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Oil Crops Outlook

Mark Ash and Erik Dohlman

Lower Yields May Limit U.S. Soybean Demand in 2008/09

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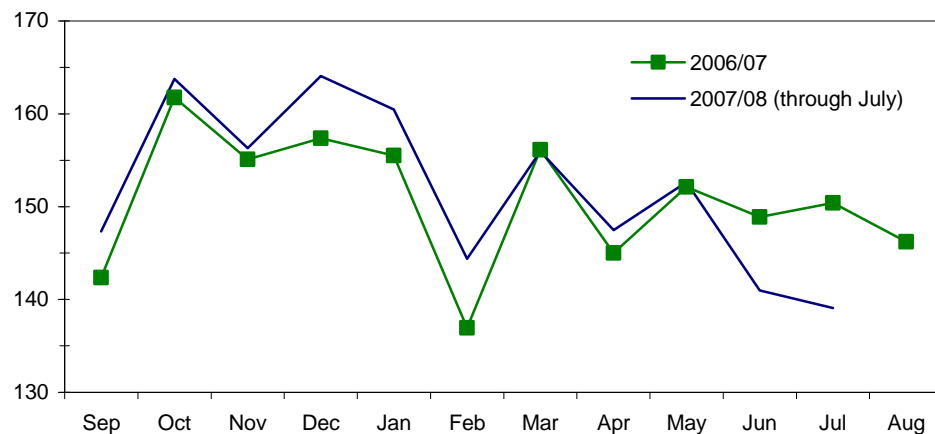
The U.S. average soybean yield in 2008 is estimated at 40 bushels per acre, cutting the production forecast by 39 million bushels to 2.934 billion. The U.S. soybean crush is forecast slipping to 1.785 billion bushels in 2008/09, down 30 million bushels from the prior year and the August forecast. Tight ending stocks of soybeans (135 million bushels after 140 million in 2007/08) are again projected.

The 2008/09 projection of Argentine soybean production is raised by 1 million metric tons to 50.5 million due to higher soybean area. China will produce 16.5 million tons of soybeans this year, up from the previous forecast of 16 million tons and 3 million tons larger than last year's crop. China's 2008/09 soybean imports are forecast dipping to 36 million tons from 36.5 million in 2007/08.

Figure 1

Domestic soybean crush tails off in summer quarter with low stocks

Million bushels



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

Domestic Outlook

Dry August Stresses Soybean Crops

Soybean crops deteriorated throughout the main U.S. production region in August due to lack of rain. For most of the Midwest, August precipitation was 50-65 percent of normal and the lowest level since 2003. Missouri, Illinois, and Michigan got some relief from late August and early September rains, but the eastern Corn Belt maintained moisture deficits. August temperatures were generally mild, though, and soil moisture reserves from a wet spring prevented a sharper decline in yield. Several tropical storms soaked the Gulf States during the past 4 weeks, but only one-tenth of the country's soybeans are located in that region.

The dry spell came at a critical period for soybean development in the Midwest. As of August 10, 60 percent of soybeans in the country had progressed past the pod setting stage, and within a month nearly all had done so. In most States, later development put September pod counts below a year ago. The U.S. average soybean yield in 2008 is estimated at 40 bushels per acre, down a half-bushel from the August forecast. The main yield reductions this month were for Indiana, Ohio, Wisconsin, and Michigan. Few of the country's soybeans, however, have matured enough to start shedding leaves, so September's weather is important for a good finish to the entire crop.

This month's lower projected soybean yield cut the 2008 production forecast to 2.934 billion bushels, 39 million bushels below the August forecast. The expected total supply dropped 32 million bushels as a slightly larger carryover was offset by a smaller crop.

Lower New-Crop Soybean Supply Dims Demand Outlook

Although U.S. soybean exports are expected to finish off the 2007/08 crop year at a record 1.155 billion bushels, prospects for 2008/09 are not as bright. Total supply is projected down 85 million bushels from last year and stocks are unlikely to tighten any further, so soybean use will have to be rationed. In 2007/08, China was the top U.S. market, taking nearly 500 million bushels. China's total imports for 2008/09 could retreat and force U.S. exports lower as market share is lost to suppliers from South America. U.S. soybean exports to all countries are projected to drop to 1 billion bushels.

As the U.S. supply of soybeans was dwindling in July, domestic use slowed to 139.1 million bushels (compared to 150.4 million in July 2007). Also, a resumption of normal activity by Argentine processors renewed competition in export markets for soybean meal and soybean oil. Consequently, USDA lowered its forecast of the 2007/08 soybean crush from 1.83 billion bushels to 1.815 billion. With a delayed harvest, the slackening rate of crush could last through September, lowering 2007/08 production estimates for soybean meal and soybean oil. Without a larger soybean supply for 2008/09, there may be little chance for an expansion of crushing. By next summer, processing plants may start to slow even sooner. The U.S. soybean crush is forecast slipping to 1.785 billion bushels in 2008/09, down 30 million from the August forecast. Tight ending stocks of soybeans (135 million bushels after 140 million in 2007/08) are again projected. The U.S. average farm

price of \$11.60-\$13.10 per bushel for 2008/09 is forecast up 10 cents from last month's range.

Domestic feed demand for soybean meal continues to fall further behind last year's rate. The 2007/08 forecast was reduced by 450,000 tons to 33.75 million—down nearly 2 percent from 2006/07. Consumption of soybean meal may be only modestly stronger in 2008/09, edging up 0.7 percent to 34 million tons (below last month's forecast of 34.45 million). Soybean meal exports also slowed in August, so the 2007/08 forecast was trimmed by 50,000 short tons this month to 9.45 million. For 2008/09, weaker import markets for soybean meal and potentially strong competition from alternative exporters is seen scaling back U.S. exports to 8.6 million tons. The 2008/09 price forecast for soybean meal is unchanged at \$330-\$390 per short ton.

Soybean oil production is expected to shrink even further in 2008/09. Marketing year output is seen declining by 590 million pounds, while total supply could fall more than 1 billion pounds due to lower carryover stocks. Relatively stable domestic use of soybean oil is anticipated (at 18.35 billion pounds versus 18.45 billion in 2007/08), but high costs and a strengthening dollar are likely to weaken 2008/09 export demand. U.S. soybean oil exports for 2007/08 were forecast 150 million pounds lower this month to 3 billion pounds. Lower purchases by China will limit demand for U.S. shipments. Projected exports for 2008/09--at 2.35 billion pounds--are 300 million pounds below last month's forecast. Ending stocks of soybean oil should continue to tighten toward 2.3 billion pounds, versus 2.6 billion in 2007/08. At an anticipated 52-56 cents per pound, soybean oil prices would be record high in 2008/09.

2008 Peanut Crop Surges with Improved Area and Record Yield Prospects

Improved prospects on an already strong yield and an upward revision on peanut acres combined to lift the September projection of the 2008 peanut crop 269 million pounds (6 percent) to a near-record 4.76 billion pounds. This would be the third largest crop on record, and more than a 1-billion-pound (27 percent) gain on the 2007 crop. Planted area was revised upward from the August report by 71,000 acres (to 1.533 million) and harvested area by 68,000 acres (to 1.494 million). The expected U.S. peanut yield was raised 37 pounds per acre to a record 3,188 pounds per acre.

Peanut production in the Southeast (Alabama, Florida, Georgia, Mississippi, and South Carolina) is expected to total 3.44 billion pounds, up 8 percent from August and 32 percent from last year's level. Yields in the five-State area are expected to average 3,136 pounds per acre, 147 pounds above 2007. Expected area for harvest, at 1.1 million acres, is up 26 percent from 2007. Virginia-North Carolina production is forecast at 351 million pounds, up 14 percent from 2007, and up 7 percent from the August projection. This region's yield is forecast at 2,900 pounds per acre, 119 pounds greater than the previous year. Area for harvest is expected to total 121,000 acres, up 9 percent from 2007. Southwest peanut production (New Mexico, Oklahoma, and Texas) is expected to total 971 million pounds, a 17-percent gain from 2007, but down slightly from USDA's August report. Yields are

expected to average 3,520 pounds per acre for the region, down 365 pounds from the previous year and a drop of 197 pounds from the August projection. The region's acreage for harvest, at 276,000 acres, represents a 29-percent gain from 2007.

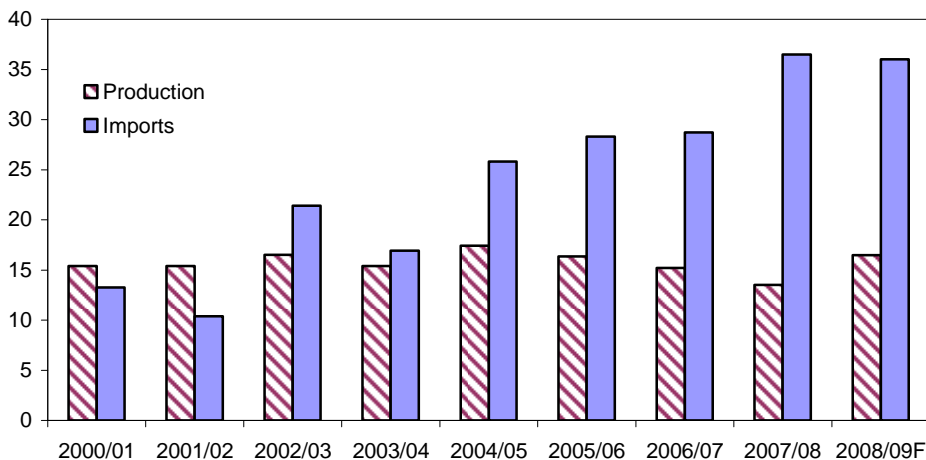
Beginning stocks of peanuts for 2008/09 are down 105 million pounds from the August forecast (to 1.03 billion pounds). But higher production more than offsets the decline, and total supplies are now projected at 5.83 billion pounds, a 500-million-pound improvement over 2007/08. After several years of decline, domestic food use of peanuts is expected to resume modest growth in 2008, rising to 2.54 billion pounds (less than 1-percent growth). However, peanut use for crushing is expected to register strong gains this year, climbing 28 percent to 636 million pounds. Exports are also expected to continue their robust growth, climbing to 805 million pounds, up 55 million pounds from 2007/08 and more than 300 million pounds greater than the 2005 season. Although the supply situation is improved compared to 2007, the season-average farm price in 2008/09 is expected to be at least several cents stronger than the 2007/08 average of 20.5 cents per pound.

International Outlook

Figure 2

Improvement in China's soybean production to limit 2008/09 imports

Million metric tons



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

Argentine Soybean Area Expected To Be Buoyed by Reduced Corn Sowing

The projection for Argentina's 2008/09 soybean area was raised to 18 million hectares this month from 17.7 million previously. The change partly offsets USDA's reductions in Argentine corn area by 250,000 hectares and 200,000 hectares for wheat. Drought conditions, which had already limited the area sown to wheat, are now inhibiting the planting of corn. Similarly, planting of sunflowers is lagging because of the dryness. As a result, more area is shifting into soybeans, which can be sown later. Much higher fertilizer costs to produce corn also favor the growing of soybeans. Thus, projected Argentine soybean production for 2008/09 is raised by 1 million metric tons to 50.5 million.

A robust recovery for Argentine soybean shipments in July and August is seen boosting 2007/08 exports to 13.5 million tons. A larger supply will support soybean exports again in 2008/09, to 13.9 million tons. A substantial accumulation of soybean meal stocks in recent months will support Argentine exports in 2008/09 to 28.8 million tons from 26.9 million in 2007/08.

Larger Stocks and Domestic Harvest Will Curb China's 2008/09 Soybean Imports

USDA forecast that China will produce 16.5 million tons of soybeans this year, up from the previous forecast of 16 million tons and 3 million tons larger than last year's crop. Soybean yields are expected to be slightly better than average.

Based on a record month for soybean imports (3.83 million tons) in August, China's 2007/08 imports are forecast higher to 36.5 million tons from 35.4 million last month. These supplies, however, are rising faster than their use, which could boost

China's season-ending stocks to 3.4 million tons. The combination of a larger carryover and domestic crop provides little basis for an expansion of China's 2008/09 soybean imports, which are forecast dipping to 36 million tons. Soybean ending stocks for 2008/09 may also rise to a more secure 3.9 million tons.

Canadian Farmers Poised To Harvest a Record Canola Crop

For Canada, far more canola will be produced (at 10.4 million tons) in 2008 than ever before. The expected bumper crop is a result of above-average yields on a record acreage. Canola crops in Manitoba and Alberta would be at all-time highs, while Saskatchewan's would be only slightly below its 2005 peak. Canola harvesting this year has begun, but at this date the crop's maturity is slightly behind normal. Over the next month, warm weather would complete the crop's development and dry weather would facilitate its collection. Also, based on an updated survey framework, Canada's 2007 production estimate for canola was revised up nearly 9 percent to 9.5 million tons.

Despite the likelihood of a much larger canola supply in Canada, stiffer competition from other exporting countries is expected to trim 2008/09 exports to 5.3 million tons from 5.85 million in 2007/08. Season-ending stocks, which dipped to 1.5 million tons in 2007/08, are forecast climbing to a record 2.1 million tons in 2008/09.

Rising Surplus of Palm Oil Enhances Its Price Competitiveness Versus Soybean Oil

Based on a strong year-to-date performance, expected 2007/08 output of Malaysia palm oil was raised 300,000 tons this month to 17.7 million. The production forecast for 2008/09 was also increased to 17.7 million tons, but may be no higher than this year's output due to a downward biological cycle in tree productivity. But current production is still rising toward a seasonal peak. By outpacing the demand for palm oil, Malaysian stocks in June topped 2 million tons—a record high. Palm oil stocks in Indonesia are just as large. Stocks in both countries exerted great pressure on the palm oil price.

In Malaysia, the price for refined palm oil fell to an August average of \$879 per metric ton. This was down 30 percent from its May peak and the lowest in nearly a year. The drop in palm oil price surpassed a simultaneous decline for soybean oil and is now attractively valued against its main alternative. As of mid-September, crude palm oil imports for Mumbai, India are about \$715 per ton—one-third cheaper than the cost of crude soybean oil. In July and August, Malaysian palm oil stocks began lessening as exports picked up again. Lower costs may also restore profitable margins to the biodiesel industry in southeast Asia. Malaysian exports of palm oil for 2007/08 are now expected to reach 14.1 million tons. Next year's lack of growth in Malaysian palm oil production, however, may limit the country's 2008/09 exports to 14.4 million tons.

When the price of palm oil collapsed in August, importers throughout India, Pakistan, Bangladesh, and China deferred new purchases and either defaulted on or renegotiated terms for prior commitments. For China, there has been ample domestic production of vegetable oil recently. Thus, palm oil imports by China in

2007/08 have not grown as much as expected and the forecast was lowered this month to 5.4 million tons. Likewise, a moderation in the pace of China's soybean oil imports from earlier this year prompted USDA to cut the 2007/08 forecast to 2.75 million from 2.9 million tons. For 2008/09, a favorable price difference should let palm oil imports continue a more robust growth. China's palm oil imports are expected to rise to 6.2 million tons next year, while its soybean oil imports drop to 2.6 million tons.

Contacts and Links

Contact Information

Mark Ash (soybeans, vegetable oils), (202) 694-5289, mash@ers.usda.gov
Erik Dohlman (peanuts), (202) 694-5308, edohlman@ers.usda.gov
K.J. Wittenberger, (minor oilseeds), (202) 694-5322, kwittenberger@ers.usda.gov
Verna Daniels (web publishing), (202) 694-5301, vblake@ers.usda.gov

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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 | 1,808 | 1,116 | 149 | 3,073 | 574 |
| 2007/08 ¹ | 63.6 | 62.8 | 41.2 | 574 | 2,585 | 10 | 3,169 | 1,815 | 1,155 | 59 | 3,029 | 140 |
| 2008/09 ² | 74.8 | 73.3 | 40.0 | 140 | 2,934 | 10 | 3,084 | 1,785 | 1,000 | 164 | 2,949 | 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 | | 155.5 | 147.2 | | | |
| February | | | | | | 0.8 | | 136.9 | 126.5 | | | |
| Dec-Feb | | | | 2,701.4 | | 1.9 | 2,703.3 | 449.8 | 396.3 | 70.3 | 916.4 | 1,786.9 |
| March | | | | | | 1.0 | | 156.1 | 96.9 | | | |
| April | | | | | | 0.8 | | 145.0 | 71.1 | | | |
| May | | | | | | 0.8 | | 152.1 | 41.9 | | | |
| Mar-May | | | | 1,786.9 | | 2.6 | 1,789.5 | 453.2 | 210.0 | 34.0 | 697.3 | 1,092.2 |
| June | | | | | | 1.1 | | 148.9 | 48.9 | | | |
| July | | | | | | 0.9 | | 150.4 | 37.9 | | | |
| August | | | | | | 1.0 | | 146.2 | 49.6 | | | |
| Jun-Aug | | | | 1,092.2 | | 3.0 | 1,095.2 | 445.5 | 136.4 | (60.4) | 521.4 | 573.8 |
| Total | | | | | 3,188.2 | 9.0 | 3,646.6 | 1,807.7 | 1,116.5 | 148.6 | 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 | | | | | | 1.0 | | 141.0 | 62.6 | | | |
| July ¹ | | | | | | 0.8 | | 139.1 | 50.6 | | | |
| Total to date | | | | | | 9.3 | | 1,672.3 | 1,116.9 | 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 | 43,014 | 140 | 43,500 | 33,750 | 9,450 | 43,200 | 300 |
| 2008/09 ² | 300 | 42,435 | 165 | 42,900 | 34,000 | 8,600 | 42,600 | 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 | 433.2 | 3,350.6 | 11.9 | 3,795.7 | 2,553.2 | 818.2 | 3,371.4 | 424.3 |
| July ¹ | 424.3 | 3,309.5 | 9.9 | 3,743.7 | 2,670.4 | 778.8 | 3,449.2 | 294.5 |
| Total to date | | 36,323.4 | 116.9 | 36,440.3 | 28,350.1 | 8,141.7 | 36,491.8 | |

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 | | | Total | Disappearance | | Exports | Total | Ending stocks |
|-----------------------|---------------------|------------|---------|----------|---------------|--------------|---------|----------|------------------|
| | Beginning stocks | Production | Imports | | Domestic | | | | |
| | | | | | 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 | 20,940 | 60 | 24,085 | 18,450 | 2,950 | 3,000 | 21,450 | 2,635 |
| 2008/09 ² | 2,635 | 20,350 | 50 | 23,035 | 18,350 | 3,100 | 2,350 | 20,700 | 2,335 |
| 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 | 2,979.2 | 1,633.3 | 2.9 | 4,615.4 | 1,549.6 | 278.9 | 172.3 | 1,721.9 | 2,893.5 |
| July ¹ | 2,893.5 | 1,615.5 | 5.3 | 4,514.2 | 1,608.8 | 271.1 | 125.5 | 1,734.3 | 2,779.9 |
| Total to date | | 17,612.3 | 50.2 | 20,747.7 | 15,308.3 | 2,418.9 | 2,659.5 | 17,967.8 | |

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 | 3 | 7,080 | 2,706 | 599 | 3,132 | 6,437 | 643 |
| 2008/09 ² | 643 | 4,713 | 50 | 5,406 | 2,600 | 350 | 2,156 | 5,106 | 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 | 1,245 | 1,307 | 1,142 | 115 | 1,257 | 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 | 850 | 950 | 640 | 185 | 825 | 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 | | | | | | |
|-----------------------|---------------------|---------|------------|---------------|------------------|-------|--------------------|---------|-------|------------------|
| | Beginning stocks | Imports | Production | Total | Domestic food | Crush | Seed & residual | Exports | Total | Ending stocks |
| <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 | 73 | 3,741 | 5,334 | 2,517 | 496 | 539 | 750 | 4,302 | 1,031 |
| 2008/09 ² | 1,031 | 40 | 4,762 | 5,834 | 2,540 | 636 | 538 | 805 | 4,519 | 1,315 |

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 | 21.60 | 17.70 | 20.50 | 13.04 |
| 2008/09 ¹ | 11.60-13.10 | 135-195 | 24.15-26.65 | 23.25-25.75 | 23.75-26.25 | 14.50-17.00 |
| 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 | 13.30 | NA | 28.30 | 26.20 | 21.10 | 18.10 |
| August ¹ | 12.10 | NA | 25.80 | 25.00 | 20.10 | 16.50 |

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 | 52.25 | 74.25 | 91.25 | 66.25 | 94.53 | 70.00 | 41.00 | 41.50 |
| 2008/09 ¹ | 52.0-56.0 | 73.5-77.5 | 91.0-95.0 | 66.0-70.0 | 98.5-102.5 | 59.5-63.5 | 41.0-45.0 | 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 | 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 | 60.54 | 86.06 | 97.50 | 74.13 | 110.00 | 76.64 | 52.82 | 48.61 |
| August ¹ | 50.78 | 72.55 | 91.40 | 61.05 | 110.00 | 60.00 | 46.50 | 41.94 |

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 | 173.32 | 133.01 |
| 2007/08 ¹ | 335.00 | 250.00 | 170.00 | 190.00 | 255.00 | 230.00 |
| 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 | 170.45 | 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 | 412.25 | 333.00 | 190.50 | NA | 310.19 | 273.70 |
| August ¹ | 355.35 | 290.00 | 156.25 | NA | 234.75 | 231.25 |

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.