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Oil Crops Outlook

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Soybean Market Likely to Ease in 2009/10 After Output Increases

Contents

[Domestic Outlook](#)
[Intl. Outlook](#)
[Contacts & Links](#)

Tables

[Soybean S&D](#)
[Soybean Meal](#)
[Soybean Oil](#)
[Cottonseed](#)
[Cottonseed Meal](#)
[Cottonseed Oil](#)
[Peanuts](#)
[Oilseed Prices](#)
[Veg. Oil Prices](#)
[Oilseed Meal](#)
[Prices](#)

Web Sites

[WASDE](#)
[Oilseed Circular](#)
[Soybeans & Oil Crops](#)
[Briefing Room](#)

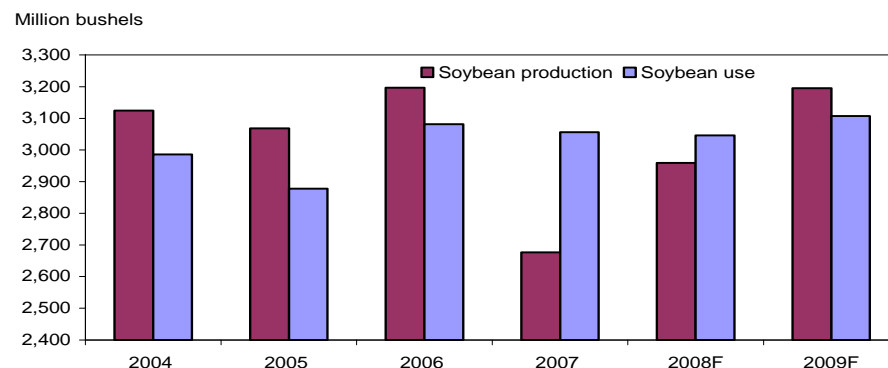
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Approved by the
World Agricultural
Outlook Board.

The total U.S. supply of soybeans for 2009/10 could increase by 161 million bushels based on a projected increase in production to 3.195 billion bushels. Domestic soybean crushing is projected to rise 2 percent in 2009/10 to 1.675 billion bushels, while soybean exports may edge up from 1.24 billion bushels to a record 1.26 billion. Despite a firming of soybean demand, a larger gain in supply raises the forecast of 2009/10 ending stocks to 230 million bushels from 130 million this year. Provided normal yields this fall help to ease the currently tightening supply, soybean prices in 2009/10 could soften to \$8.45-\$10.45 per bushel, compared to the 2008/09 average at \$9.85 per bushel.

For 2009/10, USDA projects global production of soybeans to grow 14 percent to 241.7 million metric tons. A majority of the increase is likely to occur outside of the United States, with production rebounding in Brazil from 57 million to 60 million tons and in Argentina from 34 million to 51 million tons. Projected growth in China's 2009/10 soybean imports—compared with 38.1 million tons from 37.5 million in 2008/09—is limited by a high level of carryover stocks.

Figure 1
Increase in the 2009 U.S. soybean crop may exceed the gain in its use



Sources: *Agricultural Production*, National Agricultural Statistics Service and *World Agricultural Supply and Demand Estimate*, World Agricultural Outlook Board, USDA.

Domestic Outlook

Better U.S. Soybean Crop in 2009/10 Would Support Moderate Gains in Demand

U.S. production of soybeans in 2009 is projected at 3.195 billion bushels. This would be 236 million bushels higher than last year's crop and just 2 million below the 2006 record. Most of the production increase can be attributed to a recovery in the soybean yield to a long-term trend of 42.6 bushels per acre, although slightly higher planting intentions may increase acreage to a record 76 million acres. But, as a result of the increased foreign and domestic demand in 2008/09, U.S. carryover stocks of soybeans are expected to shrink to a 5-year low of 130 million bushels. The total supply of soybeans for 2009/10 could increase by 161 million bushels from the current year.

Soybean demand in 2008/09 was forecast up this month as U.S. exports were raised 30 million bushels to 1.24 billion. Through May 7, export inspections for soybeans were a remarkable 94 million bushels ahead of last year's record pace. A seasonal slowdown is underway for U.S. soybean exports, yet the decline has been quite gradual, largely due to continued trade with China. Despite a drop in Brazil's soybean export prices below U.S. values, demand from Asia persists as recent rate increases for ocean freight have preserved the competitiveness of U.S. exports. But for 2009/10, a moderate increase in the soybean supply will limit U.S. export gains. Also, soybean exports from competitors may recover most of next year's modest international growth in imports. U.S. soybean exports for 2009/10 may edge up to 1.26 billion bushels.

Domestic crush margins are also being revitalized by resurgent export demand for soybean meal and soybean oil. The weak competition from soybean crushers in Argentina and India is creating more sales opportunities for U.S. processors. USDA revised up the 2008/09 soybean crush forecast this month by 5 million bushels to 1.64 billion.

A brighter outlook should follow the dismal performance of domestic soybean processors in 2008/09. In 2009/10, soybean crushing is projected to rise 2 percent to 1.675 billion bushels. Next year's growth is based partly on a 1-percent increase in domestic consumption of soybean meal (to 30.8 million short tons) that is related to recovering production for poultry and hogs. This year, in contrast, U.S. soybean meal use is expected to fall sharply (by 8 percent to 30.4 million tons). Soybean meal exports are projected increasing to 9.2 million tons in 2009/10 from 8.6 million this year. Despite a firming of soybean demand in 2009/10, a larger gain in supply raises the forecast of U.S. ending stocks to 230 million bushels.

Since USDA's release of the planting intentions report on March 31, soybean prices have advanced strongly to a 7-month high. Throughout the country, cash prices in early May have topped \$11.25 per bushel. However, a cool and wet spring across the Midwest has greatly slowed sowing progress for corn, which by May 10 was 48 percent planted compared to the 5-year average of 71 percent. In the Northern Plains, planting of spring wheat is also lagging a few weeks behind, with 35 percent sown versus 78 percent on average. For soybeans, 14 percent of the U.S. crop was planted compared to 25 percent on average. If the delays in grain planting persist for several more weeks, it could add to the soybean acreage and temper its price

increase. Normal yields in the fall would further ease the 2009/10 supply situation, and soften prices to \$8.45-\$10.45 per bushel, compared with the 2008/09 average at \$9.85 per bushel. Likewise, the 2009/10 average price for soybean meal is seen moderating to \$260-\$320 per short ton, versus \$305 for the current marketing year.

Stronger Export Outlook Boosts Soybean Oil Prices

Over the past 6 weeks, there was a sudden surge in U.S. sales and shipments of soybean oil. India, in particular, bought a large amount of U.S. soybean oil because of fewer supplies from Argentina and a disappointing domestic output. Also contributing to a shift in India's imports is the rising cost of palm oil. This month, USDA raised its 2008/09 export forecast for soybean oil by 400 million pounds to 2 billion. Continued strength in the export market for soybean oil is expected through 2009/10, with U.S. exports projected rising to 2.75 billion pounds.

In April, soybean oil prices strengthened considerably due to rising demand from the export market. The April average price swelled to 32.8 cents per pound from 28.2 cents in March. The impact is significant enough to raise the forecast of the 2008/09 average price to 32.5 cents per pound. For 2009/10, larger gains in demand relative to the supply are seen boosting the season-average soybean oil price to 32.5-36.5 cents per pound.

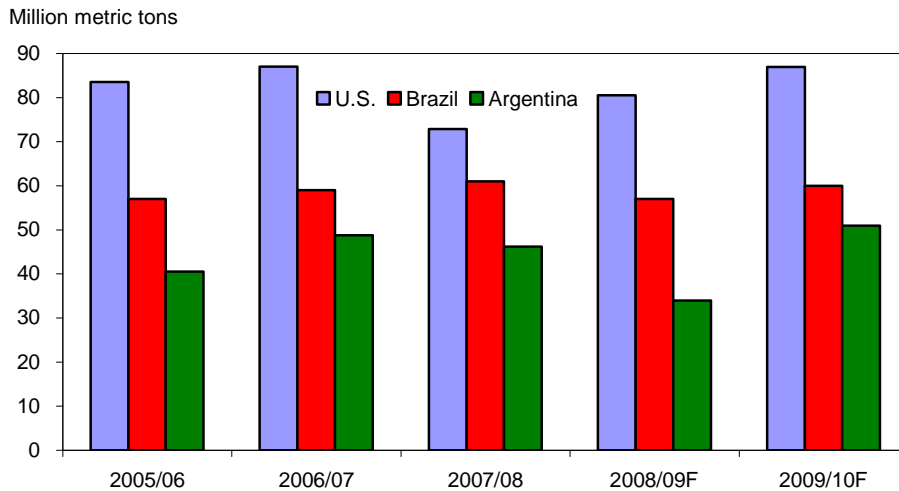
The export-related increase in soybean oil prices is not welcome news for domestic biodiesel producers, though. With market prices for soybean oil on the rise and diesel prices stable around \$2.20 per gallon, many biodiesel producers are unable to make a profit. For the time being, the U.S. export market for biodiesel is paralyzed by higher feedstock costs and steep European import duties. In March, U.S. biodiesel exports fell to a 25-month low. For January-March 2009, domestic use of soybean oil for methyl esters (biodiesel) fell below half of its volume a year earlier. Soybean oil use for methyl esters in 2008/09 was forecast down by 300 million pounds this month to 1.9 billion—well below the 2007/08 use of nearly 3 billion pounds. Any growth in next year's consumption of soybean oil for biodiesel hinges largely on meeting higher requirements for domestic use. As the pressure mounts on fuel suppliers to meet the 2010 blending requirement for biodiesel, an increase in that market's 2009/10 soybean oil demand--to 2.2 billion pounds--may be possible.

Total domestic use of soybean oil is expected to increase only 200 million pounds in 2009/10, compared with 16.7 billion, as its edible use is still declining. Although edible consumption for all vegetable oils is likely to rebound in 2009/10, soybean oil may contribute none of the increase. Compared with 5 years ago, edible consumption of soybean oil this year could be 2.4 billion pounds lower. Rising U.S. imports of canola oil and palm oil are making up much of the difference.

International Outlook

Figure 2

Soybean production by major exporters to recover in 2009/10



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

World Soybean Output in 2009/10 Expected To Rebound on Better U.S., South American Crops

Offsetting expected output declines in 2009/10 for rapeseed, sunflowerseed, cottonseed, peanuts, and soybeans could account for the entire increase (25.9 million tons) in global oilseeds production. For 2009/10, USDA projects global production of soybeans to grow 14 percent to 241.7 million metric tons, with a majority of the increase likely to occur outside of the United States. However, minor gains are seen next year in the international trade of soybeans and soybean meal, as the primary consumption increases would occur in countries that make their own supply. And a substantial portion of the higher soybean output may be used to restore a more comfortable level of carryout stocks.

In Brazil, there is still difficulty in obtaining agricultural credit, although the strengthening of soybean markets is an encouraging development. For 2009/10, a modest expansion in the country's soybean area is projected (up 3 percent to 22 million hectares). Assuming that soybean yields return to the long-term trend in Brazil, production could rebound to 60 million tons. The 2008/09 soybean crop is almost entirely harvested by now and estimated at 57 million tons.

In April, soybean exports from Brazil set a monthly record. The brisk pace prompted an increase of the 2008/09 export forecast to a record 26.3 million tons. But, by the end of 2009 (when domestic stocks will start to taper off and U.S. exports predominate), soybean exports from Brazil will begin to slow. In 2009/10, Brazil's foreign trade in soybeans is projected to decline to 24 million tons. After Brazil's new-crop harvest, exports should lag this year's trade due to a likely resurgence in Argentina's exports next year.

Argentina's next soybean crop should recover strongly from this year's historic drought, provided that climatic conditions normalize by the end of 2009. With more than three-fourths of the country's 2008/09 soybean crop harvested, the apparent yield devastation led to this month's downward revision by 5 million tons to 34 million. Many of the late-sown soybeans (planted in late January following a too brief respite from drought) failed to receive even half of the usual March-April rainfall. If the drought lingers into mid-June, it could push down planting of winter wheat to a 40-year low, making more cropland available in 2009/10 on which to sow first-crop soybeans. Argentine soybean production in 2009/10 is projected to improve to 51 million tons. The projection is based on an increase in harvested area to a record 18 million hectares and a yield average that is nearly 40 percent above this year's yield.

This year's poor harvest will curb Argentine exports of soybeans and soybean meal for the rest of this year and into 2009/10. Argentine soybean trade is forecast to fall sharply in 2008/09 to 7.4 million tons (from 13.8 million in 2007/08) and may rebound no higher than 9.4 million tons next year. While the decline in soybean meal exports may not be as bad as for soybeans this year, they could still fall by 8 percent to 24.6 million tons. In 2009/10, projected soybean meal exports of 26.6 million tons may not even exceed the amount shipped in 2007/08.

As in Argentina, this year's drought-reduced soybean harvest in Paraguay (3.8 million tons) is likely to rebound in 2009/10 to 5.75 million tons on 2.55 million hectares. For Paraguay, the world's fourth-largest soybean exporter, the lower 2008/09 output is expected to cut shipments to 2.3 million tons. The 2009/10 production increase would mostly help revive soybean exports to nearly 4 million tons. Whether that export trade flows into Argentina or out to other importing countries depends on a reversal of Argentina's export tax policy with respect to products made from imported soybeans.

Moderate increases are likely for Indian soybean area in 2009/10 due to the pressure on farm prices exerted by large imports of vegetable oil and a bumper domestic rapeseed crop. In 2009/10, Indian soybean growers are expected to raise area to 9.8 million hectares—up 2 percent after the previous year's 9-percent increase. Assuming a normal growing season, soybean production in India may improve to 10 million tons from 9.65 million last year. That could help raise soybean meal exports from India to 4.8 million tons from nearly 4 million in 2008/09.

In China, the 2009 soybean crop is expected to decline to 15.6 million tons from 16 million in 2008. Despite government programs in China designed to encourage soybean production, its area is forecast to fall 4 percent this year to 9.1 million hectares. Farmers may shift back more cropland into corn production because its likely returns are superior to soybeans.

The latest rally in soybean prices can be partly attributed to rapid imports by China, the world's top soybean-importing country. Its record high soybean imports this spring warrant an increase in the 2008/09 import forecast by 1.5 million tons to 37.5 million. But, the import surge by China is not due to any strong rise in market use, so domestic soybean stocks are accumulating. This glut of government reserve stocks will overshadow the domestic market.

Early this year, China's reserves system acquired the authority to purchase up to 6 million tons of soybeans (nearly 40 percent of the domestic harvest). The purchasing program was recently increased to 7.25 million tons and extended through the end of June. Despite soybean purchases by the reserve at above-market prices, it has still acquired only 5 million tons. Many farms in northeastern China still own unsold crops because of their poor condition, and delivery of these supplies to the reserve would encounter substantial quality discounts. The dilemma is that such sales now would only exacerbate financial losses by soybean growers following last summer's plunge in market prices. Meanwhile this spring, soybean processors have been importing cheaper foreign soybeans at a record pace, effectively locking the domestic stocks out of the current market. Only in the event of a strong rally in global prices might the soybean stocks in the reserve get released.

By the end of summer, soybean imports may fall off because the oversupply is eroding processing margins. Growth prospects for China's 2009/10 soybean trade are also limited, even with expectations for a smaller domestic crop and 6-percent growth in soybean meal consumption. In 2009/10, soybean imports by China are projected up modestly to 38.1 million tons.

In the European Union, the production of wheat (a widely used grain in livestock feed rations) is expected to decline from last year's record, but 2009/10 supplies will remain large. Wheat protein will continue to limit the feeding of soybean meal, which is projected to dip 0.4 percent to 32.6 million tons. Thus, EU-27 imports of soybeans for 2009/10 are projected down to 12.9 million tons from 13.1 million in 2008/09. That decline would offset a small increase in soybean meal imports to 23 million tons from 22.4 million in 2008/09.

Prospects for imports of soybeans and soybean meal by Mexico (a major U.S. market) in 2009/10 are also dim. The country's economy is enduring a steep recession—its worst since 1995. Any recovery next year could be gradual. Since September 2008, the peso has lost about a third of its value against the U.S. dollar. Falling incomes are causing consumption of meat and vegetable oil in the country to decline. Mexico's soybean imports, which in 2008/09 are estimated to fall 4.5 percent to 3.45 million tons, may rise to only 3.5 million tons in 2009/10. Mexico's soybean meal consumption in 2009/10 could grow by 3 percent, necessitating a small increase in soybean meal imports to 1.5 million tons.

Global Rapeseed Output to Shrink as 2009 Yields Retreat From 2008 Highs

Global production of rapeseed is forecast down 3 percent in 2009/10 to 56 million metric tons as lower yields more than offset increasing area. In the EU-27, the Black Sea region, and Canada, rapeseed yields are forecast to return to normal from last year's highs. Lower production and a strong crush pace may combine to shrink global rapeseed stocks from 6.3 million tons in 2008/09 to 4.5 million.

A slight increase in EU rapeseed production is forecast for 2009 due to an expected record area of 6.6 million hectares. EU rapeseed area expanded last fall at the expense of wheat, which had a greater decline in price than rapeseed. Germany accounts for a majority of this year's expansion of rapeseed area. Despite a

reduction from last year's high yields, EU rapeseed production in 2009 is projected up to 19.1 million tons from 19 million in 2008. Winterkill of the new crop was minimal, but the dry weather throughout northern Europe since April is a concern. EU processors are forecast to expand the use of rapeseed from 20.1 million tons in 2008/09 to 20.75 million in 2009/10. They can rely on the increases in domestic crops, large carryover stocks, and imports from Ukraine, Belarus, and Australia to boost output. Despite recent EU approval of all the biotech varieties of canola grown in Canada, large imports from Canada in 2009/10 are unlikely. Total rapeseed imports by the EU are expected at 2.25 million tons.

After last year's remarkable expansion, rapeseed harvested area in Russia, Ukraine, and Belarus is expected to be stable. Last year, rapeseed was the most profitable crop grown in the Black Sea region. Yield prospects for rapeseed this year look good, although below last year's record levels. Above-normal precipitation in March increased soil moisture reserves, and warm April temperatures allowed for early germination. Ukraine is expected to produce 2.2 million tons on 1.35 million hectares, while output in Russia is seen at 700,000 tons on 600,000 hectares and Belarus production would be 600,000 tons on 350,000 hectares.

Canadian canola production in 2009/10—at 10.3 million tons—is forecast 17 percent lower than last year. Based on the 2009 planting intentions report by Statistics Canada, canola area is expected to decline to 6 million hectares--7 percent below last year. This would be the first time since 2002 that the canola acreage in Canada has declined. However, very wet soils in Manitoba could delay the planting of spring wheat and encourage producers to switch to canola. Canadian crushing capacity is forecast to expand sharply this year as new plants in Saskatchewan (already engaged in signing purchase contracts with farmers) are completed. In contrast, exports of canola could slip to 6.5 million tons from 6.85 million in 2008/09. The potential reduction in exports can be partly attributed to greater competition from Australia, where an increase in 2009/10 canola exports from 900,000 tons to 1.1 million tons is forecast. The 9-percent increase in Australia's 2009/10 canola production (to 1.7 million tons) is based on higher area and yields. Canada's lower production and increased domestic crush capacity should help shrink its burdensome ending stocks from 2.5 million tons in 2008/09 to 1.1 million in 2009/10.

In China, rapeseed production for 2009/10 is forecast at 13 million metric tons, 1.2 million higher than last year's crop. This year's crop is maturing and harvest should be complete within a month. April was very wet in the Yangtze River Valley and continued rain could result in lower yields or a delayed harvest. In 2008, China's Government initiated a program to purchase rapeseed at above market prices and hold stocks to support farmer prices. If rapeseed prices in China increase above the 2008 support price, the Chinese domestic market could be very well supplied in 2009/10. Large domestic supplies are projected to sharply cut China's rapeseed imports from 1.8 million tons in 2008/09 to 950,000 tons for 2009/10.

Despite Smaller Global Output for Sunflowerseed, Stocks To Climb With Slowing Demand

Global sunflowerseed production is forecast at 31.9 million tons, 500,000 tons lower than last year's record. Lower yields (particularly for Russia, Ukraine, and the EU-27) would more than offset increases in area (mainly Argentina). Although global sunflowerseed crush in 2009/10 could match the previous year's record, its lack of growth may raise world sunflowerseed stocks to a record high 4 million tons.

Forecast sunflowerseed production in Russia (7 million tons), Ukraine (5.5 million), and the EU (6.7 million) would decline a collective 1.7 million tons from 2008. Early prospects for sunflowerseed yields in the EU and the Black Sea region look good, although not as high as last year when spring arrived a month early. In March, wet weather saturated soils, and warm, dry weather in April allowed for early planting in some regions. In the northern regions of the Volga and central districts of Russia, cold weather may have damaged some early plantings. In the short term, ample reserves of soil moisture should support crop development after the sharp decline in April rainfall. Another factor that may curtail sunflowerseed yields in Russia and Ukraine this year is a likely reduction in the amount and quality of crop inputs (due to tighter agricultural credit). Ukraine's smaller harvest could reduce sunflowerseed crushing from 5.7 million to 5.1 million tons. For the EU and Russia, an increase in beginning stocks from the previous year may enable a small expansion in the 2009/10 crush.

Argentine sunflowerseed production in 2009/10 is forecast recovering to 4 million tons after the 2008/09 crop of 2.5 million tons was devastated by drought. Provided that more normal moisture conditions return by September, Argentine sunflower area could rebound as much as 35 percent to 2.3 million hectares. If dry weather continues for another month and reduces wheat area in Argentina, even more cropland could shift into sunflowerseed production.

Global Production of Peanuts and Cottonseed May Dip in 2009/10

Global cottonseed output fell sharply last year due to poorer harvests in the United States, Brazil, India, and China. However, no recovery is expected for 2009/10 cottonseed production (declining to 41.2 million tons from 41.6 million). Global supplies of cotton are considered ample and current prices are well below last year's. Production gains for India, Australia, and the United States would be offset by reductions for China, Uzbekistan, and Turkey. China's cottonseed production is expected to decline 8 percent in 2009 to 12.9 million tons. The decline would stem from a 9-percent reduction in sown cotton area. Farm returns for growing cotton in China have slumped while grain prices have been more stable. In contrast, the comparative profitability of growing cotton in India is still good and farmers should continue expanding its area. India's cottonseed crop in 2009/10 is projected up to 10.65 million tons from 9.8 million this year. Harvests of Australian and U.S. cottonseed should improve with rebounding yields.

World production of peanuts may fall 2 percent in 2009/10 to 33.5 million tons, largely due to reduced crops in the United States and China. The 2009 peanut crop

in China is projected to drop 3 percent to 13.6 million tons based on a reduction in area from 4.2 million hectares to 4.1 million. India may offset some of the decline by boosting peanut production from 6.25 million to 7 million tons. For both China and India, domestic use comprises most of the total demand for peanuts.

Palm Oil's Primacy in World Vegetable Oil Market May Strengthen

Palm oil, soybean oil, and rapeseed oil will provide most of next year's global gains in vegetable oil production. Output of cottonseed oil is expected to decline while only marginal increases are seen for sunflowerseed oil, peanut oil, coconut oil, and olive oil. Production gains for vegetable oils are expected to exceed the growth in demand, allowing a potential increase in 2009/10 stocks. Prices for all oils (which are far more affordable than they were a year ago) may be less volatile than in 2008/09.

In 2009/10, world palm oil production is expected to rise 5 percent to nearly 45 million tons. Indonesia is likely to provide a majority of the gain by expanding output from 19.5 million tons to 20.75 million. Much of the remainder will be supplied by Malaysia—the second-largest producer—with a production gain from 17.7 million to 18.5 million tons. Indonesia, which 3 years ago overtook Malaysia as the biggest producer, is now also poised to challenge for the role of largest exporter. Palm oil exports from Indonesia are projected to increase to 15.5 million tons in 2009/10 from 14.65 million this year. A replanting scheme in Malaysia may prolong its tight supply of palm oil and slow the increase in 2009/10 exports to 15.7 million tons from 15.3 million in 2008/09. In April, Malaysian palm oil stocks dwindled to a 22-month low. Palm oil prices have since risen above \$600 per metric ton (compared with the November 2008 average of \$489), narrowing its discount relative to soybean oil.

In the past 6 years, EU use of rapeseed oil in biodiesel has accounted for a majority of the world's demand growth. For 2009/10, rapeseed oil consumption for EU biodiesel production is forecast to account for nearly half of the global consumption increase. EU demand for rapeseed oil may be supplied through increased domestic crush and higher rapeseed oil imports. In particular, the United Arab Emirates is anticipated to continue its expansion of rapeseed crush in order to supply the EU market. Little growth is likely for EU imports of soybean oil and sunflowerseed oil, though EU palm oil imports could rise by 5 percent to 4.5 million tons.

Global trade in sunflowerseed oil for 2009/10 should remain near a record level, with buyers in Northern Africa, the Middle East, and India importing significantly larger than normal quantities of oil. Although the EU is expected to reduce imports of sunflowerseed oil to 900,000 tons from 1 million tons in 2008/09, it will continue to be the world's largest market.

China's consumption of vegetable oil is expected to grow nearly 4 percent in 2009/10. Although a 1-percent decline in domestic oilseed output is projected, vegetable oil production will keep pace with demand through a 6-percent increase in crushing for soybeans and rapeseed. China's vegetable oil imports may top 9 million tons (versus 8.7 million this year). Palm oil would make up the main part of that import growth with an increase from 5.7 million tons to 6 million tons. China's

imports of soybean oil are also seen growing to 2.4 million tons from 2.27 million in 2008/09, while imports of rapeseed oil may be limited by a strong increase in domestic crush.

Although not entirely immune to the economic malaise spreading throughout much of the world, India still has one of the fastest growing economies. Indian vegetable oil consumption is forecast to rise 6 percent in 2009/10 to 14.1 million tons. By comparison, domestic oilseeds production may rise 6 percent to 36.5 million tons. Assuming the Government of India does not restore prohibitively high import tariffs, Indian vegetable oil imports may reach a record 6.6 million tons in 2009/10. Imports of crude soybean oil have accelerated since March, when the Government lowered the import tariff from 20 percent to zero. The current absence of a preferential duty for palm oil and its rising costs have contributed to the recent upsurge in soybean oil imports. The 2008/09 imports of soybean oil were forecast up to 800,000 tons this month and are expected to rise to 850,000 tons next year. Still, palm oil should account for the majority of India's total imports of vegetable oil. Palm oil imports in 2009/10 are projected at 5.3 million tons, compared with 5.2 million for 2008/09.

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Data

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Recent Reports

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decision makers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments <http://www.ers.usda.gov/publications/ERR12/>. See also *Farm Program Acres* for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped. <http://www.ers.usda.gov/data/baseacres/>

Related Websites

WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>
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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>								
2007/08	64.7	64.1	41.7	574	2,677	10	3,261	1,801	1,161	93	3,056	205
2008/09 ¹	75.7	74.6	39.6	205	2,959	12	3,176	1,640	1,240	166	3,046	130
2009/10 ²	76.0	75.0	42.6	130	3,195	12	3,337	1,675	1,260	172	3,107	230
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						0.9		141.3	170.8			
January						1.9		145.2	153.1			
February						1.8		135.4	162.1			
Dec-Feb				2,275.6	--	4.6	2,280.2	422.0	486.1	70.5	978.6	1,301.6
March ¹						1.7		144.7	101.7			
Total to date ¹						9.0		987.1	975.4			

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>								
2007/08	346	42,242	141	42,729	33,155	9,280	42,435	294
2008/09 ¹	294	38,866	140	39,300	30,400	8,600	39,000	300
2009/10 ²	300	39,835	165	40,300	30,800	9,200	40,000	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	599.8	3,345.6	9.9	3,955.3	2,922.2	619.2	3,541.4	413.9
January	413.9	3,439.8	6.6	3,860.4	2,517.8	894.6	3,412.4	448.0
February	448.0	3,203.7	5.9	3,657.6	2,501.1	719.3	3,220.4	437.2
March ¹	437.2	3,431.8	9.7	3,878.7	2,724.4	798.8	3,523.2	355.5
Total to date ¹		20,353.8	49.2	20,697.0	15,839.5	4,502.0	20,341.5	

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>									
2007/08	3,085	20,568	65	23,718	18,328	2,981	2,907	21,235	2,483
2008/09 ¹	2,483	18,645	75	21,203	16,500	1,900	2,000	18,500	2,703
2009/10 ²	2,703	19,045	85	21,833	16,700	2,200	2,750	19,450	2,383
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	2,535.4	1,597.4	3.3	4,136.1	1,371.1	194.8	119.9	1,491.0	2,645.2
January	2,645.2	1,615.6	9.2	4,270.0	1,265.3	121.0	96.4	1,361.6	2,908.3
February	2,908.3	1,536.5	10.1	4,454.9	1,286.4	140.5	145.9	1,432.3	3,022.7
March ¹	3,022.7	1,638.8	10.4	4,671.8	1,452.7	82.9	161.3	1,614.0	3,057.8
Total to date		9,728.0	48.4	12,259.1	8,437.4	1,036.4	763.9	9,201.3	

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>									
2007/08	489	6,589	3	7,080	2,706	599	3,132	6,437	643
2008/09 ¹	643	4,300	0	4,943	2,400	200	2,013	4,613	330
2009/10 ²	330	4,730	0	5,060	2,650	375	1,700	4,725	335

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>								
2007/08	62	0	1,262	1,324	1,149	119	1,268	55
2008/09 ¹	55	0	1,080	1,136	1,011	75	1,086	50
2009/10 ²	50	0	1,195	1,245	1,120	75	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>								
2007/08	99	0	856	956	623	186	809	147
2008/09 ¹	147	0	755	902	582	215	797	105
2009/10 ²	105	0	835	940	690	165	855	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>										
2007/08	1,520	73	3,672	5,265	2,517	496	471	750	4,234	1,031
2008/09 ¹	1,031	75	5,148	6,254	2,540	465	526	800	4,331	1,923
2009/10 ²	1,923	40	3,350	5,313	2,578	406	400	750	4,134	1,179

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.
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	9.85	230.00	22.65	19.00	23.60	13.15
2009/10 ¹	8.45-10.45	190-250	15.95-19.25	13.85-17.15	18.35-21.65	7.65-9.65
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	9.97	214.00	21.90	16.90	23.80	11.00
February	9.55	213.00	23.00	15.60	25.30	9.92
March	9.12	NA	22.60	15.40	25.40	9.29
April ¹	9.89	NA	21.90	14.80	25.50	8.80

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>								
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	69.40	40.85	41.68
2008/09 ¹	32.50	37.50	47.50	39.50	80.50	31.00	25.00	23.00
2009/10 ¹	32.5-36.5	37.5-41.5	47.5-51.5	39.5-43.5	82.5-86.5	32.5-36.5	28.5-32.5	27.5-31.5
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	75.25	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	32.16	35.70	41.60	38.80	79.10	25.19	25.36	23.36
February	28.93	33.19	40.00	35.66	75.00	29.05	20.31	21.40
March	28.23	32.63	42.50	35.38	62.50	29.64	19.49	19.42
April ¹	32.76	37.38	45.00	39.75	58.75	31.31	23.36	23.77

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>						
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	NA	251.32	228.81
2008/09 ¹	305.00	240.00	155.00	NA	240.00	220.00
2009/10 ¹	260-320	210-270	160-220	NA	215-275	190-250
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	306.85	237.50	164.38	NA	279.23	248.75
February	297.42	236.25	161.88	NA	243.30	270.00
March	292.22	213.00	134.38	NA	217.02	231.88
April ¹	324.27	212.50	130.00	NA	230.06	233.50

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.