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Oil Crops Outlook

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Foreign Oilseed Output Gains Needed to Augment Larger U.S. Soybean Crop

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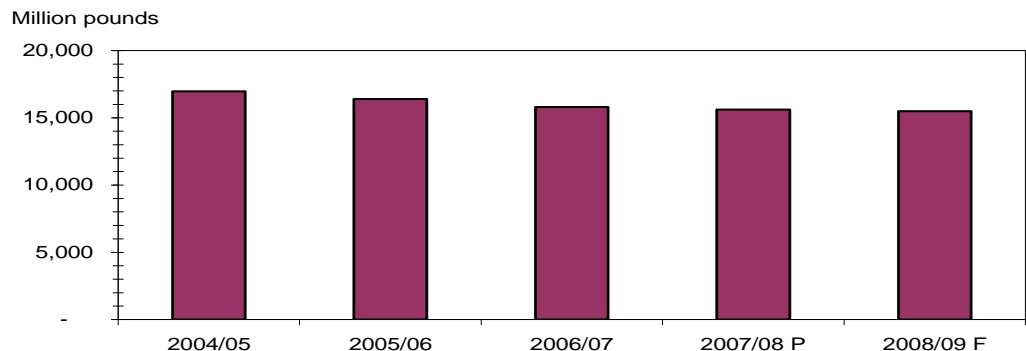
Approved by the
World Agricultural
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Higher feed costs helped reduce projected 2008/09 domestic use of soybean meal by 300,000 tons this month to 35.05 million short tons. Partially offsetting this change is an expansion of soybean meal exports—to 8.9 million short tons for 2008/09. The reduction in total meal demand cuts the 2008/09 forecast of soybean crush by 10 million bushels to 1.84 billion. Coupled with a lower carryover, the forecast of 2008/09 soybean ending stocks is lowered to 175 million bushels. The season-average soybean price was forecast higher this month to \$11.00-\$12.50 per bushel from \$10.50-\$12.00 previously.

For 2008/09, global production of oilseeds is projected to expand to a record 419.3 million metric tons, up 8 percent from the current year. Global soybean output in 2008/09 is projected to rise 10 percent to 240.7 million tons. Global production of rapeseed is forecast up 8 percent in 2008/09 to 51.2 million metric tons based on improved yields in some countries and expanded area in others. An expansion of sunflower area in Europe, Russia, and Ukraine is expected to raise global sunflowerseed production in 2008/09 by 16 percent to 31.5 million tons.

Figure 1

U.S. consumption of soybean oil excluding biodiesel is slowing



Source: World Agricultural Supply and Demand Estimates, World Agricultural Outlook Board, USDA

Sowing of 2008 U.S. Soybean Crop is Later Than Usual

Soybean planting was delayed this spring while farmers hurried to get their corn crops sown first. As of June 8, 77 percent of the U.S. soybean crop was sown, compared to the 5-year average of 89 percent. The slowest progress was in Indiana, Illinois, Missouri, Kentucky, and Arkansas, where most field crops were behind schedule due to excessive rainfall. A heavy band of rainfall through the Midwest in mid-June will again stall the advance of planting. Below-average temperatures have also slowed the emergence of soybeans. Provided there is adequate moisture during the growing season and no early frosts, a late start should not have a major impact on soybean yields. No change was made this month to the 2008/09 projection of soybean production at 3.105 billion bushels.

Due to an increase of 20 million bushels for the forecast of 2007/08 soybean exports to 1.11 billion, the 2008/09 beginning stocks are seen falling to a 4-year low of 125 million bushels. The lower carryover is partly offset this month by a reduction in 2008/09 domestic use, which limits the prospective decline in season-ending stocks to 175 million bushels. Also, by intensifying the competition for acreage next year, higher prices for corn will buoy the value of soybeans in 2008/09. The season-average soybean price was forecast higher this month to \$11.00-\$12.50 per bushel from \$10.50-\$12.00 previously.

Higher feed costs and a slowing of hog and chicken production may further limit U.S. soybean meal consumption. Soybean meal prices are projected to average \$295-\$355 per short ton in 2008/09, up \$15 from last month's forecast. The 2007/08 forecast of domestic soybean meal disappearance was lowered 300,000 short tons this month to 34.8 million. Maintaining a forecast for slow growth (0.7 percent) next year reduces by the same amount the 2008/09 projection of soybean meal use to 35.05 million short tons. Partially offsetting this change is an expansion of soybean meal exports--to 8.9 million short tons for 2008/09 from a revised 9.2 million in 2007/08. The reduction in total meal demand cuts the 2008/09 forecast of soybean crush by 10 million bushels to 1.84 billion—the same as the current marketing year.

A rise in petroleum prices and a tighter outlook for crop supplies have spurred another rally in soybean oil prices. In May, central Illinois prices for soybean oil surged to an average of 58.3 cents per pound from 56.6 cents for April. The May price is the highest monthly average ever. In response, USDA raised its price forecasts for soybean oil to 53.5 cents per pound in 2007/08 and 52-56 cents for 2008/09. A dimmer economic outlook for biodiesel producers is behind a lowering of forecasts for soybean oil consumption in methyl ester to 2.8 billion pounds in 2007/08 and 3.1 billion pounds for 2008/09. In addition, expanding imports of canola oil in 2007/08 are factoring into reduced food use of soybean oil. Combining both reductions in soybean oil use, total domestic disappearance drops in 2007/08 to 18.4 billion pounds from 18.56 billion in 2006/07. Domestic use in 2008/09 is forecast up slightly to 18.6 billion pounds.

In contrast, soybean oil exports in 2007/08 are expected to reach a record high 3.1 billion pounds. U.S. export demand for soybean oil has picked up in the wake of the disruption in Argentine exports. Next year, a tighter soybean oil supply is

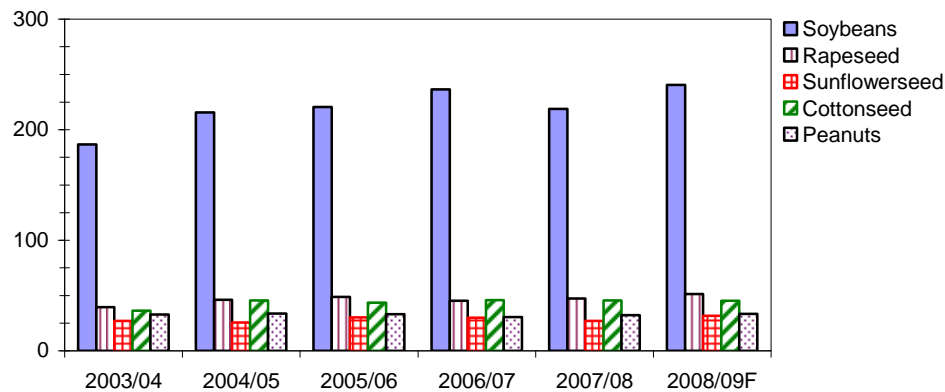
expected to scale back 2008/09 exports to 2.65 billion pounds. Even at this level, U.S. ending stocks of soybean oil next year are likely to shrink by 8 percent from 2007/08.

International Outlook

Figure 2

World oilseed supplies to stabilize in 2008/09 with higher soybean output

Million metric tons



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

Soybean Output Gains To Lead Rebound in 2008/09 Oilseeds Output, but Tight Stocks Persist

Several common denominators currently characterize worldwide markets in oilseeds and oilseed products: record high commodity prices and ever rising costs for crop production and shipping. For 2008/09, global production of oilseeds is projected to expand to a record 419.3 million metric tons, up 8 percent from the current year. Soybeans are expected to account for 69 percent of the total gain in oilseed production. Global soybean output in 2008/09 is projected to rise 10 percent to 240.7 million tons. The United States may account for 65 percent of the world's additional soybean production. However, Brazil is expected to capture nearly all of the global increase in soybean exports for 2008/09, which are projected to rise 3 percent to 76.3 million tons. Global consumption of soybeans may rise at a rate comparable to the supply. That may result in a negligible gain in global ending stocks of soybeans to 50.4 million tons. Soybean stocks comprise a major share of global oilseed stocks, and their 2-percent increase will provide continued support for oilseed prices throughout 2008/09. Moderating feed demand for soybean meal, particularly in Europe, will slow worldwide meal exports to 58.4 million tons compared with 58 million in 2007/08. Nearly all of the trade expansion in soybean meal will originate from Argentina.

In Brazil, current soybean prices are running 50-55 percent above where they were a year ago. This has occurred despite the price-dampening effect of an appreciation in Brazil's exchange rate. However, rising costs of production, particularly for fertilizer, could temper the expansion of soybean area in Brazil. Fertilizer costs, which make up 40-45 percent of the variable costs to produce soybeans in Brazil, are estimated 60 percent higher this year. Also, higher fuel costs are suppressing expected net returns for soybeans. This is particularly true for the distant Center-West region, where most soybeans go to market via truck. For the first quarter of 2008, the cost to truck soybeans from Mato Grosso to the southern port of Santos averaged \$117 per metric ton—33.5 percent above the previous year's cost.

Given these circumstances, access to credit by Brazilian farmers will be critical to sustain an expansion of soybean production. Despite a strong price rally in late 2007, large sales of crops prior to planting last year left many unable to take advantage of a potential windfall. The financial state of Brazilian farmers is better than several years ago, but they continue to carry considerable debt. In May 2008, the Government announced a program to refinance 87 billion reais of farm debt, which should stretch the capital available for new purchases of farm inputs this year. Private sources of credit, however, should be even more important.

For 2008/09, soybean area in Brazil is forecast returning near its peak of 4 years ago—up 5.6 percent to 22.5 million hectares. Provided the area expansion and an average yield are realized, Brazil's 2008/09 harvest is expected at 64 million metric tons compared to 61 million this year. In 2007/08, soybean yields were good for most regions, with the exception of the southernmost state of Rio Grande do Sul, where deficient rainfall reduced the crop. If the harvest is realized, 2008/09 soybean exports from Brazil could reach 28.6 million tons, almost as large as the U.S. shipments. A stable crush rate at 32.5 million tons would support the domestic use of soybean meal. Rising domestic consumption and exports of meat are buoying feed demand, with 2008/09 domestic use of soybean meal expected to increase 5 percent to 12.3 million tons. In contrast, soybean meal exports from Brazil could slip to 13.3 million tons from 13.6 million in 2007/08.

Great uncertainty now surrounds Argentina's agricultural sector. There is still no agreement between farm groups and the Government to roll back the variable export taxes that were introduced in March. Farm groups have deemed a Government plan to lower the tax rate for the top price bracket as inadequate. As a consequence, marketing and processing of oilseed crops have declined. For now, farmers are not anticipated to radically alter crop production patterns for next year. Although international prices for soybeans are historically high, a muted supply response is probable as their transmission back to Argentine farms is countered by higher variable export taxes. However, continuing export restrictions on grains negate the advantage of a widening of the export taxes between soybeans (and soybean products) and grains. Argentine wheat area in 2008/09 could be reduced because of low moisture for planting and more costly inputs. The soybean area is projected up 1.8 percent to 17.1 million hectares, with 2008/09 Argentine production edging up to 48 million tons from 47 million this year.

The impasse over export taxes has nearly paralyzed current exports of soybeans and soybean products from Argentina. As payments for farm expenses come due, the old-crop supplies will eventually be delivered. But the delays may prevent more supplies from reaching the world market until the start of the 2008/09 marketing year in October. This month, the forecast soybean carryover was raised 1.15 million tons to 22.1 million. Most of the small increase in 2008/09 soybean supply will be processed in Argentina. Next season's crush would rise to 38 million tons versus the 2007/08 total, which was revised down this month to 36.9 million tons. As a consequence, a 3-percent increase in 2008/09 Argentine soybean meal exports to 28.9 million tons is possible. A lower availability of supplies is projected to reduce Argentine soybean exports for 2008/09 to 11.2 million tons compared to 11.5 million in 2007/08.

In China, the Government provided additional subsidies this year to all farmers for the purchase of production inputs and crop insurance. Farmers are expected to take

advantage of a favorable price ratio between soybeans and corn to expand soybean area by 9 percent to 9.5 million hectares. Cheaper production costs for soybeans will also help offset the high cost of fertilizing corn this spring. Soybean output in China is forecast to expand to 16 million tons in 2008. Last year, a drought in northeast China cut overall production to 13.5 million tons, the lowest in 8 years. Soil moisture conditions in the region this spring are still below average but improving.

In 2007, a widespread outbreak of swine disease curtailed China's livestock production. Herds have begun to recover this year, and strong hog prices should encourage a robust breeding expansion into 2009. Domestic consumption of soybean meal in China is forecast to grow 7 percent to 31.9 million tons. When coupled with an improvement in domestic supplies, growth in China's soybean imports will slow. Imports are forecast at 35.5 million tons, compared to 34 million in 2007/08 and 28.7 million in 2006/07.

For India, the sowing of soybean crops starts in June as the summer monsoon progresses through the country. Provided the moisture arrives, India has quite favorable economic incentives this year for raising soybeans, and the area is seen expanding by 3 percent to 9.1 million hectares. Soybean yields in 2007 were record large, so the assumption for an average yield would pare India's 2008 soybean production to 8.7 million tons from 9.3 million last year. Domestic disappearance of soybean meal in 2008/09 is forecast to grow by 5 percent to 2.2 million tons. Combined with an outlook for a smaller harvest and crush, Indian exports of soybean meal could then fall 11 percent to 3.75 million tons.

Soybean imports by the EU-27 countries are anticipated to decline in 2008/09 due to greater domestic production of grains and oilseeds. EU-27 livestock inventories are growing slowly and the euro has continued to gain against the U.S. dollar. In spite of these positive demand factors, a record large wheat crop there (as well as greater supplies of rapeseed meal and sunflowerseed meal) may trim domestic consumption of soybean meal by 5 percent to 33.7 million tons. Prompted by record high grain prices in 2007/08, EU-27 imports of soybean meal accelerated to 24.4 million tons, but could drop back to 23.5 million tons in 2008/09. A greater emphasis by EU-27 processors on the other oilseeds could also lower the crush demand for soybeans. This could cut soybean imports to 14.2 million tons compared to 15.2 million this season.

Global Rapeseed Output To Rise With Better Yields in Europe and Canada

Global production of rapeseed is forecast up 8 percent in 2008/09 to 51.2 million metric tons based on improved yields in some countries and higher area in others. In the EU-27, suspension of a compulsory 10-percent grains set-aside for 2008/09 increased the wheat area sown. In prior years with a set-aside in effect, farmers were allowed to plant crops for industrial uses (such as rapeseed for biodiesel) on the grains area reduction. At planting time last fall, German rapeseed prices were a third higher than the price of wheat, which is a less costly crop to produce. A year earlier rapeseed was more than double the price of wheat. Removal of the planting restrictions in 2008 for the more economically competitive grains contributes to a lower rapeseed area estimate of 6.4 million hectares from 6.6 million last year. Yield prospects for rapeseed this year look good, as European crops emerged

largely unscathed from extremes in winter temperatures. Farmers in Germany and Poland, though, are concerned about a lack of rainfall since May, although ample soil moisture reserves throughout the continent should support crop development. With higher yields likely to offset the area reduction, EU-27 rapeseed output in 2008/09 is forecast at 19 million tons versus 18.3 million a year ago.

Still, EU-27 oilseed processors are demanding an increasing volume of rapeseed, and imports will be needed to supplement domestic crops. Rapeseed imports in 2008/09 are forecast to expand by 1 million tons to 1.55 million.

China's 2008 rapeseed area expanded by 5 percent to 6 million hectares, but lower yields may allow only a small increase in the production estimate to 11 million tons (from 10.4 million tons last year). Rapeseed crops incurred moderate yield damage in mid-January, when central and southern China were covered by an unusually heavy layer of snow and ice. A larger domestic crop should reduce import needs in 2008/09 to around 400,000 tons versus 850,000 in 2007/08.

Production growth for rapeseed in India will be curtailed by continued strength in wheat prices. India's Government, in seeking to limit imports and procure a larger grain stock reserve, is enhancing production incentives for wheat and discouraging exports by the private sector. In 2007/08, the ratio of the minimum support prices between wheat and rapeseed was increased, resulting in a reduction in rapeseed area and output at 5.45 million tons. A similar outcome is possible in 2008/09. Higher expected production for pulses will also contribute to less area for rapeseed. Based on a harvested area of 6.2 million hectares, Indian rapeseed output for 2008/09 is seen at 5.8 million tons. The entire Indian crop is used domestically. With market prices for rapeseed likely higher than the government procurement price, domestic stocks could continue to shrink.

Global growth in rapeseed consumption will also be encouraged by rising output in the main exporting countries: Canada, Australia, Ukraine, and Russia. In Canada, canola area is anticipated to rise in 2008 to a record high of 5.9 million hectares. Despite expectations for sharply lower canola stocks this summer and canola prices that are up 55-60 percent from a year ago, the acreage in Canada represents a 0.5-percent increase from 2007. In contrast, wheat acreage in Canada is bound for a 16-percent expansion this year, as the country's stocks of grain are heading toward a historic low.

The forecast increase for Canada's 2008 canola production to 9.45 million tons from 8.75 million last year is mainly due to the likely return of more favorable weather. Canola production fell in 2007 despite a 13-percent acreage increase because of unusually hot and dry weather. This spring, soil moisture conditions in the western prairies are favorable, but dry conditions persist in southwestern Manitoba and southeastern Saskatchewan. Planting is virtually finished but a late-May freeze may have required replanting in some locations. As a result of a smaller canola carryover, the country's total supplies this year could be down 4 percent. Domestic crushing of canola in Canada may rise slightly to 3.95 million tons, while exports decline to 5.3 million (from 5.85 million tons in 2007/08). Season-ending canola stocks for 2008/09 will likely tighten again.

For Australia, growing conditions are vastly improved since last year's extreme drought. However, a lapse in rainfall during May curtailed the planting of canola,

particularly in the Southeast. As a result, Australian canola area in 2008/09 is forecast to stabilize near 1.1 million hectares. Provided that yields normalize, 2008/09 canola output is projected to increase to 1.2 million tons from 1.1 million in 2007/08. Australian canola exports could improve in 2008/09 to 725,000 tons against 625,000 tons the previous year.

In the export market for rapeseed, Ukraine and Russia are relative newcomers, with their surpluses arising in just the last 4 to 5 years. Despite strong gains in the area sown to winter grains last fall, there is enough idle farmland in both countries to also expand rapeseed production. In Ukraine, 2008/09 rapeseed area is expected up 56 percent to 1.4 million hectares. For the bulk of the crop in western Ukraine, the moisture since last fall has been above normal and winterkill was minimal due to mild temperatures. As a result, 2008/09 rapeseed output is likely to surge to 2.4 million tons from 1.1 million last year. Little rapeseed is processed within Ukraine, so nearly all of the output gain would boost 2008/09 exports to 2.2 million tons. EU-27 processors are the primary importers of Ukraine's rapeseed surplus.

Likewise, farmers in Russia are quickly adapting to the production of rapeseed, where output in 2007 was twice as high as 2 years earlier. This year, rapeseed area in Russia is estimated at 575,000 hectares versus 535,000 a year ago. By using a normal yield assumption, rapeseed production for Russia is forecast up 11 percent to 700,000 tons. Domestic processors could use more than 500,000 tons. Rapeseed exports from Russia for 2008/09 are forecast to rise to 140,000 tons from 125,000 the previous year.

Robust Price Increases Revive Interest in Growing Sunflowerseed

Sharp price gains for sunflowerseed oil and sunflowerseed are attracting the attention of farmers throughout the world. Of all the oilseeds, sunflowerseed may have the largest percentage increase in production for 2008/09. An expansion of sunflower area in Europe, Russia, and Ukraine is expected to raise global sunflowerseed production in 2008/09 by 16 percent to 31.5 million tons. Sunflowerseed yields in the countries surrounding the Black Sea, which suffered from drought last year, are also likely to recover. Imports by the EU-27 and Turkey would expand as a result of the production boost.

In Ukraine, export prices for sunflowerseed in March 2008 were near \$1,000 per metric ton, well above \$300 per ton a year earlier. Domestic prices for sunflowerseed oil got so high this year that the Government of Ukraine set export quotas for March-June 2008 of 500,000 tons for sunflowerseed oil and 1,000 tons for sunflowerseed. Many domestic processing plants lack storage capacity for their oil production, which forced them to shut down when Ukraine's export restrictions were implemented. In May, the Government announced an early cancellation of the quotas. Ukraine's recent entry into the World Trade Organization will result in a reduction—over the next 6 years—of the sunflowerseed export tax from 17 percent to 10 percent.

Harvested sunflower area for Ukraine is forecast up to 3.8 million hectares in 2008 from 3.4 million hectares in 2007. Yield improvement is also quite likely. Export restrictions this year should vanish as the Ukraine sunflowerseed crop is seen rebounding to 5 million tons from 4.2 million last year. Market support is also

coming from continuing investments in crushing capacity and export infrastructure. Domestic processors are the primary users of the crop and are expected to crush 18 percent more in 2008/09 (4.7 million tons) than they did the year before. Sunflowerseed exports slumped in 2007/08 to 165,000 tons because of lower supplies, but are expected to rebound to 265,000 tons in 2008/09.

In early 2008, sunflowerseed prices in Russia nearly tripled from the previous year. That is expected to encourage producers to harvest a record high 5.5 million hectares in 2008/09. The expansion should make Russia the world's largest sunflowerseed-producing country at 6.5 million tons. Thus, a resurgence of the Russia sunflowerseed crush is anticipated, with 2008/09 use rising to 5.9 million tons versus 5 million in 2007/08. Although some increase in sunflowerseed exports from Russia is possible, exports of sunflowerseed oil and sunflowerseed meal have acquired greater importance in recent years.

Growers in western Europe (particularly Spain and France) are likely to expand sunflowerseed area, too. These gains will likely come at the expense of area sown to corn, soybeans, and sugar beets. Also, less adverse weather should benefit sunflowerseed yields in Romania and Bulgaria. EU-27 production of sunflowerseed is expected to increase to 6.5 million tons from 4.8 million in 2007/08. A larger domestic harvest, supplemented with rising imports, would enable the EU-27 sunflowerseed crush to expand by 22 percent to 5.45 million tons.

Argentine production gains in 2008/09 for sunflowerseed could be marginal. No expansion in sunflower area is anticipated. Returns for producing corn (which has a far lower export tax) may be more attractive. The projected rise in 2008/09 Argentine sunflowerseed output to 4.8 million tons (compared to 4.5 million in 2007/08) is due entirely to a higher yield trend. Even a modest increase in domestic sunflowerseed crushing (up 6.5 percent to 4.65 million tons) will leave little available for the export market.

World Market for Vegetable Oil Staying Tight

Given the predominance of soybeans in the gains in oilseed production for 2008/09, the global vegetable oil market will continue to tighten. For soybean oil, carryover stocks will be lower while the 2008/09 output gains are seen lagging the consumption growth by 240,000 tons. A market easing is also complicated by slower expected growth in palm oil production. USDA projects the global output of palm oil for 2008/09 will be 4 percent higher to 42.9 million tons. But, world palm oil consumption could grow faster (up 6 percent to 42.7 million tons). Robust output gains for sunflowerseed oil and rapeseed oil will help, but will barely compensate for the modest increases for palm oil and soybean oil.

For Indonesia, an expansion of palm oil output is expected in 2008/09 as the trees that were planted about 5 years ago are now reaching their prime fruit-bearing capacity. Indonesian palm oil output is seen increasing by 8 percent to 19.7 million tons. After accounting for a 4-percent increase in domestic consumption (to 5.05 million tons), Indonesian palm oil exports will lead world trade by expanding 11 percent to 14.8 million tons. Right behind Indonesia in palm oil output is Malaysia, which is forecast to produce 17.4 million tons in 2008/09, the same volume as in 2007/08. Malaysian palm oil yields were at a cyclical high this year, but in 2008/09

are expected to revert toward their long-term trend. A small rise in Malaysian oil palm area should prevent a year-to-year decline. Malaysian palm oil exporters might manage a 1-percent increase to 13.8 million tons through a larger carryover and a reduction in ending stocks.

Total vegetable oil demand in China is projected to rise 5 percent to 25.3 million tons. Over the last several years, China has become the world's largest consumer and importer of soybean oil. In 2008/09, soybean oil will contribute the largest addition to China's vegetable oil supply. With consumption of soybean oil expected to grow 5 percent in 2008/09 to 10.3 million tons, imports are seen approaching 3.1 million tons. China is also the world's top consumer of palm oil. China's palm oil imports are forecast 7 percent higher in 2008/09 to 6.2 million tons. Marginal gains are anticipated for the consumption of other vegetable oils.

In the EU-27, rapeseed oil and sunflowerseed oil will take greater precedence over soybean oil. Rapeseed oil will account for nearly all of the 2008/09 increase in industrial use of vegetable oil, raising its share of the total to 65 percent. With its replacement by sunflowerseed oil, food use of rapeseed oil is expected to decline. For 2008/09, total consumption of rapeseed oil is forecast 5.5 percent higher to 8.1 million tons while sunflowerseed oil may rise 17 percent to 3.25 million tons. Domestic supplies of these oils could trim consumption of soybean oil by 5 percent to 3.2 million tons and push down the EU-27 imports to 950,000 tons from 1 million in 2007/08. Also, a slight increase in EU-27 use of palm oil is expected to raise imports by 50,000 tons to 4.05 million.

India's domestic production of oilseeds is forecast to grow 3 percent in 2008/09 to 34.75 million tons. Despite this, Indian imports of vegetable oil will continue to expand because total consumption is set to rise by 4 percent to 13.1 million tons. Palm oil may account for nearly all of the increase in Indian vegetable oil imports by expanding to 4.9 million tons from 4.3 million in 2007/08. In contrast, soybean oil imports are forecast 10 percent lower to 900,000 tons. Rising consumer costs this year compelled a reduction in the import tariffs for crude vegetable oils to zero, which is a favorable situation for palm oil compared to a year ago. At that time, the effective import duties were 45 percent for crude soybean oil and 51.5 percent for crude palm oil. Palm oil already has significant transportation cost advantages to India over soybean oil.

Contacts and Links

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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				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>								
2006/07	75.5	74.6	42.7	449	3,188	9	3,647	1,806	1,118	148	3,073	574
2007/08 ¹	63.6	62.8	41.2	574	2,585	10	3,169	1,840	1,110	94	3,044	125
2008/09 ²	74.8	73.8	42.1	125	3,105	8	3,238	1,840	1,050	173	3,063	175
2006/07												
September						0.4		142.4	64.9			
October						0.5		161.7	182.6			
November						0.6		155.1	126.4			
Sep-Nov				449.3	3,188.2	1.5	3,639.1	459.2	373.8	104.7	937.7	2,701.4
December						0.6		157.4	122.7			
January						0.5		155.3	135.1			
February						0.8		136.8	129.2			
Dec-Feb				2,701.4	---	1.9	2,703.3	449.5	387.0	80.0	916.4	1,786.9
March						0.9		155.7	85.0			
April						0.8		144.9	83.0			
May						0.8		151.9	51.4			
Mar-May				1,786.9	---	2.6	1,789.5	452.6	219.5	25.1	697.3	1,092.2
June						1.1		148.7	50.3			
July						0.9		150.2	35.5			
August						1.0		146.2	51.9			
Jun-Aug				1,092.2	---	3.0	1,095.2	445.1	137.7	(61.4)	521.4	573.8
Total						9.0	3,646.6	1,806.4	1,118.0	148.4	3,072.8	
2007/08												
September						0.4		147.7	60.9			
October						0.6		164.0	138.9			
November						0.6		155.7	127.1			
Sep-Nov				573.8	2,585.2	1.6	3,160.6	467.4	326.9	34.4	828.7	2,331.9
December						1.0		163.9	147.2			
January						1.5		160.5	140.9			
February						1.3		144.4	139.8			
Dec-Feb				2,331.9	---	3.7	2,335.6	468.8	427.9	10.8	907.5	1,428.1
March						0.8		156.0	119.2			
April ¹						0.9		149.2	74.9			
Total to date						7.0		1,241.4	949.0	45.2	1,736.2	

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>								
2006/07	314	43,027	156	43,497	34,360	8,786	43,146	351
2007/08 ¹	351	43,784	165	44,300	34,800	9,200	44,000	300
2008/09 ²	300	43,785	165	44,250	35,050	8,900	43,950	300
2006/07								
October	313.8	3,823.2	12.8	4,149.7	3,084.4	677.0	3,761.3	388.4
November	388.4	3,671.9	13.6	4,073.9	2,858.3	842.0	3,700.4	373.6
December	373.6	3,733.0	13.7	4,120.2	2,864.1	787.2	3,651.3	468.9
January	468.9	3,693.3	13.6	4,175.8	3,049.9	753.2	3,803.1	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	328.5	3,442.9	12.6	3,783.9	2,826.2	629.2	3,455.3	328.6
May	328.6	3,623.0	13.9	3,965.5	3,022.2	664.1	3,686.3	279.2
June	279.2	3,528.2	11.2	3,818.6	2,769.8	731.8	3,501.6	317.1
July	317.1	3,568.0	11.2	3,896.3	2,967.3	613.8	3,581.1	315.2
August	315.2	3,473.9	13.4	3,802.5	2,799.9	765.7	3,565.6	236.9
September	236.9	3,504.4	11.8	3,753.1	2,753.2	649.0	3,402.2	350.9
Total		43,026.7	156.3	43,496.8	34,359.9	8,786.0	43,145.8	
2007/08								
October	350.9	3,910.2	12.4	4,273.5	3,286.9	673.3	3,960.2	313.3
November	313.3	3,730.6	12.1	4,056.1	2,813.9	947.4	3,761.3	294.8
December	294.8	3,919.8	10.9	4,225.5	3,080.4	723.1	3,803.5	422.0
January	422.0	3,792.6	9.8	4,224.5	3,088.3	847.6	3,936.0	288.5
February	288.5	3,473.8	11.9	3,774.3	2,548.0	890.5	3,438.5	335.8
March	335.8	3,701.1	10.8	4,047.6	2,800.8	851.5	3,652.2	395.4
April ¹	395.4	3,540.8	13.7	3,949.9	2,780.4	826.6	3,607.0	342.9
Total to date		26,069.0	81.7	26,150.7	20,398.6	5,760.1	26,158.7	

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	
					Total	Methyl ester			
<i>Million pounds</i>									
2006/07	3,010	20,487	37	23,535	18,562	2,761	1,888	20,449	3,085
2007/08 ¹	3,085	21,250	50	24,385	18,400	2,800	3,100	21,500	2,885
2008/09 ²	2,885	20,975	50	23,910	18,600	3,200	2,650	21,250	2,660
2006/07									
October	3,009.8	1,829.5	1.0	4,840.3	1,660.9	166.1	167.1	1,828.0	3,012.3
November	3,012.3	1,725.0	1.0	4,738.3	1,536.0	157.6	120.3	1,656.3	3,082.0
December	3,082.0	1,771.0	1.3	4,854.3	1,487.0	178.7	276.7	1,763.7	3,090.6
January	3,090.6	1,746.3	2.5	4,839.3	1,307.7	192.1	174.9	1,482.6	3,356.7
February	3,356.7	1,547.2	1.1	4,905.0	1,302.1	158.4	125.2	1,427.3	3,477.7
March	3,477.7	1,764.3	1.4	5,243.4	1,603.8	222.4	81.2	1,685.0	3,558.4
April	3,558.4	1,626.5	2.0	5,186.9	1,584.2	214.9	102.7	1,686.9	3,500.0
May	3,500.0	1,728.9	3.1	5,232.0	1,642.0	269.1	121.3	1,763.3	3,468.7
June	3,468.7	1,692.5	9.7	5,170.9	1,497.5	255.9	123.5	1,621.1	3,549.8
July	3,549.8	1,709.7	5.4	5,264.9	1,663.2	348.1	202.1	1,865.3	3,399.6
August	3,399.6	1,662.9	6.8	5,069.3	1,667.0	311.5	201.9	1,868.9	3,200.4
September	3,200.4	1,683.6	2.2	4,886.2	1,610.1	286.6	190.8	1,800.9	3,085.3
Total		20,487.3	37.5	23,534.6	18,561.6	2,761.4	1,887.7	20,449.3	
2007/08									
October	3,085.3	1,871.1	4.1	4,960.5	1,602.7	246.8	132.9	1,735.6	3,224.9
November	3,224.9	1,799.8	3.1	5,027.8	1,594.6	219.1	198.0	1,792.6	3,235.2
December	3,235.2	1,879.0	3.3	5,117.5	1,449.1	219.3	391.3	1,840.5	3,277.0
January	3,277.0	1,855.2	6.0	5,138.2	1,734.0	268.1	169.9	1,904.0	3,234.2
February	3,234.2	1,663.2	7.0	4,904.4	1,320.7	216.9	508.1	1,828.8	3,075.6
March	3,075.6	1,827.8	5.3	4,908.7	1,409.9	230.2	423.6	1,833.5	3,075.3
April ¹	3,075.3	1,742.5	8.0	4,825.7	1,404.3	218.7	496.1	1,900.4	2,925.3
Total to date		12,638.5	36.7	15,760.6	10,515.3	1,619.2	2,319.9	12,835.2	

¹ Estimated. ² Forecast.Sources: *Oilseed Crushings* and *Fats and Oils: 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>									
2006/07	602	7,348	0	7,950	2,680	616	4,165	7,461	489
2007/08 ²	489	6,589	5	7,083	2,750	635	3,298	6,683	400
2008/09 ²	400	5,210	50	5,660	2,700	350	2,290	5,340	320

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		
<i>1,000 short tons</i>								
2006/07	59	0	1,241	1,301	1,133	105	1,238	63
2007/08 ¹	63	0	1,265	1,328	1,163	115	1,278	50
2008/09 ²	50	0	1,240	1,290	1,135	105	1,240	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>								
2006/07 ¹	101	1	849	951	714	138	852	99
2007/08 ²	99	1	865	965	680	200	880	85
2008/09 ²	85	0	850	935	705	145	850	85

¹ Estimated. ² Forecast.

Sources: *Oilseed Crushings* and *Fats and Oils: 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>										
2006/07	2,167	58	3,464	5,689	2,585	513	468	603	4,169	1,520
2007/08 ¹	1,520	60	3,741	5,321	2,520	500	440	725	4,185	1,136
2008/09 ²	1,136	40	4,265	5,441	2,520	526	479	700	4,225	1,216

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.	Canola \$/cwt.	Peanuts Cents/lb.	Flaxseed \$/bu.
1997/98	6.47	121.00	11.60	11.30	28.30	5.81
1998/99	4.93	129.00	10.60	10.30	28.40	5.05
1999/00	4.63	89.00	7.53	7.82	25.40	3.79
2000/01	4.54	105.00	6.89	6.71	27.40	3.30
2001/02	4.38	90.50	9.62	8.77	23.40	4.29
2002/03	5.53	101.00	12.10	10.60	18.20	5.77
2003/04	7.34	117.00	12.10	10.60	19.30	5.88
2004/05	5.74	107.00	13.70	10.70	18.90	8.07
2005/06	5.66	96.00	12.10	9.62	17.30	5.94
2006/07	6.43	111.00	14.50	11.90	17.70	5.80
2007/08 ¹	10.00	150.00	21.80	18.00	21.00	12.70
2008/09 ¹	11.00-12.50	130-190	24.1-26.6	22.75-25.25	23.75-26.25	13.95-15.45
2006/07						
September	5.23	97.00	11.60	NA	17.30	5.46
October	5.52	98.00	12.10	NA	17.20	5.41
November	6.08	113.00	12.50	NA	17.20	5.38
December	6.18	120.00	13.60	NA	17.60	5.73
January	6.37	121.00	13.80	NA	17.80	6.03
February	6.87	130.00	14.90	NA	17.80	6.39
March	6.95	NA	15.60	NA	17.80	6.79
April	6.88	NA	15.90	NA	18.30	6.72
May	7.12	NA	16.60	NA	17.90	7.08
June	7.51	NA	17.00	NA	18.10	7.81
July	7.56	NA	18.40	14.50	18.70	8.14
August	7.72	NA	18.40	14.60	18.00	8.64
2007/08						
September	8.18	137.00	17.70	15.00	18.60	9.55
October	8.36	153.00	17.80	16.30	21.40	11.60
November	9.41	160.00	18.40	16.60	21.70	12.90
December	10.00	171.00	19.20	17.70	21.30	13.00
January	9.96	171.00	19.00	17.90	21.80	13.80
February	11.70	162.00	24.20	22.20	21.00	15.70
March	11.50	NA	26.20	26.40	20.70	17.60
April	12.00	NA	25.00	24.80	20.00	17.30
May ¹	12.30	NA	27.40	24.00	20.10	16.60

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	Canola 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	28.83	49.21	28.94	19.46	20.69
1998/99	19.90	27.32	20.10	22.48	40.72	25.30	14.66	15.14
1999/00	15.60	21.52	16.68	17.11	35.96	17.81	13.64	13.21
2000/01	14.15	15.98	15.89	17.56	34.97	13.54	14.61	13.43
2001/02	16.46	17.98	23.25	23.45	32.23	19.14	13.55	13.87
2002/03	22.04	37.75	33.11	29.75	46.70	28.17	18.13	17.80
2003/04	29.97	31.21	33.41	33.76	60.84	28.43	26.13	22.37
2004/05	23.01	28.01	43.71	30.78	53.63	27.86	21.80	18.48
2005/06	23.41	29.47	40.64	31.00	44.48	25.18	21.74	18.16
2006/07	31.02	35.70	58.03	40.57	52.99	31.80	28.43	27.32
2007/08 ¹	53.50	75.50	92.50	68.00	100.00	76.50	41.00	43.50
2008/09 ¹	52.0-56.0	73.5-77.5	92.0-96.0	66.5-70.5	98.5-102.5	72.0-76.0	40.0-44.0	42.0-46.0
2006/07								
October	24.80	27.44	52.94	34.50	52.67	24.70	23.55	19.86
November	27.64	30.25	56.00	37.63	52.50	26.47	20.78	21.78
December	27.63	30.75	56.33	38.42	50.00	28.05	22.58	23.23
January	28.00	31.00	55.56	38.56	49.25	28.05	23.00	23.91
February	28.94	32.69	54.50	40.06	46.25	28.66	23.82	23.25
March	29.74	33.00	53.25	38.95	48.20	29.08	30.75	24.34
April	31.06	34.38	52.69	38.44	52.63	29.93	27.71	26.22
May	32.90	37.75	53.44	40.44	55.63	31.56	28.60	30.19
June	34.01	40.00	57.31	42.56	62.56	34.71	32.64	34.50
July	35.74	42.44	65.00	45.00	69.63	37.25	36.00	35.00
August	34.87	42.15	68.80	44.25	70.00	39.61	35.77	32.85
September	36.89	46.56	70.50	48.00	73.00	43.61	36.00	32.69
2007/08								
October	38.10	52.20	73.50	50.38	76.75	52.50	35.09	33.98
November	42.68	63.60	84.80	57.30	93.20	56.32	33.78	36.88
December	45.16	66.63	86.50	61.50	98.50	59.47	32.66	35.28
January	49.77	71.69	90.00	64.94	97.33	63.67	33.01	38.53
February	56.68	78.60	96.00	71.80	99.00	74.89	38.33	44.33
March	57.27	78.94	96.75	70.56	100.00	83.55	46.00	48.39
April	56.58	79.75	93.00	71.38	104.38	87.09	43.04	44.25
May ¹	58.27	82.75	97.00	73.00	105.00	87.29	42.27	41.88

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 ⁷
<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	205.44	150.36	104.88	100.00	173.38	133.01
2007/08 ¹	315.00	230.00	175.00	190.00	245.00	205.00
2008/09 ¹	295-355	210-270	1650-225	175-235	2250-285	185-245
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	198.66	137.00	99.80	NA	168.19	135.10
June	229.70	131.25	85.13	NA	189.11	132.00
July	222.05	137.50	83.13	NA	171.14	135.75
August	217.63	144.75	74.63	NA	159.33	123.88
September	254.41	167.50	103.00	NA	176.98	131.38
2007/08						
October	260.55	183.40	138.40	NA	167.24	170.20
November	280.76	176.25	133.75	NA	192.25	184.63
December	314.78	196.67	158.67	NA	226.30	186.83
January	331.28	273.60	212.00	NA	276.78	242.70
February	345.87	292.00	225.50	NA	285.83	250.00
March	331.57	245.00	201.25	NA	276.85	247.13
April	329.94	230.00	163.20	NA	268.14	253.70
May ¹	325.48	240.50	154.38	NA	258.75	240.25

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

⁵ 50% Southeast mills. ⁶ 36% Pacific Northwest. ⁷ 34% Minneapolis. NA= Not available.

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