



United States
Department
of Agriculture

OCS-11e

May 12, 2011



A Report from the Economic Research Service

www.ers.usda.gov

Oil Crops Outlook

Mark Ash

mash@ers.usda.gov

Cropland Competition With Grains and Cotton Curbs Soybean Supply Gains for 2011/12

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](#)

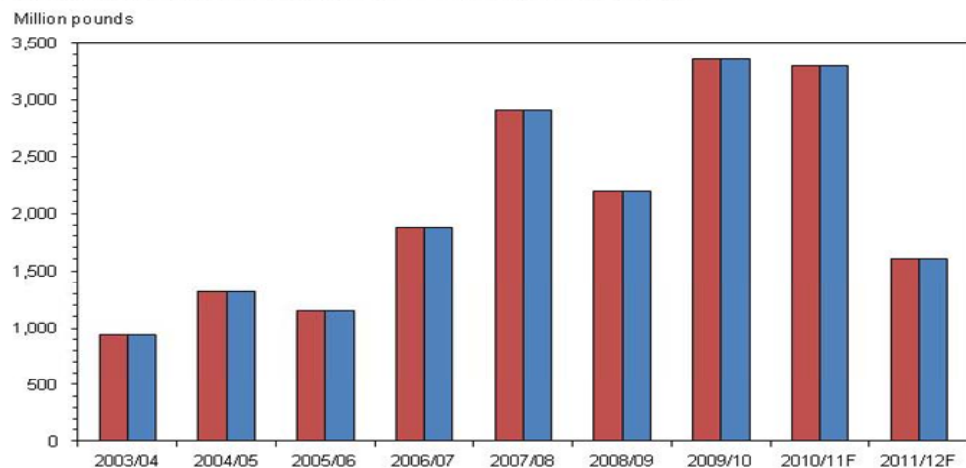
The next release is
June 10, 2011

Approved by the
World Agricultural
Outlook Board.

The U.S. soybean crop for 2011 is projected at 3.285 billion bushels, based on a harvested area estimate of 75.7 million acres and a long-term yield trend of 43.4 bushels per acre. A lower domestic supply and larger stocks in South America this fall could dampen U.S. soybean exports in 2011/12 to 1.54 billion bushels against this year's record 1.55 billion. Season-ending stocks could continue to tighten to 160 million bushels from 170 million in 2010/11.

Global soybean production for 2011/12 is projected to grow a modest 0.5 percent to 263.3 million metric tons. Higher prices would expand soybean area next season by 3 percent in Brazil to 25 million hectares and 4 percent in Argentina to 19.3 million hectares. For 2011/12, China would account for nearly all of the projected gain in world soybean trade, with imports of 58 million tons. Despite gains for total oilseeds production in 2011/12, the projected global carryout for vegetable oils could be one of the tightest ever at 10.1 million tons.

Figure 1
A sharp drop is seen for U.S. soybean oil exports next season



Sources: *Oil Crops Yearbook*, Economic Research Service and *World Agricultural Supply and Demand Estimates*, U.S. Department of Agriculture.

Domestic Outlook

Lower U.S. Soybean Acreage May Constrict Supplies for a Fifth Consecutive Year

Grain planting lags well behind average this spring throughout the Midwest, with the poorest planting progress for corn since 1995. Farmers were kept out of fields in April by soil conditions that were too cold and wet for planting. Sowing progress was farthest behind in Kentucky, Ohio, Indiana, and Michigan due to the wettest April on record. Few regions have avoided delays, though. Many of cropland acres are also being inundated along the lower Mississippi River. The wait to get these other crops planted means that (except in a few Southern States) very few soybeans have been sown at all. As of May 8, only 7 percent of U.S. soybean acreage was planted, well below the 5-year average of 17 percent. Corn planting can resume quickly, provided that the field conditions improve, but each week of delay could switch more cropland into soybean production.

Based on March planting intentions at 76.6 million acres, U.S. harvested acreage for soybeans is expected at 75.7 million acres next fall. The combination of that acreage with USDA's calculation of a long-term yield trend for soybeans (43.4 bushels per acre) places the 2011 crop projection at 3.285 billion bushels. If the soybean acreage does in fact decline, the reduction in total supplies for 2011/12 would be 25 million bushels.

Soybean Demand Expected To Decline in 2011/12

This fall, a lower domestic supply and larger stocks in South America could dampen U.S. soybean export demand. Export shipments for 2011/12 are projected to slow to 1.54 billion bushels against this year's record 1.55 billion. The United States would remain the top exporter of soybeans, but its market share of global trade would dip to around 42 percent versus 44 percent in 2010/11.

While still well below the level of the preceding 2-5 years, soybean crushing for the domestic market could edge up slightly next season. USDA projects the 2011/12 soybean crush to increase 5 million bushels to 1.655 billion. Processing margins will be supported by strong values for soybean oil. The possible reduction in supplies may exceed the decline in use, which could continue to tighten season-ending stocks for 2011/12 to 160 million bushels from 170 million in 2010/11.

The price ratio between corn and soybeans this spring has favored corn. Over the past 2 weeks, the planting delays have only reinforced that relationship by rallying corn prices and pressuring the soybean market. Late crop planting makes a corn price increase necessary to compensate farmers for declining yield potential. Despite this month's slide in soybean prices, expected returns for 2011/12 still look to be well above this year's record high at \$11.40 per bushel. USDA projects the 2011/12 average farm price will range from \$12.00 to \$14.00 per bushel.

Soybean Oil Exports Poised To Drop Sharply With Lower Supply, Gains in Domestic Use

Even with a higher crush in 2011/12, domestic production of soybean oil may fall if extraction rates do not climb quite as high as they have this year. But the steepest

reduction in supply could stem from next fall's stock carryover, which could be slashed nearly 1 billion pounds compared to the start of the current season. That outcome, however, is highly contingent on an acceleration in domestic use (particularly for biodiesel) over the second half of 2010/11. Despite an upswing in use for biodiesel since January, the 2010/11 forecast was reduced 200 million pounds this month to 2.5 billion.

Demand for soybean oil, particularly in the export market, would be constrained in 2011/12 by sharply lower supplies. Domestic uses of soybean oil can derive support from further stocks shrinkage next year, but the available supply would get far too low to maintain the same export level. Consequently, USDA projects U.S. soybean oil exports for 2011/12 at 1.6 billion pounds—down more than half from 3.3 billion this year. Even that would not prevent season-ending stocks from diving toward a 7-year low of 2 billion pounds.

The inexorable decline of soybean oil stocks into next year is largely the product of a stronger outlook for its use in biodiesel. Currently, the U.S. industry's momentum has stepped up due to a widening gap between biodiesel prices and feedstock costs. An escalating use of soybean oil for biodiesel throughout the end of this year and into the next is seen expanding 2011/12 consumption to a record 3.5 billion pounds. Unlike the previous peak in 2007/08, when the biodiesel market was overwhelmingly led by export demand, next year's market would be dominated by domestic consumption. Federal law has incrementally raised the minimum required U.S. consumption of biomass-based biodiesel to 800 million gallons in 2011 and 1 billion gallons in 2012. Adding a small gain for the edible use of soybean oil to the higher use for biodiesel raises total domestic disappearance to a projected 17.95 billion pounds from a revised 16.8 billion in 2010/11.

Soybean oil prices have climbed rapidly over the last several years. No end is seen for that trend in 2011/12 as even tighter supplies are likely. Also providing price support is the declining value of the U.S. dollar, which (fostered by extraordinarily low interest rates) has fallen toward a 30-year low against major agricultural trading partners. Soybean oil prices are expected to average 56-60 cents per pound in 2011/12, versus 53.5 cents this year.

Despite a higher prospective crush for 2011/12, the current above-average extraction rate for soybean meal may not be duplicated. The resulting decline in production for 2011/12, combined with stiffer South American competition, reduces prospective U.S. soybean meal exports by 500,000 short tons to 8.65 million. The rise in foreign supplies will help to keep a lid on soybean meal prices, which are expected to average \$350-\$380 per short ton in 2011/12—not far from the expected average for 2010/11 at \$350. The persistently high feed costs will encourage minimal growth for the domestic use of soybean meal, which is seen up 0.7 percent in 2011/12 to 30.8 million short tons.

Except for a Small Rise in U.S. Cottonseed Output, Other Oilseed Crops May Decline in 2011

In March, U.S. producers indicated planting intentions for 12.6 million acres of cotton—up 15 percent from last year. Just over one-third of this year's U.S. crop has been planted so far. This is on par with the 5-year average, but planting for

unirrigated cotton lags in Texas as farmers there await better moisture conditions. An acute lack of rainfall over the last 6 months also suggests a greater probability for above-average acreage abandonment this year. So, this year's harvested acreage of cotton (under that assumption) would go up by less than 1 percent. This could limit the resulting increase for 2011 cottonseed production to 6.2 million short tons from 6.1 million last year.

USDA anticipates that most of a meager increase in cottonseed supply would be crushed, as processing margins are being held up by high prices for cottonseed oil and meal. Domestic feeding could edge up 3 percent to 3.3 million tons as a recovering dairy sector may find cottonseed less expensive than other grains and feeds. In contrast, U.S. exports of cottonseed to Asian markets would be reined in by ample competing supplies in Australia.

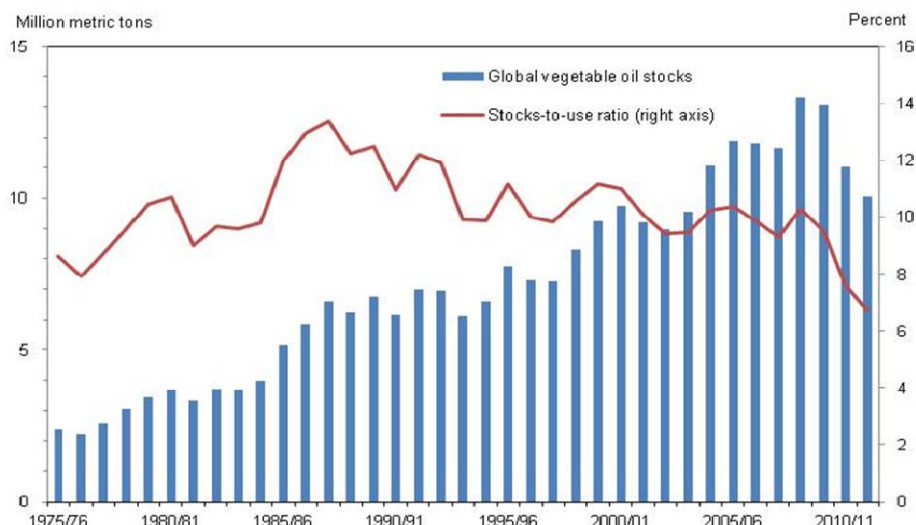
A consequence of the big increase in cotton acres planted is that less peanut acreage will be sown. Despite a 90-percent increase since October for prices in peanut contracts, Southern farmers intend to reduce 2011 acreage by 4 percent to 1.24 million acres. Peanut planting is in an early stage, with 20 percent sown as of May 8. And, except for Virginia (where yields were slashed last year by drought), peanut yields may fail to reach the highs of the past 3 years. Thus, the 2011 peanut crop could fall by 7 percent to 3.9 billion pounds. Lower exports and crush would reduce peanut use. A smaller supply would help push season-ending stocks down to a 4-year low of 1.1 billion pounds. The season-average farm price for peanuts could rise to the highest level in a decade—up from 23 cents per pound for 2010/11.

USDA's plantings report in March indicated that U.S. farmers would sow 11 percent more canola acreage in 2011. However, adverse planting conditions in the Northern Plains threaten to derail those plans. As of May 8, only 3 percent of North Dakota's canola acreage had been sown due to cold and excessively wet topsoils. This compares to the 5-year average of 30 percent. It is North Dakota's latest start for planting since 1979. Near-record flooding in the Red River Valley may lead to further delays. Even assuming that producers are able to sow the intended 1.6 million acres, canola production would likely decline in 2011. The canola crop is seen falling 4 percent to 2.3 billion pounds since 2011 yields may fall well short of last year's above-average yield. The overall supply of canola in 2011/12, however, would be steadied by larger beginning stocks, stabilizing the demand in both domestic and export markets.

Competition with canola reduced the planting intentions for sunflowerseed this year by 8 percent to 1.8 million acres. If that acreage is realized, the prospective sunflowerseed crop might only reach 2.5 billion pounds, provided that sunflowerseed yields stay close to last year's level. That could exacerbate an already tight market situation for sunflowerseed. Processors could reduce the 2011/12 crush by 9 percent to 1.3 billion pounds. By the end of April, North Dakota cash prices for sunflowerseed were soaring above 33 cents per pound—more than double their year-earlier level. Although processors will have to pay dearly for new crop supplies, they will be able to do so if sunflowerseed oil prices stay high. In April, sunflowerseed oil prices made an unprecedented rally above \$1 per pound.

International Outlook

Figure 2
Global vegetable oil stocks decline toward a historic low next year



Source: PS&D database, Foreign Agricultural Service, U.S. Department of Agriculture.

Continuing Strength of Soybean Prices Underlies Expansion in South American Production

For 2011/12, global soybean production is projected to grow a modest 0.5 percent to 263.3 million metric tons. The potential decline of U.S. soybean production this year provides more support for prices throughout the world. Brazil and Argentina will then become the focal points for sustaining the growth in global trade of soybeans and soybean meal. Global demand for soybeans is seen growing slightly faster than output next year, which could trim the season-ending stocks to 61.9 million tons from 63.8 million in 2010/11. Similarly, world trade in soybean meal for 2011/12 is projected 1 percent higher to 60.6 million tons, with higher shares for South American exporters coming at the expense of U.S. and Indian suppliers.

Farmers in Brazil could soon see an improvement in soybean prices once the pressure from the recent harvest wanes. The price signal can also be diluted by the country's increasingly strong exchange rate, but there should be sufficient encouragement to boost Brazil's 2011/12 soybean area by 3 percent to 25 million hectares. A repeat of the above-average yields of the past 2 years cannot be anticipated. However, a soybean crop of 72.5 million tons is possible with a trend yield, which would be just below this month's revised 2010/11 harvest of 73 million tons.

Soybean exports from Brazil normally peak in the spring and start to slow by September. The current supply glut for soybeans in China may reverse this year's seasonal pattern though, which for Brazil means a moderately higher level of 2011/12 beginning stocks in October. The shortened transition to Brazil's new-crop harvest then aids an increase in 2011/12 soybean exports to a projected 33.5 million tons from 32.25 million this season. Brazil's soybean crush would be kept in check by strong Argentine competition, but could grow modestly to 36.8 million tons with support from the biodiesel sector.

In Argentina, high grain prices will restore the attractiveness of growing corn and wheat again. Argentine farmers will not overlook soybeans, however, as they can expand its area through more intensive double-cropping after wheat. Total soybean area for 2011/12 is seen climbing 4 percent to 19.3 million hectares, which with the projected yield could produce a record crop of 53 million tons.

The gains achieved by Argentina's soybean processors over the past 2 decades should continue unabated into 2011/12. Due to growing export markets for soybean oil and soybean meal, there will again be substantial inducement to expand crushing, which is projected up 3.5 percent to 39.7 million tons. The crush rate also benefits from Argentina's expanding biodiesel sector. Argentina provides a strong production incentive for biodiesel, as the export tax levied on soybean oil is 32 percent but only 20 percent for biodiesel. Domestic use of soybean oil is also favored by a law requiring that domestic fuel supplies incorporate a minimum of 7 percent biodiesel. Yet, Argentina can still be a major exporter of soybeans, mainly to China. A larger crop could boost Argentine soybean exports in 2011/12 to 11.8 million tons from 9.5 million this season.

International Soybean Trade Led by Growth in China's Consumption

In December, China's Government ordered vegetable oil suppliers not to raise prices for 3 months, which was subsequently extended by 2 months. The price controls were intended to temper double-digit per-annum increases in food costs. The central bank has raised interest rates twice this year already. Other palliative measures have included rapeseed oil sales (reportedly up to 1.6 million tons since October) from state reserves.

Still, processor margins have been undermined by the combination of price control on vegetable oils and accumulating surpluses of soybean meal. Many soybean crushers in China are now operating well below capacity and have slowed their imports considerably. For February-March 2011, soybean imports by China were down 1.1 million tons from the previous year and could continue to lag for a while longer. In April, selected processors were compensated for the price controls through 3 million tons of soybeans sold directly from state reserves at below-market prices. Near-term sales contracts for soybean imports are either being cancelled outright or deferred to a later delivery date. These events led USDA to lower its forecast of China's 2010/11 soybean imports this month to 54.5 million tons from 57 million previously. The immediate impact falls largely on trade with Brazil and Argentina, where soybean ending stocks would accumulate more than previously thought.

The pause in China's soybean trade should be temporary. A smaller domestic crop of soybeans is likely in 2011 (down 3 percent to 14.8 million tons) due to better expected returns for growing corn and cotton. The growth in domestic crushing should quickly resume with an increase of nearly 10 percent to 61.5 million tons. Each of those factors would aid a rise in soybean imports for 2011/12 to 58 million tons. The 3.5-million ton increase in China's soybean imports would account for nearly all of the projected gain in world trade for 2011/12.

In India, soybean production in 2011/12 will be tempered by strong incentives to grow cotton, particularly for western States like Maharashtra. Although soybean prices in India have increased 12 percent from a year ago, the price of cotton has more than doubled. India's soybean area is seen growing only 2 percent to 9.6 million hectares. Provided that the country has another successful monsoon like a year ago, it could boost soybean production 2 percent to 9.8 million tons. Overall supplies, however, will be steadied by a reduction in carryover stocks. Soybean crushing in India could then slip to 8.8 million tons for 2011/12 from 8.9 million this season. The corresponding reduction in Indian soybean meal output could trim the exports by 2 percent to 3.8 million tons.

EU soybean imports may decline 5 percent in 2011/12 to 13.3 million tons as the consumption of soybean meal dips 1 percent to 33.1 million tons. In contrast, this season's demand for soybean meal surged when poor grain crops restricted wheat feeding in the EU. Over the last half of 2011, feeding of soybean meal may also be curbed by a slight decline in the number of pigs. Ample supplies in South America would prevent a larger reduction in EU imports of soybean meal (down 1 percent to 23 million tons). There are also fewer problems involved in the inadvertent mingling of small amounts of unapproved biotech varieties for EU imports of soybean meal. In contrast, soybean imports can be rejected for unapproved varieties as they are permitted no tolerance whatsoever.

Despite Record Output in Canada, Rapeseed Stocks Still Scarce in Europe

Projections for better crops in Canada, Ukraine, and Russia in 2011/12 would raise global rapeseed production by 4 percent to 61 million tons. In a March survey by the Canadian Government, farmers indicated that they intended to plant 14 percent more canola in 2011, which raises the harvested area estimate to 7.6 million hectares. Most of the acreage expansion would be in Saskatchewan, where recent increases in crushing capacity have enhanced farm prices for canola. With many other crops also registering higher acreage, most of the gain for canola comes from a reduction in fallowed acreage. Canada's canola production for 2011/12 is projected to surge to a record 13.5 million tons. But, like their counterparts just across the U.S. border, farms on the Canadian prairie are contending with very wet fields this spring. Any producers prevented from planting canola would probably sow more short-season grains like barley and oats. Even with an outlook for higher canola production, Canada's demand may keep pace and season-ending stocks could stay tight. The domestic crush is projected up 6 percent to 6.2 million tons, while canola exports could stay level at 7.05 million.

A record crop in Canada may not be enough to prevent global stocks from declining to a 4-year low. In the European Union, production incentives for rapeseed were robust because of last year's disappointing harvest and growing demand. Nevertheless, excessively wet soils last fall in Germany and Poland made it impossible to finish crop planting there. Harvested area for EU rapeseed is forecast down 2 percent in 2011 to 6.8 million hectares, lowering the projected crop by 3 percent to 20 million tons. Ominous conditions in northern Europe also threaten rapeseed yields. Spring weather in the region has been generally much warmer and drier than usual, and a freeze in early May may have damaged some flowering rapeseed crops. EU rapeseed imports for 2011/12 would have to rise 30 percent to

2.85 million tons just to keep the crush level with last year's total of 22.3 million tons. Exporters from Ukraine, Russia, and Australia would likely secure these gains in trade, while shipments from Canada would be dominant outside of Europe.

Sunflowerseed Output To Rise With Improved Russian Crop

Primarily based on a recovery in Russia's crop, global production of sunflowerseed in 2011/12 is projected to increase 8 percent to 33.6 million tons. In Russia, the area sown to spring grains in 2011 may be the lowest in many years. Farmers have been discouraged from growing grain crops by the uncertainty of the end to an export ban—imposed after a historically bad drought last year. Oilseed crops—particularly sunflowerseed—are a more attractive alternative in Russia as a consequence. Harvested area for sunflowerseed is anticipated to swell 28 percent in 2011 to 7.1 million hectares. That would make it possible for a substantial increase in crop production to a record 7.7 million tons versus last year's drought-reduced harvest of 5.35 million. Almost all of the production gain in Russia would be used by domestic crushers. A solid rebound in Russian exports of sunflowerseed oil and meal would develop from that situation, although domestic use of the meal could also gain due to the country's growing poultry feeding industry.

Despite record heat and drought last summer, Ukraine's sunflowerseed crop largely escaped the major damage to Russia's harvest and actually increased because of a rise in area. As in Russia, Ukraine's new-crop production of sunflowerseed will benefit from high prices and better weather. About the same amount of sunflowerseed area is seen for Ukraine in 2011 as last year, as it is approaching a practical limit in crop rotations. Based on higher sunflowerseed yields, the Ukraine crop would rise 3 percent in 2011/12 to 7 million tons. That would enable an expansion in the country's exports of sunflowerseed to the EU.

While last fall's weather spoiled plans by EU farmers to expand rapeseed area, the outlook this spring for sunflowerseed planting appears more favorable. EU sunflowerseed area for 2011/12 is projected up 5 percent to 3.9 million acres. Using a trend yield raises the projected EU crop to 7.1 million tons from 6.8 million the previous year. Minimal gains are expected for EU production of rapeseed oil and soybean oil, which would favor a higher crush for sunflowerseed. So, even with a good harvest, EU imports of sunflowerseed and sunflowerseed oil will increase.

For Argentine farmers, the incentive to plant sunflowerseed next fall would be tempered if that crop develops normally in the Northern Hemisphere this summer. Sunflowerseed area in Argentina is expected to stabilize near last year's level (1.65 million hectares). A near-record Argentine sunflowerseed yield in 2010/11 is also unlikely to be repeated next year. If that amount of area is realized, 2011/12 production of sunflowerseed is projected to slump 22 percent to 2.8 million tons. Argentine processors could keep the sunflowerseed crush stable at 3.05 million tons if they draw down the season-ending stocks.

Widespread Increases for Sown Area To Swell Global Cottonseed Production in 2011/12

Throughout the world, record-high cotton prices are encouraging a strong expansion of sown area. For 2011/12, global cottonseed production would surge 8 percent to a record 47.1 million tons, and account for at least one-third of the global increase for all oilseeds. China played an integral role in the global price rally for cotton with its two consecutive small crops and a surge in imports. Cotton area for China is seen up 7 percent in 2011 to 5.5 million hectares. The higher area is largely responsible for the projected 8-percent increase in China's cottonseed output to 12.9 million tons as yields may improve only slightly.

India—the world's second-ranked producer—is seen expanding its 2011 cotton area 7.5 percent to 12 million hectares. Enhanced yields are also likely in India due to the still widening adoption of *Bt* cotton varieties. India's cotton growers have made a regular habit of eclipsing production records. They should do so again in 2011/12 as cottonseed output is seen rising 8.5 percent to an all-time high 11.5 million tons.

Cotton production should recover in Pakistan after last year's devastating flood, which destroyed close to 30 percent of the country's crop. Cottonseed output is projected up 21 percent in 2011/12 to 4.6 million tons, as the harvested area rebounds 14 percent to 3.3 million hectares.

Over the last 7 years, Brazil's cotton area has almost doubled, rapidly turning it into one of the world's top producers. Another sharp increase in Brazil's cotton area is expected for 2011/12, when it could expand 15 percent to 1.55 million hectares. The higher cotton area does not necessarily make less cropland available to grow soybeans as an increasing amount is grown as a second crop following soybeans. The area expansion could push up the country's production of cottonseed to a record 3.6 million tons.

In 2010/11, Australian cottonseed production reached an all-time peak of 1.4 million tons. A similarly fortunate outcome could occur in 2011/12. Early this year, reservoirs in Queensland and New South Wales were filled up by abundant rains. That means there are ample supplies of irrigation water for cotton to again support both a large sown area and high yields.

Even With a Rebound in Palm Oil Output, Global Vegetable Oil Market May Still Tighten

Global ending stocks of vegetable oil are expected to plunge 16 percent in 2010/11 to 11 million tons. The supply scarcity may worsen next year, even when assuming normal development for the world's oil crops. At only 7.6 percent of total use, the projected 2011/12 global carryout at 10.1 million tons could be one of the tightest ever. Consecutive increases for global trade in soybean oil are unlikely, though. Soybean oil shipments surged in 2010/11 when exports of palm oil failed to keep up with demand. For 2011/12, sharply lower U.S. supplies would scale back world trade in soybean oil by 8 percent to 9.2 million tons.

A more likely scenario for next year is that palm oil will contribute the largest share of the gains in global vegetable oil production and trade. As the detrimental impact

of last year's La Niña event fades, palm oil output is seen growing 6 percent in 2011/12 to 50.3 million tons. Top-producer Indonesia could account for a majority of that growth in output, but a recovery in Malaysian production will also boost supplies. Rising area and productivity in Indonesia is expected to increase palm oil production to 25.4 million tons versus 23.6 million in 2010/11. In Malaysia, better yields are projected to raise palm oil production to 18.4 million tons from this year's disappointing 17.5 million. However, strong export demand for palm oil may not allow producers in either country to rebuild stocks. China, India, and the EU will all be active import markets for palm oil in 2011/12.

In India, total vegetable oil consumption may rise 3.6 percent in 2011/12 to 17 million tons. That may be exceeded by growth in its domestic production of oilseeds, which is seen up 3.9 percent to a record 35.8 million tons. That is less impressive, though, when considering that two-thirds of the production gain could come from cottonseed—one of the lowest-yielding oilseeds for vegetable oil. Thus, Indian vegetable oil imports could continue to expand in 2011/12 by 4.5 percent to 9.4 million tons. Palm oil would account for a majority of the gain in India's vegetable oil imports, while soybean oil imports could tumble 20 percent with a rising cost premium.

In the EU, vegetable oil consumption may increase only 1 percent in 2011/12 to 25.2 million tons. Modest increases for sunflowerseed oil and palm oil would offset lower consumption of soybean oil.

It is still unclear how EU vegetable oil demand for the coming year may be affected by implementation of the Renewable Energy Directive (RED). The RED requires EU member countries to get 10 percent of their energy consumption by 2020 from renewable sources, including biofuels. Only biofuels produced from sustainable feedstocks can qualify for tax benefits. As of January 1, member states were meant to develop action plans for RED implementation. This would include defining sustainability criteria for biofuels with specifications for minimum greenhouse gas reductions and excluding feedstock produced from certain lands (such as existing forests and wetlands) from eligibility. All suppliers of biofuel feedstock would be required to provide certification to demonstrate compliance with a country's sustainability criteria. Any feedstock lacking the certification would be consumed only for the edible oils market, provided that its price discount does not exceed the value of foregone tax benefits.

In time, imported biofuel feedstock from long standing agricultural regions will probably be determined sustainable. But meeting the certification requirements for multiple European countries could cause considerable difficulty and expense for more recently developed areas, such as Indonesia. Even in the EU, the development of a workable methodology for calculating indirect land use changes is exceedingly complex. So far, the only national plans implemented are in Germany and Austria. The failure to meet the January 1 deadline for EU members like Poland (which currently lacks a certification process) could have disrupted its rapeseed trade with German biodiesel processors. Thus, Germany granted a suspension of its sustainability criteria through June 30.

Contacts and Links

Contact Information

Mark Ash (soybeans, vegetable oils), (202) 694-5289, mash@ers.usda.gov
Verna Daniels (web publishing), (202) 694-5301, vblake@ers.usda.gov

Subscription Information

Subscribe to ERS' e-mail notification service at <http://www.ers.usda.gov/updates/> to receive timely notification of newsletter availability. Printed copies can be purchased from USDA Order desk by calling 1-800-363-2068 (specify the issue number).

To order printed copies of the five field crop newsletters—cotton and wool, feed, rice, oil crops, and wheat—as a series, specify series SUB-COR-4043.

E-mail Notification

Readers of ERS outlook reports have two ways they can receive an e-mail notice about release of reports and associated data.

- Receive timely notification (soon after the report is posted on the web) via USDA's Economics, Statistics and Market Information System (which is housed at Cornell University's Mann Library). Go to <http://usda.mannlib.cornell.edu/MannUsda/aboutEmailService.do> and follow the instructions to receive e-mail notices about ERS, Agricultural Marketing Service, National Agricultural Statistics Service, and World Agricultural Outlook Board products.

- Receive weekly notification (on Friday afternoon) via the ERS website. Go to <http://www.ers.usda.gov/Updates/> and follow the instructions to receive notices about ERS outlook reports, *Amber Waves* magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to <http://www.ers.usda.gov/rss/> to get started.

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 decisionmakers 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

Oil Crops Outlook, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1288>
WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>
Oilseed Circular, http://www.fas.usda.gov/oilseeds_arc.asp
Soybeans and Oil Crops Briefing Room, <http://www.ers.usda.gov/briefing/soybeansoilcrops/>

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Table 1--Soybeans: U.S. supply and disappearance

Year begin. 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>								
2009/10	77.5	76.4	44.0	138	3,359	15	3,512	1,752	1,501	108	3,361	151
2010/11 ¹	77.4	76.6	43.5	151	3,329	15	3,495	1,650	1,550	125	3,325	170
2011/12 ²	76.6	75.7	43.4	170	3,285	15	3,470	1,655	1,540	115	3,310	160
2009/10												
September						0.3		113.3	39.1			
October						1.1		163.1	198.0			
November						1.7		168.7	298.8			
Sep-Nov				138.2	3,359.0	3.2	3,500.4	445.1	536.0	180.8	1,161.8	2,338.6
December						1.7		173.1	225.9			
January						1.7		167.2	226.4			
February						2.3		153.9	171.5			
Dec-Feb				2,338.6	---	5.7	2,344.3	494.2	623.9	(43.9)	1,074.2	1,270.1
March						1.8		156.1	131.5			
April						0.7		136.5	54.0			
May						0.7		133.0	32.0			
Mar-May				1,270.1	---	3.2	1,273.3	425.6	217.5	59.0	702.1	571.1
June						1.0		129.2	28.2			
July						0.9		129.4	37.2			
August						0.7		128.1	58.3			
Jun-Aug				571.1	---	2.6	573.7	386.6	123.7	(87.4)	422.9	150.9
Total					3,359.0	14.7	3,511.9	1,751.5	1,501.1	108.4	3,361.0	
2010/11												
September						0.5		130.4	72.8			
October						1.3		157.2	289.5			
November						1.9		155.1	258.0			
Sep-Nov				150.9	3,329.3	3.7	3,484.0	442.6	620.2	143.0	1,205.9	2,278.1
December						1.8		153.0	195.8			
January						1.7		149.2	185.3			
February						1.4		129.4	171.8			
Dec-Feb				2,278.1	---	4.9	2,283.0	431.6	553.0	49.5	1,034.1	1,248.9
March ¹						1.2		140.3	123.7			
Total to date ¹					3,329.3	9.8	3,490.0	1,014.5	1,296.9	192.5	2,240.0	

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>								
2009/10	235	41,700	160	42,095	30,619	11,175	41,794	302
2010/11 ¹	302	39,583	165	40,050	30,600	9,150	39,750	300
2011/12 ²	300	39,285	165	39,750	30,800	8,650	39,450	300
2009/10								
October	234.7	3,845.7	12.3	4,092.6	2,890.9	756.7	3,647.6	445.1
November	445.1	3,976.5	6.2	4,427.8	2,407.2	1,393.2	3,800.4	627.4
December	627.4	4,076.1	9.5	4,712.9	2,861.6	1,282.5	4,144.1	568.8
January	568.8	3,932.5	18.2	4,519.5	2,390.7	1,498.3	3,889.0	630.5
February	630.5	3,635.5	22.1	4,288.1	2,252.4	1,333.3	3,585.7	702.4
March	702.4	3,680.0	15.9	4,398.3	2,654.2	1,382.4	4,036.6	361.7
April	361.7	3,214.0	7.2	3,582.9	2,444.3	842.4	3,286.7	296.2
May	296.2	3,144.5	11.0	3,451.6	2,392.6	591.4	2,984.0	467.7
June	467.7	3,049.2	3.4	3,520.4	2,622.0	557.3	3,179.3	341.1
July	341.1	3,056.1	9.0	3,406.2	2,494.2	487.0	2,981.2	425.0
August	425.0	3,030.6	21.7	3,477.3	2,629.0	575.9	3,204.8	272.5
September	272.5	3,059.7	23.5	3,355.7	2,580.0	474.1	3,054.1	301.6
Total		41,700.4	160.0	42,095.1	30,618.9	11,174.6	41,793.5	
2010/11								
October	301.6	3,738.2	14.3	4,054.0	2,803.1	734.3	3,537.5	516.5
November	516.5	3,714.2	13.3	4,244.0	2,717.4	1,042.3	3,759.7	484.4
December	484.4	3,675.5	16.6	4,176.5	2,767.0	898.8	3,665.8	510.7
January	510.7	3,569.5	16.3	4,096.4	2,442.7	1,204.6	3,647.3	449.1
February	449.1	3,126.2	18.0	3,593.3	2,210.8	915.9	3,126.7	466.6
March ¹	466.6	3,371.6	16.9	3,855.1	2,655.9	874.0	3,530.0	325.1
Total to date ¹		21,195.1	95.3	21,592.0	15,597.0	5,669.9	21,266.9	

¹ Estimated. ² Forecast. NA=Not available.

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>									
2009/10	2,861	19,614	103	22,577	15,862	1,680	3,357	19,219	3,358
2010/11 ¹	3,358	19,040	175	22,573	16,800	2,500	3,300	20,100	2,473
2011/12 ²	2,473	18,900	185	21,558	17,950	3,500	1,600	19,550	2,008
2009/10									
October	2,860.5	1,825.2	7.1	4,692.8	1,551.3	246.8	332.1	1,883.4	2,809.4
November	2,809.4	1,854.0	9.6	4,673.0	1,441.4	239.4	241.1	1,682.5	2,990.5
December	2,990.5	1,898.3	10.2	4,899.0	1,358.1	237.0	390.3	1,748.5	3,150.5
January	3,150.5	1,845.0	13.7	5,009.2	1,278.8	93.3	513.4	1,792.2	3,217.0
February	3,217.0	1,690.1	13.8	4,920.9	1,235.0	108.8	399.1	1,634.0	3,286.9
March	3,286.9	1,728.8	4.3	5,020.0	1,350.4	133.4	408.0	1,758.4	3,261.7
April	3,261.7	1,519.2	8.3	4,789.2	1,287.9	130.0	147.8	1,435.7	3,353.5
May	3,353.5	1,481.6	10.8	4,845.9	1,304.2	102.6	76.6	1,380.8	3,465.1
June	3,465.1	1,438.8	5.5	4,909.5	1,227.6	94.6	128.9	1,356.6	3,552.9
July	3,552.9	1,440.5	6.1	4,999.5	1,275.7	103.4	179.1	1,454.8	3,544.7
August	3,544.7	1,418.4	8.2	4,971.4	1,323.1	95.1	365.6	1,688.7	3,282.6
September	3,282.6	1,474.4	4.8	4,761.9	1,229.1	96.1	174.5	1,403.5	3,358.4
Total		19,614.3	102.6	22,577.3	15,862.4	1,680.5	3,356.5	19,219.0	
2010/11									
October	3,358.4	1,790.5	7.8	5,156.7	1,486.5	102.1	440.3	1,926.8	3,229.9
November	3,229.9	1,771.2	17.4	5,018.5	1,290.3	70.3	432.5	1,722.8	3,295.7
December	3,295.7	1,739.4	18.2	5,053.3	1,183.3	53.7	395.4	1,578.7	3,474.6
January	3,474.6	1,722.9	14.4	5,212.0	1,330.5	110.4	466.1	1,796.6	3,415.4
February	3,415.4	1,500.0	16.1	4,931.5	1,254.7	112.6	301.4	1,556.1	3,375.5
March ¹	3,375.5	1,623.8	13.1	5,012.3	1,272.7	176.3	330.1	1,602.9	3,409.5
Total to date		10,147.8	87.1	13,593.3	7,818.0	625.4	2,365.8	10,183.8	

¹ Estimated. ² Forecast. NA=Not available.

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 begin. Aug. 1	Supply				Disappearance				Ending stocks
	Beginning stocks	Production	Imports	Total	Crush	Exports	Other	Total	
<i>1,000 short tons</i>									
2009/10	514	4,149	24	4,687	1,900	291	2,154	4,345	342
2010/11 ¹	342	6,098	0	6,440	2,500	300	3,197	5,997	443
2011/12 ²	443	6,220	0	6,663	2,650	300	3,280	6,230	433

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 begin. Oct. 1	Supply			Disappearance			Ending stocks	
	Beginning stocks	Imports	Production	Total	Domestic	Exports		
<i>1,000 short tons</i>								
2009/10	17	0	882	900	766	79	845	54
2010/11 ¹	54	0	1,150	1,204	1,089	70	1,159	45
2011/12 ²	45	0	1,205	1,250	1,105	95	1,200	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 begin. Oct. 1	Supply			Disappearance				Ending stocks
	Beginning stocks	Imports	Production	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2009/10	121	0	617	738	559	95	654	85
2010/11 ¹	85	0	815	900	625	175	800	100
2011/12 ²	100	0	835	935	660	175	835	100

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 begin. Aug. 1	Supply			Disappearance						Ending stocks
	Beginning stocks	Imports	Production	Total	Domestic food	Crush	Seed & residual	Exports	Total	
<i>Million pounds</i>										
2009/10	2,130	72	3,692	5,894	2,675	435	363	592	4,065	1,829
2010/11 ¹	1,829	60	4,156	6,044	2,909	515	466	620	4,510	1,534
2011/12 ²	1,534	50	3,880	5,464	2,968	415	405	560	4,348	1,116

¹ Estimated. ² Forecast.

Sources: *Crop Production* and *Peanut Stocks and Processing*, 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 ² \$/bu.	Cottonseed ³ \$/ton	Sunflowerseed ² \$/cwt.	Canola ⁴ \$/cwt.	Peanuts ³ Cents/lb.	Flaxseed ⁴ \$/bu.
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	9.97	223.00	21.80	18.70	23.00	12.70
2009/10	9.59	158.00	15.10	16.20	21.70	8.15
2010/11 ¹	11.40	160.00	22.90	19.20	23.00	12.15
2011/12 ¹	12.00-14.00	185-215	24.85-27.35	20.65-23.15	26.25-28.75	13.10-14.60
2009/10						
September	9.75	164.00	13.90	15.60	23.30	6.90
October	9.43	157.00	15.90	15.30	23.70	6.81
November	9.53	159.00	14.20	16.00	21.70	8.12
December	9.80	160.00	14.80	15.80	21.70	8.40
January	9.79	149.00	15.50	16.30	20.70	8.53
February	9.41	153.00	16.70	NA	21.00	8.57
March	9.39	NA	15.80	16.50	20.60	8.82
April	9.47	NA	15.80	16.80	20.40	8.53
May	9.41	NA	14.90	17.00	20.50	8.34
June	9.45	NA	15.10	17.20	21.60	9.26
July	9.79	NA	15.40	17.50	21.50	10.70
August	10.10	NA	14.50	17.20	20.70	11.10
2010/11						
September	9.98	154.00	17.30	17.40	20.00	10.80
October	10.20	158.00	20.80	18.20	21.40	11.90
November	11.10	163.00	19.10	19.10	22.30	12.30
December	11.60	163.00	20.60	19.50	24.00	13.00
January	11.60	165.00	21.90	20.30	22.90	13.70
February	12.70	172.00	27.40	20.40	23.00	15.30
March	12.70	NA	28.60	23.50	23.40	14.20
April ¹	12.80	NA	29.40	25.00	23.10	13.20

¹ Preliminary. ² September-August ³ August-July ⁴ July-June

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>								
2000/01	14.15	15.98	15.88	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	33.13	29.75	46.70	28.17	18.13	17.80
2003/04	29.97	31.21	33.42	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	32.16	37.10	50.24	39.54	78.49	32.75	26.72	25.47
2009/10	35.95	40.27	52.80	42.88	59.62	39.29	31.99	32.26
2010/11 ¹	53.50	56.00	86.00	60.00	79.50	61.00	48.00	48.50
2011/12 ¹	56.0-60.0	62.0-64.0	87.0-91.0	63.5-67.5	86.0-90.0	62.5-66.5	48.5-52.5	50.5-54.5
2009/10								
October	33.15	37.90	52.20	41.55	51.20	37.59	25.75	27.63
November	36.59	40.69	53.00	44.38	52.00	38.12	30.07	29.65
December	36.81	41.40	52.00	42.90	52.20	40.02	28.75	29.99
January	34.88	39.00	52.00	40.56	59.00	40.34	28.60	29.48
February	34.69	39.13	52.00	41.88	59.50	37.54	28.25	29.42
March	36.39	39.88	51.25	42.50	58.75	38.37	32.95	33.73
April	37.11	38.75	51.60	42.20	63.60	38.50	33.95	35.14
May	35.41	37.38	52.50	40.00	67.63	38.50	34.24	35.33
June	34.47	40.00	55.75	40.00	67.75	38.93	32.98	35.72
July	35.07	42.45	53.60	44.00	67.80	39.29	31.42	32.50
August	37.57	43.69	53.75	47.19	68.38	41.48	33.33	33.54
September	39.21	43.00	54.00	47.38	68.81	42.85	43.59	35.02
2010/11								
October	44.02	47.20	56.00	51.45	71.40	47.50	46.64	37.00
November	47.62	50.75	63.00	53.63	75.13	51.96	37.32	41.75
December	51.51	54.00	62.90	58.25	77.90	54.71	38.30	45.00
January	53.84	55.92	74.13	59.50	80.06	57.91	48.50	50.10
February	54.21	56.75	85.63	60.13	79.63	63.39	49.60	49.90
March	54.07	55.50	96.75	60.25	77.50	67.72	52.00	51.75
April ¹	56.65	57.70	101.20	62.05	78.70	68.89	51.50	52.83

¹ Preliminary. ² Decatur, IL. ³ PBSY Greenwood, MS. ⁴ Midwest. ⁵ Southeast mills. ⁶ Chicago.

NA= Not available.

Sources: *Monthly Feedstuff Prices*, 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>						
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	331.17	255.23	152.46	NA	248.82	220.89
2009/10	311.27	220.90	151.04	NA	224.92	209.23
2010/11 ¹	350.00	245.00	210.00	NA	260.00	240.00
2011/12 ¹	350-380	245-275	210-240	NA	260-290	245-275
2009/10						
October	325.69	250.00	151.88	NA	220.90	185.00
November	328.18	260.00	189.38	NA	177.69	220.00
December	333.93	283.75	197.50	NA	NA	256.50
January	314.23	286.25	181.88	NA	248.63	228.75
February	295.79	253.75	165.63	NA	218.18	222.50
March	277.61	213.00	137.50	NA	214.11	201.50
April	291.21	175.00	132.50	NA	226.95	200.83
May	287.85	171.25	120.50	NA	222.28	202.75
June	305.78	176.00	109.50	NA	224.56	189.50
July	325.56	183.75	120.00	NA	245.18	199.38
August	331.76	198.00	141.20	NA	244.44	204.00
September	317.65	200.00	165.00	NA	231.20	200.00
2010/11						
October	321.92	225.31	190.63	NA	251.03	208.75
November	341.78	235.00	211.50	NA	257.73	237.50
December	351.93	240.63	217.50	NA	265.54	234.38
January	368.54	245.63	205.63	NA	275.80	255.00
February	358.59	258.75	209.38	NA	261.20	256.25
March	345.43	256.50	210.00	NA	260.32	236.50
April ¹	335.87	240.00	196.25	NA	254.68	225.63

¹ Preliminary. ² Hi-pro Decatur, IL. ³ 41% Memphis. ⁴ 34% North Dakota-Minnesota.

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.