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Oil Crops Outlook

Mark Ash and Erik Dohlman

Prices Firming as Robust Soybean Use Tightens Up the Supply

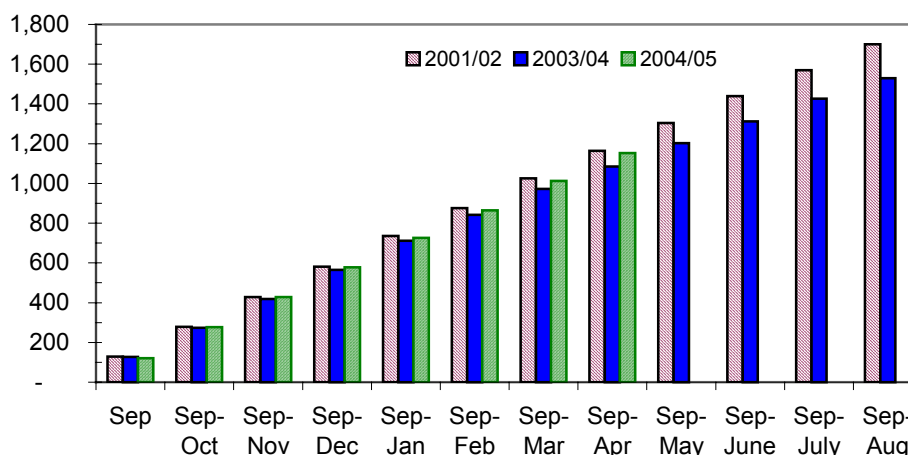
The U.S. soybean export forecast for 2005/06 was raised from 1,125 million to 1,135 million bushels based on expectations of lower foreign stocks. A smaller available domestic supply may constrain the 2005/06 soybean crush to 1,680 million bushels, slightly above the current yearly rate. The changes are expected to reduce 2005/06 ending stocks to 255 million bushels, down from the previous forecast of 290 million bushels. The U.S. Department of Agriculture (USDA) raised its projection of the season average farm price by 25 cents this month to \$4.95-\$5.95 per bushel, versus \$5.70 in 2004/05.

World oilseed output could dip 1 percent in 2005/06 to 377.0 million metric tons as gains in soybean and sunflowerseed production are outweighed by reductions in rapeseed and cottonseed crops. For soybeans, global production is projected rising a modest 2 percent in 2005/06 to 219.7 million tons, as gains in Brazil offset a U.S. reduction. World output of sunflowerseed in 2005/06 is seen increasing 5.5 percent to 27.2 million tons. In contrast, global rapeseed production is projected to decline from 46.2 million to 41.6 million tons in 2005/06 and cottonseed output could fall about 11 percent to 40.2 million tons.

Figure 1

Cumulative pace of domestic soybean crush regains its former strength

Million bushels



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

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Approved by the
World Agricultural
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Domestic Outlook

Expected Lower U.S. Soybean Supply and Steady Demand for 2005/06 To Cut Stock Surplus

A lack of rain this spring was helpful for getting the U.S. soybean crop sown in a timely manner. With planting nearing completion (90 percent as of June 5), more rain would now be welcome, especially around the Great Lakes region. Crop emergence is currently ahead of average, except for parts of Minnesota and the Dakotas, where excess wetness has been the problem. For the short term, soil moisture is adequate for soybeans in all regions, but their complete development will require a steadier distribution of rainfall over the next few months.

The 2005 soybean production estimate of 2,895 million bushels was unchanged this month. However, even if a normal soybean yield around 39.9 bushels per acre is attained, the subtraction of more stocks to be carried over from the current season further tightens the 2005/06 supply outlook. On the demand side, U.S. soybean exports this fall should be brightened by this month's downward revision of expected stocks for both Brazil and Argentina. The export forecast was raised from 1,125 million to 1,135 million bushels. On the other hand, larger U.S. exports and a smaller supply would constrain the resources available to domestic processors next season. Such circumstances may prevent the 2005/06 soybean crush (which was trimmed 10 million bushels from the May forecast to 1,680 million) from expanding much from the current yearly rate.

Moderate increases in foreign and domestic soybean demand, coupled with a smaller expected harvest, are therefore expected to reduce 2005/06 ending stocks to 255 million bushels, down from the previous forecast of 290 million bushels. Given this outlook, USDA raised its projection of the season average farm price by 25 cents this month to \$4.95-\$5.95 per bushel. Soybean prices could quickly escalate from that range if there prove to be fewer acres planted than intended or there is less-than-favorable growing conditions later on this summer. By comparison, the 2004/05 price forecast for soybeans was revised up by 5 cents this month to \$5.70 per bushel based on consumption that was stronger than previously anticipated.

Buoyant Demand for Soybean Meal Sustains a Strong Crushing Pace

The domestic soybean crush set a monthly record volume for April of 139.4 million bushels. Cumulative crush through April is 1,152 million bushels, just 12 million bushels off the record 2001/02 pace, which finished the year at 1,700 million bushels. Unlike a year ago, there are still ample soybean stocks left to use. Thus, the 2004/05 crush forecast was raised this month by 25 million bushels to 1,075 million. The main force behind the brisk rate of crushing is a keen use for soybean meal.

The U.S. export forecast for soybean meal was increased from 6.0 million to 6.1 million short tons this month for its best performance in 3 years. The improvement has been led by a resurgence of U.S. trade to Mexico, Japan, Turkey, the Philippines, and Egypt. Aside from a renewed foreign demand for U.S.-produced soybean meal, domestic consumption has been accelerating toward a record pace this spring, also. Feed use by hogs has steadily risen due to herd expansion and

larger animal weights. Similarly, solid gains in poultry production are promoting the use of soybean meal in feed. Another factor is less substitution with other feeds in rations than a year ago because their price discounts to soybean meal are not as wide. USDA raised the 2004/05 forecast of domestic soybean meal disappearance from 33.45 million short tons to 33.9 million. The strengthening of soybean meal demand pushed prices up to their highest level since August 2004 (to a May average of \$199 per short ton and toward \$215 in early June). While cash prices may not stay quite that high into late summer, the enduring rally led to a \$5 increase this month in the season average price forecast to \$180 per ton.

The exports and domestic use of soybean oil have also rebounded well this year, although not quite as strongly as for soybean meal. The outcome for the soybean oil market is likely for a significant accumulation of stocks (which have already climbed to 1,799 million pounds in April versus 1,076 million last September) over last fall. After a gradual seasonal decline of the crush and an acceleration of domestic use anticipated this summer, soybean oil stocks are forecast to settle around 1,526 million pounds by the end of September 2005. It has been almost 4 years since soybean oil stocks were on an upward trend. While recent values for soybean oil have risen less strongly than for soybean meal, they have edged the 2004/05 price forecast higher to 22.75 cents per pound.

The relative strength of soybean exports also persisted through April and May. Soybean shipments to Japan, Taiwan, and other Asian countries have firmed in recent weeks as freight rates to the region began to ease. The 2004/05 export forecast for soybeans was raised this month by 10 million bushels to 1,110 million. Higher forecasts for both exports and domestic use of soybeans are then expected to reduce the season ending stocks by another 35 million bushels to 320 million.

World Soybean Output To Expand in 2005/06 Based on Recovery Of Brazil Soybean Yields

World oilseed output could dip 1 percent in 2005/06 to 377.0 million metric tons as gains in soybean and sunflowerseed production might be outweighed by reductions in rapeseed and cottonseed crops. For soybeans, global production is projected rising a modest 2 percent in 2005/06 to 219.7 million tons. Brazilian soybean producers could be responsible for nearly all of that gain and, as a consequence, most of an increase in the global ending stocks. Such an improvement in supplies could stimulate consumption and import demand, as well. Global soybean imports are projected up 8 percent to 65.8 million tons. World trade in soybeans is seen growing faster than soybean meal (projected up 2 percent to 46.6 million tons) because of China's dominant market position. China almost exclusively imports soybeans rather than soybean meal.

In Brazil next year, soybean production is expected to recover from a severe drought that damaged yields for the recently harvested crop. Its 2005/06 soybean output is projected rising to 62.0 million metric tons from 53.0 million this year. The improvement should be based mostly on a return to a trend yield, however, as harvested soybean area may go up minimally to 23.0 million hectares. There is more pessimism for the economic situation of Brazilian farmers than a few years ago, when soybean area was expanding at rates of 16-17 percent annually. Soybean rust has been a very costly crop disease to treat in Brazil, dramatically raising farm expenditures on chemical fungicides and reducing yields where applications have been lacking. Another production expense to increase for many producers will be the royalties paid to use the newly legalized biotech soybean seed (which will be deducted when the crop is marketed). Very high interest rates on farm borrowing in Brazil only exacerbate the rise in these input costs. Farmers can get government credit at a below-market rate, but they fear this year's allocation will not be sufficient. Since the combination of rising expenses and two consecutive years of yield disappointments have sharply curtailed farmers' cash flow, financing (from public or private sources) for sowing next season's crop will be tight. The cost burden could be offset if domestic soybean prices were rising. However, prices have been unable to keep up as they have been countered by Brazil's appreciating exchange rate, a complete reversal of the situation 3 years ago.

For 2005/06, Brazil soybean exports are projected to surge toward 22.4 million tons, compared with 19.7 million this season. Even so, the world market may not be able to immediately absorb such a large change in soybean output from Brazil, and stocks may increase by nearly one-third next year. Brazilian processors, who are being forced to operate below capacity this year because of a lack of soybeans, would also benefit from an improved supply. The country's 2005/06 crush was projected up by 7 percent to 31.6 million tons. Growth in Brazilian soybean meal exports, which is being stifled by the disappointing harvest this year, would also be able to resume toward 15.2 million tons from 14.8 million in 2004/05. Support for Brazil's livestock industry could continue as well, with domestic soybean meal consumption growing by 8 percent to 9.4 million tons.

As in Brazil, poor consecutive crops have stressed the finances of Paraguay's soybean producers. The losses will constrain their ability to finance new crop

inputs. After nearly a decade of uninterrupted growth in Paraguayan soybean area, next year it is unlikely to rise from the 2.0 million hectares harvested in 2005. Yields, however, can improve substantially against this year's drought-affected harvest. If that happens, soybean output in Paraguay could then rebound to 4.8 million tons from 3.8 million this year. About 3.0 million tons of that prospective crop would be exported, with domestic processors using most of the remainder.

As Argentine farmers have nearly wrapped up harvesting of this year's record soybean harvest, the outlook for them next year appears almost as bright. Thanks to poor yields in Brazil and Paraguay this year, Argentine producers will be fortunate to get a relatively favorable price for their bountiful crop. Higher production costs for other crop alternatives still make them not as appealing as soybeans to Argentine producers. Argentine soybean area is projected rising 2 percent in 2005/06 to 14.7 million hectares. Conversely, the excellent soybean yields this year are unlikely to be as good next year. A larger area sown to wheat means that a higher proportion of soybean area will be double-cropped, which tend to be lower yielding than soybeans planted as a first crop. Yields and area changes are expected to offset each other, leaving 2005/06 Argentine output unchanged at 39.0 million tons.

An increase in Argentine soybean stocks (estimated up by nearly 4 million tons from the previous year) from the current harvest will enable a strong expansion in the 2005/06 crush to 27.8 million tons from 26.4 million tons this season. Soybean meal, the country's top export commodity, is viewed rising by 3 percent to 20.6 million tons. Yet, solid foreign demand for soybeans (particularly from China) also may boost Argentine exports from 7.6 million tons in 2004/05 to 8.25 million.

The deficit between China's soybean production and its consumption continues to widen. A better profit potential for grain crops is seen trimming 2005 soybean area slightly, resulting in domestic production of 17.0 million tons, versus last year's record 18.0 million. Domestic output of other oilseeds should also decrease. To fill a vacancy created by fewer meal supplies from cottonseed and rapeseed, consumption of soybean meal is projected to expand 15 percent to 25.6 million tons. Such conditions could prompt China's processors to demand soybean imports of a magnitude around 27.0 million tons, compared with 22.8 million in 2004/05. China alone could account for 41 percent of world soybean imports and almost all of the yearly increase in global trade.

For India, the arrival of the monsoon on its southern coast last week heralds the advent of soybean planting in the country. Last year's monsoon arrived on time to the main production regions of central India, but its spotty rains upon withdrawal curtailed the mostly rain-fed soybean yields. Moisture conditions in 2005 should be better, but the high prices that encouraged farmers to sow a record-high soybean area last year have vanished. This year, Indian soybean area is forecast staying even with the 7.2 million hectares cultivated a year ago. Assuming some improvement in yields, 2005 Indian soybean output is forecast at 6.5 million tons compared with 5.5 million in 2004. Despite considerable expansion potential for the crush volume with such a harvest, Indian soybean meal exports may not rise by the same proportion because of continuing growth in domestic consumption. Indian soybean meal exports for 2005/06 are seen climbing to 2.1 million tons from the current year forecast of 1.7 million, although over the last decade that level would be comparatively low. The reason is that the price difference for soybean meal

between the export and domestic markets is being narrowed by rapidly growing protein use within India's poultry and aquaculture industries. For 2005/06, the forecast of domestic soybean meal consumption is up by 13 percent to 2.3 million tons.

In contrast, markets for soybeans in Europe, Japan, and Taiwan are mature, and there are rather modest prospects for 2005/06 consumption growth in these countries. There will be some encouragement for European Union (EU-25) import needs from smaller expected domestic harvests this year for rapeseed and sunflowerseed. Even so, EU-25 consumption of soybean meal next season is anticipated up only 2 percent to 34.2 million tons. Minimal increases in EU-25 soybean imports (by 3 percent to 15.2 million tons) and soybean meal imports (from 22.75 million tons this year to 23.2 million in 2005/06) are expected. For Japan, an expected 0.5-percent increase of soybean meal use may be satisfied by a 1-percent increase in soybean imports (to 4.6 million tons) and a 2-percent decline in soybean meal imports. Taiwan's soybean imports may actually slip from 2.3 million to 2.2 million tons due to pressure on its livestock sector from rising meat imports. The formerly rapid growth of Thailand's poultry industry has stalled because of a persistent problem with avian influenza. A recovery in soybean and soybean meal imports by Thai producers is pending on the time they can again export to the major foreign buyers of poultry.

Near-Record Global Sunflowerseed Harvest Looks Possible

World output of sunflowerseed in 2005/06 is seen increasing 5.5 percent to 27.2 million tons. If realized, this would nearly match the 1999/2000 record of 27.3 million tons. Ukraine alone may be the origin for nearly three-fourths of the anticipated global output gains. The United States may contribute a relatively large share of the global crop expansion for sunflowerseed due to expected sharp increases in both acreage and yield. Bigger crops for the major exporting countries and smaller ones among the major importing countries could cause world exports of sunflowerseed and sunflowerseed meal to surge.

Ukraine sunflowerseed yields remain comparatively low, as soil quality has decreased due to a lack of crop rotation and low applications of fertilizer. Despite this constraint, comparatively good prices could boost sunflower area by 9 percent to 3.7 million hectares. With better weather conditions, yields could then increase enough to produce a crop near 4.1 million tons versus 3.1 million in 2004. If achieved, Ukraine's 2005 sunflowerseed production would be just below the record 2003 harvest of 4.3 million tons. Russian sunflower area could approach an all-time high and push up production to 4.9 million tons. New investments in crushing capacity in both Ukraine and Russia have supported sunflowerseed prices in comparison with other grain crops. Processors from the region have become leading exporters of sunflowerseed oil and sunflowerseed meal. Exports of sunflowerseed from Ukraine and Russia were minimal in 2004/05, but could improve next season if larger harvests are realized.

For the European Union countries, the area sown to sunflowers during 2005 should be down only slightly. But, yields in most of the countries are unlikely to repeat their stellar 2004 performance, and a drought that is ravaging Spain is expected to slash yields there. EU-25 sunflowerseed output is expected to fall back to 3.5

million tons this year from 4.2 million in 2004. Nevertheless, the EU-25 will remain a good import market for exporters of sunflowerseed and sunflowerseed products. Projected EU-25 sunflowerseed imports at 1.4 million tons could make up about two-thirds of world import demand. Turkey is the other major import market for sunflowerseed. The domestic sunflowerseed crop in Turkey may be little changed this year, so the expansion potential for processors will rely on the availability of supplies from Ukraine and Russia.

The incentives to grow sunflowers in Argentina will depend to some extent on the success of the crops in Russia, Ukraine, and Europe. There has been renewed interest recently for sowing sunflowers in Argentina. Sunflower area in the country is foreseen surging 18 percent to 2.25 million hectares. Expected returns on sunflowerseed are better than for cotton, which is the main competition for cropland in northern Argentina. Farther south, raising sunflowers is expected to be preferred over corn. Average yields should keep the harvest well shy of the Argentine record of 7.1 million tons, although the 2005/06 projected output of 3.9 million tons would be the country's largest in 5 years. There is certainly no shortage of oilseed crushing capacity in Argentina, either, and domestic sunflowerseed use could increase 6 percent to 3.5 million tons.

Global Output of Rapeseed and Cottonseed May Drop

As rapeseed yields in many countries came off record highs last season, global production is projected to decline from 46.2 million to 41.6 million tons in 2005/06. Consumption of the vast quantity of leftover stocks from the current year will help to sustain crushing and international trade.

In Canada, farmers still own a large amount of canola stocks from the previous crop. These weighed on the incentive to plant canola this spring, and its area is expected to decline 4 percent to 4.75 million hectares. By now, Prairie producers have completed sowing. Yields were excellent last year (although seed quality was hurt by a prematurely shortened season), but are not as likely to get the optimal precipitation this year. Canola output in Canada is seen dropping to 6.75 million tons in 2005 from 7.7 million in 2004. However, Canadian exports (3.9 million) and domestic crush (3.2 million) will be supported by the large carryover, drawing down ending stocks by nearly 30 percent. The United States is the main Canadian market for exports of canola meal and canola oil.

Considering the burgeoning growth of the EU-25 biodiesel industry, incentives to raise rapeseed domestically are still good, leading to an expected 3 percent increase in EU-25 area this year to 4.65 million hectares. Despite this, yields are likely to fall well short of the exceptional record set last year. Thus, EU-25 rapeseed output is projected falling to 13.7 million tons in 2005 from the 15.3 million tons produced in 2004. EU-25 processors will rely on large beginning stocks to support a 1-percent increase of the crush volume to 13.25 million tons.

Australian producers have struggled through several years of prolonged drought. Once again, their risks in sowing canola into such dry soils (the main problem areas are in the south and southeast parts of the country) have been heightened. The planting window for canola is now closed, so the Australian 2005/06 area is estimated down 21 percent to 0.9 million hectares. Provided the rains return during

the main part of the growing season for the acreage sown, a typical yield is expected to produce 1.1 million tons against 1.5 million in 2004. The potential for canola exports from Australia could then plummet to 0.7 million tons, from 1.1 million in 2004/05.

In China, the domestic rapeseed crop is already being harvested. Despite a modest increase in area to 7.5 million hectares, output is expected to fall to 11.8 million tons versus 13.0 million in 2004. Rapeseed yields are estimated to be well below last year's exceptional level. China's rapeseed imports could expand toward 650,000 tons, but they will be constrained by tighter exporter supplies. Demand from the other major rapeseed importing countries, Japan and Mexico, may be comparatively stable.

Although prices for rapeseed in India have fallen due to an excellent harvest this year, the government intends to support farm prices by procuring up to 2 million tons of it. If successful, farmers may not be inclined to reduce next season's rapeseed area by much. Unlike other crops, relatively little of the Indian rapeseed crop is irrigated and depends on rainfall during the growing season. It is assumed unlikely that moisture next year will be as ideal as it was this season. Thus, lower Indian rapeseed yields for 2005/06 could cause output to drop toward 6.4 million tons from this year's record 7.0 million.

Cotton production surged throughout the world in 2004, so output this year should be ratcheting down to better balance supplies with demand. Consequently, global cottonseed output could fall about 11 percent in 2005 to 40.2 million tons and is the main reason for a decline in 2005/06 production of all oilseeds. Even with this reduction, cottonseed output would be larger in 2005 than in any other year except for 2004. The main adjustments to production are expected to occur because of substantial area reductions in China, India, and Pakistan. The projected reduction in China cottonseed output from 11.5 million to 10.0 million tons lends strength to the import demand for other oilseeds and vegetable oils. Similarly, a lower Indian cottonseed harvest (at 6.8 million tons versus 7.7 million in 2004) would contribute to a potential rise in vegetable oil imports. For the main three countries that are most involved in international exports of cottonseed (U.S., Australia, and Brazil), exports are liable to expand only minimally. U.S. cottonseed production should fall about 1.2 million tons as yields normalize in comparison to last year's excellent conditions.

Consumption Gains To Propel Vegetable Oil Imports

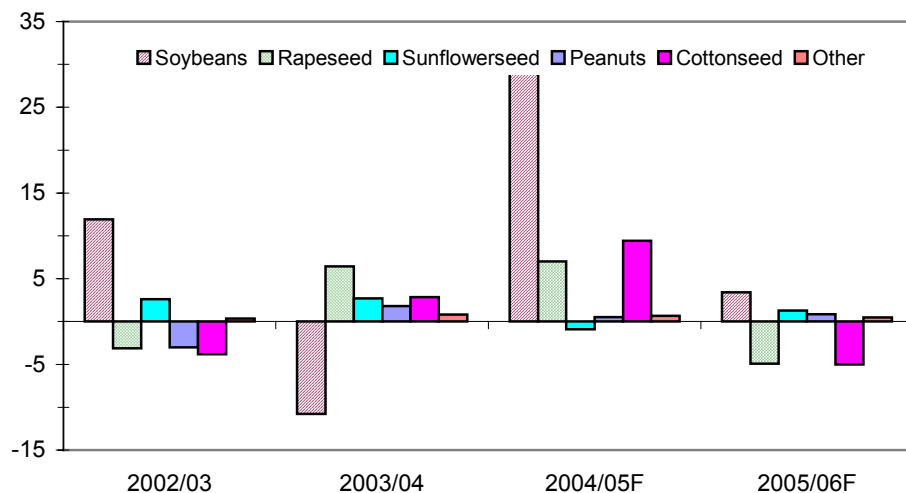
Global vegetable oil production for 2005/06 is projected up 3 percent to 111.4 million metric tons. Of that total, world production of soybean oil is anticipated 6 percent higher in 2005/06 to 33.7 million tons. International trade in soybean oil could expand 8 percent to 9.8 million tons.

Almost all of the export gains might be evenly divided between suppliers in Argentina and Brazil. Sunflowerseed oil may also register an 8-percent increase in global output to 9.8 million tons. That should narrow its currently wide price spread against other oils and boost world trade by 17 percent to 2.4 million tons.

Figure 2

Annual changes for global rapeseed and cottonseed crops seen offsetting other oilseed production gains in 2005/06

Million metric tons



Source: Foreign Agricultural Service, USDA.

Conversely, world production might fall 2 percent for rapeseed oil to 15.6 million tons and 7 percent for cottonseed oil to 4.4 million tons. Their consumption could fall in the main affected countries, China and India, which together will greatly determine the overall direction of international vegetable oil trade.

Global palm oil production for 2005/06 is projected up 4 percent to 33.0 million tons. Indonesia is anticipated to account for 72 percent of that additional output by expanding output from 11.6 million to 12.6 million tons. Moderating yields in Malaysia, the world's top producing country, are seen growing output more slowly from 15.2 million tons to 15.5 million. Palm oil exports from Malaysia and Indonesia could advance to 13.5 million and 8.9 million tons, respectively.

China's rising crush of oilseeds next year should be adequate to meet its protein meal use. Processors will also turn out a larger amount of domestically produced vegetable oil, but the increase may be far exceeded by the country's consumption needs. Vegetable oil use in China may rise briskly by 8 percent in 2005/06, encouraging more imports. Soybean oil imports may surge from 2.2 million to 2.6 million tons. Likewise, China imports of palm oils could reach 4.7 million tons against 4.2 million in the current year.

India's domestic output of all oilseeds for 2005/06 is forecast down 1 percent to 28.4 million tons. Production of peanuts, the main Indian oilseed crop, is projected up 3 percent to 7.0 million tons due to a likely yield improvement. Domestic vegetable oil production could be nearly unchanged as output gains for soybean oil and peanut oil are offset by less rapeseed oil and cottonseed oil. Indian oil consumption, on the other hand, is expected to rise 0.4 million tons to 12.2 million. To make up the widening vegetable oil deficit, Indian imports of palm oil may expand from 3.4 million to 3.6 million tons in 2005/06, while soybean oil imports could edge higher to 1.65 million tons from 1.6 million this season.

The smaller domestic oilseed crops of the EU-25 will pull in a larger amount of the world trade in sunflowerseed oil and palm oil. Slower production and higher prices for EU-25 rapeseed oil coupled with its expanding use for biodiesel will create opportunities for these other oils in food applications. A steep 19-percent expansion of EU-25 sunflowerseed oil imports to 0.9 million tons is projected. Palm oil imports (also having potential as a fuel for electric power generation) could rise 16 percent to a record 4.4 million tons.

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

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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.

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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>						
2003/04 ¹	73.4	72.5	33.9	178	2,454	6	2,638	1,530	880	116	2,525	112	
2004/05 ²	75.2	74.0	42.5	112	3,141	5	3,258	1,675	1,110	153	2,938	320	
2005/06 ²	73.9	72.6	39.9	320	2,895	3	3,218	1,680	1,135	148	2,963	255	
2003/04													
September						0.2		127.6	34.0				
October						1.0		146.2	163.3				
November						1.0		145.6	186.3				
Sep-Nov				178.3	2,453.7	2.2	2,634.2	419.4	383.5	142.7	945.6	1,688.7	
December						0.8		145.8	140.2				
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	332.1	29.0	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						0.3		103.0	10.8				
Jun-Aug				410.6	---	0.9	411.5	327.6	45.8	(74.2)	299.1	112.4	
Total							2,453.7	5.6	2,637.6	1,529.7	879.9	115.6	2,226.0
2004/05													
September						0.4		120.9	47.2				
October						0.2		155.9	176.3				
November						0.3		151.1	183.1				
Sep-Nov				112.4	3,141.0	1.0	3,254.4	427.9	406.5	115.4	949.7	2,304.6	
December						0.7		150.0	155.0				
January						0.5		148.6	121.9				
February						0.3		137.6	123.2				
Dec-Feb				2,304.6	---	1.4	2,306.0	436.2	400.2	88.7	925.0	1,381.0	
March						0.4		148.5	96.4				
April						0.3		139.4	65.2				
Total to date							3,141.0	3.0	3,256.4	1,152.0	968.3		

¹ Estimated. ² Forecast.

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

Last update: 6/15/2005

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>							
2003/04 ¹	220	36,324	270	36,815	32,251	4,353	36,604	211
2004/05 ²	211	39,874	165	40,250	33,900	6,100	40,000	250
2005/06 ²	250	40,035	165	40,450	34,400	5,800	40,200	250
2003/04								
October	219.9	3,462.1	6.7	3,688.8	2,922.4	448.5	3,370.9	317.8
November	317.8	3,465.9	6.2	3,789.9	2,722.5	650.4	3,372.9	417.0
December	417.0	3,483.7	5.1	3,905.8	3,169.2	455.9	3,625.1	280.7
January	280.7	3,479.3	6.0	3,765.9	2,909.4	527.6	3,437.0	328.9
February	328.9	3,144.9	5.4	3,479.2	2,632.8	430.7	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	2,414.5	309.3	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	66.2	2,891.1	2,477.3	217.4	2,694.7	196.3
September	196.3	2,872.6	31.6	3,100.5	2,650.4	239.4	2,889.8	210.7
Total		36,324.3	270.4	36,814.6	32,250.6	4,353.2	36,603.9	
2004/05								
October	210.7	3,696.4	5.8	3,912.9	3,192.8	362.4	3,555.2	357.7
November	357.7	3,584.2	7.0	3,948.9	2,926.9	735.1	3,662.0	286.8
December	286.8	3,567.9	6.5	3,861.2	2,802.4	787.5	3,589.9	271.3
January	271.3	3,553.6	6.5	3,831.4	2,960.4	530.1	3,490.5	340.9
February	340.9	3,293.3	6.6	3,640.8	2,778.3	552.1	3,330.4	310.4
March	310.4	3,547.6	8.1	3,866.1	3,059.2	559.0	3,618.2	248.0
April ¹	248.0	3,328.5	6.9	3,583.4	2,710.5	565.1	3,275.6	307.8
Total to date		24,571.5	47.4	24,829.7	20,430.6	4,091.3	24,521.9	

¹ Estimated. ² Forecast.

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

Last update: 6/15/2005

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>								
2003/04 ¹	1,489	17,080	306	18,875	16,864	935	17,799	1,076
2004/05 ²	1,076	19,045	105	20,226	17,300	1,400	18,700	1,526
2005/06 ²	1,526	18,950	110	20,586	17,650	1,400	19,050	1,536
2003/04								
October	1,488.7	1,630.8	3.3	3,122.7	1,558.4	152.5	1,710.9	1,411.8
November	1,411.8	1,610.6	2.7	3,025.2	1,408.6	111.3	1,520.0	1,505.2
December	1,505.2	1,604.6	3.2	3,113.0	1,400.1	133.2	1,533.3	1,579.7
January	1,579.7	1,618.9	3.1	3,201.7	1,185.1	71.1	1,256.1	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	6.0	3,122.2	1,439.0	39.0	1,478.1	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	79.1	2,676.9	1,428.5	67.9	1,496.3	1,180.6
September	1,180.6	1,390.9	39.9	2,611.5	1,449.1	86.8	1,535.9	1,075.6
Total		17,080.3	306.0	18,874.9	16,864.1	935.2	17,799.3	
2004/05								
October	1,075.6	1,764.0	1.4	2,841.0	1,525.8	59.9	1,585.7	1,255.3
November	1,255.3	1,688.0	4.7	2,948.0	1,574.3	182.3	1,756.6	1,191.5
December	1,191.5	1,682.3	1.1	2,874.8	1,325.0	238.5	1,563.5	1,311.4
January	1,311.4	1,680.2	1.7	2,993.2	1,354.2	78.1	1,432.3	1,560.9
February	1,560.9	1,564.1	2.0	3,127.0	1,262.7	216.9	1,479.7	1,647.3
March	1,647.3	1,686.4	1.8	3,335.5	1,449.3	74.8	1,524.0	1,811.4
April ¹	1,811.4	1,579.8	2.1	3,393.4	1,520.9	73.3	1,594.3	1,799.1
Total to date		11,644.8	14.8	12,735.1	10,012.2	923.8	10,936.0	

¹ Estimated. ² Forecast.

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

Last update: 6/17/2005

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>										
2003/04 ¹	347	6,665	2	7,013	2,643	355	3,595	6,592	421	
2004/05 ²	421	8,242	25	8,688	2,835	350	5,016	8,201	487	
2005/06 ²	487	6,960	25	7,472	2,950	375	3,750	7,075	397	

¹ Estimated. ² 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>								
2003/04 ¹	35	0	1,244	1,279	1,133	70	1,203	77
2004/05 ²	77	0	1,275	1,352	1,207	65	1,272	80
2005/06 ²	80	0	1,325	1,405	1,275	65	1,340	65

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				Disappearance			Ending stocks
	Beginning stocks	Imports	Production	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2003/04 ¹	36	0	874	910	690	110	801	109
2004/05 ²	109	0	895	1,004	839	85	924	80
2005/06 ²	80	0	930	1,010	840	95	935	75

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				Disappearance				Ending stocks	
	Beginning stocks	Imports	Production	Total	Domestic food	Crush	Seed & residual	Exports		Total
<i>Million pounds</i>										
2003/04 ¹	875	39	4,144	5,059	2,456	536	430	516	3,938	1,121
2004/05 ²	1,121	40	4,262	5,423	2,666	423	544	510	4,143	1,280
2005/06 ²	1,280	40	4,240	5,561	2,778	429	510	560	4,277	1,284

¹ Estimated. ² Forecast.

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

Last update: 6/17/2005

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	7.34	111.00	12.10	19.25	5.88
2004/05 ¹	5.70	113.00	13.60	18.80	7.95
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	5.84	89.00	12.90	19.20	7.19
October	5.56	107.00	12.40	20.30	7.36
November	5.36	104.00	13.00	20.20	8.70
December	5.45	111.00	13.50	18.30	8.42
January	5.57	112.00	13.70	18.90	8.90
February	5.42	112.00	15.10	18.60	11.00
March	5.95	NA	15.60	18.50	11.50
April	6.03	NA	15.20	18.00	12.30
May ¹	6.09	NA	14.80	18.90	13.00

¹ Preliminary. NA = Not available.

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

Last update: 6/15/2005

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
<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	29.97	31.21	33.41	60.84	28.43	26.13	22.37
2004/05 ¹	22.75	26.25	43.75	53.75	28.25	22.75	19.50
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	25.87	23.29	34.34	55.00	25.07	32.38	18.20
2004/05							
October	23.23	22.74	34.81	55.00	23.10	27.95	16.13
November	22.95	23.88	34.70	55.00	24.24	27.26	16.34
December	21.79	23.81	35.45	55.67	26.67	26.50	17.43
January	20.46	23.70	43.15	56.00	27.41	22.10	17.51
February	20.70	24.38	49.29	55.00	27.58	18.30	18.50
March	23.60	28.19	47.11	50.00	28.08	17.71	19.95
April	23.09	29.80	45.98	50.00	29.29	20.72	22.19
May ¹	23.38	30.63	46.50	53.25	30.65	22.95	20.84

¹ Preliminary. ² Decatur, IL. ³ PBSY Greenwood, MS. ⁴ Minneapolis.

⁵ Southeast mills. ⁶ Chicago.

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

Last update: 6/15/2005

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
<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	256.05	183.47	111.14	177.56	188.45	160.00
2004/05 ¹	180.00	115.00	85.00	110.00	140.00	115.00
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	175.51	142.75	82.50	133.00	145.55	112.38
2004/05						
October	155.37	126.75	75.67	100.38	133.39	99.50
November	153.90	119.00	98.00	99.25	138.81	114.60
December	161.60	117.00	97.63	93.50	135.13	109.13
January	167.34	112.50	94.00	93.25	129.21	111.63
February	167.95	111.25	76.00	99.25	139.55	109.88
March	187.96	110.80	68.20	112.00	146.08	109.80
April	193.19	108.00	75.00	122.75	140.85	104.00
May ¹	198.68	110.40	80.00	137.25	139.25	96.00

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

⁵ 50% Southeast mills. ⁶ 36% Pacific Northwest.

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

Last update: 6/15/2005