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Oil Crops Outlook: January 2026

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In this report:

U.S. Soybean Ending Stocks for MY 2025/26 Increase on Lower Exports

This month, USDA, National Agricultural Statistics Service (NASS) published the *Crop Production—2025 Summary* report, which increased the 2025 U.S. soybean production estimate by 9 million bushels to 4.26 billion bushels on higher harvested acreage. Harvested acreage increased by 0.1 million acres to 80.4 million acres. The national average soybean yield is unchanged at a record high of 53.0 bushels per acre. The U.S. soybean crush forecast for marketing year (MY) 2025/26 is raised this month by 15 million bushels to 2.57 billion bushels. The U.S. soybean export forecast is reduced this month on higher soybean supply in Brazil. Consequently, U.S. soybean ending stocks for marketing year (MY) 2025/26 are forecast at 350 million bushels, 60 million bushels higher than last month's forecast. The season-average soybean price forecast is down 30 cents this month to $10.20 per bushel due to higher U.S. soybean ending stocks and record-high global stocks.

Brazil's soybean production forecast for MY 2025/26 is increased by 3.0 million metric tons this month to a record high of 178.0 million metric tons on higher harvested acreage and yield. Brazil's soybean exports are forecast to reach 114.0 million metric tons, 1.5 million metric tons higher than last month's forecast and 10.9 million metric tons higher than MY 2024/25. The global soybean export forecast for MY 2025/26 remains almost unchanged at 187.6 million metric tons. Global soybean ending stocks are forecast at a record high of 124.4 million metric tons.

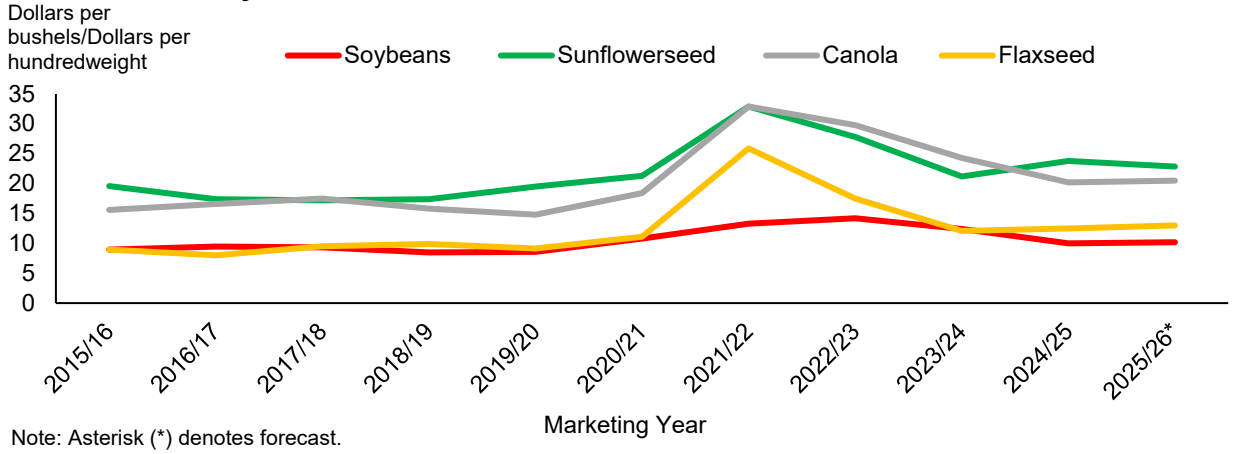
Domestic Outlook

U.S. Soybean Production Increases on Higher Harvested Acreage

In USDA, NASS' latest *Crop Production—2025 Summary* report, U.S. soybean production increased by 9 million bushels to 4.26 billion bushels on higher harvested area and unchanged yield. The harvested area is raised this month by 0.1 million acres to 80.4 million acres (mainly due to higher acreage for Wisconsin, Michigan, Illinois, and Oklahoma). The national average soybean yield is estimated at 53.0 bushels per acre, unchanged from last month's forecast and nearly 5 percent up from soybean yield in MY 2024/25. Higher yield estimates and production for Kansas, Kentucky, and Minnesota offset declines to estimated yields for Iowa and Illinois.

Since the December 9th *World Agricultural Supply and Demand Estimates* report, USDA NASS released the *Agricultural Prices* report that was delayed due to the Government shutdown. The report showed September through November soybean cash prices received by farmers. The September and October U.S. soybean prices received by farmers were $9.85 per bushel and $9.71 per bushel, respectively. Prices in November rallied following the announcement of a U.S. trade deal with China that included soybean purchases and dry weather in northern Brazil. Soybean prices reached $10.50 per bushel, nearly 7 percent higher than the same period last year. Factors expected to put downward pressure on soybean prices include higher projected supply in Brazil, larger ending stocks in the United States, and record-high global soybean stocks. The season-average price forecast for U.S. soybeans is reduced by $0.30 per bushel to $10.20 (figure 1).

Figure 1
Prices received by farmers

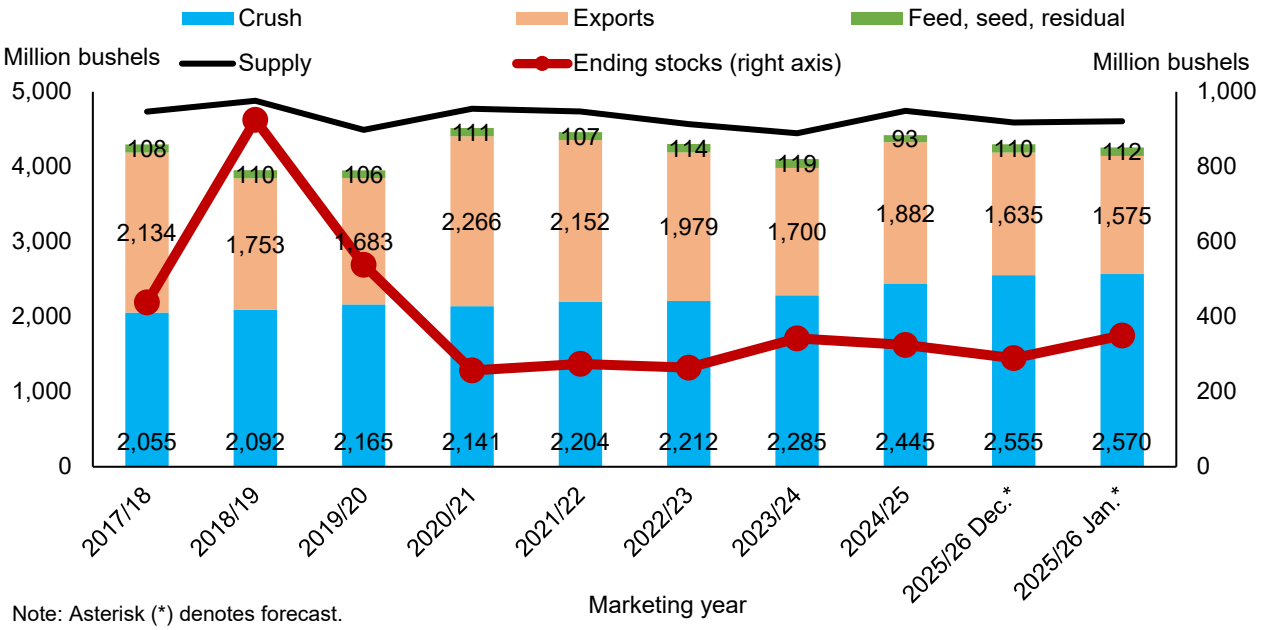


Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, *Agricultural Prices.*

The USDA, NASS' *Grain Stocks* report, released on January 12, 2026, indicated that on December 1, 2025, soybean stocks were at 3.29 billion bushels, with 1.58 billion bushels stored on farm. On farm stocks account for nearly 48 percent of total stocks, compared with 50 percent at this time a year ago. USDA, NASS' *Grain Stocks* report implied the September–November disappearance totaled 1.3 billion bushels, down 20 percent from the same period last year. The cumulative U.S. soybean export inspections for September–November 2025 are 45 percent below the same period last year. With total soybean export commitments currently below last year and higher soybean production in Brazil, the U.S. soybean export forecast for MY 2025/26 is reduced this month to 1.58 billion bushels.

U.S. soybean crush for September–November 2025 totaled 661.8 million bushels, surpassing last year's first quarter by 49.5 million bushels. In October, U.S. soybean processors achieved a record daily crush of 7.62 million bushels. The daily crush rate declined in November to 7.35 million bushels per day but remained a record-high for the month. This number resulted in the November soybean monthly crush volume at 220.5 million bushels. U.S. soybean crush forecast is raised this month by 15 million bushels to 2.57 billion bushels (figure 2).

Figure 2
U.S. soybean supply and demand



Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates,* January 2026.

U.S. soybean processors this year are extracting more soybean meal and less soybean oil from one bushel of soybeans. As a result, the extraction rate for soybean meal is raised this month, leading to a higher forecast for soybean meal production. The U.S. domestic soybean meal

consumption forecast is increased this month, reflecting a higher-than-expected animal growth, especially hogs. The 2025/26 domestic soybean meal consumption is projected at 42.03 million short tons, up 2.4 percent from the finalized MY 2024/25 level. In MY 2024/25, domestic soybean meal demand increased by more than 6 percent, reaching a record high of 41.04 million short tons, driven by growth in the poultry sector and competitive prices relative to other feeding ingredients.

In contrast, the soybean oil extraction rate is projected to decline to 11.65 pounds per bushel, reducing the total soybean oil production despite a higher crush volume. Furthermore, U.S. soybean oil demand is forecast to be reduced this month by 0.3 billion pounds to 30.3 billion pounds, due to lower-than-expected soybean oil use for biomass-based diesel production to date. According to the U.S. Department of Energy, Energy Information Administration, U.S. biomass-based diesel producers used 1.0 billion pounds of soybean oil in October 2025, compared with 1.2 billion pounds in the previous year. Uncertainty on finalized Renewable Volume Obligations remains, which may have resulted in lower-than-expected soybean oil use for biomass-based diesel. In addition, tallow usage in biomass-based diesel in October 2025 reached a record high of 893.0 million pounds, double last October's usage. Consequently, the forecast for soybean oil use in biomass-based diesel in MY 2025/26 is reduced this month to 14.8 billion pounds but remains 14 percent above the record-high usage in MY 2023/24. With lower-than-expected soybean oil use in biofuel, soybean oil exports have been stronger than expected. The U.S. soybean oil export forecast is increased this month to 1.2 billion pounds. In addition to higher exports, the projection for soybean oil use for food, feed, and other industrial use is increased. The soybean oil ending stocks for MY 2025/26 are forecast to be marginally higher than last month but similar to those in MY 2024/25. The soybean oil price is unchanged at 53 cents per pound.

2025/26 U.S. Minor Oilseeds Production Update

In this month's *Crop Production—2025 Summary* report, USDA, NASS updated the MY 2025/26 production estimates for canola, sunflowerseed, peanuts, and cottonseed. The U.S. minor oilseed production for MY 2025/26 is estimated at 22.6 billion pounds (10.25 million metric tons), up 1.5 billion pounds (0.7 million metric tons) from MY 2024/25, on higher sunflowerseed and peanut production, more than offsetting lower canola and cottonseed production. To note, this was the first update on canola and sunflowerseed acreage since the NASS June Acreage

report. Typically, production is updated in October but that didn't occur due to the Government shutdown.

Canola production is estimated at 4.7 billion pounds, down 4 percent from MY 2024/25, on lower harvested acreage but a record-high yield. Canola yields are estimated at 2,017 pounds per acre, up 225 pounds per acre from MY 2024/25. North Dakota, which accounts for 78 percent of canola production, experienced a favorable growing season. With lower canola production than MY 2024/25, canola imports are forecast to reach 606 million pounds. In addition, canola exports are forecast at 549 million pounds, up from last month, but remain 9 percent below MY 2024/25. Canola exports from June to October 2025 totaled 390 million pounds, up 40 percent from last year, but exports are expected to slow down due to higher crush in the last half of the marketing year. Canola crush in November 2025 reached 411.0 million pounds, bringing the June–November crush total to 2.4 billion pounds, down 5 percent from MY 2024/25. Consequently, canola crush is lowered to 4.7 billion pounds, but still above MY 2024/25. Canola ending stocks are forecast to decline.

Sunflowerseed production is forecast to recover from MY 2024/25 to 2.3 billion pounds on higher acreage and yields. Sunflowerseed yields are forecast at 1,863 pounds per acre, up 12 percent from MY 2024/25. The harvested acreage for sunflowerseed is estimated to be higher for North Dakota and South Dakota, which combined account for about 80 percent of sunflowerseed acreage. Total U.S. oil type sunflowerseed production is estimated at 2.1 billion pounds and the nonoil type sunflowerseed production at 0.2 billion pounds. The higher total sunflowerseed supply led to changes in crush, non-oil use, residual, and exports. Sunflowerseed crush is forecast to recover to 0.9 billion pounds, up 32 percent from MY 2024/25. Sunflowerseed ending stocks for MY 2025/26 are projected to be at 337 million pounds. Higher stocks are projected to decrease the season-average farm price to $22.85 per hundredweight.

The peanut production forecast for MY 2025/26 is reduced to 7.2 billion pounds on lower yields. Peanut yields are estimated at 3,767 pounds per acre. Peanut harvested acreage is nearly unchanged from the previous forecast at 1.9 million acres, up 163 million acres from MY 2024/25 with larger harvested area, mainly in Georgia and Texas. With lower peanut supply, food consumption, exports and ending stocks are all reduced this month.

Cottonseed production is forecast down to 4.2 million short tons. Consequently, crush is lowered to 1.15 million short tons, while the other use of cottonseed is marginally lower to 2.9

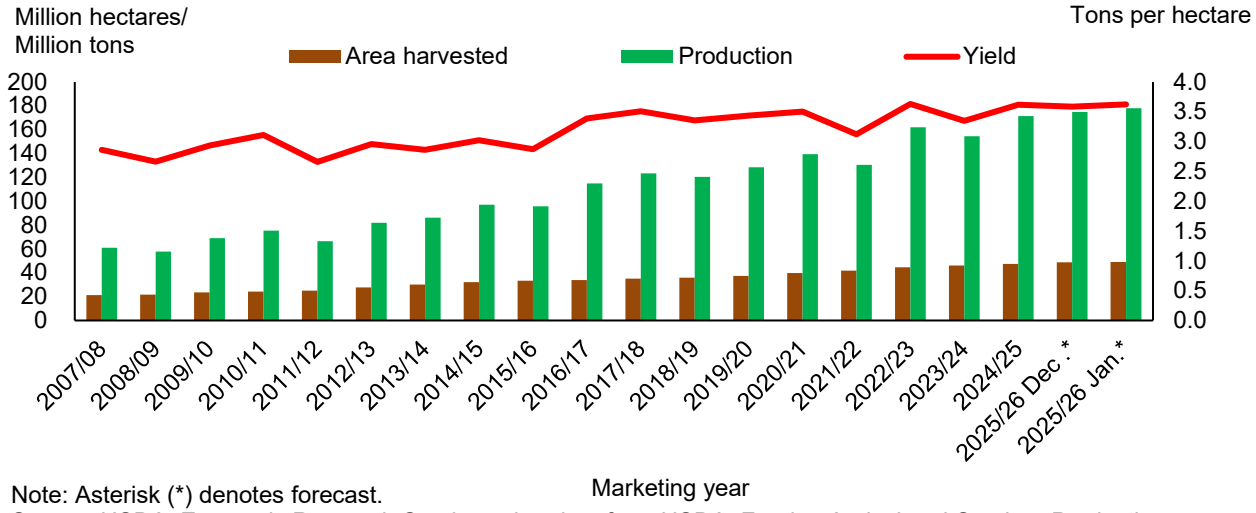
million short tons. Cottonseed exports are forecast to be at 0.25 million short tons, up from last year, as August through October exports are 32 percent ahead of the same period last year.

International Outlook

Global Soybean Supply Forecast for MY 2025/26 Is Raised on Higher Production in Brazil

The global soybean production forecast for MY 2025/26 is up 3.1 million metric tons to 425.7 million metric tons, driven by higher soybean production in Brazil and the United States, but lower production in China (figure 3). Brazil's soybean production is raised this month by 3 million metric tons to 178.0 million metric tons, on higher harvested acreage and higher yield. If realized, this number would be a new record high for Brazil's soybean crop. The soybean yield forecast is increased by 1 percent to 3.63 metric tons per hectare. The harvested acreage is forecast at 49.1 million hectares, 0.3 million hectares higher than last month's forecast.

Figure 3
Brazil soybean production



Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply, and Distribution* database.

According to CONAB (Companhia Nacional de Abastecimento) as of December 13, 2025, soybean planting in Brazil reached 94.1 percent in the 12 main producing regions, 2.7 percent below the same period last year. Weather conditions remain favorable for soybean development across the main producing regions, with planting progressing in the south and north and harvesting already underway in parts of Mato Grosso, Paraná, and Tocantins. The crops are progressing to the reproductive and maturation stages in Goiás, Mato Grosso do Sul, and São Paulo, while planting is concluding in Rio Grande Do Sul. December rainfall was favorable for crop development in most of the country. Conditions are good across all major Brazilian soybean-producing states.

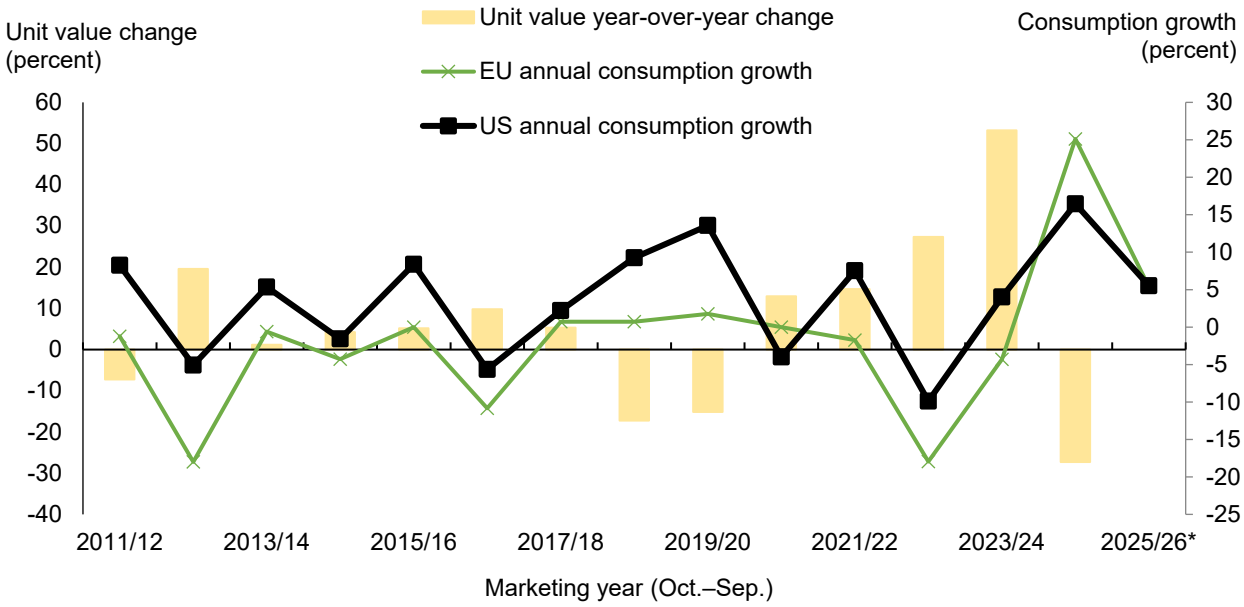
Global soybean trade is forecast at 187.6 million metric tons, marginally lower than last month on reduced exports from the United States, mostly offset by higher soybean exports from Brazil. Brazil's soybean exports for the October -September MY 2025/26 are forecast at 114.0 million metric tons, up 10.9 million metric tons from MY 2024/25, on a higher soybean supply. Global soybean crush for MY 2025/26 is forecast to reach a record 366.4 million metric tons, up 1.2 million metric tons from last month, but up 7.7 million metric tons from MY 2024/25. Brazil's soybean crush is increased by 1 million metric tons to a record high of 60 million metric tons. With higher global soybean crush, the global soybean meal and oil production, trade, and consumption projections increased this month. The soybean meal import forecast for the European Union is raised this month due to higher demand and reduced domestic soybean crush. The European Union soybean crush is forecast at 15.0 million metric tons, down 0.3 million metric tons from last month's forecast and down 0.4 million metric tons from MY 2024/25. Consequently, the EU's soybean import forecast is lowered 0.3 million metric tons to 14.0 million metric tons.

Global Olive Oil Production Is Forecast To Recover in MY 2025/26

Global olive oil production for MY 2025/26 is forecast to reach 3.3 million metric tons, up 0.3 million metric tons this month on higher production in the European Union, Tunisia, and Morocco. The EU olive oil production is forecast at 2.1 million metric tons, down 0.1 million metric tons from MY 2024/25. While global olive oil production is down compared to MY 2024/25, it is still forecast to be higher than the drought-restricted crops in MY 2022/23 and MY 2023/24. Olive oil production in Tunisia is forecast to reach a record high of 0.43 million metric tons. With recovery in global olive oil production, the global olive oil trade is forecast to reach 1.5 million metric tons, with the European Union accounting for 53 percent of global trade. The United States is a major importer of olive oil and is projected to import 0.48 million metric tons in MY 2025/26, up nearly 7 percent from MY 2024/25, due to growth in domestic consumption and lower olive oil prices compared to the last 2 years (figure 4).

Figure 4

Olive oil domestic consumption growth in the United States and the European Union with unit value changes, MY 2011/12–2025/26



MY=Marketing year. Asterisk(*) denotes forecast.
Note: The unit value year-over-year change is the percent change in annual unit values queried from USDA, Foreign Agricultural Services, Global Agricultural Trade System.
Source: USDA, Economic Research Service using USDA Foreign Agricultural Service, Production, Supply and Distribution data and Global Agricultural Trade Systems data.

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