



United States
Department
of Agriculture

OCS-07e

June 13, 2007



A Report from the Economic Research Service

www.ers.usda.gov

Oil Crops Outlook

Mark Ash and Erik Dohlman

Global Oilseed Harvests Expected To Sag in 2007

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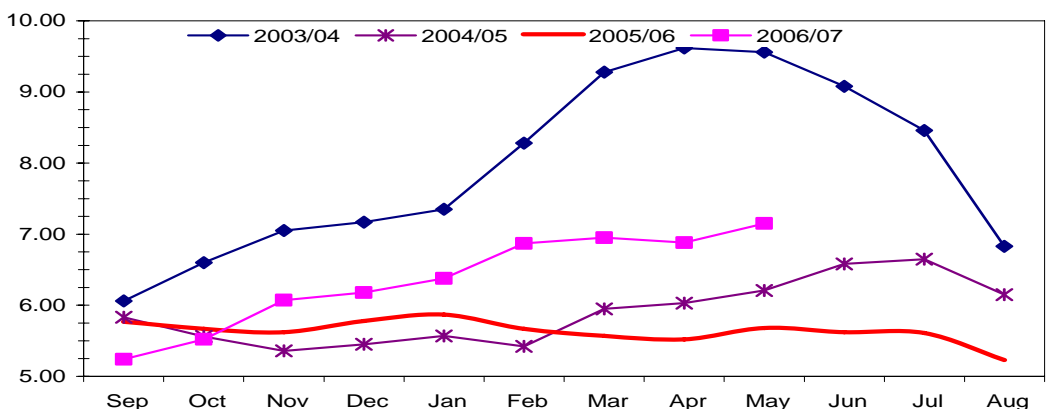
USDA raised its 2007/08 price forecast by 15 cents this month to \$6.65-\$7.65 per bushel. Much of the price support derives from a robust market for soybean oil, which swelled to a May average of 32.9 cents per pound from 31.1 cents in April. This trend led USDA to raise the soybean oil price forecasts by 1 cent to 30.5 cents (for 2006/07) and 30.5-34.5 cents per pound (for 2007/08).

Due largely to an expected reduction for the U.S. crop, global soybean production in 2007/08 is projected to decline 10.1 million metric tons to 225.3 million. In Brazil, a 4-percent area expansion and an average yield could edge 2007/08 soybean production up to 61 million metric tons from 59 million this year. Despite an expected 5-percent area gain for 2007/08, Argentine soybean production could be limited to 47 million tons because yields are unlikely to be as excellent as the current record high. China's 2007/08 soybean imports will again lead world trade, climbing to 34.5 million tons from 30 million this year.

Figure 1

U.S. average farm price for soybeans rises to 3-year high

\$/bushel



Source: *Agricultural Prices*, National Agricultural Statistics Service, USDA.

Domestic Outlook

Reduction of 2007 Soybean Acres Should Tighten Next Year's Ending Stocks

This month, USDA's outlook in soybean supply and use for both the 2007/08 and 2006/07 crop years was unchanged. Crop production is still expected to fall sharply this year. New-crop soybean demand will be cushioned by record-large beginning stocks and a dramatic reduction in 2007/08 ending stocks.

During mid-May, fair weather accelerated the planting progress for U.S. soybeans. As of June 10, sowing of soybeans was 94 percent complete, ahead of the 5-year average of 89 percent. Soil moisture is ample throughout the central plains and western Corn Belt, which will aid good emergence for the newly planted crop. In contrast, for a small portion of the Nation's crop in the Southeast, rain is badly needed as a drought has taken hold. Shortages of topsoil moisture have gradually spread north toward the Ohio River Valley, although for now the subsoil moisture there is adequate.

Strengthening of 2007/08 Market Prices Is Likely

The May average of central Illinois soybean prices rallied to \$7.33 per bushel, up from \$6.99 the previous month. Better progress in corn planting during May also helped strengthen soybean prices by lowering the likelihood that more soybeans will be sown than first intended. And the market is already factoring in the effect on yields of a drying trend in the eastern Corn Belt. In addition, price offerings are being improved to offset movements in exchange rates and to encourage more soybean area in South America later this year. At current prices, many U.S. producers will commit to forward contracts for fall delivery at very favorable terms. In light of these developments, USDA raised its 2007/08 price forecast by 15 cents to \$6.65-\$7.65 per bushel.

Much of the price support also derives from a robust market for soybean oil, which over the past year rose almost unabated. Values for soybean oil (as well as all other fats and oils) are now quickly approaching an all-time high. U.S. soybean oil stocks may have finally topped out; the April-ending level dropped to 3,287 million pounds from 3,361 million the previous month. Continuation of stock tightening is likely as worldwide demand for soybean oil intensifies. The impact on the central Illinois price swelled its May average to 32.9 cents per pound from 31.1 cents in April. Cash soybean oil prices in early June are above 34 cents per pound, nearing their peak of 3 years ago. This trend led USDA to raise the soybean oil price forecasts by 1 cent for 2006/07 and 2007/08 to 30.5 cents and 30.5-34.5 cents per pound, respectively.

The rally in U.S. soybean oil prices is influencing both domestic use and exports. The 2006/07 forecast for domestic disappearance of soybean oil was raised 50 million pounds this month to 18.7 billion pounds. Cumulative domestic use through April 2007 was up nearly 5 percent from the previous year. All of this year's growth in soybean oil use can be attributed to its consumption for methyl esters or biodiesel. However, a narrowing of the forecast reduction in food and other uses offset a scaling back of methyl esters consumption by 150 million pounds to 2,400 million. By comparison, last year's use was 1,153 million pounds.

For 2007/08, methyl esters demand is seen slowing to 3,500 million pounds. High costs for soybean oil are also affecting U.S. export demand, which was forecast lower to 1,450 million pounds in 2006/07 and 1,400 million for 2007/08. While U.S. trade in soybean oil has already gained 30 percent or 240 million pounds against a year ago, further export gains this year are considered unlikely. Ending stocks of soybean oil for 2007/08 are projected at 2,184 million pounds, down more than one-fourth from the expected carryout for the current year.

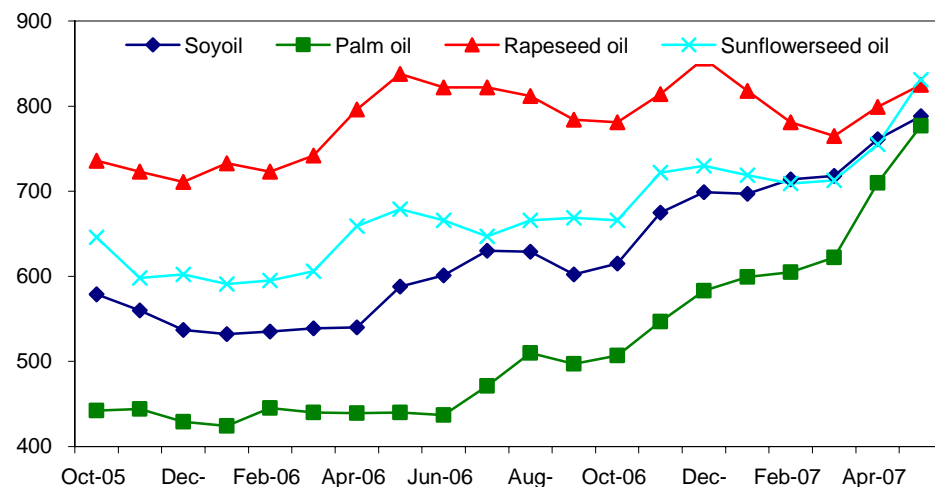
Following the recent resurgence of feed grain costs, prices for soybean meal have again bounced back. In May, the central Illinois price rebounded to an average of \$199 per short ton after briefly declining to \$189 in April. The 2006/07 price forecast for soybean meal was raised \$5 this month to \$200 per short ton. Supported by high grain prices, soybean meal prices for 2007/08 could stay within the same range.

International Outlook

Figure 2

Price discount for palm oil in Europe has narrowed

\$/metric ton



Source: Oilseeds: World Markets and Trade, Foreign Agricultural Service, USDA.

Global Soybean Output To Fall as U.S. Crop Decline Will Not Be Offset in South America

In 2007/08, world oilseed output may fall more than 5 million metric tons to 399 million, as larger rapeseed crops are offset by production declines for soybeans and other oilseeds. In most countries, soybean production this year will be affected by a strong inclination to plant corn. Ultimately, this cropping shift will most affect U.S. soybean production, but will also be evident in Brazil, Argentina, China, and Canada. South American gains in soybean production are anticipated, but will not compensate for a U.S. crop reduction of at least 12 million metric tons. Thus, global soybean production in 2007/08 is projected to decline 10.1 million metric tons to 225.3 million. A nearly equal increase in the global consumption of soybeans could tighten 2007/08 world stocks by 15 percent to 54 million tons, with tightening more pronounced in the United States. Led by China's imports, world soybean trade is anticipated rising 8 percent to 74.9 million tons. U.S. soybean exports are expected steady. However, a greater percentage share of the international market will be ceded to South American exporters as carryover stocks and harvests reach record highs there. Historically the top soybean exporting country, U.S. shipments in 2007/08 may be slightly exceeded by exports from Brazil. In the export market for soybean meal, Argentina will dominate nearly all world growth and take over half of the global trade (56 million tons).

For Brazil, a large trade surplus and accumulating foreign reserves will likely continue to strengthen the country's exchange rate, which recently appreciated to less than 2 real per dollar. Interest costs remain high and costs of fuel, fertilizer, and other farm inputs have also risen sharply. Even so, soybean prices in Brazil are currently 20-30 percent higher than a year ago. The higher crop prices and improved finances following this year's bumper harvest should reinvigorate a moderate expansion of 2007/08 area. Brazilian farmers are projected to raise soybean area by 4 percent to 21.5 million hectares, still under the 22.2 million

hectares harvested in 2005/06. With an average yield next year in Brazil, soybean production could edge up to 61 million metric tons from 59 million this year. Such an outcome for Brazilian farmers is essential for a complete settlement of their longstanding debt problems.

There is no growth expected for Brazil's 2007/08 soybean crush (29.3 million tons) as the country's processors will face fierce export competition from Argentina. Exports of soybean meal from Brazil are actually predicted to decline 3 percent to 12 million tons, which can be entirely taken up by domestic consumption. Gains in soybean demand will come almost entirely from Brazil's export market, with 2007/08 soybean exports projected at 29.7 million tons, versus 25 million in 2006/07.

In Argentina, the main deterrent to another boom of soybean planting in 2007/08 will be the even better incentives to grow corn. While Argentine corn area is expected up 8 percent, domestic price controls and export restrictions for wheat and beef should free up cropland and pasture for more oilseeds production. At the same time, rising export prices for soybeans have enabled Argentine producers to absorb the cost of a higher export tax. Harvested soybean area, which climbed 4 percent this year in Argentina, is foreseen up again in 2007/08 by 5 percent to 16.8 million hectares. Argentine production in 2007/08 could be limited to 47 million tons because yields are unlikely to be as excellent as the current record high. Despite earlier delays, farmers have now nearly finished harvesting the 2006/07 crop, which was estimated 1 million tons higher this month to 46.5 million. Outstanding yields of second-crop soybeans produced a superb harvest this year.

A bumper crop at home and more imports from Paraguay will amply supply another surge of soybean processing in Argentina. Domestic soybean crushing in 2007/08 is projected to rise 9 percent to 38.5 million tons. Nearly all of the additional production of soybean meal will be exported, with 2007/08 trade expected to climb from 26.1 million to 29.3 million tons. There may still be an abundance of bargain-priced soybeans to export from Argentina, as well. Unprocessed soybean exports (primarily to China) are projected up to 8.6 million tons in 2007/08, versus 7.5 million this year.

In China, market prices have also encouraged farmers to sow more corn this year. The expansion occurred largely at the expense of soybean area, which may drop by 5 percent to 8.8 million hectares. Therefore, soybean output in China is forecast down to 15.6 million tons from 16.2 million in 2006. With expected smaller harvests of domestic oilseeds, low stocks, and growing demand, a widening supply deficit may increase China's 2007/08 soybean imports to 34.5 million tons from 30 million this year. Although consumption of soybean meal in China has slowed this year partly due to a disease that killed many pigs, 2007/08 feed use could improve by 8.5 percent to 31.4 million tons. Other sources of protein meal in China are expected to be nearly unchanged.

At the end of May, India's summer monsoon began making its first landfall on the southern coast. Its eventual northward progression is crucial in determining the outlook for growing soybeans in the country. Conditioned on normal monsoon development, price incentives may prompt a rise in 2007 Indian soybean area from 8.1 million to 8.3 million hectares. Based on average yields, the 2007 soybean output is forecast at 7.9 million tons, versus 7.7 million in 2006. Even with a

growing demand in India for soybean meal in poultry and dairy feeds, additional production could steady the volume of meal exports near 3.5 million tons.

The EU-27 countries should again account for more than half of world trade in soybean meal. Their imports in 2007/08 are expected at 23.5 million tons, up 5 percent from the current year. Domestic demand for soybean meal, however, is forecast only 2.4 percent higher to 34.2 million tons due to a possible 10-percent increase in rapeseed meal feeding. Competitive pressure on EU-27 soybean processors means that crushing and domestic output of soybean meal might fall 2.5 percent. Thus, EU-27 imports of soybeans could decline to 14.9 million tons in 2007/08 from 15.1 million in 2006/07.

Sunflowerseed May Be Overshadowed by Competing Crops in 2007

Like soybeans, the output potential for sunflowerseed will be affected by the expansion of corn production throughout the world. Despite expected production gains in Argentina and China, lower European sunflowerseed harvests are forecast to trim 2007/08 global output by 1 percent to 29.7 million tons. Due to smaller crops and rising use in some major exporting countries, 2007/08 world sunflowerseed trade is expected to decline 5 percent to 1.6 million tons. Ending stocks of sunflowerseed would tighten again. A smaller crush in Ukraine would also trim next season's global exports of sunflowerseed meal to 3.6 million tons from 3.7 million in 2006/07.

EU-27 sunflowerseed area is expected to slip 400,000 hectares in 2007 to 3.6 million as farmers in Romania, Bulgaria, and France have decided to sow more corn instead. Provided this year's weather holds up for an average yield outcome, EU-27 sunflowerseed output could fall to 5.6 million tons from 6.5 million in 2006. To keep the 2007/08 crush steady, EU-27 sunflowerseed imports are anticipated 21 percent higher to 800,000 tons.

In Ukraine, the 2007 sunflowerseed area is expected to decline by 500,000 hectares to 3.4 million. Poor moisture this spring does not portend a repeat of last year's record yield, so the projected crop is down 17 percent to 4.4 million tons. That reduction will have its biggest impact on crushing in Ukraine, although sunflowerseed exports may decline as well. For Russia, a higher area of corn and soybeans is expected to trim sunflowerseed area by 2 percent. Improving input use is seen aiding sunflowerseed yields so that Russian output may decline minimally to 6.7 million tons from the record high 2006 crop of 6.75 million tons. A small gain in Russian sunflowerseed demand could be accommodated through a reduction in 2007/08 ending stocks. Russia's rising crushing capacity is limiting the availability of sunflowerseed for export though.

The focus on corn and rapeseed production in the Northern Hemisphere will shore up the Argentine sunflowerseed market. Strong prices will stabilize the country's sunflower area at an 8-year high of 2.4 million hectares. This year, dry conditions in the southern part of Buenos Aires Province cut sunflowerseed yields, so improved yields are likely next year. Argentine sunflowerseed output is projected to reach 4.1 million tons in 2007/08, up from 3.5 million this year. All of the crop increase would likely be used within the crushing industry, with most of the sunflowerseed meal and oil produced heading to Europe.

A Strong Expansion for 2007 Rapeseed Production Is Underway

Strong demand for rapeseed, particularly in Europe, is encouraging its production throughout the world. In 2007/08, global rapeseed output is expected to rise 10 percent to 51.4 million tons. International rapeseed trade will stay robust with exports increasing to 8 million tons, led by a production recovery in Australia.

Following a late spring freeze in Poland and a very warm and dry April throughout Europe, timely May rainfall helped reverse a deteriorating crop outlook there. EU-27 rapeseed output is forecast rising to 18.2 million tons (from 16 million in 2006), based primarily on a 13-percent expansion of area (to 6.05 million hectares). The rapeseed yields will be far from their maximum, but likely no worse overall than a year ago. A strong crush market will support EU-27 imports of rapeseed near 750,000 tons.

In contrast, persistent drought is threatening the potential of winter crops in countries surrounding the Black Sea (Ukraine, southern Russia). Ukraine's rapeseed area has nearly doubled to 750,000 hectares, but the dryness is expected to considerably lower yields this year, limiting the 2007 production forecast to 950,000 tons versus 600,000 tons in 2006. In turn, that will constrain Ukraine's rapeseed exports to the rest of Europe to about 700,000 tons.

The 2006/07 Indian rapeseed crop declined sharply, but the disposition of very large government stocks allowed demand to remain firm. As a result, current supplies have tightened and a rising price trend is seen encouraging an 11-percent expansion in 2007/08 rapeseed area to 7.4 million hectares. Given normal yields, Indian rapeseed output is expected to rebound to 7.05 million tons, versus 5.8 million in 2006/07. Rapeseed crushing in India could grow 8 percent in 2007/08 to 6.1 million tons.

China has been a major importer of rapeseed and is likely to import more in 2007/08 due to a smaller domestic harvest. Based on a 4-percent decrease in rapeseed area, 2007 production is estimated 5.5 percent lower to 12 million tons. China's rapeseed imports are therefore forecast to climb 50 percent in 2007/08 to 900,000 tons. Imports will be expensive and limit a larger increase, so a moderate decline in rapeseed crushing to 12.3 million tons is possible.

In Canada, farmers have indicated that they will plant a record acreage of canola in 2007. Although Canadian farm prices for canola seed have been tempered by a three-decade high in the country's exchange rate, they are still almost 50 percent higher than a year ago. The comparatively attractive prices have encouraged farmers to expand canola acreage by 12 percent this year, with less area devoted to spring wheat, flaxseed, soybeans, and fallow land. A canola yield closer to the trend, however, could constrain the increase in 2007 production to 9.5 million tons from 9.1 million in 2006. Current soil moisture is good and crop sowing this spring is virtually done.

Australia has welcomed a break in the drought pattern that has regularly afflicted the country over the past 5 years. Canola planting will start soon in the country, with farmers expected to harvest at least 1.1 million hectares against only 0.7

million in 2006. Normal 2007 yields should also contribute toward a considerably larger canola crop of 1.4 million tons, from 0.5 million last year. If realized, Australian 2007/08 exports could more than double to 800,000 tons.

Little Change Anticipated for Global Harvests of Cottonseed and Peanuts

An expected small improvement in the worldwide yields of cottonseed is seen offsetting a 2-percent decline in cotton area, most of that in the United States. As a result, global cottonseed production for 2007/08 is forecast nearly unchanged at 43.9 million tons. Output gains in India and Pakistan are expected to counter production declines for the United States, Brazil, and Australia. Indian cottonseed production is forecast up 0.5 million tons to 9.6 million.

World production of peanuts may be nearly unchanged in 2007/08, at 31.9 million tons, as a modestly larger crop in India is expected to offset a smaller harvest in China. For India, the success of cotton has consequences for peanut production, which is now less attractive because cotton has become so much cheaper and easier to grow. While strong prices may encourage a 5-percent expansion of Indian peanut area, this may be a less keen supply response than in the past. The Indian peanut harvest is projected rising to 5.65 million tons from 5.4 million in 2006/07. For China, although 2007 peanut area is seen up slightly, record-high 2006 yields are unlikely to be repeated. China's 2007 peanut output is projected down 2 percent to 14.3 million tons, which will curtail crush and exports of the commodity.

Growth in Vegetable Oil Supply Expected To Lag Robust Demand

At 126.9 million metric tons, global production for all vegetable oils in 2007/08 is projected improving to a 4-percent growth rate, compared with 3 percent for 2006/07. Global consumption for all oils is expected to grow at the same rate, so a lowering of the beginning stocks will persist throughout the year. Ending stocks of vegetable oil would shrink further in 2007/08 to 7.8 million tons from 8.3 million this season. Most of the decline in overall stocks will be divided between soybean oil and palm oil.

For 2007/08, global soybean oil output is projected up to 37.5 million tons, against 35.9 million the previous year. Soybean processors in Argentina and China may combine for 82 percent of the entire increase. World consumption of soybean oil may match its production growth. Lower U.S. stocks of soybean oil are projected to cut global stocks by 12 percent to a 4-year low of 2.4 million tons. World soybean oil exports for 2007/08 are forecast growing by 3 percent to 10.4 million tons. Argentine soybean oil exports, projected to expand from 5.9 million to 6.35 million tons, should account for virtually all the gains in world trade. As with the United States, exports of soybean oil from Brazil are projected to dip from 2.3 million tons to 2.2 million due to that country's stronger domestic market.

World production of palm oil is projected up 6 percent in 2007/08 to 39 million tons. However, a drawdown of carryover stocks and strong consumption will continue to tighten the international palm oil market. Global exports of palm oil are forecast edging up 2 percent in 2007/08 to nearly 28 million tons.

Powered by record export demand, Malaysian palm oil stocks shrank to 1.1 million tons in May 2007, their lowest level since 2004. Export prices for Malaysian palm oil soared to a 9-year high in May, approaching \$800 per metric ton and nearly double their value of a year earlier. The current price rally may calm once the seasonal production lows have passed, but a simultaneous tightening of the world soybean oil supply will continue to lend it strength into 2008. Palm oil production in Malaysia slowed to 15.8 million tons this year, but with better weather in 2007/08 could improve to 16.6 million tons. Malaysian exports of palm oil may decline in 2007/08 to 13.1 million tons (from 13.6 million in 2006/07) as strong domestic use and lower carryover stocks constrict the available supply.

Indonesia finally claimed the title of world's largest palm oil producing country in 2006/07 by surpassing Malaysia with 15.9 million tons of production. For 2007/08, the country's output is expected up to 17.1 million tons. Despite the supply growth, high foreign demand for palm oil has swelled domestic prices. Concern for domestic consumers is urging the Indonesian Government to control food costs by requiring producers to set aside a fixed portion of supply for domestic use. Exporters fear, though, that the Government may resort to a higher export tax on crude palm oil (currently 1.5 percent), which would take away some of their price advantage over Malaysian exports. For now, Indonesian exports of palm oil in 2007/08 are forecast to reach 12.4 million tons, up from an estimated 11.6 million this year.

The EU-27 countries will import more vegetable oil than anywhere else in the world. Europe will go on to absorb even more vegetable oil imports in 2007/08, but the rate of increase may slow. Consumption of all vegetable oils in the EU-27 is expected up 5 percent in 2007/08 (less than half of this year's 11-percent growth) to 23.2 million tons. EU-27 imports are forecast rising 6 percent for palm oil (to 4.55 million tons) and 14 percent for soybean oil (to 1.05 million tons). Sunflowerseed oil imports by the EU-27 could increase 9 percent to 1.45 million tons, but barely offset lower domestic output. Rising import costs for these oils will curb import demand. Consequently, more domestically produced rapeseed oil will be required for domestic foods and limit its use for biodiesel production. In Germany, escalating costs and a phased withdrawal of fuel tax exemptions has already had a depressing influence on biodiesel output. Although the EU-27 production capacity for biodiesel continues to expand, the surging costs for vegetable oil will further curtail growth prospects for the industry.

In China, vegetable oil consumption in 2007/08 should keep on growing near a 4-percent rate to 23.3 million tons. Smaller expected domestic crops of soybeans, rapeseed, cottonseed, and peanuts in 2007 will promote an even faster rate of vegetable oil imports. China's palm oil imports could expand 300,000 tons in 2007/08 to 5.6 million tons. Soybean oil imports should also continue to rise, despite a forecast expansion of soybean crushing by 3 million tons (8 percent). Domestic consumption of soybean oil is forecast up 9 percent to 8.9 million tons. The estimated supply deficit in China would boost 2007/08 soybean oil imports to 1.85 million tons from 1.7 million in 2006/07.

India's economy is growing rapidly and its exchange rate has strengthened to a 9-year high. Assuming normal development of the country's domestic oilseed harvests, vegetable oil imports are seen edging higher with the rising purchasing power. Total vegetable oil consumption in India is projected rising 3 percent to

12.8 million tons. However, vegetable oil imports will be constrained by their high cost, as well as a 9-percent increase in domestic oilseed production (to 32.6 million tons). The Government of India enacted a series of duty reductions for crude palm oil this year that has nearly eliminated its tariff differential versus soybean oil. Palm oil imports for 2007/08 are forecast expanding to 3.85 million tons from 3.6 million in 2006/07. In contrast, the increasing preference for palm oil is seen trimming Indian soybean oil imports to 1.6 million tons in 2007/08, compared with 1.85 million this season.

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

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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 decision makers 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/MannUsda/viewDocumentInfo.do?documentID=1194>
Oilseed Circular, http://www.fas.usda.gov/oilseeds_arc.asp
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Table 1--Soybeans: U.S. supply and disappearance

Year beg. Sept. 1	Area		Yield	Supply					Disappearance			
	Planted	Harvested		Beginning stocks	Production	Imports	Total	Crush	Exports	Seed, feed, & residual	Total	Ending stocks
	<i>Million acres</i>		<i>Bu/acre</i>	<i>Million bushels</i>								
2005/06	72.0	71.3	43.0	256	3,063	3	3,322	1,739	947	187	2,873	449
2006/07 ¹	75.5	74.6	42.7	449	3,188	4	3,642	1,770	1,080	182	3,032	610
2007/08 ²	67.1	66.1	41.5	610	2,745	4	3,359	1,790	1,080	169	3,039	320
2005/06												
September						0.2		133.2	34.1			
October						0.2		157.7	137.2			
November						0.2		151.5	141.4			
Sep-Nov				255.7	3,063.2	0.6	3,319.6	442.4	312.6	63.2	818.1	2,501.4
December						0.3		148.4	88.3			
January						0.2		152.4	111.8			
February						0.4		136.3	111.3			
Dec-Feb				2,501.4	---	0.8	2,502.2	437.2	311.4	84.4	833.0	1,669.2
March						0.4		149.5	95.6			
April						0.3		135.5	43.4			
May						0.3		146.2	46.5			
Mar-May				1,669.2	---	1.0	1,670.2	431.3	185.5	62.7	679.5	990.7
June						0.6		137.4	39.0			
July						0.2		148.5	47.6			
August						0.2		142.1	51.0			
Jun-Aug				990.7	---	1.0	991.7	428.0	137.7	(23.2)	542.4	449.3
Total						3.4	3,322.3	1,738.7	947.2	210.3	2,330.6	
2006/07												
September						0.4		142.4	64.8			
October						0.5		161.7	178.0			
November						0.6		155.1	131.0			
Sep-Nov				449.3	3,188.2	1.5	3,639.1	459.2	373.9	104.7	937.7	2,701.4
December						0.6		157.1	112.4			
January						0.5		155.3	135.1			
February						0.8		136.8	129.2			
Dec-Feb				2,701.4	---	1.9	2,703.3	449.2	376.8	93.0	919.0	1,784.3
March						0.9		155.7	85.0			
April ¹						0.8		144.9	84.3			
Total to date						5.2	3,642.8	1,209.1	920.0		1,856.7	

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.

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>								
2005/06	172	41,242	141	41,555	33,176	8,064	41,241	314
2006/07 ¹	314	41,921	165	42,400	33,750	8,350	42,100	300
2007/08 ²	300	42,585	165	43,050	34,350	8,400	42,750	300
2005/06								
October	171.8	3,700.9	9.3	3,882.0	2,906.6	659.2	3,565.8	316.1
November	316.1	3,562.2	10.0	3,888.4	2,908.9	674.6	3,583.5	304.9
December	304.9	3,518.0	10.8	3,833.7	2,879.4	616.2	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	286.5	3,212.6	11.4	3,510.5	2,584.0	511.1	3,095.1	415.4
May	415.4	3,474.6	13.3	3,903.4	2,921.6	678.2	3,599.8	303.5
June	303.5	3,250.9	16.4	3,570.8	2,689.8	614.9	3,304.6	266.2
July	266.2	3,507.8	11.3	3,785.2	2,642.7	770.0	3,412.6	372.6
August	372.6	3,351.7	12.7	3,737.0	2,780.8	730.3	3,511.1	225.8
September	225.8	3,354.5	11.5	3,591.9	2,612.7	665.4	3,278.1	313.8
Total		41,241.9	140.9	41,554.6	33,176.4	8,064.4	41,240.8	
2006/07								
October	313.8	3,823.5	12.8	4,150.1	3,085.5	676.2	3,761.7	388.4
November	388.4	3,671.9	13.6	4,073.9	2,858.7	841.7	3,700.3	373.6
December	373.6	3,731.0	13.7	4,118.3	2,847.6	795.0	3,642.6	475.7
January	475.7	3,693.3	13.6	4,182.6	3,056.7	753.2	3,809.9	372.7
February	372.7	3,252.6	13.4	3,638.7	2,592.8	756.3	3,349.0	289.6
March	289.6	3,712.3	15.2	4,017.1	2,771.8	916.8	3,688.6	328.5
April ¹	328.5	3,442.9	12.6	3,783.9	2,826.2	629.2	3,455.3	328.6
Total to date		25,327.6	94.8	25,736.1	20,039.2	5,368.3	25,407.5	

¹ Estimated. ² Forecast.

Source: *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

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>								
2005/06	1,699	20,393	35	22,127	17,955	1,153	19,108	3,019
2006/07 ¹	3,019	20,035	30	23,084	18,700	1,450	20,150	2,934
2007/08 ²	2,934	20,315	35	23,284	19,700	1,400	21,100	2,184
2005/06								
October	1,699.0	1,828.6	3.1	3,530.8	1,570.9	76.3	1,647.3	1,883.5
November	1,883.5	1,756.7	2.9	3,643.2	1,637.3	154.1	1,791.4	1,851.8
December	1,851.8	1,717.3	1.9	3,571.0	1,272.8	107.8	1,380.6	2,190.5
January	2,190.5	1,765.2	3.0	3,958.8	1,388.8	71.3	1,460.1	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	2,718.1	1,586.3	2.3	4,306.7	1,454.7	96.6	1,551.3	2,755.4
May	2,755.4	1,709.3	2.2	4,466.9	1,528.6	53.4	1,582.0	2,885.0
June	2,885.0	1,608.7	2.3	4,496.0	1,494.6	82.3	1,576.8	2,919.2
July	2,919.2	1,737.6	3.3	4,660.1	1,464.7	89.3	1,554.0	3,106.1
August	3,106.1	1,657.7	3.7	4,767.5	1,641.0	65.3	1,706.3	3,061.2
September	3,061.2	1,684.1	2.3	4,747.5	1,617.1	111.6	1,728.7	3,018.9
Total		20,392.8	35.3	22,127.2	17,955.0	1,153.3	19,108.3	
2006/07								
October	3,018.9	1,833.0	1.0	4,852.9	1,672.6	165.5	1,838.2	3,014.7
November	3,014.7	1,725.0	1.0	4,740.7	1,545.9	119.7	1,665.6	3,075.1
December	3,075.1	1,770.1	1.3	4,846.4	1,488.7	275.9	1,764.7	3,081.8
January	3,081.8	1,746.3	2.5	4,830.5	1,473.9	174.9	1,648.8	3,181.7
February	3,181.7	1,547.2	1.1	4,730.1	1,324.2	125.2	1,449.4	3,280.7
March	3,280.7	1,764.3	1.4	5,046.3	1,603.4	81.2	1,684.6	3,361.7
April ¹	3,361.7	1,626.5	2.0	4,990.2	1,593.9	102.7	1,696.6	3,293.6
Total to date		12,012.3	10.3	15,041.4	10,702.6	1,045.2	11,747.8	

¹ Estimated. ² Forecast.

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

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>									
2005/06	592	8,172	0	8,764	3,011	523	4,629	8,163	602
2006/07 ¹	602	7,348	0	7,949	2,675	625	4,089	7,389	560
2007/08 ²	560	6,620	0	7,180	2,500	375	3,855	6,730	450

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>								
2005/06	53	0	1,373	1,426	1,226	141	1,366	59
2006/07 ¹	59	0	1,215	1,275	1,150	75	1,225	50
2007/08 ²	50	0	1,125	1,175	1,040	85	1,125	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>								
2005/06	76	1	951	1,029	860	67	928	101
2006/07 ¹	101	2	835	938	708	135	843	95
2007/08 ²	95	1	790	886	681	115	796	90

¹ Estimated. ² Forecast.

Sources: *Oilseed Crushings and Production, Consumption, and Stocks*, Census Bureau, U.S. Department 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>										
2005/06	1,415	32	4,870	6,317	2,616	542	501	491	4,150	2,167
2006/07 ¹	2,167	35	3,474	5,676	2,614	539	420	620	4,193	1,483
2007/08 ²	1,483	40	3,500	5,023	2,643	446	379	500	3,968	1,055

¹ Estimated. ² Forecast.

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

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

Marketing year	Soybeans \$/bu.	Cottonseed \$/ton	Sunflower \$/cwt.	Peanuts Cents/lb.	Flaxseed \$/bu.
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	5.66	96.00	12.10	17.30	5.94
2006/07 ¹	6.30	118.00	14.10	17.60	5.75
2007/08 ¹	6.65-7.65	120-150	15.50-17.10	19.3-20.9	6.20-7.20
2005/06					
September	5.77	96.00	13.20	17.00	6.11
October	5.67	89.10	12.90	17.40	6.05
November	5.62	95.60	12.20	17.50	5.94
December	5.78	97.40	12.20	17.40	5.81
January	5.87	102.00	11.40	17.30	5.64
February	5.67	99.00	11.20	18.60	5.59
March	5.57	NA	11.50	16.90	5.31
April	5.52	NA	11.90	17.40	5.56
May	5.68	NA	11.80	17.30	5.59
June	5.62	NA	12.30	17.00	5.40
July	5.61	NA	12.00	17.00	5.47
August	5.23	93.00	12.40	17.00	5.50
2006/07					
September	5.24	99.10	11.70	17.30	5.46
October	5.52	97.70	12.10	17.20	5.41
November	6.07	108.00	12.50	17.20	5.40
December	6.18	109.00	13.60	17.60	5.73
January	6.38	120.00	13.80	17.80	6.07
February	6.87	125.00	14.90	17.80	6.40
March	6.95	NA	15.60	17.80	6.83
April	6.88	NA	15.90	18.30	6.73
May ¹	7.15	NA	16.40	17.90	6.85

¹ Preliminary. NA = Not available.

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

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>							
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	23.41	29.47	40.64	44.48	25.18	21.74	18.16
2006/07 ¹	30.50	34.00	54.50	52.50	30.00	26.75	26.00
2007/08 ¹	30.5-34.5	31.5-33.5	47.5-51.5	52.5-56.5	30.0-34.0	26.5-30.5	26.0-30.0
2005/06							
October	24.26	34.44	37.75	45.50	27.50	27.38	18.95
November	22.52	34.38	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	24.76	28.06	40.31	42.50	25.25	17.13	16.19
June	24.20	27.25	46.44	43.75	25.70	17.63	17.33
July	25.86	29.20	40.05	45.00	25.75	22.21	18.17
August	24.80	26.69	49.50	47.30	25.42	29.91	18.93
September	23.54	27.13	50.00	49.25	24.71	31.86	19.33
2006/07							
October	24.80	27.44	52.94	52.67	24.70	23.55	19.86
November	27.64	30.25	56.00	52.50	26.47	20.78	21.78
December	27.63	30.75	56.33	50.00	28.05	22.58	23.23
January	28.00	31.00	55.56	49.25	28.05	23.00	23.91
February	28.94	32.69	54.50	46.25	28.66	23.82	23.25
March	29.74	33.00	53.25	48.20	29.08	30.75	24.34
April	31.06	34.38	52.69	52.63	29.93	27.71	26.22
May ¹	32.90	37.75	53.44	55.63	31.56	28.60	30.19

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

NA= Not available.

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

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>						
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	174.17	144.27	77.46	106.98	140.52	115.53
2006/07 ¹	200.00	160.00	120.00	100.00	180.00	140.00
2007/08 ¹	185-215	150-180	110-140	135-165	165-195	125-155
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	175.77	131.50	72.60	113.33	136.59	119.10
June	176.83	135.00	66.50	107.13	139.63	116.88
July	168.97	132.50	76.50	107.50	137.83	111.50
August	159.76	134.50	79.33	100.00	143.28	101.10
September	168.87	139.00	83.33	98.75	136.38	92.75
2006/07						
October	177.71	132.40	87.00	98.50	149.77	100.75
November	190.67	131.88	98.50	98.50	166.80	118.13
December	180.63	152.50	109.00	98.00	163.17	123.33
January	190.36	161.00	114.67	98.50	173.30	134.20
February	208.81	174.75	152.50	98.50	198.37	156.38
March	205.26	185.50	132.50	NA	195.37	156.25
April	189.37	148.25	118.75	NA	169.01	149.00
May ¹	198.66	137.00	99.80	NA	168.19	135.10

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

⁵ 50% Southeast mills. ⁶ 36% Pacific Northwest. NA= Not available.

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