.3
Total					2,756.1	4.7	2,968.9	1,615.3	1,045.0	183.3	2,365.6	
2003/04												
September						0.2		127.6	36.6			
October						1.0		146.2	166.8			
November						1.0		145.6	186.8			
Sep-Nov				178.3	2,417.6	2.2	2,598.1	419.4	390.1	99.9	909.5	1,688.7
December						0.8		145.8	147.0			
January						0.4		146.0	113.2			
February						0.2		131.4	85.8			
Dec-Feb				1,688.7	---	1.4	1,690.0	423.2	346.0	15.4	784.5	905.5
March						0.3		129.5	76.8			
April						0.4		112.5	35.5			
Total to date						4.4	2,600.3	1,084.6	848.5			

[1] Estimated. [2] Forecast.

Source: National Agricultural Statistics Service and Census Bureau, U.S. Dept. of Commerce.

Last update: 6/17/2004

Table 2--Soybean meal: U.S. supply and disappearance

Year begin. Oct. 1	Supply: Beginning stocks	Supply: Production	Supply: Imports	Supply: Total	Disappearance: Domestic	Disappearance: Exports	Disappearance: Total	Ending stocks
				1,000 short tons				
2002/03[1]	240	38,213	166	38,619	32,386	6,013	38,399	220
2003/04[2]	220	35,030	475	35,725	31,300	4,250	35,550	175
2004/05[2]	175	39,260	165	39,600	33,800	5,550	39,350	250
2002/03								
October	240.0	3,499.3	41.5	3,780.8	3,150.4	345.3	3,495.6	285.2
November	285.2	3,424.7	7.5	3,717.4	2,747.4	598.3	3,345.6	371.7
December	371.7	3,526.8	8.7	3,907.2	2,897.2	673.0	3,570.2	337.0
January	337.0	3,358.4	11.7	3,707.2	2,545.2	862.9	3,408.0	299.1
February	299.1	3,048.4	12.7	3,360.3	2,552.9	547.8	3,100.7	259.5
March	259.5	3,360.1	8.5	3,628.0	2,661.5	630.9	3,292.4	335.7
April	335.7	2,994.7	6.2	3,336.6	2,630.1	443.0	3,073.1	263.5
May	263.5	3,072.4	5.0	3,340.9	2,647.8	381.3	3,029.1	311.8
June	311.8	2,873.4	4.4	3,189.6	2,519.4	398.6	2,918.0	271.6
July	271.6	3,064.4	5.5	3,341.4	2,743.3	369.8	3,113.1	228.4
August	228.4	2,966.6	46.4	3,241.4	2,590.6	383.8	2,974.5	266.9
September	266.9	3,023.5	8.1	3,298.6	2,700.6	378.0	3,078.6	219.9
Total		38,212.9	166.1	38,619.0	32,386.3	6,012.7	38,399.0	
2003/04								
October	219.9	3,462.1	6.7	3,688.8	2,947.9	423.0	3,370.9	317.8
November	317.8	3,465.9	6.2	3,789.9	2,664.6	692.9	3,357.6	432.4
December	432.4	3,483.7	5.1	3,921.2	3,213.0	427.5	3,640.5	280.7
January	280.7	3,479.3	6.0	3,765.9	2,910.4	526.6	3,437.0	328.9
February	328.9	3,144.9	5.4	3,479.2	2,633.7	429.7	3,063.4	415.8
March	415.8	3,092.4	7.5	3,515.7	2,694.7	445.9	3,140.7	375.0
April	375.0	2,682.4	5.1	3,062.4	2,414.8	309.0	2,723.8	338.6
Total to date		22,810.6	42.0	23,072.5	19,479.1	3,254.8	22,733.9	

[1] Estimated. [2] Forecast.

Source: National Agricultural Statistics Service and Census Bureau, U.S. Dept. of Commerce.

Last update: 6/17/2004

Table 3--Soybean oil: U.S. supply and disappearance

Year begin. Oct. 1	Supply: Beginning stocks	Supply: Production	Supply: Imports	Supply: Total	Disappearance: Domestic	Disappearance: Exports	Disappearance: Total	Ending stocks
	Million pounds							
2002/03[1]	2,359	18,438	46	20,843	17,091	2,261	19,352	1,491
2003/04[2]	1,491	16,495	235	18,221	16,350	850	17,200	1,021
2004/05[2]	1,021	18,565	105	19,691	17,300	1,150	18,450	1,241
2002/03								
October	2,358.6	1,692.6	2.8	4,054.0	1,660.3	113.6	1,773.9	2,280.1
November	2,280.1	1,631.5	3.6	3,915.1	1,394.1	194.9	1,589.0	2,326.1
December	2,326.1	1,696.0	3.9	4,026.0	1,417.8	210.2	1,628.0	2,398.0
January	2,398.0	1,612.8	3.7	4,014.5	1,323.7	295.1	1,618.8	2,395.7
February	2,395.7	1,473.6	3.2	3,872.6	1,300.9	299.8	1,600.7	2,271.9
March	2,271.9	1,633.3	3.4	3,908.6	1,387.3	276.8	1,664.1	2,244.6
April	2,244.6	1,447.5	4.8	3,696.8	1,349.9	226.8	1,576.7	2,120.2
May	2,120.2	1,491.7	4.9	3,616.8	1,453.1	109.8	1,562.9	2,053.9
June	2,053.9	1,391.0	5.0	3,449.9	1,424.6	96.7	1,521.4	1,928.5
July	1,928.5	1,482.4	3.9	3,414.7	1,386.0	234.5	1,620.5	1,794.2
August	1,794.2	1,440.4	3.4	3,238.0	1,486.8	96.8	1,583.6	1,654.4
September	1,654.4	1,445.2	3.6	3,103.1	1,506.6	105.9	1,612.5	1,490.6
Total		18,438.1	46.0	20,842.7	17,091.2	2,260.9	19,352.1	
2003/04								
October	1,490.6	1,630.8	3.3	3,124.7	1,560.3	152.5	1,712.9	1,411.8
November	1,411.8	1,610.6	2.7	3,025.2	1,383.5	111.2	1,494.8	1,530.4
December	1,530.4	1,604.6	3.2	3,138.2	1,422.9	135.3	1,558.3	1,579.9
January	1,579.9	1,618.9	3.1	3,202.0	1,185.3	71.1	1,256.4	1,945.6
February	1,945.6	1,462.4	2.7	3,410.6	1,359.7	62.9	1,422.6	1,988.0
March	1,988.0	1,461.4	3.4	3,452.7	1,523.6	73.2	1,596.8	1,855.9
April	1,855.9	1,260.3	7.0	3,123.2	1,442.3	39.0	1,481.4	1,641.9
Total to date		10,648.9	25.5	12,165.0	9,877.7	645.4	9,041.7	

1/ Estimated. 2/ Forecast.

Source: National Agricultural Statistics Service and Census Bureau, U.S. Dept. of Commerce.

Last update: 6/17/2004

Table 4--Cottonseed: U.S. supply and disappearance

Year beg. Aug. 1	Supply: Beginning stocks	Production	Imports	Total	Disappearance: Crush	Exports	Other	Total	Ending stocks
	1,000 short tons								
2002/03[1]	400	6,184	104	6,688	2,495	371	3,475	6,341	347
2003/04[2]	347	6,665	200	7,212	2,575	335	3,962	6,872	340
2004/05[2]	340	6,550	225	7,115	2,725	335	3,650	6,710	405

[1] Estimated. [2] Forecast.

Source: National Agricultural Statistics Service and Census Bureau, U.S. Dept. of Commerce.

Table 5--Cottonseed meal: U.S. supply and disappearance

Year beg. Oct. 1	Supply: Beginning stocks	Imports	Production	Total	Disappearance: Domestic	Exports	Total	Ending stocks
	1,000 short tons							
2002/03[1]	62	0	1,114	1,176	1,092	51	1,143	33
2003/04[2]	33	0	1,130	1,164	1,077	52	1,129	35
2004/05[2]	35	0	1,225	1,260	1,153	72	1,225	35

[1] Estimated. [2] Forecast.

Source: Census Bureau, U.S. Dept. of Commerce.

Table 6--Cottonseed oil: U.S. supply and disappearance

Year beg. Oct. 1	Supply: Beginning stocks	Imports	Production	Total	Disappearance: Domestic	Exports	Total	Ending stocks
	Million pounds							
2002/03[1]	40	21	725	786	639	111	750	36
2003/04[2]	36	1	800	837	682	110	792	45
2004/05[2]	45	0	860	905	731	110	841	64

[1] Estimated. [2] Forecast.

Source: Census Bureau, U.S. Dept. of Commerce.

Table 7--Peanuts: U.S. supply and disappearance

Year beg. Aug. 1	Supply: Beginning stocks	Imports	Production	Total	Disappearance: Domestic food	Crush	Seed & residual	Exports	Total	Ending stocks
	Million pounds									
2002/03[1]	1,476	75	3,320	4,872	2,228	857	422	490	3,997	875
2003/04[2]	875	65	4,144	5,085	2,412	689	539	470	4,110	975
2004/05[2]	975	65	3,815	4,856	2,463	647	361	475	3,946	910

[1] Estimated. [2] Forecast.

Source: National Agricultural Statistics Service and Census Bureau, U.S. Dept. of Commerce.

Last update: 6/17/2004

Table 8--Oilseeds prices received by U.S. farmers

Marketing year	Soybeans	Cottonseed	Sunflower	Peanuts	Flaxseed
	$/bu	$/ton	$/cwt	Cents/lb	$/bu
1995/96	6.72	106.00	11.50	29.30	5.19
1996/97	7.35	126.00	11.70	28.10	6.37
1997/98	6.47	121.00	11.60	28.30	5.81
1998/99	4.93	129.00	10.60	28.40	5.05
1999/00	4.63	89.00	7.53	25.40	3.79
2000/01	4.54	105.00	6.89	27.40	3.30
2001/02	4.38	90.50	9.62	23.40	4.29
2002/03	5.53	101.00	12.10	18.20	5.77
2003/04[1]	7.65	111.00	12.20	19.25	5.85
2002/03					
September	5.39	95.00	13.10	17.90	5.57
October	5.20	100.00	12.00	17.90	5.77
November	5.46	100.00	12.00	18.00	6.04
December	5.46	101.00	12.30	17.50	5.92
January	5.51	105.00	12.10	19.10	5.71
February	5.55	110.00	12.50	19.60	6.25
March	5.59	NA	12.50	22.60	6.47
April	5.82	NA	12.30	18.40	6.57
May	6.07	NA	12.20	19.60	6.05
June	6.09	NA	12.00	17.70	6.02
July	5.82	NA	11.60	NA	6.38
August	5.68	NA	10.90	NA	5.30
2003/04					
September	6.06	100.00	10.40	18.30	5.43
October	6.61	104.00	11.40	18.50	5.77
November	7.05	121.00	11.60	18.40	6.06
December	7.17	127.00	11.60	19.60	6.22
January	7.34	127.00	12.10	20.70	6.09
February	8.28	140.00	12.80	18.80	6.40
March	9.27	NA	13.60	18.50	6.52
April	9.62	NA	13.50	20.10	6.98
May[1]	9.60	NA	13.90	21.00	7.15

NA = Not available. [1] Preliminary.

Source: National Agricultural Statistics Service, USDA.

Last update: 6/18/2004

Table 9--U.S. vegetable oil and fats prices

Marketing year	Soybean oil [2]	Cottonseed oil [3]	Sunflower oil [4]	Peanut oil [5]	Corn oil [6]	Lard [6]	Edible tallow [6]
				Cents/lb			
1995/96	24.70	26.53	25.40	40.30	25.24	21.70	21.56
1996/97	22.50	25.58	22.64	43.70	24.05	23.02	23.01
1997/98	25.80	28.85	27.00	49.00	28.94	19.46	20.69
1998/99	19.90	27.32	20.10	39.74	25.30	14.66	15.14
1999/00	15.60	21.52	16.68	35.39	17.81	13.64	13.21
2000/01	14.15	15.98	15.89	34.81	13.54	14.61	13.43
2001/02	16.46	17.98	23.25	32.52	19.14	13.55	13.87
2002/03	22.04	37.75	33.11	46.70	28.17	18.13	17.80
2003/04[1]	31.50	34.00	33.50	61.00	29.50	25.50	24.50
2002/03							
October	20.75	26.84	29.82	NA	22.45	14.39	14.73
November	23.00	36.90	33.90	42.00	26.90	16.28	17.02
December	22.60	46.89	33.60	43.67	28.25	18.42	19.25
January	21.50	49.82	32.52	45.75	29.30	18.61	19.22
February	21.20	49.90	32.60	46.00	28.90	17.11	17.38
March	21.56	47.52	33.10	47.00	27.20	16.85	17.45
April	22.40	44.57	33.70	50.25	27.55	16.72	17.48
May	23.17	42.33	34.37	52.75	29.10	17.29	17.41
June	22.90	28.69	33.64	56.60	30.15	18.90	18.58
July	21.80	24.38	33.50	58.25	29.90	18.93	17.48
August	20.40	25.51	32.65	60.00	30.68	20.08	17.57
September	23.20	29.64	33.92	60.67	27.71	23.98	20.05
2003/04							
October	27.40	32.93	32.73	61.60	26.99	27.50	24.22
November	27.76	32.24	31.60	63.25	27.56	26.40	27.76
December	29.54	33.26	32.00	64.50	28.73	25.18	29.50
January	30.34	32.76	32.56	65.00	29.26	26.50	26.81
February	33.05	34.21	33.97	61.67	30.16	25.83	20.27
March	34.66	34.91	34.91	60.00	30.56	23.77	20.58
April	34.19	34.47	34.77	60.00	30.36	22.58	22.58
May[1]	32.68	32.50	34.85	56.50	30.34	21.31	19.85

[1] Preliminary. [2] Decatur. [3] PBSY Greenwood, MS. [4] Minneapolis.
[5] Southeast mills. [6] Chicago.
Source: Agricultural Marketing Service, USDA.
Last update: 6/17/2004

Table 10--U.S. Oilseed meal prices

Marketing year	Soybean meal [2]	Cottonseed meal [3]	Sunflower meal [4]	Peanut meal [5]	Canola meal [6]	Linseed meal [4]
			$/Short ton			
1995/96	235.90	190.74	123.75	202.70	177.22	159.00
1996/97	262.00	192.00	110.60	232.00	192.02	158.75
1997/98	185.30	144.00	84.20	209.60	131.15	117.54
1998/99	138.50	109.55	64.20	104.94	112.28	84.49
1999/00	167.62	127.43	75.00	108.15	117.07	103.42
2000/01	173.62	142.93	90.50	121.60	139.20	121.92
2001/02	167.72	136.16	87.27	113.69	143.33	121.29
2002/03	181.58	146.12	105.00	125.00	144.06	122.91
2003/04[1]	270.00	200.00	125.00	190.00	205.00	160.00
2002/03						
October	168.20	150.10	NA	NA	131.50	114.00
November	163.20	150.00	95.00	130.00	134.70	113.10
December	163.60	156.40	95.00	122.50	142.17	112.50
January	167.40	157.38	85.00	118.50	154.10	118.40
February	176.80	143.60	NA	114.25	155.80	120.10
March	175.40	142.40	NA	124.00	147.55	133.00
April	182.10	142.40	NA	125.00	145.60	126.70
May	195.40	131.75	NA	135.00	148.50	125.00
June	191.90	131.50	NA	135.00	146.95	127.25
July	187.30	143.00	NA	135.75	137.10	129.10
August	189.70	151.70	NA	130.00	135.50	130.60
September	217.95	153.20	NA	130.00	149.20	125.20
2003/04						
October	225.20	163.50	103.50	147.10	169.65	139.90
November	242.00	182.50	117.88	161.00	187.19	178.75
December	231.54	185.00	112.10	163.25	181.35	162.25
January	252.15	188.00	116.00	163.35	201.07	166.25
February	257.39	193.00	115.50	168.75	205.50	174.37
March	301.14	205.10	125.40	200.40	228.65	193.60
April	311.83	219.67	130.75	226.00	214.40	197.75
May[1]	300.69	203.00	122.50	237.50	200.03	181.75

[1] Preliminary. [2] Hi-pro Decatur. [3] 41% Memphis. [4] Minneapolis.
[5] 50% Southeast mills. [6] 36% Pacific Northwest.
Source: Agricultural Marketing Service, USDA.
Last update: 6/17/2004