



United States
Department
of Agriculture

OCS-06e

June 12, 2006



Electronic Outlook Report from the Economic Research Service

www.ers.usda.gov

Oil Crops Outlook

Mark Ash and Erik Dohlman

U.S. Supply of Soybeans To Comprise a Larger Part of 2006/07 World Oilseeds Trade

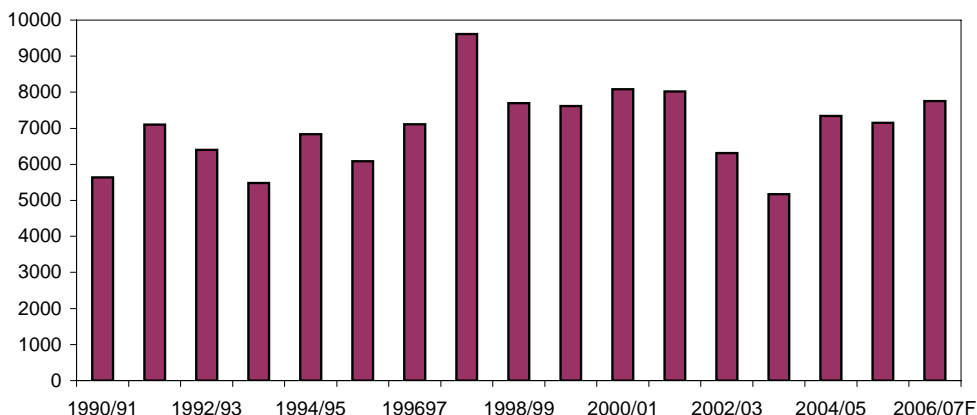
The U.S. Department of Agriculture (USDA) forecast 2006/07 soybean meal exports up modestly this month to a 5-year high of 7.75 million short tons. That strength should be encouraged by a growing supply of soybean meal and a moderate increase in domestic use to 34.1 million tons. As a result of a 5-million-bushel increase for carryin soybean stocks, the 2006/07 ending stocks forecast was raised an equal amount to 655 million bushels.

USDA expects that 2006/07 world oilseed production will experience a negligible 0.2-percent decline to 389.4 million metric tons. For soybeans, global output is projected at 222.0 million tons, a slight 1.8-million-ton increase over the current season. Dwarfing the production change, however, would be an 8.4-million-ton increase in the U.S. carryover of soybean stocks, likely accounting for 91 percent of the entire increase in world supply. The U.S. share of the export market is forecast expanding from 37 percent to 42 percent, where the difference is seen coming mainly at the expense of market share for Brazil.

Figure 1

U.S. soybean meal exports may increase again toward a formerly high level

1,000 short tons



F = Forecast.

Sources: *Oil Crops Yearbook*, Economic Research Service and *World Agricultural Supply Demand Estimates*, World Agricultural Outlook Board, USDA.

Contents

[Domestic Outlook](#)
[Intl. Outlook](#)
[Contacts & Links](#)

Tables

[Soybean S&D](#)
[Soybean Meal](#)
[Soybean Oil](#)
[Cottonseed](#)
[Cottonseed Meal](#)
[Cottonseed Oil](#)
[Peanuts](#)
[Oilseed Prices](#)
[Veg. Oil Prices](#)
[Oilseed Meal](#)
[Prices](#)

Web Sites

[WASDE](#)
[Oilseed Circular](#)
[Briefing Room](#)

The next release is
July 13, 2006

Approved by the
World Agricultural
Outlook Board.

Domestic Outlook

Record U.S. Soybean Carryover, Stable Output, May Boost 2006/07 Demand

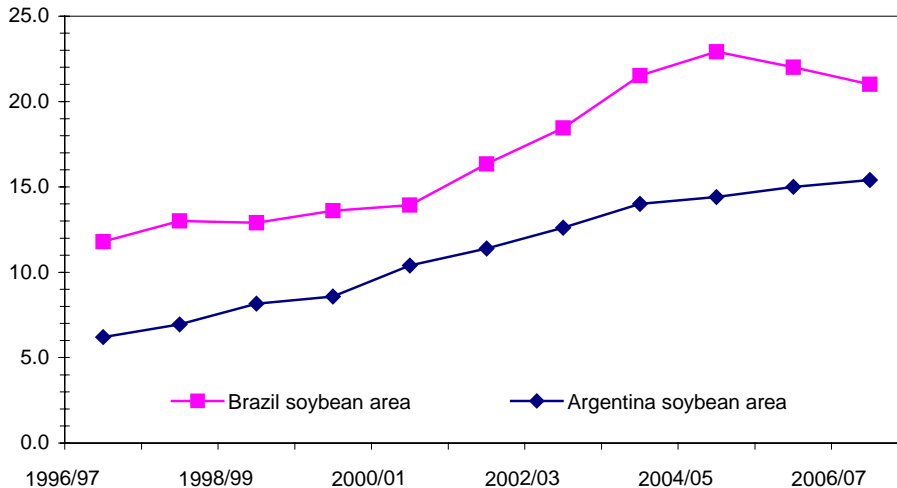
Planting of soybeans has proceeded without major problems this spring and should finish in all regions within a few weeks. Nationally, farmers have sown 89 percent of soybeans as of June 4. With overall crop emergence at 70 percent compared with a 5-year average of 58 percent, its early growth is advancing well. Indiana has been the main exception, where abundant rainfall has moderately delayed spring seeding and crop development. If producers carry through on their planting intentions, U.S. soybean acreage would be a record-high 76.9 million acres. Until that acreage data are confirmed by USDA's June 30 *Acreage* report, projected 2006 soybean production is unchanged at a near-record 3,080 million bushels. Total demand for soybeans next season is also unchanged from the previous forecast. As a result of a 5-million-bushel increase for carryin stocks, the 2006/07 ending stocks forecast was raised an equal amount to 655 million bushels.

U.S. soybean meal exports for 2006/07 were forecast up modestly this month, offsetting a lower forecast for its domestic use. Exports are now seen up to a 5-year high of 7.75 million short tons. That strength of the export market should be encouraged by growing soybean meal supplies and a steady rate of domestic use. Annual growth in domestic consumption is projected at 2 percent to 34.1 million tons. For 2005/06, domestic disappearance of soybean meal has been even weaker, and could conclude at 0.5-percent lower for the marketing year to 33.4 million tons. Lower-than-expected meal demand mainly accounts for this month's reduction of the crop year crush forecast (by 5 million bushels to 1,715 million). Weak export shipments of soybean oil during May also contributed to a 50-million-pound reduction of its 2005/06 trade forecast to 1,075 million pounds. Through the next several months, however, crushing should retain some support from comparatively large outstanding export sales of soybean meal. The 2005/06 export forecast for soybean meal was raised 200,000 tons this month to 7.15 million. The minimal changes to supply and use left the 2006/07 price forecasts for soybeans (\$5.10-\$6.10 per bushel), soybean meal (\$155-\$185 per short ton), and soybean oil (22.5-26.5 cents per pound) unchanged.

Figure 2

Expansion of Argentine soybean area may continue, Brazil's to fall again

Million hectares



Source: Foreign Agricultural Service, USDA.

World Soybean Stocks Projected To Rise in 2006/07, Despite Minimal Output Growth

USDA expects that 2006/07 world oilseed production will experience a negligible 0.2-percent decline to 389.4 million metric tons. Modest reductions in rapeseed, sunflowerseed, and peanut crops may barely offset small gains for soybeans and cottonseed. For soybeans, global output is projected at 222.0 million tons, a slight 1.8-million-ton increase over the current season. Dwarfing the production change, though, would be an 8.4-million-ton increase in U.S. beginning soybeans stocks, likely accounting for 91 percent of the entire increase in world supply.

Consequently, U.S. soybean exports could improve by 5.2 million tons compared with a rise in global export trade of 4.3 million tons (to 70.6 million). The U.S. share of the export market is forecast expanding from 37 percent to 42 percent, where the difference is seen coming mainly at the expense of market share for Brazil. A moderate 3.6-percent increase in global soybean consumption might lag the gain of supplies, however. World ending stocks could then rise by 2 million to 57.5 million tons, to be absorbed almost entirely where the gains originated--within the United States. For soybean meal, 2006/07 global exports are projected nearly 3 percent higher to 50.0 million tons, with most of the gains divided between Argentine and U.S. processors.

Many of Brazil's soybean farmers are facing an acute debt crisis after a succession of disappointing crops, higher costs, and lower prices. The problems are reflected in the sharp decline of Brazil farmland values over the past 2 years. Last month, the Government of Brazil (GOB) announced a new financial aid package aimed largely at soybean farmers. It includes a 1-year rescheduling of payments on government loans that are due this year. Although the debt relief covers 9 billion *real*, the agricultural debt that needs to be refinanced in Brazil may be twice as high.

More emergency aid comes with a program allocating 1 billion *real* to facilitate delivery of 15-20 million tons still not marketed or priced from the 2005/06 crop. Basically, the program is an auction scheme intended to support the sales price between sellers and buyers of soybeans. The government is conducting a weekly auction for processors and exporters to bid for the right to receive a risk premium when purchasing soybeans. With this guarantee, the commercial interests at the first auction can buy an options contract for an equivalent volume of soybeans at a price that includes the value of the premium. A subsequent auction lets soybean growers buy an options contract (the right, but not the obligation, to sell soybeans) at the guaranteed price. At no time does the government take ownership of any supplies or accept any risk from price fluctuations, but its premium provides a shared subsidy to the auction participants. The government's premium is set between 2 and 6 *real* per 60-kilogram bag, depending on the soybean seller's region (except for southern producers, who are excluded for now).

For 2006/07, the government credit allocated to the entire Brazil agricultural sector will be 60 billion *real*. Lending to commercial farms for production and marketing is 41.4 billion *real* (a 25-percent increase from the previous year). Even so, the government measures are seen far from adequate to cover all the credit needs of these farms. Obtaining credit from commercial lenders will be difficult for farm borrowers not current on their payments. At current prices and expected yields, many soybean producers in the center-west can barely cover variable costs of production, let alone able to pay off loans for fixed expenses.

Against this backdrop, prospects for sowing the 2006/07 soybean crop still appear dim. If U.S. soybean supplies stay as large as predicted, prices may lack upward momentum. And, unless the government intervenes, there is no certainty for a lasting depreciation of the exchange rate. For the second consecutive year, USDA projects that the precarious financial circumstances will reduce soybean area in Brazil, to 21.0 million hectares in 2006/07 from 22.0 million in 2005/06. Chances are good that area reductions will be greatest for the center-west region, where soybean prices tend to be lowest due to its long distance from ports. Output could again plateau around 56 million tons, compared with a revised 2005/06 crop estimate of 55.7 million tons.

Over the past 2 years, crushing of soybeans in Brazil has failed to increase, and next year's growth may improve marginally, at best. The 2006/07 soybean crush is forecast up 2 percent to 28.3 million tons. A lack of growth in soybean supply is not the only constraint on Brazilian processors. Ever rising exports of soybean meal from Argentina and resurgent trade from the United States is depressing demand from the Brazilian industry. Brazil soybean meal exports for 2006/07 may register no increase from the current trade of 13.0 million tons. Domestic consumption of soybean meal, which is projected 2.5 percent higher to 9.4 million tons, is also being weighed down by a slowing demand for the country's poultry exports.

The recent fortunes of Argentine soybean producers, by contrast, have been for more stable yields and prices and lower production costs than their Brazilian counterparts. The relative profitability of growing soybeans in Argentina has encouraged continued expansion of its crop area through a conversion of pasture. More producers are also adopting the practice of intercropping soybeans with wheat, which entails sowing soybeans directly into the growing wheat crop. The wheat is relatively unharmed, while planting the soybeans 3-4 weeks earlier than

usual achieves better yields than under double-cropping (where it is only sown once the preceding wheat crop is harvested). With a likely rebound in 2006/07 wheat area, more intercropping could allow continued growth in soybean area with a minimal detriment to overall yields. Argentine soybean area is projected up 3 percent to 15.4 million hectares, which combined with a slight upward yield trend could boost output to 41.3 million tons from 40.5 million this year.

Good logistics for the Argentine processing sector and the export tax differential between soybeans (23.5 percent) and soybean products (20 percent) ensure a robust pace of crushing. The country's annual processing capacity is now around 38 million tons, from which 30.5 million is expected to be used in 2006/07. Capacity has been growing rapidly (from 32 million just 2 years ago), and further expansion is scheduled for completion in 2007. Soybean meal exports from the country could be buoyed to 23.25 million tons from 22.5 million in 2005/06. Argentine soybean exports, while substantial, may approach just 9.8 million tons (compared with 10.5 million in 2005/06) due to the growth of domestic processing. The soybeans that are exported from Argentina go primarily to China, a country that imports relatively little soybean meal from anywhere.

For China, tighter domestic supplies of soybeans and rising consumption could boost 2006/07 imports sharply. Generally, superior production incentives for raising corn in China are seen squeezing the country's 2006 soybean area down by 1 percent to 9.4 million hectares. The domestic soybean harvest is expected to dip from a revised 17.2 million tons in 2005 to 16.9 million in 2006, a figure well short of the country's consumption. Over the next year, feeding of poultry in China is likely to recover slowly from high-pathogenic avian influenza, although expanding swine and beef production have already countered its overall impact on protein demand. Soybean meal consumption growth for China is forecast up 9 percent next year to 29.5 million tons, more rapidly than anywhere else in the world. Total protein consumption in China will soon rival use in the European Union-25 (EU-25) and the United States. Processors would need to import approximately 31.5 million tons of soybeans next year to service that level of feed demand and maintain stocks, up from the 2005/06 forecast of 27.5 million. In 2006/07, China alone could dominate as much as 83 percent of the growth in world soybean imports and 45 percent of the entire volume of international trade.

In Europe, the market trend for soybeans appears headed the opposite way to that of the dynamic China market. Rapeseed meal and sunflowerseed meal may account for nearly all of the 2006/07 growth in protein meal consumption, and flatten out the use of soybean meal to around 32.6 million tons. Additional conversion of soybean crushing facilities toward processing of rapeseed could reduce EU-25 soybean imports from 14.8 million to 14.5 million tons. Coupling a stagnant rate of soybean meal use with a small reduction in domestic production could lead toward a very modest increase for EU-25 imports of soybean meal. Still by far the world's largest import market for soybean meal, EU-25 imports could slow to 22.7 million tons from 22.5 million in 2005/06.

Indian farmers are seeing a good start for this year's monsoon, a favorable circumstance for sowing a large area to soybeans. They are also being encouraged by stable domestic prices. Both are viewed supporting a marginal increase in Indian soybean area to 7.8 million hectares. If realized, 2006 soybean production could improve slightly to 6.4 million tons from 6.3 million in 2005. Processors will

consume almost all of the domestic harvest. A small increase in their soybean meal output may trim back 2006/07 exports to 3.2 million tons (from 3.4 million this season), as India's domestic consumption has grown more rapidly in recent years.

2006/07 Rapeseed Crops Expected Moderately Lower

Although the global area sown to rapeseed is expected to remain steady, the crop's excellent yields during 2005/06 are unlikely to be matched. For 2006/07, world rapeseed production is projected down to 46.5 million tons from 48.4 million the prior season. A shrinking of an ample cushion of carryover stocks will support rapeseed crush demand and its exports to deficit countries next year.

EU-25 growers were attracted by strong prices into raising 2006 rapeseed area by 5 percent to a record 5.0 million hectares. The optimal growing conditions of the past 2 years have not been duplicated, though. Winter kill was a bigger factor this year in Poland, Germany, and Hungary. Also, a late spring may hold down rapeseed yield potential in many European countries. Despite the area increase, an offsetting yield decline trims the 2006/07 forecast of EU-25 production to 15.3 million tons versus 15.4 million in 2005/06. Encouraged by a strong demand for rapeseed oil in biodiesel production, a robust increase (up 9 percent to 15.5 million tons) for the EU-25 rapeseed crush will continue. European rapeseed processors will pull in a lot more imports out of Ukraine and Russia, where a rapid expansion of the crop has taken place. EU-25 ending stocks of rapeseed are also likely to tighten from 1.8 million tons to 0.7 million to accommodate the growing demand.

In Canada, a glut of unsold canola stocks (left over from the bumper 2005 harvest) has helped shift 2006 acreage back toward wheat and oats. Harvested canola acreage is anticipated to fall by 9 percent to 4.8 million hectares. This spring, wet soil conditions delayed sowing in Saskatchewan, while central Alberta could soon use some additional moisture. More normal 2006 yields would likely further reduce the crop toward 7.6 million tons from last year's record high 9.7 million tons. Drawing upon an abundant carryover should allow brisk rates for domestic crushing and exports to continue throughout 2006/07, though.

Australian crop rotations should encourage a higher area to canola again, after a low level was sown last season (when spring rains were late to materialize). This year, improved rains prior to planting have been favorable for producers in Victoria and South Australia. However, producers in New South Wales are still waiting for a drought to break before they can conclude canola planting. Farmers have until the end of June to finish, when they would start switching to wheat and barley. Provided that all producers get the needed moisture in time, canola area is expected to rise to 1.3 million hectares (compared with nearly 1.0 million in 2005/06). Australian canola output is then projected to rise to 1.75 million tons from 1.4 million last year. With little used domestically, a resurgent canola supply could lead exports from Australia back up to 1.2 million tons, which have fallen to an estimated 950,000 tons in 2005/06.

Steady Outlook for World Sunflowerseed Production

Lower yields of sunflowerseed in 2006/07 could offset a minimal increase in the worldwide area sown, to trim global output from 29.6 million tons to 28.7 million. A good crop in Europe could curtail imports of sunflowerseed, but rising food use for sunflowerseed oil should sustain international trade in that commodity at around 3.1 million tons.

The favorable weather that elicited an extremely low abandonment of Russian sunflower area in 2005 will be hard to repeat. So, despite a greater sown area, 2006 harvested area could slip by 100,000 hectares to 2.3 million. And unlike last year's unusually high yields, average yields in 2006 may contribute to a 7-percent reduction in the Russian sunflowerseed harvest to 6.0 million tons. In Ukraine, a shortfall in winter grains planting benefited the 2006 sunflower area by 8 percent to a record 4.0 million hectares. But, a more typical yield in Ukraine could also cut its sunflowerseed output by 6 percent to 4.4 million tons. Sunflowerseed crushing in both countries would probably decline.

Sunflowerseed area in Spain slumped last year due to drought, but improved moisture conditions in 2006 should encourage a recovery. For the EU-25 as a whole, sunflower area could rebound 9 percent to 2.2 million hectares, returning toward a level of 2 years prior. EU-25 sunflowerseed production should also bounce back in 2006 to 4.1 million tons from 3.7 million last year. Production by domestic processors should benefit from the larger harvests.

Modest increases for Argentine sunflowerseed area and yields are expected to edge 2006/07 production up to 4.0 million tons from 3.8 million this season. Sunflowerseed exports are comparatively expensive to ship, so most of the country's trade will be in sunflowerseed oil and sunflowerseed meal.

Rise in Area To Boost Cottonseed Production

World cottonseed production could climb nearly 1 million tons in 2006/07 to 43.5 million. Comparatively strong values for cotton are leading the changes. Based on a 5-percent increase in China cotton area, the country's 2006 cottonseed production is projected to rise to 10.8 million tons compared with 10.3 million in 2005. Likewise, firm prices and dramatically improving crop yields for India's cotton farmers are encouraging them to sow another record area this year. Based on a 2-percent increase in 2006 cotton area to 9 million hectares, Indian cottonseed output is projected 5 percent higher to 8.5 million tons. However, a relatively low oil yield for cottonseed will not add greatly to the domestic oil supply for either country.

Biodiesel Demand Is Reshaping the World Vegetable Oil Market

USDA projects global production of palm oil to grow 7 percent in 2006/07 to 37.4 million tons. International trade in palm oil may rise almost as quickly, from 25.8 million to 27.4 million tons. Soybean oil trade, although secondary to palm oil, is seen growing 5 percent to 9.6 million tons. For 2006/07, Argentine exports should capture nearly all the international trade gains in soybean oil. Although expectations for world soybean oil output are just 3 percent higher, its 5-percent

consumption growth could be sustained by a reduction in ending stocks. Almost half of all world vegetable oil trade will be destined for the EU-25, China, or India.

Indonesia has been propelled into the world's leading producer of palm oil by recent investments in plantations and rising productivity. The country's 2006/07 output is forecast rising to 16.4 million tons from 15.0 million this season. Indonesian exporters should accrue a majority of the expansion in international trade in palm oil, which could increase from 10.7 million to 11.75 million tons. Malaysia, on the other hand, has little undeveloped land left for palm plantations and will depend on improved yields to lift palm oil production. Malaysian palm oil yields in 2006/07 should recover from a cyclical downtrend in 2005/06, and output is forecast to rise from 15.0 million to 15.7 million tons.

Domestic oilseeds production within the EU-25 could total nearly 21 million tons, a scant increase above last season's total of 20.8 million. Thus, it is quite unlikely that domestic vegetable oil output can accommodate a rapidly growing demand for biodiesel there. A number of European countries are striving to meet rising biofuel production targets, so a strong import pace for vegetable oils is almost guaranteed. Rapeseed oil is the preferred oil for biodiesel in Europe, therefore its food consumption has been declining. As a result, additional use of other oils for food is also needed. A brisk 9-percent increase in EU-25 imports of palm oil (to 4.9 million tons) is projected, while soybean oil imports could surge 10 percent to 2.2 million tons.

Oilseeds crops in China (totaling 56.9 million tons) may be just 300,000 tons greater than last year's. Cottonseed could comprise nearly all of the country's increase. Consumption growth for vegetable oils is projected 7 percent higher to 23.3 million tons. With only a 5-percent increase, domestic output at 15.3 million tons would fall well short of the amount needed. Palm oil imports could swell by 14 percent in 2006/07 to 5.4 million tons, while soybean oil imports could rise 10 percent to 2.2 million.

Despite favorable production incentives, Indian oilseed output could slip 0.2 million tons to 29.6 million as lower yields for peanuts and rapeseed offset small increases for other oilseed crops. Combined with an expected 400,000-ton gain in Indian vegetable oil consumption, a negligible increase for 2006/07 domestic output would stimulate more imports. Relative costs between palm oil and soybean oil will determine the mix of imports. Despite its higher tariffs, palm oil imports are likely to be advantaged by lower prices. The initial forecasts are for 2006/07 imports of palm oil at 4.0 million (versus 3.8 million the previous year) and soybean oil at 1.7 million (unchanged from 2005/06).

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.htm>. These tables contain the latest data on the production, use, imports, exports, prices, and textile trade of cotton and other fibers.

Recent Reports

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decisionmakers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments <http://www.ers.usda.gov/publications/ERR12/>. See also *Farm Program Acres* for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped. <http://www.ers.usda.gov/data/baseacres/>

Related Websites

WASDE, (<http://usda.mannlib.cornell.edu/reports/waobr/wasde-bb/>)
Oilseed Circular, http://www.fas.usda.gov/oilseeds_arc.html
Soybeans and Oil Crops Briefing Room,
<http://www.ers.usda.gov/briefing/soybeansoilcrops/>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

E-mail Notification

Readers of ERS outlook reports have two ways they can receive an e-mail notice about release of reports and associated data.

- Receive timely notification (soon after the report is posted on the web) via USDA's Economics, Statistics and Market Information System (which is housed at Cornell University's Mann Library). Go to http://usda.mannlib.cornell.edu/ess_netid.html and follow the instructions to receive e-mail notices about ERS, Agricultural Marketing Service, National Agricultural Statistics Service, and World Agricultural Outlook Board products.

- Receive weekly notification (on Friday afternoon) via the ERS website. Go to <http://www.ers.usda.gov/Updates/> and follow the instructions to receive notices about ERS outlook reports, *Amber Waves* magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to <http://www.ers.usda.gov/rss/> to get started.

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>								
2004/05 ¹	75.2	74.0	42.2	112	3,124	6	3,242	1,696	1,103	187	2,986	256
2005/06 ²	72.1	71.4	43.3	256	3,086	4	3,346	1,715	900	161	2,776	570
2006/07 ²	76.9	75.7	40.7	570	3,080	4	3,654	1,750	1,090	159	2,999	655
2004/05												
September						0.4		121.0	47.2			
October						0.2		155.3	177.7			
November						0.3		151.1	181.0			
Sep-Nov				112.4	3,123.7	1.0	3,237.1	427.4	405.8	99.3	932.4	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	88.3	924.7	1,381.4
March						0.4		148.5	96.4			
April						0.3		139.4	65.2			
May						0.3		142.8	49.6			
Mar-May				1,381.4	---	1.0	1,382.3	430.7	211.2	41.1	683.1	699.3
June						0.7		132.0	35.2			
July						1.2		139.5	20.0			
August						0.3		130.3	30.3			
Jun-Aug				699.3	---	2.3	701.5	401.8	85.5	(41.6)	445.8	255.7
Total						5.6	3,241.7	1,696.1	1,102.7	187.2	2,985.9	
2005/06												
September						0.2		133.2	32.3			
October						0.2		157.7	143.1			
November						0.2		151.5	140.1			
Sep-Nov				255.7	3,086.4	0.6	3,342.8	442.3	315.6	82.7	840.7	2,502.1
December						0.3		148.4	83.1			
January						0.2		152.4	111.8			
February						0.4		136.3	111.3			
Dec-Feb				2,502.1	---	0.8	2,502.9	437.2	306.2	90.9	834.3	1,668.6
March						0.4		149.5	95.6			
April ¹						0.3		135.3	43.4			
Total to date						2.0		1,164.3	760.8			

¹ Estimated. ² Forecast.Sources: *Crop Production* and *Grain Stocks*, National Agricultural Statistics Service, U.S. Department of Agriculture; and *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Last update: 6/15/2006

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>							
2004/05 ¹	211	40,717	147	41,075	33,563	7,340	40,903	172
2005/06 ²	172	40,463	165	40,800	33,400	7,150	40,550	250
2006/07 ²	250	41,685	165	42,100	34,100	7,750	41,850	250
2004/05								
October	210.7	3,685.2	6.5	3,902.4	3,077.2	469.5	3,546.7	355.7
November	355.7	3,584.2	7.3	3,947.1	2,866.6	793.7	3,660.3	286.8
December	286.8	3,567.9	6.9	3,861.7	2,697.0	893.4	3,590.4	271.3
January	271.3	3,553.6	6.8	3,831.7	2,869.0	621.8	3,490.8	340.9
February	340.9	3,293.3	7.0	3,641.2	2,651.7	679.1	3,330.8	310.4
March	310.4	3,547.6	8.9	3,867.0	2,916.4	702.6	3,619.0	248.0
April	248.0	3,328.0	7.6	3,583.5	2,584.2	691.8	3,276.0	307.5
May	307.5	3,396.8	9.3	3,713.6	2,821.1	543.5	3,364.6	349.0
June	349.0	3,160.9	7.4	3,517.3	2,702.7	569.9	3,272.6	244.8
July	244.8	3,320.4	5.8	3,570.9	2,725.9	482.7	3,208.6	362.3
August	362.3	3,122.1	64.9	3,549.3	2,894.8	416.3	3,311.1	238.3
September	238.3	3,157.0	8.8	3,404.1	2,756.4	475.8	3,232.3	171.8
Total		40,717.0	147.2	41,074.9	33,563.1	7,340.0	40,903.1	
2005/06								
October	171.8	3,700.9	9.3	3,882.0	2,906.7	659.1	3,565.8	316.1
November	316.1	3,562.3	9.9	3,888.3	2,908.5	675.0	3,583.5	304.9
December	304.9	3,518.0	10.9	3,833.7	2,887.6	608.2	3,495.7	338.0
January	338.0	3,589.5	10.7	3,938.1	2,869.0	742.5	3,611.5	326.6
February	326.6	3,215.3	11.0	3,552.9	2,514.4	736.8	3,251.2	301.6
March	301.6	3,504.0	12.5	3,818.1	2,866.4	665.2	3,531.6	286.5
April ¹	286.5	3,204.1	11.4	3,502.0	2,571.7	511.1	3,082.8	419.2
Total to date		24,294.0	75.6	24,541.4	19,524.3	4,597.9	24,122.2	

¹ Estimated. ² Forecast.Source: *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Last update: 6/13/2006

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>								
2004/05 ¹	1,076	19,360	26	20,462	17,439	1,324	18,762	1,699
2005/06 ²	1,699	20,065	50	21,814	17,950	1,075	19,025	2,789
2006/07 ²	2,789	19,775	55	22,619	19,000	1,200	20,200	2,419
2004/05								
October	1,075.6	1,759.6	1.4	2,836.6	1,521.4	59.9	1,581.3	1,255.3
November	1,255.3	1,688.0	4.7	2,948.0	1,572.1	184.5	1,756.6	1,191.5
December	1,191.5	1,682.3	1.1	2,874.8	1,323.9	239.5	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	1,811.4	1,579.6	2.1	3,393.2	1,516.5	73.3	1,589.8	1,803.3
May	1,803.3	1,620.1	1.8	3,425.2	1,458.8	71.7	1,530.5	1,894.7
June	1,894.7	1,497.3	0.8	3,392.9	1,486.3	68.0	1,554.3	1,838.6
July	1,838.6	1,586.7	0.2	3,425.5	1,383.8	52.4	1,436.1	1,989.4
August	1,989.4	1,484.4	2.8	3,476.6	1,612.0	138.7	1,750.7	1,725.9
September	1,725.9	1,531.1	5.8	3,262.8	1,497.5	65.8	1,563.3	1,699.5
Total		19,359.7	26.3	20,461.6	17,438.5	1,323.6	18,762.1	
2005/06								
October	1,699.5	1,828.6	3.1	3,531.3	1,560.1	76.0	1,636.1	1,895.1
November	1,895.1	1,756.7	2.9	3,654.8	1,615.1	154.2	1,769.4	1,885.4
December	1,885.4	1,720.1	1.9	3,607.5	1,270.9	107.6	1,378.5	2,229.0
January	2,229.0	1,765.2	3.0	3,997.3	1,427.3	71.3	1,498.6	2,498.7
February	2,498.7	1,594.8	4.0	4,097.5	1,356.9	67.2	1,424.1	2,673.4
March	2,673.4	1,746.5	4.2	4,424.0	1,527.8	178.1	1,705.9	2,718.1
April ¹	2,718.1	1,584.1	2.3	4,304.5	1,447.6	96.6	1,544.1	2,760.4
Total to date		11,996.1	21.5	13,717.1	10,205.7	751.1	10,956.7	

¹ Estimated. ² Forecast.Sources: *Oilseed Crushings* and *Production, Consumption, and Stocks*, Census Bureau, U.S. Department of Commerce.

Last update: 6/13/2006

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>									
2004/05	421	8,242	1	8,664	2,923	379	4,770	8,072	592
2005/06 ¹	592	8,172	5	8,769	3,050	460	4,675	8,185	584
2006/07 ²	584	7,915	25	8,524	2,950	450	4,525	7,925	599

¹ Estimated. ² Forecast.Sources: *Crop Production*, National Agricultural Statistics Service, U.S. Department of Agriculture; and *Oilseed Crushings*, Census Bureau, U.S. Department 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>								
2004/05	77	0	1,362	1,439	1,279	107	1,387	52
2005/06 ¹	52	0	1,340	1,392	1,197	145	1,342	50
2006/07 ²	50	0	1,330	1,380	1,220	110	1,330	50

¹ Estimated. ² Forecast.Source: *Oilseed Crushings*, Census Bureau, U.S. Department 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>								
2004/05	109	2	956	1,067	934	57	990	77
2005/06 ¹	77	0	960	1,037	932	50	982	55
2006/07 ²	55	0	930	985	870	50	920	65

¹ Estimated. ² Forecast.Sources: *Oilseed Crushings and Production, Consumption, and Stocks*, 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>										
2004/05	1,121	37	4,288	5,447	2,600	393	548	491	4,032	1,415
2005/06 ¹	1,415	40	4,821	6,276	2,592	600	540	480	4,212	2,064
2006/07 ²	2,064	30	4,000	6,095	2,653	714	459	500	4,326	1,769

¹ Estimated. ² Forecast.Sources: *Crop Production and Peanut Stocks and Processors*, National Agricultural Statistics Service, U.S. Dept. of Agriculture and Census Bureau, U.S. Department of Commerce.

Last update: 6/13/2006

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

Marketing year	Soybeans \$/bu	Cottonseed \$/ton	Sunflower \$/cwt	Peanuts Cents/lb	Flaxseed \$/bu
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	117.00	12.10	19.30	5.88
2004/05	5.74	107.00	13.70	18.90	8.07
2005/06 ¹	5.65	95.50	11.80	17.60	6.00
2006/07 ¹	5.10-6.10	91-121	11.25-12.85	17.2-18.8	5.60-6.60
2004/05					
September	5.83	89.30	12.80	19.20	7.19
October	5.56	107.00	12.60	20.10	7.36
November	5.36	104.00	12.80	20.30	8.62
December	5.45	111.00	13.40	18.30	8.42
January	5.57	114.00	13.70	18.90	8.89
February	5.42	111.00	15.00	18.60	10.90
March	5.95	NA	15.00	18.50	11.40
April	6.03	NA	15.10	18.00	12.30
May	6.21	NA	15.40	17.80	11.60
June	6.58	NA	15.20	17.60	11.20
July	6.65	NA	15.20	16.00	10.40
August	6.15	102.00	14.40	16.90	6.28
2005/06					
September	5.77	96.00	13.20	17.40	6.10
October	5.67	89.40	12.80	17.50	6.05
November	5.62	92.60	12.30	17.60	5.93
December	5.77	95.10	11.60	17.70	5.82
January	5.88	102.00	11.20	17.60	5.64
February	5.67	98.20	11.40	19.80	5.50
March	5.57	NA	11.40	17.90	5.35
April	5.52	NA	11.90	17.40	5.56
May ¹	5.62	NA	11.50	16.90	5.50

¹ Preliminary. NA = Not available.

Source: *Agricultural Prices*, National Agricultural Statistics Service,
U. S. Department of Agriculture.

Last update: 6/13/2006

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>							
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	23.01	28.01	43.71	53.63	27.86	21.80	18.48
2005/06 ¹	23.25	30.00	38.25	43.00	25.00	20.00	18.00
2006/07 ¹	22.5-26.5	28.0-32.0	32.0-36.0	42.5-46.5	25.0-29.0	18.5-22.5	18.5-22.5
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	35.40	55.67	26.67	26.50	17.43
January	20.46	23.70	44.29	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	23.38	30.63	46.50	53.25	30.65	22.95	20.84
June	24.70	33.13	46.50	52.50	30.73	21.30	19.25
July	25.46	34.15	45.13	52.38	30.01	18.08	17.36
August	23.59	30.44	46.44	52.25	28.83	17.75	17.38
September	23.19	31.25	48.33	50.06	27.75	20.97	18.83
2005/06							
October	24.26	34.44	37.75	45.50	27.50	27.38	18.95
November	22.52	34.09	39.07	45.50	27.08	27.76	19.98
December	21.00	30.50	37.61	45.00	26.08	18.60	18.94
January	21.63	29.63	36.24	42.50	25.22	17.16	18.60
February	22.21	29.50	37.02	42.50	23.65	16.44	18.07
March	23.21	29.75	36.24	42.50	22.61	16.82	17.54
April	22.98	27.05	37.50	42.50	23.19	18.00	15.86
May ¹	24.76	28.06	40.31	42.50	25.25	17.13	16.19

¹ Preliminary. ² Decatur, IL. ³ PBSY Greenwood, MS. ⁴ Minneapolis. ⁵ Southeast mills. ⁶ Chicago.

Sources: *Monthly Feedstuff Prices* and *Peanut Report*, Agricultural Marketing Service, U.S. Dept. of Agriculture.

Last update: 6/12/2006

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						
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	159.25
2004/05	182.90	124.04	85.50	118.34	139.75	115.55
2005/06 ¹	175.00	150.00	80.00	110.00	140.00	120.00
2006/07 ¹	155-185	130-160	60-90	90-120	115-145	80-110
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	198.68	110.40	80.00	137.25	139.25	96.00
June	219.28	138.75	NA	145.25	153.98	116.00
July	215.75	151.00	NA	140.83	150.48	159.38
August	198.43	143.00	NA	132.50	138.12	157.75
September	175.40	140.00	105.00	109.00	132.10	98.98
2005/06						
October	166.22	133.13	73.25	105.50	130.13	100.38
November	170.32	132.50	64.80	102.50	139.55	113.60
December	193.17	175.00	70.00	100.88	158.06	118.00
January	183.64	172.50	NA	NA	150.05	127.25
February	176.73	152.50	NA	114.50	143.94	130.17
March	175.07	148.75	98.00	113.50	134.74	129.00
April	174.64	144.38	90.33	113.17	136.04	126.63
May ¹	175.77	131.50	72.60	113.33	136.59	119.10

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

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

Source: *Monthly Feedstuff Prices*, Agricultural Marketing Service, U.S. Dept. of Agriculture.

Last update: 6/12/2006