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Oil Crops Outlook

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South American Crop Difficulties Boost Interest in U.S. Exports

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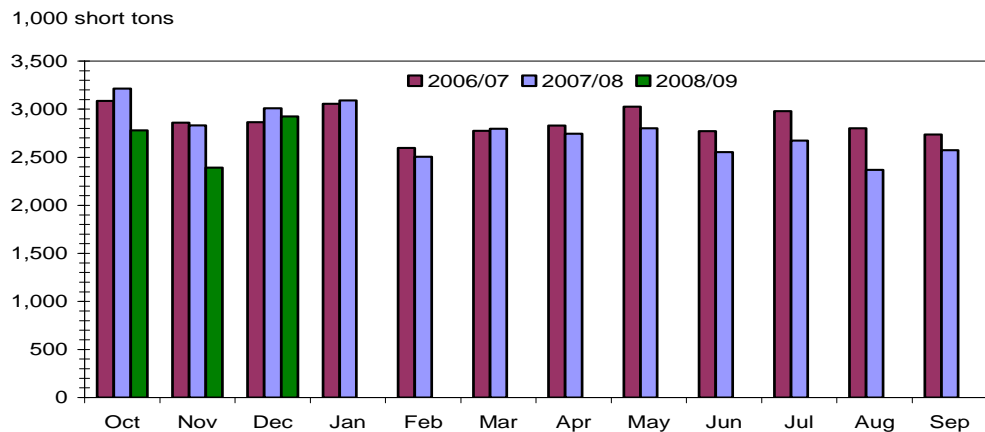
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This month, a strong sales pace led the U.S. Department of Agriculture (USDA) to raise its 2008/09 forecast of U.S. soybean exports by 50 million bushels to 1.15 billion. In contrast, domestic soybean crush for the year was forecast 35 million bushels lower to 1.65 billion. Weakening feed use in all the livestock sectors reduced the 2008/09 forecast of domestic soybean meal use by 850,000 short tons to 30.75 million. A dimmer outlook for use in methyl esters (biodiesel) contributed to a reduction in the domestic consumption of soybean oil to 17.6 billion pounds.

For Argentina, a lower yield, combined with a reduction in soybean area, decreased the 2008/09 production forecast from 49.5 million to 43.8 million metric tons. A lower supply cut the 2008/09 soybean crush forecast by 1.9 million tons this month to 33.7 million while expected exports dropped 1.7 million tons to 12.7 million. Excessively dry conditions in southern Brazil also subtracted 2 million tons from that country's 2008/09 production estimate to 57 million.

Figure 1
Domestic use of soybean meal still on a declining trend



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

Domestic Outlook

Lighter Competition From Foreign Exports Pushes U.S. Soybean Prices Higher

Disappointing soybean crops in South America will likely lead to marketing delays this year as producers wait for higher prices to offset their yield losses. Thus, importers worried about being able to cover their near-term needs are increasing purchases from the United States. In January, with U.S. shipments of soybeans already on a record pace, export sales were accelerating again. USDA raised its forecast of 2008/09 soybean exports this month by 50 million bushels to 1.15 billion. If realized, the export total would fall just shy of last year's record 1.161 billion bushels.

This robust export demand is in stark contrast to the lethargic domestic market. One indicator of the disparity is an uncommonly large difference between soybean prices at Gulf ports (January average at \$10.68 per bushel) and Illinois processors (\$9.91). The trend continued through December 2008, when for the seventh consecutive month, the domestic soybean crush was below the previous December. For September-December 2008, the cumulative soybean crush was down 11 percent from a year earlier to 561.8 million bushels. The 2008/09 forecast of the domestic soybean crush was reduced 35 million bushels this month to 1.65 billion.

This month's bigger increase in soybean exports (compared to the reduction in domestic crush) lowers the expected season-ending stocks to 210 million bushels. Magnifying the price impact of this tightening is the likelihood of leaner soybean stocks in other countries. Cash prices in many parts of the country are approaching \$10 per bushel again. A stronger price outlook raises the forecast of the 2008/09 U.S. average farm price by 25 cents to \$8.75-\$9.75 per bushel.

Faltering Use of Soybean Oil Counters Price Strength in Soybean Meal

For almost a year, the domestic market for soybean meal (and the primary concern of U.S. soybean processors) has been weakening due to low feed use in all the livestock sectors. In just the first quarter of 2008/09 alone, consumption of soybean meal was already lagging nearly 1 million short tons (10 percent) behind last year's pace. That gap may widen for several more months before it stabilizes. Domestic disappearance of soybean meal for 2008/09 is forecast at 30.75 million short tons. The new forecast is 850,000 tons lower than the January forecast and 7 percent below the 2007/08 total (33.2 million short tons).

Although prices for soybean meal have been rising lately, it is more on account of a worse supply outlook than any recovery in demand. In January, soybean meal prices averaged \$307 per short ton, up from \$268 the previous month. USDA altered its forecast of the 2008/09 average price to \$265-\$305 per short ton from \$250-\$310 previously.

Yet, rising values for soybean meal have not been enough to offset a decline in soybean oil prices. Supply losses in South America are definitely supporting markets for protein meal, but for soybean oil the price response is less noticeable. Amid a comparatively ample global supply of competing vegetable oils, lackluster

demand for soybean oil is suppressing further price increases. In January, the central Illinois price for soybean oil rose above 32 cents per pound versus the December average of 29.3 cents. The price strength was for the first half of January, however, as daily values for early February have again retreated below 30 cents per pound. The season-average price was forecast lower this month to 31-34 cents per pound from 32-35 cents previously.

Current use of soybean oil is falling faster than its production is declining. December-ending stocks of soybean oil rose to 2.66 billion pounds from 2.54 billion in November. In particular, there are more pessimistic prospects for U.S. exports of soybean oil. Through January 29, U.S. export sales commitments were down nearly 60 percent from a year ago. Sales to North Africa, which surged in 2007/08, are off sharply this year. The region is substituting considerably more imports of sunflowerseed oil from Ukraine. Soybean oil imports by Mexico (customarily the top market for U.S. exports) are also quite weak. U.S. soybean oil exports for 2008/09 are forecast 250 million pounds lower this month to 1.5 billion and almost half of last year's 2.9 billion pounds.

Likewise, 2008/09 domestic consumption of soybean oil is forecast 250 million pounds lower this month to 17.6 billion. A dimmer outlook for use in methyl esters (biodiesel) reduced the total by 200 million pounds to 2.9 billion pounds and below the 2007/08 use of 2.981 billion. Both economics and policy are working against U.S. commerce in biodiesel. Despite lower costs for soybean oil, the decline in diesel fuel prices has been even steeper, urging producers to substitute cheaper feedstocks such as tallow. Industry overcapacity also has kept feedstock costs up at a generally unprofitable level.

In October, the President signed an emergency economic stabilization act including a provision that biodiesel produced outside of the United States and for use outside the country did not qualify for the \$1-per-gallon Federal blending credit. The provision was made retroactive to May 15, 2008, which may have created financial losses for a number of interim shipments. Disregarding the re-exports of imported biodiesel, the best market for U.S. producers is still overseas.

A new threat to U.S. biodiesel exports is arising from barriers in the principal markets of Europe. One example is Germany--home to Europe's largest biodiesel industry. Due to declining tax breaks and rising pressure from imports, Germany's biodiesel sector is currently operating well under capacity. In October, the country's parliament drafted legislation easing the required use of biofuels in 2009 and a scheduled rise in their tax rates. The law also included a requirement for "sustainability" in biofuels, a subjective concept but one generally intended to advance a long-term stability in economic, environmental, and social systems. Full implementation of the law is pending because the regulatory definitions have not yet been published in the country's official federal registry. Once that occurs, the law would disqualify biofuels that are not certified for sustainability (however the regulations may ultimately define that) from any German tax benefits and use mandates. Until detailed criteria for sustainability are published, any biodiesel made from soybean oil and palm oil would be denied from counting toward Germany's biofuel mandate or any other tax benefits. Since the adoption of this exclusion in October, the uncertainties of its application has slowed the use of biodiesel made from soybean oil.

Last month, however, the European Commission exercised its powers regarding trade matters by suspending Germany's sustainability provisions through October 2009, pending further analysis of its conformance with EU policy. Another provision of the German law remains intact, though, which also denies benefits to any biofuel that has already received a subsidy from a foreign government. By itself, application of this provision to the U.S. blending credit would effectively block U.S. biodiesel exports (regardless of the feedstock used) to a key market.

Argentine Crops Slashed by Extreme Drought

For months, most of Argentina has suffered through drought on an historic scale. In addition, spells of high temperatures hastened the evaporation of soil moisture. There was a small break to that pattern in late January and early February, when rain showers returned to drought-stricken Santa Fe and Entre Rios. But, by no means have they ended the drought nor prevented losses of crop yield. A key exception to the poor rainfall is the western province of Cordoba, where crops are in generally good condition.

The recent rains stabilized crop conditions and were enough to encourage some late planting. Sown area for soybeans is currently figured at 17.8 million hectares, although well below its potential had the rain come earlier. Over the next 2 months, rates of abandonment will be determined by the amount of rain that falls. February and March are a critical period for soybean development, as most fields will progress from flowering into the setting of pods. Assuming that the precipitation does not fail completely, a typical abandonment rate suggests a harvested area of 17.5 million hectares--500,000 below the previous estimate. Expected soybean yields are lowered 9 percent this month to 2.5 metric tons per hectare, which would be the lowest yield in 5 years. Aside from the drought damage, the later-sown crops are also more at risk from frost damage. The first frost dates normally start in May for southern Argentina and move into northern areas by the first of June. Coupling a lower yield with a reduction in soybean area decreased the 2008/09 production forecast for Argentina from 49.5 million to 43.8 million metric tons.

Soybean supplies in Argentina would be further constrained by a poor crop in Paraguay, which was forecast down 1.6 million tons this month to 4 million. Argentine processors along the Parana River have relied on imports from Paraguay to supplement their needs. Imports of soybeans into Argentina in 2008/09 are expected to decline to 1.9 million tons from nearly 3 million in 2007/08. A likely lower supply cut the 2008/09 soybean crush forecast by 1.9 million tons this month to 33.7 million and below the 34.6 million processed in 2007/08. Higher prices are expected to slow the consumption and imports of soybean meal in the EU (the top destination for Argentine exports).

However, the largest impact of Argentina's shortfall in soybeans may fall on its exports and ending stocks. In 2008/09, soybean exports could drop to 12.7 million tons, down from 13.8 million last year. Despite a relatively large carryin from last year's crop, carryout stocks for 2008/09 are expected to shrink considerably (to 19.5 million tons).

Harvesting of sunflowerseed in Argentina is now up to 13 percent complete, so there is more conclusive evidence of the drought's damage to that crop. Sunflower area was already down as very dry soils over the final months of 2008 prevented planting. The province of Buenos Aires comprises about half of the total sunflower area. Since the start of the planting season in September, Buenos Aires crops have been devastated by precipitation half of its usual amount. Sunflowerseed yields are low and the abandonment of area this year may be unusually large. The other half of the country's sunflower area has not fared much better. Argentine sunflowerseed output for 2008/09 was estimated 17 percent lower this month to 3 million tons,

ranking it as the country's smallest in 21 years. As a result, Argentine crushers are projected to use only 3.6 million tons of sunflowerseed--700,000 less than the previous forecast. Argentine shortfalls in exports of sunflowerseed oil and sunflowerseed meal are expected to moderate imports by European countries.

Dry Spell Trims Brazil Soybean Output

Brazil's economic conditions are largely responsible for lower soybean production this year, but adverse weather has also added to some farmers' woes. A lower soybean yield this month subtracted 2 million tons from the 2008/09 production estimate in Brazil to 57 million. Although not on the scale of Argentina's drought, southern Brazil had a November-December rainfall that was well below average. Better rains in January helped to restore soil moisture for the region, but the earlier dryness was detrimental for soybean yields in Parana and Mato Grosso do Sul. Generally favorable weather prevailed for the upper part of the country's soybean-growing region. Soybean harvesting is at an early stage in Brazil.

A smaller harvest is expected to restrict Brazil's soybean exports in 2008/09 to 24.9 million tons--350,000 tons below the previous forecast. Processors will also have to make do with a leaner supply. Use for crushing is forecast 300,000 tons lower to 31.2 million and below the 31.9 million tons used in 2007/08. As in Argentina, soybean stocks in Brazil should decline more quickly this year.

Oilseed Harvests Excel in India

Bumper crops of oilseeds in India provide a small offset to the sharp decline of soybean production in South America. Encouraged by high prices in 2008, Indian farmers expanded their cultivation of oilseeds. This month, the country's total production of oilseeds in 2008/09 is seen 1.6 million tons higher to a record 35.5 million. For soybeans, India's 2008 harvest is estimated 300,000 tons higher this month to a record 10 million tons, powered by a record area and near-record yield. Crushing all of the increase could add 250,000 tons of soybean meal, most of which will be exported. Since October, India's soybean meal exports have set off onto a record pace and are now expected to total 5.05 million tons. Peanut production in India was estimated 524,000 tons higher this month to 7.1 million, based largely on an upward revision in area data (6.85 million hectares).

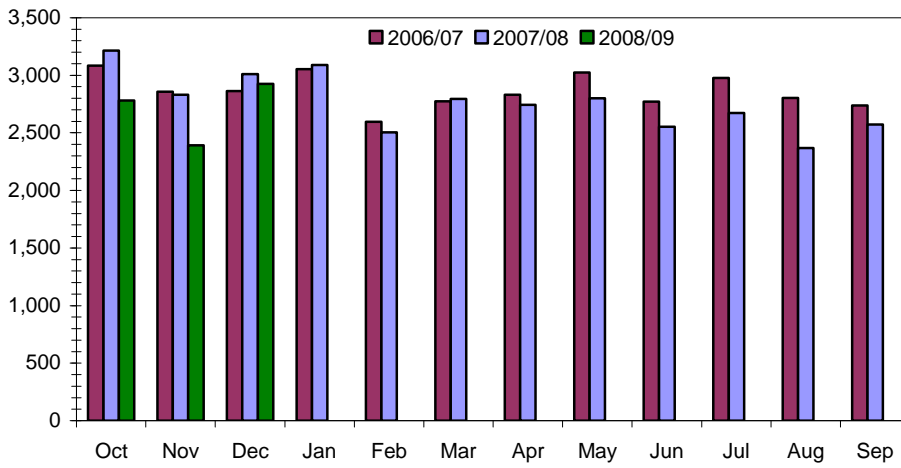
While both of these oilseeds were harvested months ago, the Indian rapeseed harvest is just about to start. The area estimate for rapeseed was raised to 7 million hectares—a 23-percent increase over last year. As a result, 2008/09 rapeseed output is seen 780,000 tons higher to 6.58 million.

Far from self-sufficient in its supply of vegetable oils, India must import not quite half of its annual consumption. However, imports would be moderated by the gains in domestic vegetable oil produced from all of these crops. Palm oil imports for 2008/09 are forecast 100,000 tons lower this month to 4.8 million

Figure 1

Domestic use of soybean meal still on a declining trend

1,000 short tons



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

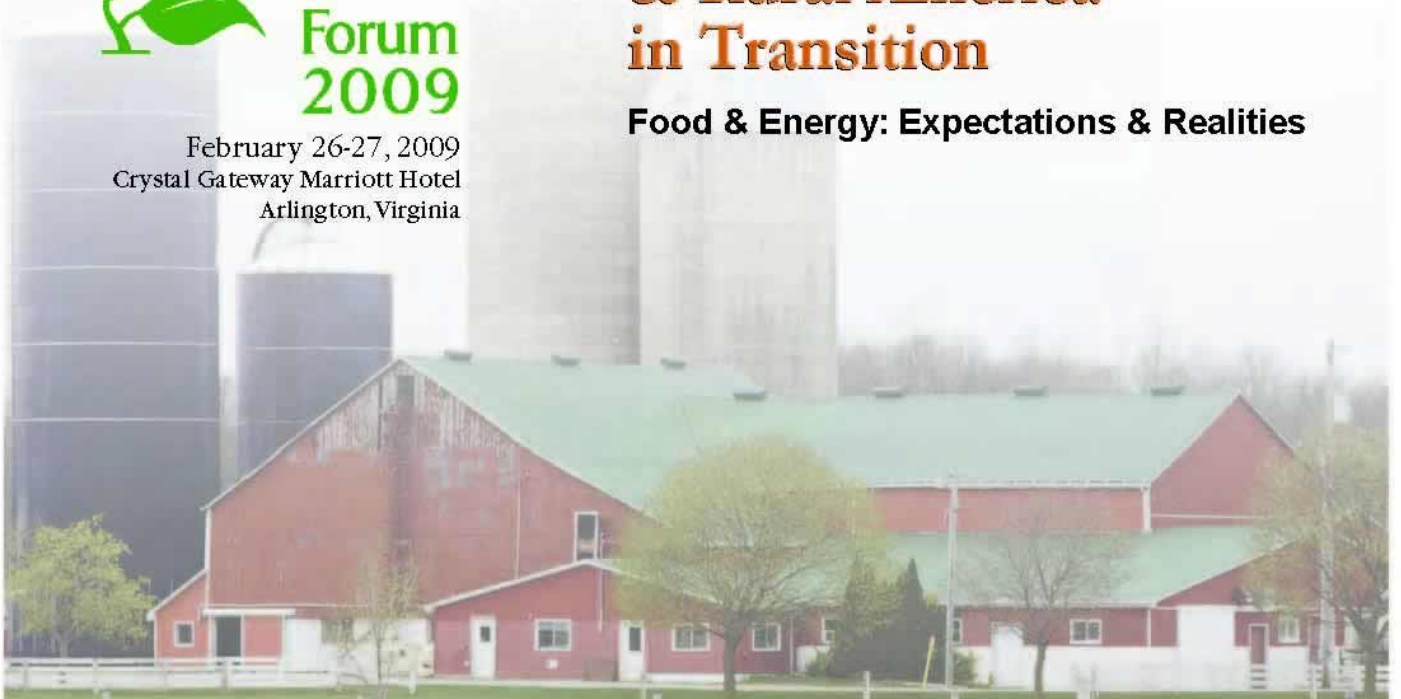


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Recent Reports

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	42.9	449	3,197	9	3,655	1,808	1,116	157	3,081	574
2007/08 ¹	64.7	64.1	41.7	574	2,677	10	3,261	1,801	1,161	93	3,056	205
2008/09 ²	75.7	74.6	39.6	205	2,959	9	3,173	1,650	1,150	163	2,963	210
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	2,677.1	1.6	3,252.5	467.4	328.1	96.7	892.1	2,360.4
December						1.0		164.1	146.0			
January						1.5		160.5	140.9			
February						1.3		144.4	139.8			
Dec-Feb				2,360.4	---	3.7	2,364.1	468.9	426.7	34.5	930.1	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	93.4	3,055.8	
2008/09												
September						0.4		125.7	36.0			
October						1.3		150.1	178.1			
November						1.1		144.7	173.5			
Sep-Nov				205.0	2,959.2	2.8	3,167.0	420.4	387.6	83.3	891.4	2,275.6
December ¹						0.9		141.4	170.8			
Total to date ¹						3.7		561.8	558.5			

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	38,991	165	39,450	30,750	8,400	39,150	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	293.9	3,520.1	9.1	3,823.1	2,780.5	670.5	3,451.0	372.1
November	372.1	3,412.8	8.0	3,792.9	2,393.6	799.5	3,193.1	599.8
December ¹	599.8	3,346.6	9.9	3,956.3	2,921.5	619.2	3,540.7	415.5
Total to date ¹		10,279.5	27.0	10,600.4	8,095.6	2,089.3	10,184.8	

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			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	20,568	65	23,718	18,328	2,981	2,907	21,235	2,483
2008/09 ²	2,483	18,810	50	21,343	17,600	2,900	1,500	19,100	2,243
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	2,482.7	1,716.4	5.3	4,204.4	1,675.1	262.7	138.1	1,813.2	2,391.2
November	2,391.2	1,623.3	10.0	4,024.6	1,386.8	234.5	102.4	1,489.2	2,535.4
December ¹	2,535.4	1,598.0	3.3	4,136.7	1,357.3	194.4	119.9	1,477.2	2,659.5
Total to date		4,937.7	18.7	7,439.1	4,419.2	691.6	360.4	4,779.6	

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	4,429	50	5,122	2,400	350	2,042	4,792	330

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	1,105	1,161	1,001	110	1,111	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	755	902	686	131	817	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	3,672	5,265	2,517	496	471	750	4,234	1,031
2008/09 ²	1,031	40	5,148	6,219	2,590	496	543	830	4,459	1,760

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	8.75-9.75	220-280	19.55-21.15	18.35-19.95	23.7-25.3	12.65-13.65
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	9.38	223.00	23.60	17.00	20.10	13.00
December	9.24	220.00	22.30	18.30	21.70	11.20
January ¹	9.92	214.00	19.20	17.00	23.30	10.50

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	52.03	73.56	91.15	65.64	94.53	69.37	40.85	41.68
2008/09 ¹	31.0-34.0	37.0-40.0	45.0-48.0	39.0-42.0	87.0-90.0	29.0-32.0	26.0-29.0	20.5-23.5
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	31.55	37.38	54.00	39.83	90.00	31.06	26.40	18.13
December	29.30	32.88	42.50	37.19	85.25	26.88	20.00	17.50
January ¹	32.16	36.19	41.75	39.44	80.13	25.19	25.36	23.36

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
\$/Short ton						
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	265-305	220-260	145-185	105-145	220-260	165-205
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	267.37	225.00	146.88	NA	217.99	164.00
December	268.24	229.50	150.00	NA	228.62	189.60
January ¹	306.85	237.50	164.38	NA	279.23	248.75

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.