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# Oil Crops Outlook

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## Prices Plummet With Soybean Crop Improvement

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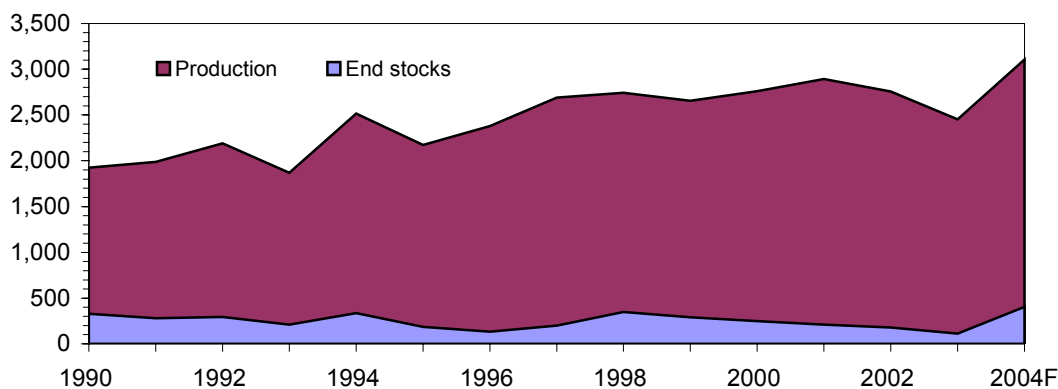
The U.S. Department of Agriculture (USDA) raised the forecast of the 2004 national average soybean yield to 42.0 bushels per acre from 38.5 bushels in September. A record-large crop of 3,107 million bushels was forecast, up 271 million bushels from the September estimate. Despite the anticipated rebound in their use, ending stocks are forecast to more than triple in 2004/05 to 405 million bushels, which would be the largest inventory since 1986/87. The 2004/05 average farm price is forecast down to \$4.70-\$5.50 per bushel, versus the September forecast of \$5.35-\$6.25 and \$7.34 in 2003/04.

Expected global soybean production for 2004/05 bulged nearly 6 million tons this month due largely to a 7.4-million-ton increase for the U.S. harvest. In contrast, the forecast of Brazilian soybean area was trimmed, which cut prospective 2004/05 production from 66.0 million to 64.5 million tons. Global soybean stocks may swell by more than 50 percent to 59.3 million tons as demand from the European Union and Southeast Asia may not grow enough to counter the additional production.

Figure 1

### Disposition of a record-high U.S. soybean harvest will be a major challenge

Million bushels



Source: National Agricultural Statistics Service, USDA

### ***Soybean Yields Benefit From Favorable Late Season Weather***

The 2004 U.S. soybean harvest was raised sharply this month based on a yield shored up by an excellent finish to the growing season, as well as higher than previously known acreage. A record-large crop of 3,107 million bushels was forecast, up 271 million bushels from the September estimate. A collection of USDA administrative data also confirmed a larger sown area for a number of States. Nationally, the net increase in acreage to be harvested was 335,000 acres. But, soybean acreage was found to be nearly a half-million acres less than formerly believed in Iowa, Minnesota, Wisconsin, and South Dakota because extreme wetness in June had prevented completion of seeding.

One of the warmest Septembers of the last 100 years for the upper Midwest spurred maturity of a late-developing soybean crop closer to its full potential. The earliest sown fields have done very well, but there had been prior concerns that late planting and a very cool summer would not let some northern areas reach maturity. Not only did the absence of an early frost alleviate this threat, but there was also a reappearance of favorably warm temperatures that enabled soybean pods to fill out better than expected. Pod counts also improved from USDA's September survey for a number of States. Nonetheless, hard freezes during the first week of October halted any further development through much of the upper Midwest. By then, only a small percentage of fields there had not advanced beyond the leaf-dropping stage, so that freeze may have lowered the crop's quality more than its yield.

USDA raised the forecast of the 2004 national average soybean yield to 42.0 bushels per acre from 38.5 bushels in September. If realized, this would eclipse the previous yield record of 41.4 bushels per acre set in 1994. Except for Minnesota and a few Southern States, expected soybean yields improved this month for every major producing State. All-time high yields will be established by soybean producers this year in Illinois, Indiana, Missouri, Nebraska, Kansas, Mississippi, Arkansas, and Alabama.

Generally dry weather during September expedited the pace of the U.S. soybean harvest, as well. Harvesting had advanced to 58 percent by October 10, compared with the 5-year average of 53 percent. Harvest progress was lagging behind in Minnesota, Wisconsin, North Dakota, and South Dakota, however.

### ***Growth in Soybean Use Unlikely To Prevent a Major Accumulation of Stocks***

The huge new crop and lower prices will create a buyer's market for U.S. soybeans. There is a very wide current price spread (60 cents per bushel) between Gulf export and interior locations. While the bumper harvest is applying unusually heavy pressure on farm values, this differential also indicates that at the moment there is already a solid pace of export shipments. U.S. soybean sales to China are strengthening again as competition from South American shipments wane. The deposit and financing requirements for Chinese soybean buyers will become less constrictive as prices go lower. Compared against last year's declines, U.S. soybean shipments to the major markets of Mexico, Japan, Taiwan, and Indonesia should all eventually rise toward more normal trade volumes.

USDA forecasts that 2004/05 soybean exports (at 1,025 million bushels) will easily surpass last year's total. Yet, despite an increase in soybean supply by 278 million bushels from last month, the export forecast was raised by a comparatively modest 25 million bushels. As of September 30, export commitments of soybeans were 345 million bushels, still 12 percent behind the rapid pace at the start of last season. While supply availability is no longer a problem, U.S. export sales have been tepid so far for several other countries where consumption is likely to be less than robust this season. One region where U.S. sales are lagging is the European Union (EU). Even with very competitive prices, EU soybean imports may stagnate this season because of ample domestic oilseed supplies. The import outlook for Southeast Asia also appears dim because of the continuing crisis facing the poultry industry there.

The deluge of newly produced supplies will also support a solid recovery in domestic soybean use. Demand by soybean crushers in 2004/05 is forecast to expand 115 million bushels over last season to 1,645 million bushels. The crush forecast was raised 30 million bushels this month based on likely additional requirements for soybean meal and soybean oil.

Despite the anticipated rebound in their use, it is likely there will be many more soybeans left over at the end of the year than at the start. Ending stocks are forecast to more than triple in 2004/05 to 405 million bushels, which would be the largest inventory since 1986/87. The burden of a carryout potentially this large is behind the recent price slump. Probable shortages of storage and transportation for both the bumper soybean and corn crops this fall will help undermine farm prices.

Central Illinois cash soybean prices are currently hovering just below \$5.00 per bushel, which is down sharply from the August average of \$6.21. The 2004/05 average farm price is forecast down to \$4.70-\$5.50 per bushel, versus the September forecast of \$5.35-\$6.25 and \$7.34 in 2003/04. In most parts of the country, prices for soybeans have dropped low enough for producers to consider taking loan deficiency payments (LDP) or putting them under a 9-month marketing loan. Both the LDP and the marketing loan provisions guarantee producers income protection at the 2004 national average loan rate of \$5.00 per bushel. In order to maximize their payment, many producers may opt to postpone these decisions for a short while longer until they think their county price has fallen to its seasonal low. Counter-cyclical payments could also feature prominently this year in the support of farm incomes.

### ***Potentially Ample Soybean Meal and Soybean Oil Supplies To Reduce Prices***

U.S. output of poultry and pork is headed for an all-time high as the outlook for profit margins will benefit from strong demand and lower feed costs. Higher bird slaughter and average weights are estimated raising 2005 broiler output by 3 percent over the current year. For hogs and pigs, the September 1 inventory was up 1 percent from a year earlier. The pig crop next winter is also expected up 1 percent based on greater sow farrowing. Feed consumption rates should also be aided by feeding hogs to heavier slaughter weights. For these reasons, domestic consumption of soybean meal is forecast expanding nearly 5 percent in 2004/05 to 33.9 million short tons.

A resurgence of foreign interest in buying U.S. soybean meal should soon start. Early export sales for 2004/05 are nearly 400,000 tons ahead of last year's pace. Export shipments of soybean meal are viewed bouncing back to 5.4 million tons versus 4.3 million in 2003/04. Yet, in spite of a relatively brighter demand picture, domestic prices for soybean meal will be subjected to great pressure by a very large soybean supply. The season-average price is expected to fall back to \$150-\$180 per short ton, comparable with a level seen 2 years ago before the back-to-back crop disappointments in 2002 and 2003. Soybean meal values have been halved since last summer, ranging now between \$150 and \$160 per ton.

Similarly, there will be a lower risk of a depletion of soybean oil supplies than there was at the conclusion of 2003/04. A higher output of soybean oil is predicted to raise 2004/05 domestic disappearance by 2 percent to 17,250 million pounds. A less constrictive supply should also enable soybean oil exports to edge back toward 1,150 million pounds compared with approximately 925 million last year. Soybean oil prices should ease considerably off last season's average of 29.97 cents per pound toward 21.5-24.5 cents. By early October, prices had receded below 23 cents per pound, compared with the October 2003 average of 27.4 cents.

### ***Slightly Larger Soybean Carryover Found Due to Underestimated 2003 Harvest***

Last month's *Grain Stocks* report from USDA indicated that September 1 soybean stocks were 112.5 million bushels, compared against the previous forecast of 105 million. The last year that soybean stocks had dropped that low was in 1977. Due to heavy selling earlier in the fall, on-farm stocks fell to a negligible 29 million bushels.

Although the season-ending inventory was still very tight, the soybean stocks and use data indicated that the 2003 crop had been underestimated by 36 million bushels. Yield and harvested area increases for Minnesota, Illinois, and Iowa accounted for more than half of the total crop adjustment. The national harvest was consequently revised up to 2,454 million bushels, with the average yield rising to 33.9 bushels per acre from the previously estimated 33.4 bushels and the harvested area estimate increasing 155,000 acres to 72.5 million.

Data on the 2003/04 soybean crush is now complete, with 1,530 million bushels processed. Up until March, crushing was quite steady. Yet, as stocks tightened in the last half of the crop year, domestic processors fell 89 million bushels behind the 2002/03 pace. Soybean exports also had a strong start last fall, but by January the shipments rapidly began to decline. Crop-year final exports are likely to be 885 million bushels, down sharply from 1,044 million the previous year. The season-average price strengthened to \$7.34 per bushel from \$5.53 in 2002/03. While overall prices were higher, USDA data on farm marketing indicate that producers had committed to more sales during the fall when prices were lower (ranging from \$6.00-\$7.50 per bushel) than in the spring when prices had risen to between \$9 and \$10 per bushel. Between September and January, U.S. producers had already sold 73 percent of their soybean harvest, compared with 61 percent the previous year.

## ***Southeastern Peanut Crop Damaged by September Storms***

Despite a 6-percent increase in planted acreage and earlier expectations of record national level yields, 2004 peanut production estimates were dampened by yield damage from the series of hurricanes that swept through the Southeastern United States in September. U.S. peanut production is now forecast at 4,125 million pounds, down 7 percent from September's estimate and slightly (less than 1 percent) below production in 2003. Area for harvest was revised down only 5,000 acres from September's estimate, but yields are expected to average 2,972 pounds per acre, 216 pounds less than September's estimate and down 187 pounds from 2003. Yield damage was especially high in Florida, the fourth-largest peanut producing State last year. Florida's yields are now estimated at 2,300 pounds per acre, compared with expectations of 3,100 pounds per acre in September. Yields were also lowered by 300 pounds per acre in Georgia, to 3,000 pounds, and by 100 pounds in Alabama, to 2,700 pounds per acre. Elsewhere, projected yields are the same or up somewhat (compared with September) and are well above their 5-year averages. As of October 10, 45 percent of the peanut crop had been harvested, up 15 percentage points from the previous week, and the same pace as last year.

Overall, peanut production in the Southeast States (Alabama, Florida, Georgia, and South Carolina) is expected to total 2,761 million pounds, down 10 percent from September but about the same as last year. Virginia-North Carolina production is forecast at 435 million pounds, unchanged from September, but up 5 percent from 2003. Southwest peanut production (New Mexico, Oklahoma, and Texas) is expected to total 929 million pounds, up fractionally from September but down 3 percent from 2003.

Although output is down slightly (19 million pounds) from last year, overall supplies this year are still 238 million pounds higher than the 2003 marketing year, as carryin stocks were a relatively strong 1,121 million pounds. After climbing by 10 percent in 2003, domestic food use growth is expected to return to a more normal pace of 3 percent, bringing projected food use to 2,523 million pounds. Exports are projected at 530 million pounds, a downward adjustment of 20 million pounds from September, but still 14 million pounds above exports in 2003. Peanut crush in 2004/05 is projected at 704 million pounds, 168 million pounds above the previous season. Other categories of use (seed, residual) are virtually unchanged from 2003, and ending stocks are projected to be only slightly (11 million pounds) lower.

## ***Loss of Acreage Leads to Disappointing Sunflowerseed and Canola Crops***

U.S. farmers planted 20 percent fewer sunflower acres this year (1.8 million). All of the acreage reduction was of the oil-type variety. A higher yield forecast offsets part of the acreage decline, so the change in 2004 sunflowerseed production is expected to be down 10 percent to 2,395 million pounds. The 2004 national average sunflowerseed yield is provisionally estimated at 1,346 pounds per acre, up from 1,213 pounds in 2003. A main factor for the improvement of yields over a year ago was the absence of drought in the central Plains. Yet, like soybeans, development of the country's sunflower crop was delayed during the growing season by unseasonably low temperatures. The States most affected by the cool weather (North Dakota and Minnesota) account for more than half of U.S.

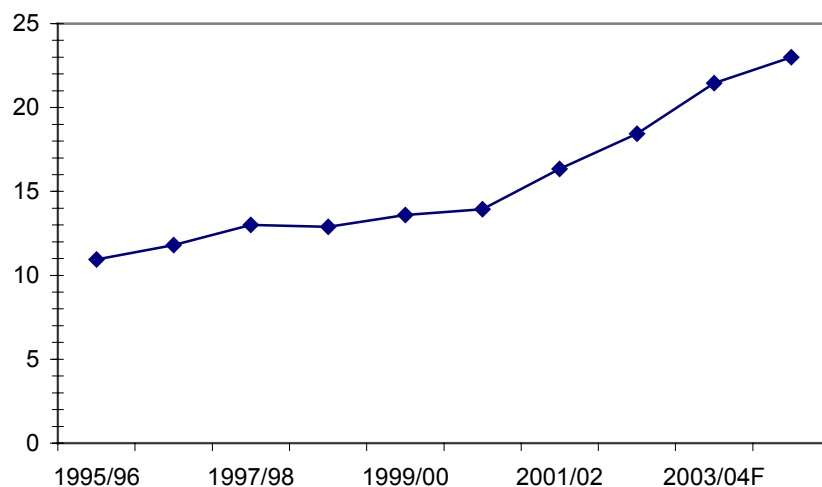
sunflower acreage. Sunflowerseed yields are forecast down slightly for North Dakota this year while the Minnesota average yield could fall 16 percent. The lateness of the crop's development is responsible for only 7 percent of the harvest being collected by October 10, trailing the 5-year average of 22 percent. A tightening of the sunflowerseed supply is expected to curb domestic crushing and draw down ending stocks.

Domestic yields of canola seed actually increased to a record-high 1,517 pounds per acre in 2004. But, due to a 20-percent drop in planted acreage, the U.S. canola harvest is expected to be the smallest in 7 years at 1,262 million pounds. The 2004 sown area estimate was lowered another 78,000 acres from the June estimate (to 868,000) as North Dakota plantings were less than expected. The domestic shortfall would encourage processors to obtain more imports (totaling at least 600 million pounds) of the crop, of which Canadian farmers are still expected to have an ample amount this season to sell. The production deficit is also foreseen curtailing U.S. exports of canola seed. In contrast, imports of both canola oil and canola meal (which surged in 2003/04) are likely to be restrained by more abundant outputs of soybean oil and soybean meal.

Figure 2

### Growth in Brazilian soybean area expected to slow

Million hectares



Source: Foreign Agricultural Service, USDA.

### ***High Cost, Weak Price Environment Viewed Curtailing Expansion of Brazil Soybean Area***

Expected global soybean production for 2004/05 bulged nearly 6 million metric tons this month due largely to a 7.4-million-ton increase for the U.S. harvest. That change substantially alters competitive terms throughout the world export market.

Farmers in the center-west part of Brazil are just about to commence planting of soybeans. Dryness has kept producers from already being in the fields, although there is ample time for the rainfall to improve sowing conditions. There is less optimism in the economic outlook for producing soybeans in Brazil, however, which has sharply deteriorated over the last several months. Data for Brazilian soybean producers from Parana indicate that their production costs are 16 percent higher than last year. At the same time, current producer prices for soybeans have fallen 20-25 percent below where they were a year ago. If farmers in Brazil reasonably anticipate that their prices could continue to decline through next year's harvest, the higher potential for negative returns would likely moderate their expansion plans. Another factor at work this year is the reported difficulty in obtaining crop financing. Farm credit will not cover costs for as many inputs, which may limit the area that is sown.

These considerations led USDA this month to trim back its forecast of Brazil's soybean area to 23.0 million hectares from the original forecast of 23.5 million. Soybean area could still be up 7 percent from last year based on switching between corn and rice and conversion of pasture. Leaving the soybean yield forecast unchanged for the still unsown crop, the 2004/05 production forecast fell from 66.0 million to 64.5 million tons.

Price offers out of Brazil are still too high to attract much export interest right now. The U.S. Gulf price for soybeans is around \$200 per ton, cheaper than recent quotes of \$209 at the Port of Paranagua. Forecast 2004/05 soybean exports from Brazil were lowered this month from 23.0 million to 22.4 million tons. Brazilian soybean processors are also having difficulty obtaining economically priced soybeans, which has reportedly idled about half of their crushing capacity. This season's forecast soybean crush for Brazil was scaled back to 33.1 million tons versus 34.7 million previously. Accordingly, forecasts of soybean meal exports and domestic use were cut to 16.9 million and 9.0 million tons, respectively.

### ***Foreign Imports of Soybeans Unlikely to Fully Absorb Output Surge***

Global soybean imports are anticipated to rise 14 percent in 2004/05 to 62.8 million tons. Even if an impressive gain of that magnitude can be achieved, global soybean stocks may swell by more than 50 percent to 59.3 million tons. Fundamental changes for several key import markets will be needed to avoid exacerbating an extraordinary surplus.

Given large domestic harvests of oilseeds and feed wheat, EU soybean processors will likely see a slim margin for their products in 2004/05. A glut of foreign soybean meal output will also apply substantial pressure on their profitability. EU imports of soybeans are forecast at 15.9 million tons, which is up from 15.3 million in 2003/04 but down 300,000 tons from the September forecast. Expected EU imports of soybean meal were unchanged from the previous forecast of 24.5 million tons.

Thailand has found it difficult to eradicate avian influenza in the country, despite efforts to control it earlier this year by the slaughter of millions of birds. The economic fallout from the disease is still ravaging the country's vital poultry industry. Thailand is heavily dependent on exporting meat, but its poultry imports are still barred throughout Europe and Asia. The continuing disruption in feed requirements is responsible for a lowering of expected Thai soybean meal consumption by 18 percent from last year. Thai soybean imports are forecast to drop to 1.1 million tons against 1.4 million in 2003/04 while soybean meal imports slipped from 1.65 million last year to 1.4 million tons.

### ***Lower Crop Expectations in Ukraine, Argentina to Moderate Global Sunflowerseed Output***

Prior expectations for a stable world sunflowerseed supply have eroded under disappointing conditions for harvests in major producing countries. Global sunflowerseed production for 2004/05 is now projected declining to 25.2 million tons compared with 26.4 million in 2003/04. Consequently, world exports would likely slip to 2.3 million tons versus 3.0 million last year.

Very wet and cool conditions during the summer lowered the yield potential for the Ukraine sunflowerseed crop. Rains in August were about double the normal amount. The 2004 production estimate was reduced this month from 3.6 million to 3.2 million tons. A 17-percent export duty on sunflowerseed will continue to favor



domestic crushing, and Ukraine exports could drop to just 300,000 tons from 950,000 last year.

The area sown to sunflowers in Argentina this year is unlikely to expand as much as previously thought. Sowing of the crop is being discouraged by a lack of moisture. USDA moderated the expected increase in 2004/05 Argentine sunflower area to 2.0 million hectares, which is down from 2.35 million previously and 1.8 million in 2003/04. As a result, the forecast of Argentine production is lowered from 4.0 million to 3.4 million tons. Most of the sunflowerseed output is processed domestically, which would leave even less available for export. Argentine sunflowerseed exports for 2004/05 were lowered to 150,000 tons from 350,000 previously.

A global shortfall of sunflowerseed would curtail imports by the major market of the European Union countries. While an abundance of foreign sunflowerseed hiked EU imports last year, these may fall by one-third in 2004/05 to just 1 million tons.

## Contacts and Links

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### 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.

### Recent Reports

China: A Study of Dynamic Growth. China's rapid economic growth has been driven by high rates of investment, gains in productivity, and liberalized foreign trade and investment. China's growth is likely to continue, but the Chinese economy faces some possibly unsustainable pressures. This report is available at <http://www.ers.usda.gov/publications/WRS0408/>

*Economic and Policy Implications of Wind-Borne Entry of Asian Soybean Rust Into the United States* 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/>

### Related Websites

WASDE (<http://www.usda.gov/oce/waob/wasde/latest.pdf>)  
Oilseed Circular, [http://www.fas.usda.gov/oilseeds\\_arc.html](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		Yield	Supply			Disappearance				Ending stocks	
	Planted	Harvested		Beginning stocks	Production	Imports	Total	Crush	Exports	Seed, feed, residual		Total
	<i>Million acres</i>		<i>Bu/acre</i>				<i>Million bushels</i>					
2002/03	73.9	72.4	38.0	208	2,756	5	2,969	1,615	1,044	131	2,791	178
2003/04 <sup>1</sup>	73.4	72.5	33.9	178	2,454	6	2,638	1,530	885	111	2,526	112
2004/05 <sup>2</sup>	75.1	74.0	42.0	112	3,107	6	3,225	1,645	1,025	150	2,820	405
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	159.3			
February						0.5		129.2	151.5			
Dec-Feb				2,115.4	---	1.1	2,116.5	422.0	425.5	66.9	914.4	1,202.0
March						0.3		142.7	92.1			
April						0.4		127.0	66.4			
May						0.5		130.5	35.9			
Mar-May				1,202.0	---	1.2	1,203.3	400.2	194.4	6.3	600.9	602.4
June						0.5		121.2	31.9			
July						0.3		129.3	37.9			
August						0.1		125.1	34.3			
June-Aug				602.4	---	0.9	603.3	375.6	104.1	(54.7)	424.9	178.3
Total						4.7	2,968.9	1,615.3	1,044.4	185.6	2,365.6	
2003/04												
September						0.2		127.6	34.0			
October						1.0		146.2	165.3			
November						1.0		145.6	186.4			
Sep-Nov				178.3	2,453.7	2.2	2,634.2	419.4	385.7	140.5	945.6	1,688.7
December						0.8		145.8	143.2			
January						0.4		146.0	109.3			
February						0.2		131.4	82.6			
Dec-Feb				1,688.7	---	1.4	1,690.0	423.2	335.1	25.9	784.2	905.8
March						0.3		129.5	69.9			
April						0.4		112.5	28.7			
May						0.2		117.5	20.0			
Mar-May				905.8	---	1.0	906.8	359.5	118.5	18.2	496.2	410.6
June						0.3		109.4	20.2			
July						0.3		115.3	14.8			
August						NA		103.0	NA			
June-Aug				410.6	---	0.6	411.2	327.6	34.9	NA	298.8	112.5
Total						5.3	2,637.3	1,529.7	874.3	NA	2,226.0	

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

Last update: 10/18/2004

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

Year begin. Oct. 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
				<i>1,000 short tons</i>				
2002/03	240	38,213	166	38,619	32,380	6,019	38,399	220
2003/04 <sup>1</sup>	220	36,455	250	36,925	32,400	4,300	36,700	225
2004/05 <sup>2</sup>	225	39,160	165	39,550	33,900	5,400	39,300	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	2,543.7	864.4	3,408.0	299.1
February	299.1	3,048.4	12.7	3,360.3	2,551.4	549.3	3,100.7	259.5
March	259.5	3,360.1	8.5	3,628.0	2,658.6	633.8	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	2,647.5	381.6	3,029.1	311.8
June	311.8	2,873.4	4.4	3,189.6	2,519.0	399.0	2,918.0	271.6
July	271.6	3,064.4	5.5	3,341.4	2,741.5	371.6	3,113.1	228.4
August	228.4	2,966.6	46.4	3,241.4	2,588.0	386.4	2,974.5	266.9
September	266.9	3,023.5	8.1	3,298.6	2,705.0	373.6	3,078.6	219.9
Total		38,212.9	166.1	38,619.0	32,379.6	6,019.4	38,399.0	
2003/04								
October	219.9	3,462.1	6.7	3,688.8	2,946.0	424.9	3,370.9	317.8
November	317.8	3,465.9	6.2	3,789.9	2,666.2	691.4	3,357.6	432.4
December	432.4	3,483.7	5.1	3,921.2	3,213.1	427.4	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
May	338.6	2,792.4	37.2	3,168.2	2,443.1	259.5	2,702.6	465.5
June	465.5	2,616.2	45.9	3,127.7	2,644.1	168.7	2,812.8	314.9
July	314.9	2,752.2	47.5	3,114.6	2,570.1	199.9	2,770.0	344.6
August	344.6	2,480.2	NA	2,824.8	NA	NA	2,628.5	196.3
Total to date		33,451.7	172.6	33,844.2	27,136.2	3,883.1	33,647.8	

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

Last update: 10/15/2004

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

Year begin. Oct. 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2002/03	2,359	18,438	46	20,843	17,091	2,261	19,352	1,491
2003/04 <sup>1</sup>	1,491	17,095	300	18,886	16,900	925	17,825	1,061
2004/05 <sup>2</sup>	1,061	18,425	105	19,591	17,250	1,150	18,400	1,191
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	1,300.8	299.8	1,600.7	2,271.9
March	2,271.9	1,633.3	3.4	3,908.6	1,387.3	276.7	1,664.1	2,244.6
April	2,244.6	1,447.5	4.8	3,696.8	1,349.7	227.0	1,576.7	2,120.2
May	2,120.2	1,491.7	4.9	3,616.8	1,453.3	109.6	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	96.9	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	17,091.1	2,261.0	19,352.1	
2003/04								
October	1,490.6	1,630.8	3.3	3,124.7	1,560.4	152.5	1,712.9	1,411.8
November	1,411.8	1,610.6	2.7	3,025.2	1,383.4	111.3	1,494.8	1,530.4
December	1,530.4	1,604.6	3.2	3,138.2	1,423.0	135.2	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	1,440.1	39.0	1,479.1	1,644.1
May	1,644.1	1,314.6	28.1	2,986.9	1,291.5	43.8	1,335.3	1,651.6
June	1,651.6	1,236.0	69.8	2,957.3	1,403.8	39.5	1,443.3	1,514.0
July	1,514.0	1,304.0	64.7	2,882.7	1,416.7	54.0	1,470.7	1,412.0
August	1,412.0	1,185.9	NA	2,597.9	NA	NA	1,416.7	1,181.2
Total to date		15,689.3	188.0	17,368.0	13,987.5	782.6	16,186.8	

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

Last update: 10/15/2004

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

Year beg. Aug. 1	Supply				Disappearance				Ending stocks
	Beginning stocks	Production	Imports	Total	Crush	Exports	Other	Total	
<i>1,000 short tons</i>									
2002/03	400	6,184	104	6,687	2,495	370	3,476	6,341	347
2003/04 <sup>1</sup>	347	6,665	2	7,013	2,639	355	3,598	6,592	421
2004/05 <sup>2</sup>	421	7,879	175	8,475	2,950	379	4,601	7,930	545

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

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

Year beg. Oct. 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Imports	Production	Total	Domestic	Exports	Total	
<i>1,000 short tons</i>								
2002/03	62	0	1,114	1,176	1,092	51	1,143	33
2003/04 <sup>1</sup>	33	0	1,245	1,279	1,174	65	1,239	40
2004/05 <sup>2</sup>	40	0	1,330	1,370	1,260	75	1,335	35

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

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

Year beg. Oct. 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Imports	Production	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2002/03	40	21	725	786	639	111	750	36
2003/04 <sup>1</sup>	36	1	870	907	732	110	842	65
2004/05 <sup>2</sup>	65	0	930	995	821	110	931	64

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

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

Year beg. Aug. 1	Supply				Disappearance				Ending stocks	
	Beginning stocks	Imports	Production	Total	Domestic food	Crush	Seed & residual	Exports		Total
<i>Million pounds</i>										
2002/03	1,476	75	3,321	4,873	2,241	857	409	490	3,997	875
2003/04 <sup>1</sup>	875	39	4,144	5,059	2,456	536	430	516	3,938	1,121
2004/05 <sup>2</sup>	1,121	50	4,125	5,297	2,523	704	430	530	4,187	1,110

<sup>1</sup> Estimated. <sup>2</sup> Forecast.

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

Last update: 10/15/2004

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

Marketing year	Soybeans \$/bu	Cottonseed \$/ton	Sunflower \$/cwt	Peanuts Cents/lb	Flaxseed \$/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 <sup>1</sup>	7.34	111.00	12.10	19.25	5.90
2003/04					
September	6.06	100.00	10.40	18.30	5.43
October	6.60	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	7.35	127.00	12.10	20.60	6.09
February	8.28	140.00	12.80	18.90	6.40
March	9.28	NA	13.60	18.60	6.52
April	9.62	NA	13.50	19.80	6.98
May	9.56	NA	13.70	20.60	7.11
June	9.08	NA	13.40	20.30	7.25
July	8.46	NA	13.30	17.40	7.33
August	6.83	99.00	13.60	19.00	6.90
2004/05					
September <sup>1</sup>	5.77	89.00	14.00	NA	7.05

<sup>1</sup> Preliminary. NA = Not available.

Source: National Agricultural Statistics Service, U. S. Dept. of Agriculture.

Last update: 10/15/2004

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

Marketing year	Soybean oil <sup>2</sup>	Cottonseed oil <sup>3</sup>	Sunflower oil <sup>4</sup>	Peanut oil <sup>5</sup>	Corn oil <sup>6</sup>	Lard <sup>6</sup>	Edible tallow <sup>6</sup>
<i>Cents/lb</i>							
1995/96	24.70	26.53	25.40	40.34	25.24	21.70	21.56
1996/97	22.50	25.58	22.64	43.65	24.05	23.02	23.01
1997/98	25.80	28.85	27.00	49.21	28.94	19.46	20.69
1998/99	19.90	27.32	20.10	40.72	25.30	14.66	15.14
1999/00	15.60	21.52	16.68	35.96	17.81	13.64	13.21
2000/01	14.15	15.98	15.89	34.97	13.54	14.61	13.43
2001/02	16.46	17.98	23.25	32.23	19.14	13.55	13.87
2002/03	22.04	37.75	33.11	46.70	28.17	18.13	17.80
2003/04 <sup>1</sup>	29.97	31.21	33.41	60.84	28.43	26.13	22.37
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	31.00	25.83	20.27
March	34.66	34.91	34.91	60.00	30.56	23.77	20.58
April	34.19	34.47	34.73	60.00	30.36	22.58	22.58
May	32.68	32.57	34.23	56.50	30.34	21.31	19.85
June	30.07	30.72	33.66	NA	28.36	22.50	18.81
July	28.05	27.83	33.13	56.00	27.33	27.53	21.10
August	25.98	25.29	33.07	53.75	25.61	32.06	18.80
September <sup>1</sup>	25.87	23.29	34.34	55.00	25.07	32.38	18.20

<sup>1</sup> Preliminary. <sup>2</sup> Decatur, IL. <sup>3</sup> PBSY Greenwood, MS. <sup>4</sup> Minneapolis.

<sup>5</sup> Southeast mills. <sup>6</sup> Chicago.

Source: Agricultural Marketing Service, U.S. Dept. of Agriculture.

Last update: 10/15/2004



Table 10--U.S. oilseed meal prices

Marketing year	Soybean meal <sup>2</sup>	Cottonseed meal <sup>3</sup>	Sunflower meal <sup>4</sup>	Peanut meal <sup>5</sup>	Canola meal <sup>6</sup>	Linseed meal <sup>4</sup>
<i>\$/Short ton</i>						
1995/96	235.90	190.74	123.75	190.92	177.22	159.00
1996/97	262.00	192.00	110.60	207.79	192.02	158.75
1997/98	185.30	144.00	84.20	210.25	131.15	117.54
1998/99	138.50	109.55	64.20	122.02	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	119.75	139.20	121.92
2001/02	167.72	136.16	87.27	112.32	143.33	121.29
2002/03	181.58	146.12	105.00	128.35	144.06	122.91
2003/04 <sup>1</sup>	256.05	183.47	111.14	177.56	188.45	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	157.40	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	300.69	203.00	122.50	237.50	200.03	181.75
June	285.81	185.40	109.30	204.00	188.98	151.80
July	284.05	177.50	111.00	199.33	192.09	139.75
August	205.34	156.20	87.20	143.33	146.99	112.40
September <sup>1</sup>	175.51	142.75	82.50	133.00	145.55	112.38

<sup>1</sup> Preliminary. <sup>2</sup> Hi-pro Decatur, IL. <sup>3</sup> 41% Memphis. <sup>4</sup> 28% Minneapolis.

<sup>5</sup> 50% Southeast mills. <sup>6</sup> 36% Pacific Northwest.

Source: Agricultural Marketing Service, U.S. Dept. of Agriculture.