



United States
Department
of Agriculture

OCS-08g

August 13, 2008



A Report from the Economic Research Service

www.ers.usda.gov

Oil Crops Outlook

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Combination of Market Forces Eases U.S. Soybean Prices

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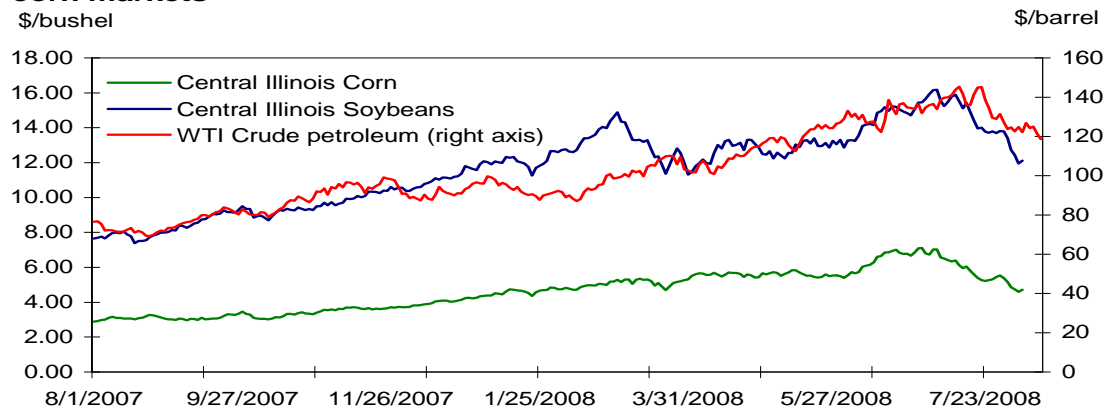
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USDA's August *Crop Production* report raised the 2008 sown acreage for soybeans to 74.8 million acres and harvested acres to 73.3 million. Based on surveys of the current growth stage for soybeans, USDA's objective yield functions indicate a 2008 national average at 40.5 bushels per acre. Total soybean production for 2008 is forecast 27 million bushels lower this month to 2.973 billion. The 2008/09 soybean farm price was revised down to \$11.50-\$13.00 per bushel.

Higher production costs and outstanding farm debt are expected to moderate Brazil's 2008/09 soybean area to 22 million hectares. The prospective 2008/09 soybean harvest in Brazil would be trimmed to 62.5 million metric tons. In contrast, Argentine soybean area is expected to expand by 8 percent in 2008/09 to 17.7 million hectares, boosting production to a record 49.5 million tons. India's 2008 soybean production is forecast up to 9.1 million tons, based on a record high area at 9.5 million hectares.

Figure 1

Biofuels link price swings of petroleum with soybean and corn markets



Sources: Agricultural Marketing Service, USDA and Energy Information Agency, Department of Energy

Domestic Outlook

Shortened Growing Season Trims Yield Prospects for Soybeans

Based on July re-interviews of producers in flood-affected areas, USDA's August *Crop Production* report indicated 74.8 million acres of soybeans were sown. This exceeds the June *Acreage* count by 250,000 acres due to higher acreage in Indiana, Iowa, and Wisconsin. More importantly, estimates of harvested acreage were revised upward by 1.2 million acres to 73.3 million. Prompted by record high prices, farmers in Illinois, Iowa, Indiana, and Missouri signaled that a greater portion of the soybeans would be harvested than the previous acreage data indicated.

After many early delays, soybeans are now growing well throughout the United States. Summer temperatures have been moderate and good soil moisture is widespread. As of August 10, 63 percent of the country's soybeans were rated in good-to-excellent condition. Yet, yield potential is far from assured. The crop development is later than normal, with 60 percent of soybeans in the pod developing stage compared to the 5-year average of 75 percent. In Iowa, the first frost typically occurs from October 1-15, and soybeans planted after mid-June are vulnerable to yield loss. The intent of farmers to harvest more of the soybean acreage (even including the latest sown cropland) is likely to hold down the U.S. yield average.

Based on surveys of the current growth stage for soybeans, USDA's objective yield functions indicate a 2008 national average of 40.5 bushels per acre. The yield is down 1.1 bushels from last month's projection and below the 2007 average of 41.2 bushels. Total soybean production for 2008 is forecast at 2.973 billion bushels. So, despite additional soybean acres, a lower potential yield cut 27 million bushels off of last month's crop projection. Total supply in 2008/09 would be 53 million bushels below this year's supply--a situation that will require a rationing of use.

Tightening soybean supplies this summer are starting to slow demand by domestic processors. June soybean crushing, at 140.9 million bushels, was low compared to 152.6 million the previous month and 148.9 million in June 2007. Weaker domestic use of soybean meal in June led USDA to cut its 2007/08 forecast of the soybean crush by 10 million bushels this month to 1.83 billion.

Slow growth in the consumption of soybean meal should continue into next year, so forecast soybean crush for 2008/09 was lowered by 15 million bushels to 1.815 billion. Soybean exports for next year are seen at 1 billion bushels, unchanged from last month's forecast and well below expected 2007/08 shipments of 1.145 billion. If the growth estimates for foreign soybean output in 2008/09 stay modest, building the domestic carryout will be difficult. Re-occurrence of a barely minimal level of season-ending soybean stocks (at 135 million bushels) is anticipated.

Soybean Prices Retreat to a 3-Month Low

Current soybean prices are off dramatically from their peak last month. In early July, daily cash prices for soybeans in central Illinois were exceeding \$16 per bushel. By early August, prices had plunged toward \$11.50 per bushel, the lowest since late March. For the 2008/09 soybean farm price, USDA revised its range down to \$11.50-\$13.00 per bushel from \$12.00-\$13.50 previously.

There are multiple contributors to the price decline. Mild summer weather has reduced the risk premium that is normally built into soybean prices at this time of year. Another source of market calming is the apparent settlement of a months-long dispute over Argentine export taxes that should let the country's exports return to normal. Also, market forces external to the supply and demand for crops are influencing recent price changes. One is the highly volatile petroleum market. In August 2007, the spot price for crude petroleum at domestic producers (West Texas Intermediate) was \$72.36 per barrel. The July 2008 average price was up to \$133.37 (with daily values peaking as high as \$145). By early August, however, the oil price was sliding below \$120 per barrel. The recent decline has helped spark an appreciation of the U.S. dollar in foreign exchange markets to its highest level this year. That has also eased the inflationary pressure on U.S. agricultural prices. In addition, Congressional hearings on the regulation of futures market trading practices (some of which are deemed a source of excess price volatility) may have influenced current positions of investment funds.

For similar reasons, soybean oil prices collapsed suddenly from 65-66 cents per pound in early July to below 50 cents a month later. The forecast 2007/08 price was lowered 1.5 cents to 53 cents per pound. For 2008/09, the season-average price was revised down to 54-58 cents per pound from 59-63 cents previously.

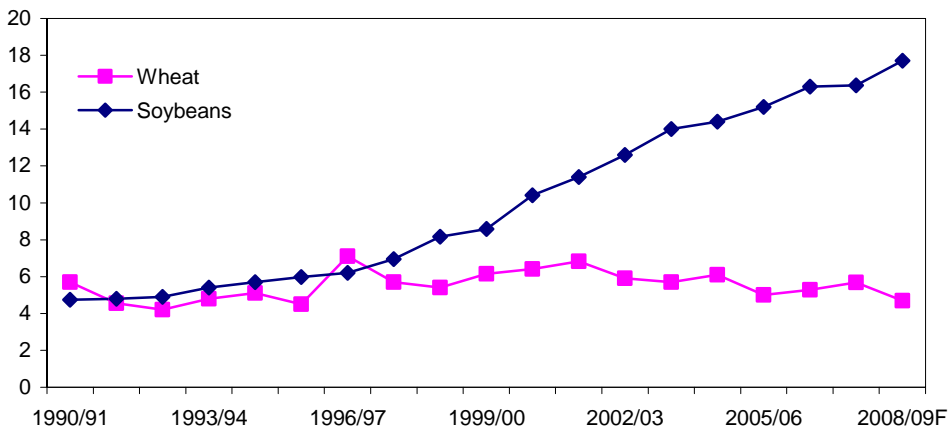
In early July, central Illinois prices for soybean meal were \$445 per short ton. Within a month, prices were about \$100 per ton lower. USDA reduced its 2008/09 forecast of the soybean meal price to \$330-\$390 per ton from the July forecast of \$355-\$415. That level, however, may not be low enough to encourage any additional demand.

International Outlook

Figure 2

Argentine soybean area gaining while declining wheat area continues

Million hectares



Source: PS&D Online, Foreign Agricultural Service, USDA.

Falling Prices, Higher Production Costs To Curb Brazil Soybean Crop for 2008/09

In Brazil, despite soybean prices that are still three-fourths higher than a year ago, an accompanying hike in farm input expenses will dampen enthusiasm for growing the crop. Higher costs in a rising market might not ordinarily be a significant constraint, but outstanding farm debt is still a major factor in Brazil. Producers still in arrears for prior loans will have trouble acquiring the credit to cover production on a wider scale when input costs on each hectare have risen so sharply. A moderate 3.3-percent increase in Brazil's 2008/09 soybean area--to 22 million hectares--is expected. Although the prospective 2008/09 soybean harvest in Brazil could still reach a record 62.5 million metric tons, USDA previously pegged the crop at 64 million tons.

Carryover stocks of soybeans in Brazil are likely to be tighter this year because of an export surge that followed an interruption in Argentine shipments. When combined with next season's smaller crop forecast, 2008/09 soybean exports from Brazil are seen at a slower pace. Shipments for 2007/08 are forecast higher to 25.65 million tons, while 2008/09 exports are viewed 1.35 million tons lower than the previous forecast to 27.5 million tons. Soybean crushing could stabilize at 32.5 million tons in 2008/09, supported by a higher mandated use of biodiesel that started in July.

Argentine Farmers Reduce Wheat Area, May Expand Sowing of Soybeans

Although not required to obtain legislative approval over a customs matter such as export taxes, the Argentine Government sought broader political

support for an executive order creating a sliding schedule of export taxes. Last month, Argentina's lower house of Congress narrowly approved a bill endorsing the plan, but the Senate's rejection prompted the Government to revoke the decree. For now, export tax rates have reverted to their fixed levels prior to the Government's announced changes in March. The former tax rates were 35 percent for soybeans, 32 percent for soybean meal and soybean oil, 28 percent for wheat, and 25 percent for corn. A hike in the fixed tax rate for biodiesel from 5 percent to 20 percent was preserved.

Over the past few months, Argentine farmers sowed the smallest area of wheat since 1995/96 as drought in Cordoba and Santa Fe provinces discouraged planting the crop. Higher out-of-pocket costs to raise corn are also favoring production of soybeans. However, government policy also played a role in farmers' cropping decisions. Despite export tax rates that favor grains, the uncertain availability of export licenses for grain crops have made soybeans a more stable choice. Argentine soybean area is expected to expand by 8 percent in 2008/09 to 17.7 million hectares. This could boost soybean production next year to a record 49.5 million tons, compared to 46.5 million for 2007/08.

Market disruptions this spring took a toll on the Argentine processing industry, leading to lower forecasts this month for 2007/08 soybean crushing and exports of soybean meal and oil. But by this fall, each of these activities should rebound and perhaps even gain momentum after next year's harvest. With China's demand for soybeans leading the international import market, Argentine exports are likely to gain a larger market share next season. Argentine soybean exports in 2008/09 are expected to grow to 12.9 million tons from 12.2 million this year. A bigger soybean crop should also encourage an expansion in the 2008/09 crush to 37.7 million tons, versus 35.8 million this season. Increased exports of soybean meal (up 5 percent to 28.5 million tons) and soybean oil (up 1.5 percent to 6 million tons) should accompany their production gains in 2008/09.

India's Soybean Area Up, Peanut and Cotton Sowing Down

With favorable moisture for planting and excellent prices, India's soybean area this year is now slated for a record 9.5 million hectares. The previous peak was 8.8 million hectares last year. With an increase of 600,000 hectares from the previous estimate, India's 2008 soybean production is forecast up to 9.1 million tons, versus the July forecast of 8.7 million. As a result, domestic crushing of soybeans in 2008/09 would be supported at 7.9 million tons, close to the current year's total. Indian exports of soybean meal in 2008/09 would stay up at 3.8 million tons, declining only modestly from 4.2 million this year because of expanding domestic use. More soybean meal will be needed to replace smaller domestic supplies of cottonseed and peanut meal.

Rainfall from the summer monsoon did not reach as well into the northwestern corner of India as into India's main soybean growing states of Madhya Pradesh and Maharashtra. Sown area for peanuts, the main summer oilseed in this region, was curtailed as a result. Indian peanut area is seen dipping to 6.3 million hectares from 6.4 million in 2007/08. This reduces the 2008 forecast of peanut output to 6.4 million tons from the previous estimate of 6.9 million and the 2007/08 crop of 6.6

million. A lower peanut crush will restrict domestic consumption of peanut oil to 1.55 million tons (about the same level as in 2007/08).

Indian cotton area this year is also estimated down by 300,000 hectares to 9.2 million. Farmers are raising more rice and coarse grains instead. Delayed rainfall during July also slowed the sowing of cotton in western and central India. Thus, a decline in Indian cottonseed production to 10.4 million tons is expected, compared to the previous estimate of 11 million and the 2007/08 harvest of 10.6 million tons. The reduced output is likely to curtail direct feeding of cottonseed, although a slightly lower rate of crushing is also anticipated.

China's Soybean Demand Picking Up Again

Already this year, China's exchange rate has gained about 6 percent against the U.S. dollar. To fight inflation, China's central bank could let the appreciation continue. In June, food prices in China were up by 17 percent from the previous year, and expenditures for food account for about one-third of consumer spending in the country. Additional imports of food supplies, particularly soybeans, would help the situation. Rising demand for dollar-denominated imports of petroleum is another reason to allow the exchange rate to strengthen further.

Following record large soybean imports by China over the past 2 months, USDA raised its forecast of 2007/08 trade by 1 million tons to 35.4 million. The gains are being driven by a recovery in domestic meat production, which grew by 5 percent for the first half of this year. A smaller increase is expected for 2008/09 soybean imports, which were forecast 500,000 tons higher this month to 36 million tons. The gain in China's 2008/09 imports could account for nearly all of the increase in global soybean trade.

Larger soybean imports for China, however, are expected to limit import requirements for soybean oil. China's soybean oil imports for 2008/09 are expected to hold steady at 3 million tons. Total consumption of soybean oil is projected to rise 4 percent to 10.2 million tons. Cheaper costs will favor palm oil imports, projected to grow by 9 percent to 6.2 million tons.

Robust Gains Seen for World Sunflowerseed Output in 2008/09

Global production of sunflowerseed in 2008/09 is forecast 687,000 tons higher this month (to a record 32.5 million) based on higher expected output for Argentina, Russia, and Ukraine.

As with soybeans, a reduction in wheat and corn planting in Argentina is expected to raise 2008/09 sunflower area to a 9-year high of 2.84 million hectares. This boosts the forecast of 2008/09 sunflowerseed production by 228,000 tons to 5 million. A comparable increase for Argentine sunflowerseed crushing (to 4.85 million tons) is expected for next season. Exports of sunflowerseed oil are seen expanding to 1.6 million tons.

Based on 2008 planting data from the Russian Government, harvested area for sunflowerseed should reach 5.9 million hectares, up 18 percent from last year. Assuming typical yields, sunflowerseed output in Russia could expand to 6.7

million tons. Oilseed processors in Russia are expected to use at least 6 million tons of the crop. The domestic market for sunflowerseed oil is sufficient to consume most of the additional supply within Russia.

For Ukraine sunflowerseed, 2008 production is forecast 200,000 tons higher this month to a record 5.4 million based on Ukraine Government reports of higher sown area. Favorable weather conditions are supporting good yield potential, also. An expanded supply is forecast to push sunflowerseed crushing to 5 million tons.

Outstanding weather in Ukraine also increased crop estimates this month for wheat, barley, and rapeseed. Each well exceeds the drought-affected 2007 harvests. The 2008 production estimate for Ukraine rapeseed increased 400,000 tons this month to 2.8 million tons, sharply above the previous year's harvest of 1.1 million. This dramatic increase was due to a 56-percent increase in harvested area and improved yields. About 2.25 million tons of rapeseed will be exported to western European processors. Those supplies will help EU-27 countries to import fewer soybeans next year, which are forecast declining from 14.5 million tons in 2007/08 to 13.65 million.

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Data

Monthly tables from *Oil Crops Outlook* are available in Excel (.xls) spreadsheets at <http://www.ers.usda.gov/briefing/soybeansoilcrops/Data/data.htm>. These tables contain the latest data on the production, use, imports, exports, prices, and textile trade of cotton and other fibers.

Recent Reports

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
Soybeans and Oil Crops Briefing Room, <http://www.ers.usda.gov/briefing/soybeansoilcrops/>

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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	1,116	150	3,073	574
2007/08 ¹	63.6	62.8	41.2	574	2,585	10	3,169	1,830	1,145	59	3,034	135
2008/09 ²	74.8	73.3	40.5	135	2,972	8	3,115	1,815	1,000	165	2,980	135
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	147.2			
February						0.8		136.8	126.5			
Dec-Feb				2,701.4		1.9	2,703.3	449.5	396.3	70.6	916.4	1,786.9
March						1.0		155.7	96.9			
April						0.8		144.9	71.1			
May						0.8		151.9	41.9			
Mar-May				1,786.9		2.6	1,789.5	452.6	210.0	34.6	697.3	1,092.2
June						1.1		148.7	48.9			
July						0.9		150.2	37.9			
August						1.0		146.2	49.6			
Jun-Aug				1,092.2		3.0	1,095.2	445.1	136.4	(60.0)	521.4	573.8
Total					3,188.2	9.0	3,646.6	1,806.4	1,116.5	149.9	3,072.8	
2007/08												
September						0.4		147.7	62.0			
October						0.6		164.0	138.6			
November						0.6		155.7	127.4			
Sep-Nov				573.8	2,585.2	1.6	3,160.6	467.4	328.1	33.2	828.7	2,331.9
December						1.0		163.9	146.0			
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	426.7	6.1	901.6	1,434.0
March						0.8		156.0	119.2			
April						0.9		147.5	74.9			
May						0.6		152.6	54.7			
Mar-May				1,434.0		2.2	1,436.2	456.0	248.9	55.2	760.1	676.1
June ¹						1.0		140.9	62.6			
Total to date						8.6		1,533.2	1,066.3	94.6	2,490.5	

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	34,347	8,804	43,151	346
2007/08 ¹	346	43,489	165	44,000	34,200	9,500	43,700	300
2008/09 ²	300	43,085	165	43,550	34,450	8,800	43,250	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	3,050.1	753.3	3,803.4	372.4
February	372.4	3,252.6	13.4	3,638.4	2,592.6	756.3	3,348.9	289.4
March	289.4	3,712.3	15.2	4,016.9	2,764.8	922.2	3,687.0	329.9
April	329.9	3,442.9	12.6	3,785.3	2,827.6	629.2	3,456.7	328.6
May	328.6	3,623.0	13.9	3,965.5	3,019.9	666.6	3,686.5	279.0
June	279.0	3,528.2	11.2	3,818.4	2,765.9	735.8	3,501.7	316.8
July	316.8	3,568.0	11.2	3,896.0	2,973.4	607.7	3,581.1	314.9
August	314.9	3,473.9	13.4	3,802.2	2,802.2	768.1	3,570.3	231.9
September	231.9	3,504.4	11.8	3,748.2	2,743.7	658.4	3,402.1	346.0
Total		43,026.7	156.4	43,496.8	34,347.1	8,803.7	43,150.8	
2007/08								
October	346.0	3,910.2	12.4	4,268.6	3,246.2	709.1	3,955.3	313.3
November	313.3	3,730.6	12.1	4,056.1	2,859.1	902.2	3,761.3	294.8
December	294.8	3,919.8	11.0	4,225.6	3,040.6	762.9	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	395.4	3,500.6	13.7	3,909.8	2,743.3	826.6	3,569.9	339.9
May	339.9	3,634.5	13.3	3,987.8	2,800.3	754.3	3,554.6	433.2
June ¹	433.2	3,348.1	11.9	3,793.2	2,550.7	818.2	3,368.9	424.3
Total to date		33,011.4	107.0	33,118.4	25,677.2	7,362.9	33,040.1	

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	20,489	37	23,536	18,574	2,761	1,877	20,451	3,085
2007/08 ¹	3,085	21,175	65	24,325	18,300	2,900	3,150	21,450	2,875
2008/09 ²	2,875	20,690	50	23,615	18,400	3,100	2,650	21,050	2,565
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	1,536.1	157.6	120.3	1,656.3	3,081.9
December	3,081.9	1,771.0	1.3	4,854.2	1,486.9	178.7	276.7	1,763.6	3,090.6
January	3,090.6	1,747.2	2.5	4,840.3	1,307.2	192.1	176.4	1,483.6	3,356.7
February	3,356.7	1,548.3	1.1	4,906.1	1,310.2	158.4	118.2	1,428.4	3,477.7
March	3,477.7	1,766.9	1.4	5,246.0	1,612.4	222.4	75.2	1,687.6	3,558.4
April	3,558.4	1,626.3	2.0	5,186.7	1,584.0	214.9	102.7	1,686.7	3,500.0
May	3,500.0	1,729.9	3.1	5,233.0	1,643.0	269.1	121.3	1,764.3	3,468.7
June	3,468.7	1,693.5	9.7	5,171.9	1,498.6	255.9	123.5	1,622.1	3,549.8
July	3,549.8	1,710.7	5.4	5,265.9	1,664.2	348.1	202.1	1,866.3	3,399.6
August	3,399.6	1,662.8	6.8	5,069.2	1,666.5	311.5	202.3	1,868.8	3,200.4
September	3,200.4	1,678.0	2.2	4,880.6	1,604.6	286.6	190.8	1,795.4	3,085.2
Total		20,489.0	37.5	23,536.3	18,574.5	2,761.4	1,876.6	20,451.1	
2007/08									
October	3,085.2	1,868.6	4.1	4,957.9	1,600.1	246.8	132.9	1,733.0	3,224.9
November	3,224.9	1,805.4	3.1	5,033.4	1,600.2	219.1	198.0	1,798.2	3,235.2
December	3,235.2	1,879.4	3.3	5,117.9	1,449.5	219.3	391.3	1,840.9	3,277.0
January	3,277.0	1,855.2	6.0	5,138.2	1,746.4	268.1	157.6	1,904.0	3,234.2
February	3,234.2	1,663.2	7.0	4,904.4	1,321.1	216.9	507.7	1,828.8	3,075.6
March	3,075.6	1,827.8	5.3	4,908.7	1,449.0	230.2	384.5	1,833.5	3,075.3
April	3,075.3	1,707.0	8.0	4,790.3	1,446.8	235.1	426.0	1,872.9	2,917.4
May	2,917.4	1,756.9	5.3	4,679.7	1,536.9	233.3	163.6	1,700.5	2,979.2
June ¹	2,979.2	1,620.2	2.9	4,602.4	1,535.9	290.4	172.3	1,708.3	2,894.1
Total to date		15,983.8	45.0	19,114.0	13,685.8	2,159.3	2,534.0	16,219.8	

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 ¹	489	6,589	5	7,083	2,750	635	3,298	6,683	400
2008/09 ²	400	4,684	50	5,134	2,600	350	1,884	4,834	300

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>								
2006/07	59	0	1,241	1,301	1,134	105	1,239	62
2007/08 ¹	62	0	1,265	1,327	1,162	115	1,277	50
2008/09 ²	50	0	1,195	1,245	1,090	105	1,195	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	101	1	849	951	714	138	852	99
2007/08 ¹	99	1	865	965	655	185	840	125
2008/09 ²	125	0	820	945	730	130	860	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	496	444	725	4,185	1,136
2008/09 ²	1,136	40	4,493	5,669	2,530	564	495	795	4,384	1,285

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	10.15	160.00	21.70	17.70	20.40	13.04
2008/09 ¹	11.50-13.00	160-220	25.0-27.5	23.75-26.25	23.75-26.25	15.20-16.70
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	18.20	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	12.10	NA	27.50	25.30	20.40	16.80
June	13.20	NA	28.20	25.30	20.10	18.00
July ¹	14.20	NA	28.30	25.50	20.00	18.50

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	53.00	74.50	91.50	69.00	94.53	72.50	40.50	41.50
2008/09 ¹	54.0-58.0	75.5-79.5	94.0-98.0	68.5-72.5	100.5-104.5	74.0-78.0	42.0-46.0	43.0-47.0
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	58.27	82.75	97.40	73.05	104.80	87.29	42.27	41.88
June	62.43	87.56	99.50	76.69	107.00	82.33	44.93	46.61
July ¹	60.54	86.06	97.50	74.13	110.00	76.64	52.82	48.61

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	335.00	250.00	175.00	190.00	255.00	240.00
2008/09 ¹	330-390	245-305	170-230	185-245	250-310	220-280
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	325.48	240.50	154.38	NA	258.75	240.25
June	390.72	293.25	160.38	NA	293.20	265.38
July ¹	412.25	333.00	190.50	NA	310.19	273.70

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.