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Oil Crops Outlook

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Slowing Domestic Demand Weighs On Soybean Prices

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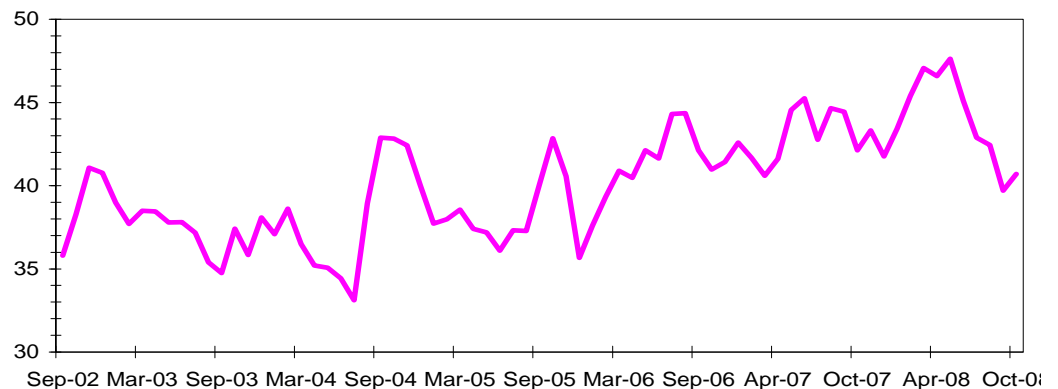
For 2008/09, the U.S. soybean crush is forecast 30 million bushels lower this month to 1.715 billion. The change was due largely to a lowering of forecasts for domestic disappearance of soybean meal (by 550,000 short tons to 32.5 million) and U.S. exports (by 200,000 tons to 8.4 million). Offsetting the reduction in soybean crush was a forecast increase in U.S. soybean exports by 30 million bushels to 1.05 billion, leaving the 2008/09 forecast of ending stocks unchanged at 205 million bushels.

A lower area sown to soybeans in Brazil is forecast to reduce 2008/09 production to 59 million metric tons. Reduced soybean area in Paraguay lowered the 2008/09 production forecast by 700,000 tons to 6.5 million. On account of lower imported supplies, Argentine soybean exports in 2008/09 are forecast 500,000 tons lower this month to 14.7 million.

Figure 1

Fast price drop for Soybean oil shrinks its share of Soybean crush value

Percent



Source: *Oil Crops Yearbook*, Economic Research Service, USDA.

Domestic Outlook

Falling Values for Soybean Oil and Soybean Meal Discourage Soybean Crushing

In November, the monthly average soybean oil price slid to a 19-month low of 31.6 cents per pound. A sharp decline in petroleum prices has reduced the value of soybean oil in producing biodiesel and lowered the premium that food processors will pay above that.

But more abundant global supplies of oilseeds and vegetable oils in 2008/09 are also playing a part in the price decline. Better oilseed crops in India, China, and elsewhere are moderating requirements for vegetable oil imports. Among imports, soybean oil is viewed likely to lose market share to palm oil, sunflowerseed oil, and rapeseed oil. Soybean oil is expected to account for 19 percent of global vegetable oil exports in 2008/09, compared to 21 percent last year. Even within the export market for soybean oil, U.S. sales will fare less well against South American suppliers. U.S. exports of soybean oil are forecast 250 million pounds lower this month to 2.05 billion.

Within the United States, additional supplies of other vegetable oils are also contributing to easing demand for soybean oil. U.S. imports of canola oil are expected to reach 2.55 billion pounds in 2008/09. This would be 14 percent higher than last year and twice as high as it was just 4-5 years ago. Domestic use of soybean oil for 2008/09 is reduced 100 million pounds this month to 18.0 billion pounds. Despite lower demand, if the decline in soybean oil production persists, season-ending stocks are seen declining to 2.033 billion pounds. At the end of October, they totaled just over 2.4 billion pounds.

For soybean meal, last month's prices were more stable than for soybean oil. Even so, soybean meal prices that exceeded \$400 per short ton in July were averaging only \$267 last month. The 2008/09 average price is forecast \$15 per ton lower this month, to \$240-\$300. For hog producers, lower feed costs will help margins, but some contraction of the industry in 2009 is necessary to boost returns on hogs back toward profitability. Also likely to lessen requirements for soybean meal is a surge in domestic canola meal use, as Canadian processors will have an abundant and cheap supply. USDA's December forecast of domestic soybean meal disappearance for 2008/09 was lowered by 550,000 short tons to 32.5 million.

The export market is unlikely to be any easier for U.S. sellers of soybean meal. In Asia, rising supplies of soybean meal from India will compete more strongly with U.S. exports. Huge amounts of feed wheat in Europe will trim protein needs not only there but wherever in the world it can displace corn in feed rations. U.S. soybean meal exports for 2008/09 were forecast 200,000 tons lower this month to 8.4 million.

Shrinkage for both the oil and meal markets would curtail the amount of soybean crushing that is required. The cost of soybeans for processors has declined too, although perhaps not yet enough to stop the tumble of crush margins. The season-average farm price for soybeans was reduced by 85 cents this month to \$8.25-\$9.75 per bushel. Domestic crushing for September-October 2008 was 275.5 million bushels, which is the slowest start in 5 years. For 2008/09, the U.S. soybean crush is forecast 30 million bushels lower this month to 1.715 billion.

In contrast, U.S. export shipments of soybeans to date have turned in an impressive performance by surging 47 million bushels ahead of last year's record pace. Smaller soybean crops in Brazil and Paraguay should extend the price competitiveness of U.S. exports a little longer. The 2008/09 forecast of U.S. soybean exports was raised 30 million bushels this month to 1.05 billion, but still well below the 1.161 billion bushels shipped last year. A higher export forecast offsets the reduction in soybean crush and leaves the 2008/09 forecast of ending stocks unchanged at 205 million bushels.

However, there are few import markets for soybeans, except for China, where demand is growing strongly. The sales pace for U.S. soybeans will eventually taper off. It appears that with lower sales over the past several weeks, outstanding sales may have already peaked at a much earlier point than in 2007/08. Total sales commitments, which are the sum of shipments and outstanding sales, lag by 28 million bushels versus a year ago. Soybean stocks in Argentina are unusually large for this time of year, as farmers there hope for a price rally to sell them. Whether or not that happens, foreign exports of soybeans should accelerate early next year as the South American harvest draws closer.

Even as domestic prices and freight rates have declined, the competitiveness of U.S. exports is being eroded by a strengthening exchange rate. In just the last 4 months, the U.S. dollar has gained more than 50 percent against the Brazilian real to a 3-year high. Likewise, the dollar has appreciated 13 percent against the Argentine peso and 20 percent against the Canadian dollar.

High Costs, Difficult Financing To Stall Growth in Brazil Soybean Output

In Brazil, higher expenses and a lack of credit this year are preventing many farmers from expanding production. The current market for farm credit there is quite irregular. While some lenders in Brazil have money for farmers with a good record of repayment, others have sharply curtailed financing. More frequent repossessions of farm equipment (as defaults on loan payments rise) are one sign of the financial distress.

The latest government surveys on crop area validate the outlook for negligible growth in Brazil's soybean area. USDA reduced its estimate of 2008/09 soybean area in Brazil by 200,000 hectares this month to 21.3 million--the same as in 2007/08. Because of dry weather, soybean planting is slightly behind usual this year, but farmers should still conclude by the end of December.

A lower area sown to soybeans in Brazil is forecast to reduce 2008/09 production to 59 million metric tons—down 1 million from last month's forecast. Soybean yields in the country also may not live up to prior expectations. Limited resources for input applications and below-average soil moisture during seeding could constrain productivity. After a good start in October, rainfall stalled after mid-November, particularly in southern Brazil. The rains revived somewhat by early December. As moisture requirements of the soybean crop start to increase, further easing of current deficits will be essential to support normal development.

As a consequence of a smaller expected crop, exports of soybeans, soybean meal, and soybean oil from Brazil would be curtailed. Brazil's foreign trade in soybeans for 2008/09 is forecast down by 450,000 tons to 25.25 million. A reduction of 600,000 tons in the soybean crush (to 31.5 million) scales back expected exports of soybean meal to 12.4 million tons and soybean oil to 2.1 million tons.

Drop in Paraguay Soybean Area Curtails Production Forecast

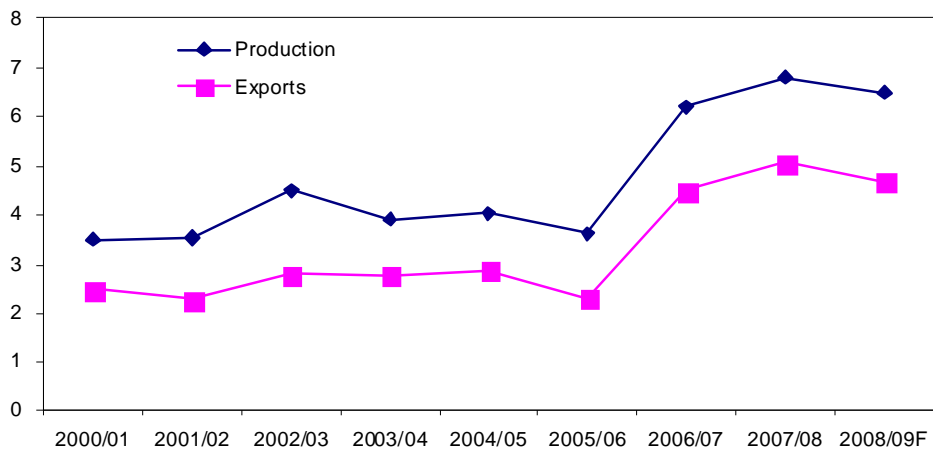
A new Government in Paraguay has indicated that it is considering new laws to restrict large-scale soybean production. For years, social and environmental activists have argued that expanding soybean production has displaced the rural poor and contaminates groundwater with farm chemicals. They have taken the Government's statements as a license to escalate occupations of soybean farms and disrupt the work on them. While the true success of these protests is unclear, their combination with falling soybean prices, higher input costs, and widespread dryness has had an impact on Paraguay's agriculture.

Soybean area in Paraguay this year is now expected to fall to 2.5 million hectares, compared to the previous forecast of 2.75 million. The change results in a lowering of the 2008/09 production forecast by 700,000 tons to 6.5 million. Lower production is seen reducing soybean exports by 700,000 tons to 4.7 million, versus the 5.1 million tons shipped in 2007/08. Paraguay is the world's fourth-largest exporting country for soybeans, and the crop is its top source of foreign revenue.

Figure 2

Lower Paraguay soybean output seen slowing export trade

Million metric tons



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

Early Dryness Expands Soybean Sowing in Argentina

This year, Argentine farmers shifted more cropland into growing soybeans as drought during October and November forced them to abandon the sowing of sunflowers and corn. USDA raised its 2008/09 forecast of Argentine soybean area this month by 200,000 hectares to 18.2 million. Last year, growers raised soybeans on 16.6 million hectares. Soybean yields, however, are generally lower in the regions where sunflowerseed is the main crop than in the primary soybean regions. Planting delays have also required the use of shorter-season soybean varieties. The national average yield also could be held down by application of fewer inputs, prompted by high production costs and falling soybean prices. Another concern is that, despite a recent improvement in soil moisture, deficits remain except in the western province of Cordoba. So, even with a higher area sown to soybeans, a below-trend yield is expected to keep Argentine production for 2008/09 at 50.5 million tons, versus 46.2 million in 2007/08.

A smaller soybean crop in Paraguay likely means that the volume of Argentine soybean imports will shrink. Argentina is a conduit for many of Paraguay's soybean exports, which arrive at processors on the Parana River via barge. To preserve supply for those domestic processors, Argentine soybean exports may moderate. On this basis, Argentine soybean exports in 2008/09 are forecast 500,000 tons lower this month to 14.7 million. The expected soybean crush is also reduced--by 300,000 tons--to 35.9 million, which will trim Argentine exports of soybean meal and soybean oil accordingly.

Large Global Supply of Sunflowerseed Pressures Market Prices

World sunflowerseed output in 2008/09 is forecast at 33.1 million tons. The total is down minimally from last month as higher sunflowerseed yields in the EU-27 and Ukraine offset a reduction in Argentine output. Argentine sunflowerseed production is forecast 600,000 tons lower this month to 3.8 million. Through November, the main agricultural regions of Argentina were very dry. Recent rains were too late to complete the planting of sunflowerseed, leading producers to switch to soybeans. Argentine sunflower area for 2008/09 is estimated at 2.2 million hectares, down 300,000 from the previous forecast and below the 2.6 million hectares harvested last year. Despite lower sunflowerseed production, Argentine crush demand is forecast to be stable, with a reduction in ending stocks countering the loss of supply.

World trade in sunflowerseed for 2008/09 is forecast to increase 40 percent to 2 million tons. Despite higher demand, excellent crops are expected to raise global stocks by 29 percent to 3.6 million tons. Even higher crops for the EU-27 and Ukraine will quickly saturate the market and it is unlikely that the crush can expand much further in those countries. Farm prices in Ukraine have collapsed and the Government now wants to encourage the exports of sunflowerseed as well as sunflowerseed oil. It is currently considering a suspension of a 17-percent export tax on sunflowerseed that would extend through September 2009. Ukraine sunflowerseed exports are seen rising to 550,000 tons in 2008/09, compared to 75,000 tons the previous year. Ending stocks of sunflowerseed in the EU-27, where storage capacity and access to credit is good, are forecast rising to a historic high of 850,000 tons.

Canadian Production of Canola Surges To a Record High

Almost entirely due to a larger Canadian crop, 2008/09 global production of rapeseed rose this month from 54.4 million to a record 56.1 million tons. For Canada, the estimate of 2008 canola production increased to 12.6 million tons this month, up 1.7 million from the previous estimate. This is nearly one-third higher than last year's prior record at 9.5 million tons. Canola production rose for all of Canada's prairie provinces, with a record area harvested in each and record yields in Manitoba and Saskatchewan. Given a lengthy growing season, crop quality is also reported to be quite good.

Canola seed exports from Canada for 2008/09 are forecast up 600,000 tons to 5.9 million with the additional supply and an expected increase of imports by China. Canola exports from Canada were at monthly records for August and September, and cumulatively were 62 percent higher than the 5-year average. Even with strong demand, canola ending stocks in the country are expected to soar to 3 million tons. Since July, canola prices in Canada have plunged nearly 40 percent.

In China, the Government is purchasing domestic rapeseed at prices about 30 percent above the world market. The stocks, which are being held in a strategic reserve, are seen as a way to support incomes of domestic producers. Meanwhile, the sharp decline in international prices is attractive to China's rapeseed crushers,

and 2008/09 imports are forecast up 400,000 tons to 1.05 million. As China's canola imports increase (particularly from Canada), fewer imports of palm and soybean oil are anticipated. The country's palm oil imports for 2008/09 are forecast 100,000 tons lower this month to 5.7 million, while soybean oil imports are reduced 130,000 tons to 2.37 million.

India's Larger Oilseed Crops Buoy Prospects for Meal Exports and Oil Consumption

Mainly as a result of larger crops of soybeans, peanuts, and rapeseed, India's production of oilseeds in 2008/09 is expected to be a record 34.45 million tons. Soybean production is forecast 500,000 tons higher this month to 9.7 million. Although growing conditions in India were not as optimal as last year's, this month's increase in soybean output was the result of a better-than-average yield estimate.

The first of India's new-crop soybean supply is starting to surge into processing mills. Crushing in 2008/09--anticipated to rise to 8.3 million tons--should set a new record. In November, exports of soybean meal from Indian processors totaled 622,000 tons—a new high for the month. Over the next several months, soybean supplies will likely continue a robust trade in soybean meal, even with a likely strong increase in domestic use. USDA raised the forecast of India's 2008/09 exports of soybean meal by 350,000 tons this month to 4.8 million.

A better peanut crop is also seen in India this year, as peanut area benefited from less area sown to cotton. A higher area estimate (6.5 million hectares) this month was responsible for boosting the 2008 peanut harvest by 200,000 tons to 6.6 million, equaling the total a year ago. A small amount of India's peanuts are exported, but most are processed domestically for the oil. A gain in peanut oil production would modestly boost domestic consumption.

Earlier this year, the tariff on crude soybean oil was reduced to zero as a means of tempering the rise in consumer prices. The recent collapse of vegetable oil prices led the Government of India to reinstate a higher import duty on crude soybean oil. In November, it was raised to 20 percent with the intent of supporting prices for domestic oilseed farmers. For now, the zero duty on imports of crude palm oil continues unchanged. The disadvantage to soybean oil thereby dims the outlook for the country's 2008/09 imports to 750,000 tons—down 150,000 from the previous forecast. In contrast, comparatively cheaper prices for palm oil are expected to raise India's imports to 4.9 million tons from 4.5 million in 2007/08. Other signs of India's improving vegetable oil supply are a suspension of imports directly by the Government, which were intended for sale in stores at subsidized prices. Also, a ban on Indian exports of edible oil (in effect since April 1) has been loosened.

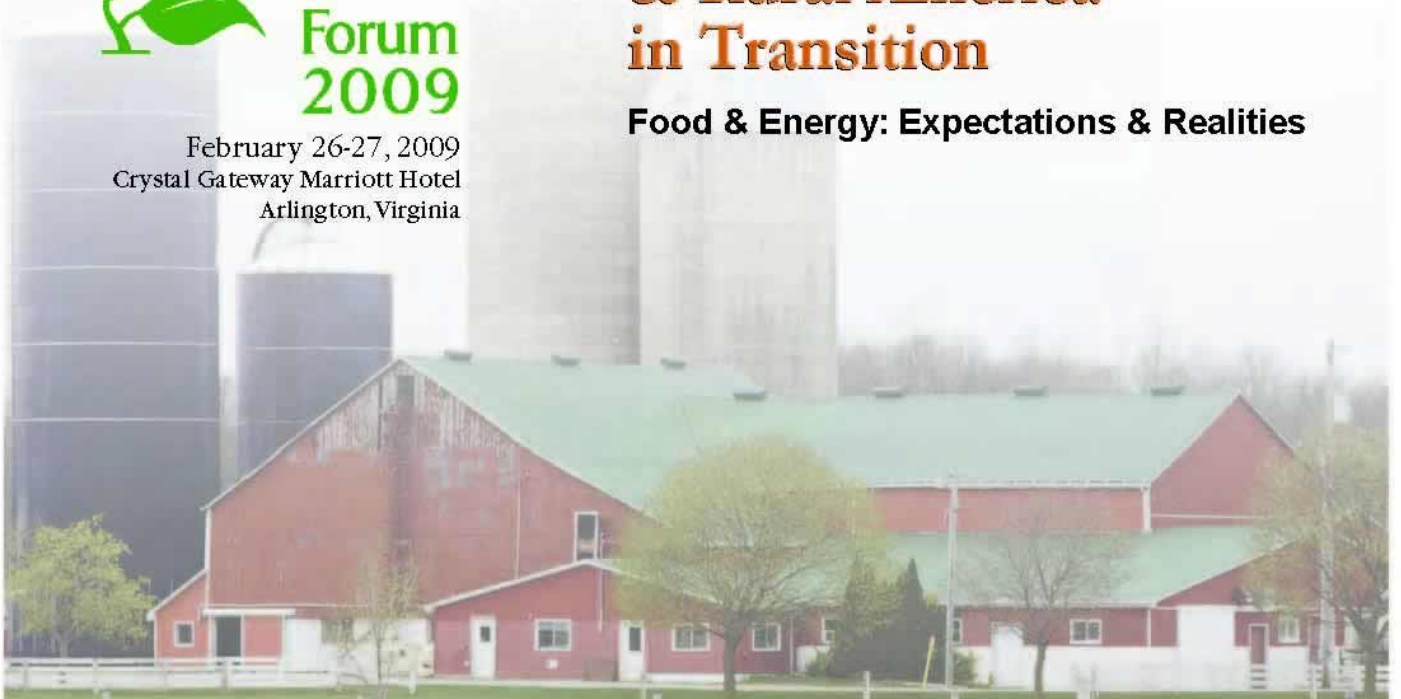


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Data

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>
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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	64.7	64.1	41.7	574	2,676	10	3,260	1,801	1,161	92	3,054	205
2008/09 ²	75.9	74.4	39.3	205	2,921	7	3,133	1,715	1,050	163	2,928	205
2007/08												
September						0.4		147.3	62.0			
October						0.6		163.7	138.6			
November						0.6		156.3	127.4			
Sep-Nov				573.8	2,675.8	1.6	3,251.2	467.4	328.1	123.9	919.3	2,331.9
December						1.0		164.1	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	468.9	426.7	6.0	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						0.8		139.3	50.6			
August						0.5		128.7	44.1			
Jun-Aug				676.1		2.3	678.5	409.0	157.3	(92.9)	473.4	205.0
Total						9.9		1,801.3	1,161.0	92.2	3,054.5	
2008/09												
September				205.0		0.4		125.7	36.0			
October ¹						1.3		149.7	178.1			
Total to date						1.7		275.5	214.1			

¹ Estimated. ² Forecast. NA=Not available.

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	43,054	156	43,524	34,374	8,804	43,178	346
2007/08 ¹	346	42,242	141	42,729	33,155	9,280	42,435	294
2008/09 ²	294	40,741	165	41,200	32,500	8,400	40,900	300
2007/08								
October	346.0	3,870.8	12.4	4,229.2	3,206.8	709.1	3,915.9	313.3
November	313.3	3,711.6	12.1	4,037.1	2,840.1	902.2	3,742.3	294.8
December	294.8	3,889.0	11.0	4,194.8	3,009.8	762.9	3,772.7	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	3,424.7	11.9	3,725.1	2,498.8	890.5	3,389.3	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	424.3	3,316.9	9.9	3,751.1	2,673.0	778.8	3,451.8	299.3
August	299.3	3,053.0	11.0	3,363.3	2,367.9	580.1	2,948.0	415.3
September	415.3	2,996.9	12.6	3,424.8	2,573.0	557.9	3,130.9	293.9
Total		42,242.3	140.6	42,728.8	33,155.2	9,279.7	42,434.9	
2008/09								
October ¹	293.9	3,511.4	9.1	3,814.4	2,773.6	670.5	3,444.1	370.3

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					
	Beginning stocks	Production	Imports	Total	Domestic		Exports	Total	Ending stocks
					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	20,568	65	23,718	18,328	2,981	2,907	21,235	2,483
2008/09 ²	2,483	19,550	50	22,083	18,000	3,100	2,050	20,050	2,033
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	2,893.5	1,616.9	5.3	4,515.6	1,606.5	287.2	125.5	1,732.0	2,783.6
August	2,783.6	1,508.0	9.3	4,300.9	1,565.7	300.5	183.8	1,749.5	2,551.5
September	2,551.5	1,445.9	5.3	4,002.7	1,455.8	245.6	64.1	1,520.0	2,482.7
Total		20,567.6	64.8	23,717.7	18,327.5	2,981.2	2,907.5	21,235.0	
2008/09									
October ¹	2,482.7	1,713.2	5.3	4,201.2	1,659.1	262.7	138.1	1,797.2	2,404.0

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	4,628	50	5,321	2,600	350	2,042	4,992	329

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	1,262	1,324	1,149	119	1,268	55
2008/09 ²	55	0	1,195	1,251	1,091	110	1,201	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	0	856	956	623	186	809	147
2008/09 ²	147	0	820	967	751	131	882	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	61	3,464	5,692	2,585	513	471	603	4,172	1,520
2007/08 ¹	1,520	73	3,675	5,268	2,517	496	474	750	4,237	1,031
2008/09 ²	1,031	40	4,993	6,065	2,570	539	532	830	4,471	1,594

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	Cottonseed	Sunflower	Canola	Peanuts	Flaxseed
	\$/bu.	\$/ton	\$/cwt.	\$/cwt.	Cents/lb.	\$/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	10.10	162.00	21.70	18.30	20.50	13.00
2008/09 ¹	8.25-9.75	200-260	18.70-21.20	17.90-20.40	23.75-26.25	12.15-13.65
2007/08						
September	8.15	137.00	17.70	15.10	18.60	9.59
October	8.36	153.00	18.00	16.70	21.40	11.60
November	9.42	158.00	18.30	16.70	21.70	12.90
December	10.00	169.00	19.20	18.30	21.30	13.10
January	9.95	170.00	19.10	19.00	21.80	13.50
February	11.70	175.00	24.20	22.20	21.00	16.00
March	11.40	NA	25.90	26.40	20.70	17.50
April	12.00	NA	24.50	24.90	20.00	16.60
May	12.10	NA	27.40	25.30	20.40	16.90
June	13.10	NA	28.10	25.30	20.10	18.00
July	13.30	NA	28.40	26.20	21.10	18.10
August	12.80	NA	26.40	22.30	18.90	16.50
2008/09						
September	10.70	253.00	28.20	20.70	21.10	15.60
October	9.94	237.00	25.30	19.20	20.60	12.60
November ¹	9.20	223.00	21.70	18.80	20.60	10.90

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	52.03	73.56	91.15	65.64	94.53	69.37	40.85	41.68
2008/09 ¹	31.0-35.0	37.5-41.5	55.0-59.0	39.0-43.0	91.0-95.0	30.5-34.5	27.5-31.5	20.0-24.0
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	50.78	72.55	91.40	61.05	110.00	60.00	46.50	41.94
September	46.09	62.44	87.50	54.88	110.00	48.71	41.73	39.53
2008/09								
October	35.50	46.45	74.40	42.85	97.00	34.76	37.07	26.97
November ¹	31.55	37.38	54.00	39.83	90.00	31.06	26.40	18.13

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	173.50	133.01
2007/08	335.94	253.81	172.81	190.00	251.32	228.81
2008/09 ¹	240-300	210-270	130-190	80-140	180-240	140-200
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	355.35	290.00	156.25	NA	239.88	231.25
September	352.70	292.00	179.40	NA	220.42	200.00
2008/09						
October	260.66	238.75	161.13	NA	192.55	160.75
November ¹	267.37	225.00	146.88	NA	217.99	164.00

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.