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Oil Crops Outlook: July 2026

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U.S. Soybean and Canola Production Are Forecast at a Record for Marketing Year 2026/27

U.S. soybean and canola production for marketing year (MY) 2026/27 are forecast at a record level of 4.5 billion bushels and 5.4 billion pounds, respectively on higher acreage. According to the USDA's National Agricultural Statistics Service (NASS) *Acreage* report released on June 30, 2026, U.S. farmers planted 85.4 million acres of soybeans, up 5 percent from last year, and nearly 3 million acres of canola, up 27 percent from last year. With the higher supply and strong foreign demand, the U.S. soybean export forecast for MY 2026/27 is raised, while the crush forecast is unchanged. U.S. soybean ending stocks for MY 2026/27 are projected at 310 million bushels, unchanged from last month's forecast. The U.S. season average soybean price forecast for MY 2026/27 is unchanged this month at $11.40 per bushel.

With record domestic canola production, U.S. canola crush is projected to reach a record level of 5.3 billion pounds, supported by strong demand for canola oil. Canola imports are forecast to remain low in MY 2026/27, due to a record domestic supply and expansion of crush in Canada. Furthermore, U.S. canola exports are projected to be in line with MY 2025/26. U.S. canola ending stocks for MY 2026/27 are forecast to increase marginally compared to ending stocks in MY 2025/26. The U.S. season-average canola price forecast for MY 2026/27 is lowered this month to $24.50 per hundredweight but remains higher than MY 2025/26, driven by the strong demand.

Domestic Outlook

U.S. Soybean Production Increases for MY 2026/27 on Higher Acreage

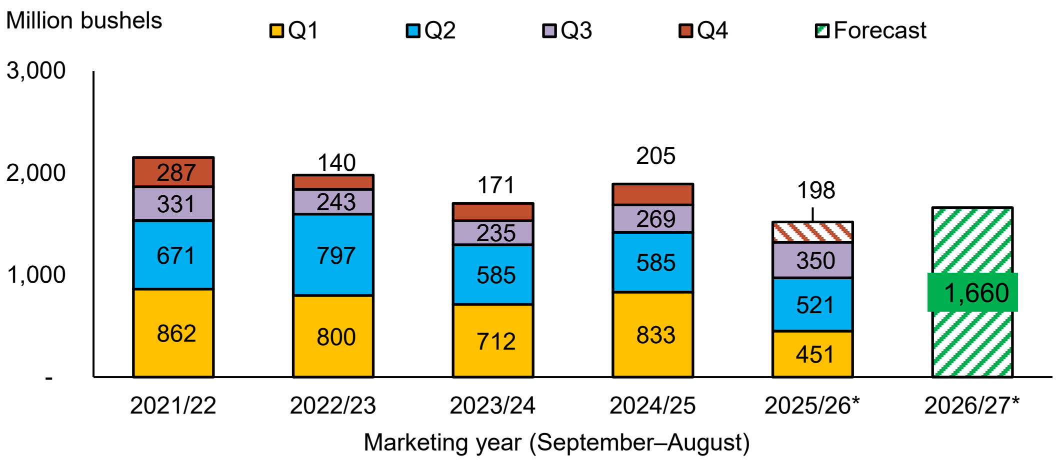
On June 30, 2026, the USDA, National Agricultural Statistics Service (NASS) released the *Acreage* report estimating that farmers planted more soybeans, canola, and sunflowerseed in MY 2026/27 compared with MY 2025/26. These estimates reflect the stronger profitability for oil crops compared to other crops—especially wheat, corn, and other feed grains—along with expected crop rotations. Oilseed prices have been bolstered by the strong domestic crush to support the growing demand for vegetable oils and meals. In contrast, farmers planted 95.3 million acres of corn, 3.4 million acres less than MY 2025/26, and total wheat planted area is down 6 percent at 42.7 million acres.

U.S. soybean production is expected to rise to a record high, on more acreage. Planted acreage was reported 0.7 million acres higher than *Prospective Plantings* report at the end of March, reaching 85.4 million acres. This additional acreage was mainly in the Eastern Corn Belt, Central Plains, and Northern Plains. The planted acreage declined in Mississippi, but the Delta region continued to remain above last year's planted acreage. Assuming a weather-adjusted trend yield of 53 bushels per acre, total soybean production is projected up to a record high of 4.5 billion bushels. Total soybean supplies for MY 2026/27 are forecast to be up 30 million bushels, as the production increase is partially offset by lower beginning stocks, due to revised MY 2025/26 soybean exports.

U.S. soybean exports in MY 2025/26 are raised 10 million bushels to 1.52 billion bushels. The U.S. Bureau of the Census reported that in May 2026, 94.4 million soybean bushels were exported, bringing the third quarter total to 350 million bushels. This number is up from last year, as there were soybean shipments to China outside of its traditional buying time. In addition, the United States increased soybean exports to Egypt and Indonesia in the third quarter, compared to last year. According to the U.S. Federal Grain Inspections Service, 67 million bushels of soybeans were inspected in June, up 36 percent from last year.

For MY 2026/27, U.S. soybean exports are expected to increase to 1.66 billion bushels, due to additional supplies and stronger global demand (figure 1). With higher soybean exports, unchanged crush and residual, U.S. soybean ending stocks for MY 2026/27 are forecast at 310 million bushels, unchanged from last month’s forecast. The U.S. season average soybean price forecast for MY 2026/27 is unchanged this month at $11.40 per bushel.

Figure 1
U.S. soybean exports by quarter



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

The U.S. soybean crush forecasts for MY 2025/26 and MY 2026/27 are unchanged this month and remain at record high levels, supported by demand for soybean oil and meal. Soybean meal exports are revised upwards for both MY 2025/26 and MY 2026/27, on higher shipments and relatively lower prices, compared to other feed ingredients. The soybean meal price for MY 2026/27 is forecast at $310 per short ton, unchanged from last month’s forecast and down $5 per short ton from MY 2025/26.

Soybean oil domestic demand for MY 2026/27 is unchanged this month, but up 2.7 billion pounds from the revised domestic usage in MY 2025/26. Domestic usage for MY 2025/26 is raised this month, on higher imports and lower exports. Soybean oil ending stocks are unchanged. The soybean oil price for MY 2026/27 is forecast at 70 cents per pound, unchanged from last month’s forecast.

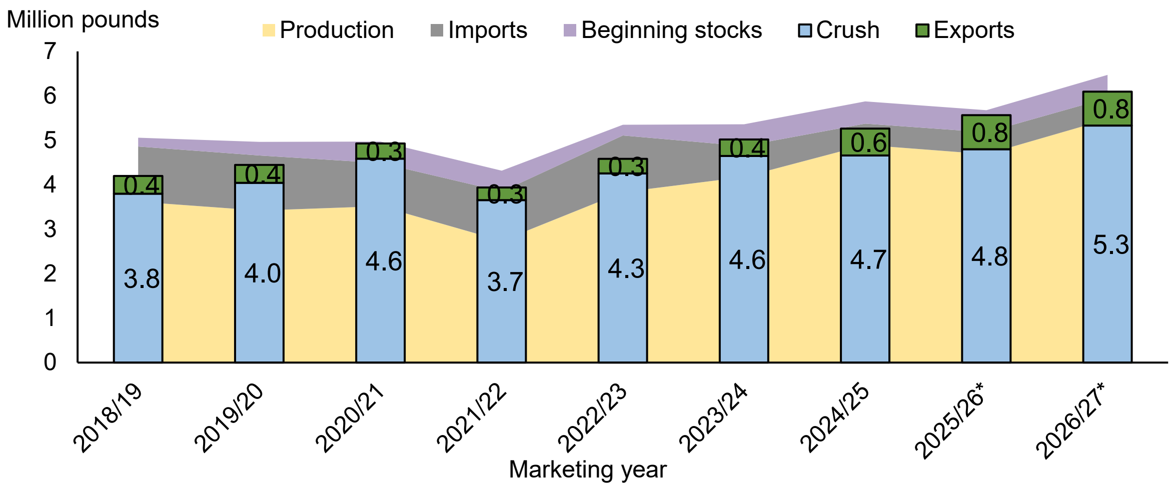
Record Crush Is Supplied by an Expansion in Canola Acreage

In MY 2026/27, U.S. farmers planted a record high 3.0-million acres of canola, this number is up 0.3 million acres from indications in the March *Prospective Planting* report. With higher acreage, canola production is forecast to reach 5.4 billion pounds. In addition to higher production, the

NASS June *Grain Stocks* report indicated that canola carry over stocks rose to 0.5 billion pounds. As a result, total canola supplies for MY 2026/27 are forecast at 6.4 billion pounds, up 10 percent from last month's forecast. This month, U.S. canola imports for MY 2026/27 were reduced, on higher domestic supply and in line with finalized MY 2025/26 trade data.

In MY 2026/27, over 80 percent of these supplies are forecasted to be used domestically. U.S. canola exports are raised this month to 0.8 billion pounds, nearly unchanged from MY 2025/26, while canola crush is forecasted up 0.5 billion pounds from finalized MY 2025/26 (figure 2). U.S. canola crush has been supported by stronger vegetable oil prices that are forecast to continue through MY 2026/27, largely driven by the domestic biofuel policy. The additional oil and meal production is forecast to be consumed domestically. Canola ending stocks are raised to 535 million pounds in MY 2026/27, up marginally from MY 2025/26. The MY 2026/27 canola season-average farm price is lowered this month to $24.50 per hundredweight but remains higher than MY 2025/26, driven by the strong demand.

Figure 3
U.S. canola supply and use



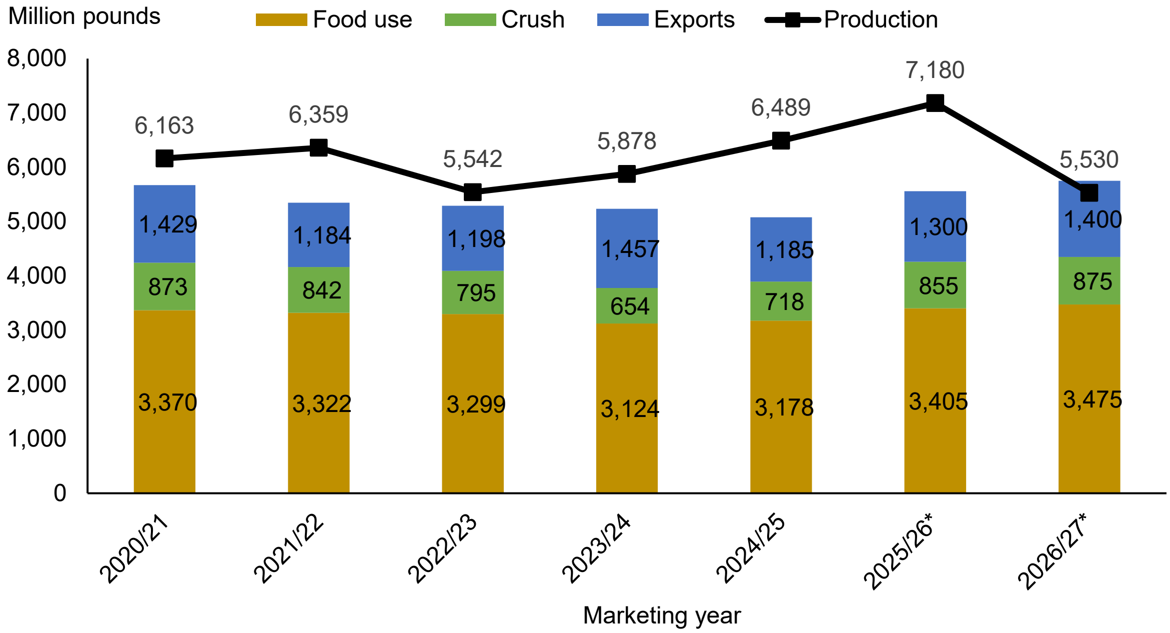
Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, July 2026.

U.S. Peanut Consumption Is on the Rise

In MY 2026/27, farmers planted 1.5 million acres of peanuts, down 22 percent from MY 2025/26, due to suppressed prices from large carry-in stocks. With lower acreage, peanut production is lowered this month by 0.5 billion pounds to 5.5 billion pounds. Despite lower peanut production compared to MY 2025/26, peanut food use is forecast to grow 2 percent from the revised MY 2025/26 forecast (figure 3).

Figure 3

U.S. peanut production, food use, crush, and exports



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

The USDA, NASS's *Peanut Stocks and Processing* report revised the MY 2025/26 food use monthly series, along with stocks, based on updated data. These updated statistics showed significant upward revisions, especially to the peanut butter and roasting stock consumption categories. As a result, MY 2025/26 food use is revised up to 3.4 billion pounds, a 7 percent growth from MY 2024/25. All but peanut candy consumption categories are well ahead of last year's pace from August 2025 through May 2026. Peanut snacks are up 12 percent, peanut butter use is up 6 percent, and roasting stock is up 15 percent—while peanut candy is down 2 percent from last year. In addition to the record supplies in MY 2025/26, this surge in consumption might also have been impacted by the rise of high-protein diets, since peanuts are a low-cost protein source. Growth in peanut consumption is expected to continue, but slow in MY 2026/27, as supplies are still readily available. With lower production, higher consumption, and higher exports than MY 2025/26—peanut ending stocks are forecast to decrease to 2.0 billion pounds. As a result, the peanut season-average farm price for MY 2026/27 is forecast at 24 cents per pounds, up from MY 2025/26.

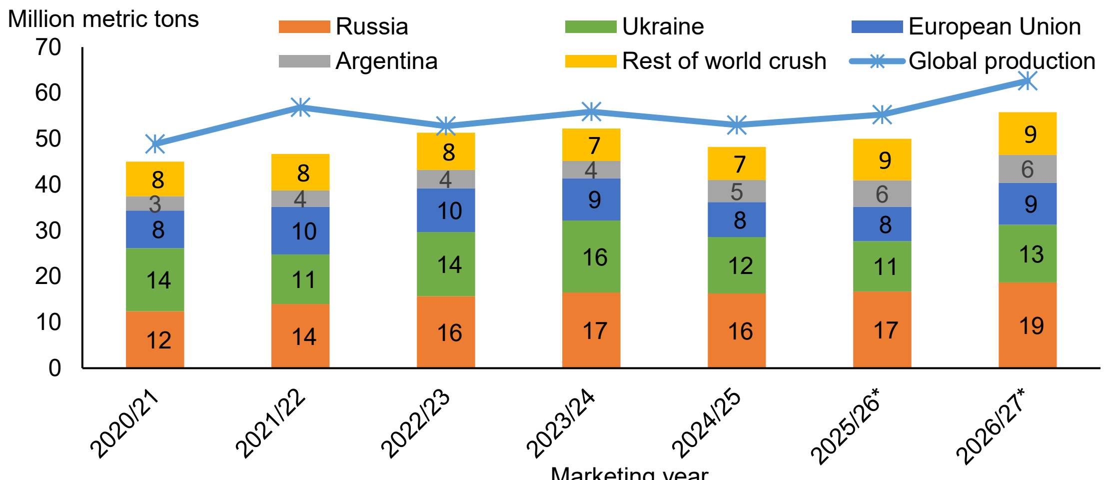
International Outlook

Global Sunflowerseed Output Increases for MY 2026/27

The global sunflowerseed output for MY 2026/27 increased this month by 0.6 million metric tons to 62.7 million metric tons. The higher production forecast for Russia more than offsets the reduction in production for Ukraine and the European Union. The sunflowerseed production in Russia is raised this month by 1.2 million metric tons to 20.7 million metric tons, on higher area harvested. The harvested area forecast is increased by 0.8 million hectares to 12.0 million hectares. In contrast, Ukraine's sunflowerseed production forecast is reduced this month by 0.5 million metric tons to 13 million metric tons, as farmers planted less sunflowerseeds than expected. The EU sunflowerseed production forecast for MY 2026/27 is reduced this month by 0.1 million metric tons to 9.8 million metric tons, on lower yield. France experienced high temperatures and dry conditions, resulting in this yield decline. However, other EU countries are experiencing favorable growing conditions. Sunflowerseed is a more drought tolerant crop compared to others crops.

The global sunflowerseed trade forecast is raised this month by 0.2 million metric tons to 3.7 million metric tons, on higher exports from Russia more than offsetting lower exports for Kazakhstan. With the higher global sunflowerseed supply, the MY 2026/27 global sunflowerseed crush is raised this month by 0.2 million metric tons to 55.8 million metric tons and the crush is 5.8 million metric tons higher than in MY 2025/26 (figure 4).

Figure 4
Global sunflowerseed production and crush by country



Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, July 2026.

Higher crush in Russia, Kazakhstan, and the European Union more than offsets the lower crush in Ukraine. Global sunflowerseed ending stocks for MY 2026/27 are forecast to increase to 4.2 million metric tons and Russia accounts for majority of the increase.

With the higher sunflowerseed crush forecast, global sunflowerseed oil production is projected to reach 23.6 million metric tons, 0.1 million metric tons higher than last month and 2.5 million metric tons higher than in MY 2025/26. Global sunflowerseed oil trade is unchanged this month and stands at 15.6 million metric tons. Russia's sunflowerseed oil export forecast is increased this month, while Ukraine's exports are reduced. Global sunflowerseed oil stocks are forecast to rebound in MY 2026/27.

Global Soybean Trade Is Forecast To Increase in MY 2026/27

In MY 2026/27, global soybean production is forecast higher to 441.7 million metric tons, with increased production for the United States and Canada only partially offset by a reduction in Russia. As a result of higher production and strong demand, global soybean trade is raised this month. The soybean exports for MY 2026/27 are forecast at 190.4 million metric tons, up 1.2 million metric tons from last month's forecast and 3.3 million metric tons from the revised exports for MY 2025/26. The higher forecast this month is for more soybean exports from the United States, Brazil, and Canada offsetting a reduction in soybean exports for Russia. Soybean exports from Russia are reduced this month on lower production.

China's soybean import forecast for MY 2026/27 is increased by 1.0 million metric tons to 115.0 million metric tons, on higher crush. In MY 2026/27, China is forecast to crush 111.0 million metric tons, up 2 million metric tons from the revised crush in MY 2025/26. The higher crush is driven by demand for soybean meal and soybean oil. China's soybean meal domestic use is forecast to grow at 2 percent, below the 5-percent growth rate observed in MY 2025/26. With the higher soybean crush, soybean oil exports for MY 2026/27 are forecast at 0.9 million metric tons, unchanged from revised soybean oil exports volume in MY 2025/26.

In addition to higher soybean crush in China, the crush is forecast up for Pakistan and Algeria and is partially offset by a decrease in crush in Russia. Global soybean crush is forecast up 1.1 million metric tons to 384.2 million metric tons. The demand for soybean products and expansion in crush capacity supports the increase in crush volume.

The higher global soybean usage forecast for MY 2026/27 this month more than offsets the increase in global soybean production, resulting in the lower soybean ending stocks. Global soybean ending stocks for MY 2026/27 are forecast at 124.2 million metric tons, down 1.2 million metric tons from MY 2025/26.

Suggested Citation

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