



Oil Crops Outlook: March 2025

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Global Soybean Crush Forecast to Reach a Record High

The global soybean crush forecast is increased this month by 2.9 million metric tons to a record-high level of 352.8 million metric tons on higher soybean crush in China, Argentina, Thailand, Ukraine, and Pakistan supported by increased soybean meal and soybean oil demand. Global soybean meal and oil consumption forecasts are raised by 1 percent and 2 percent, respectively, for marketing year (MY) 2024/25 due to lower and competitive prices against the substitutes. For MY 2024/25 global soybean meal consumption is forecast to reach 270.4 million metric tons, up 16.1 million metric tons from MY 2023/24. Soybean oil consumption is estimated at 67.6 million metric tons, up 5.7 million metric tons from MY 2023/24. With the global soybean production for MY 2024/25 nearly unchanged this month and higher demand for soybean crush, global ending stocks are forecast to decline but remain at a record-high level.

The U.S. soybean supply and demand forecast are unchanged this month. The season average soybean price is forecast at \$9.95 per bushel, 15 cents below last month's forecast. The soybean meal and oil prices remain unchanged this month at \$310.00 per short ton and 43 cents per pound, respectively.

Domestic Outlook

Outlook for U.S. Soybean Demand is Unchanged

Demand for U.S. soybeans remained unchanged this month. According to the U.S. Department of Commerce, Bureau of the Census (Census Bureau) soybean exports for September 2024–January 2025 totaled 1.3 billion bushels, up 18 percent from the same period last year. Furthermore, USDA, Foreign Agricultural Service’s (FAS) reported export commitments (i.e., accumulated exports and outstanding sales) for the week ending February 27, 2025, which are up 13 percent compared with 1 year ago and stand at 1.63 billion bushels. With 6 months remaining in the marketing year, U.S. soybean exports are expected to reach 1.8 billion bushels. The uncertainty remains regarding tariffs. This forecast is based on trade policy currently in place at the time of publication of the March 2025 World Agricultural Supply and Demand Estimates (WASDE) report. On March 4, 2025, China announced it would impose tariffs on certain US agricultural imports going into effect March 10, 2025. While the tariff on U.S. soybeans is 10 percent, the majority of China’s imports tend to come from Brazil during this time of the year.

The U.S. soybean crush forecast for MY 2024/25 is unchanged this month and stands at 2.41 billion bushels. In January, U.S. soybean crush totaled 212.6 million bushels, down 5.1 million bushels from the previous month but up 18.3 million bushels from January 2024. For the period September 2024–January 2025, soybean crush is up 67.8 million bushels or 7 percent. The U.S. soybean crush is supported by demand for soybean meal and soybean oil.

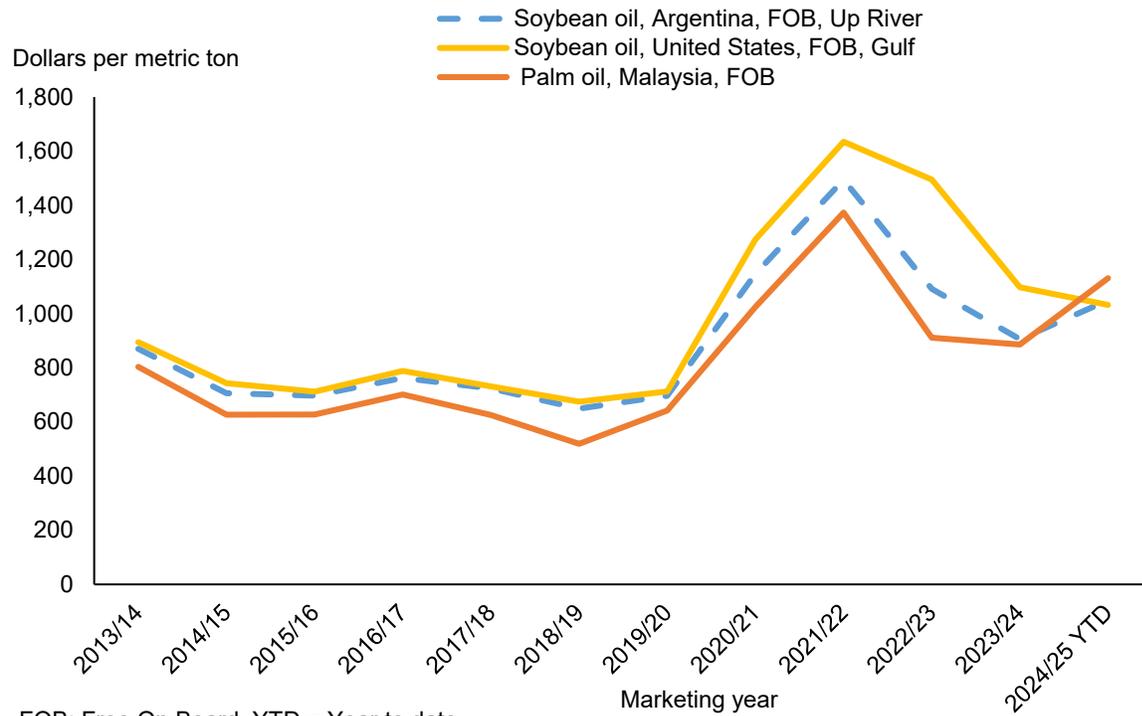
In January, U.S. soybean meal exports totaled 1.57 million short tons, bringing October–January shipments to 6.40 million short tons, up 9 percent from the same period last year. Despite strong shipments in the beginning of MY 2024/25, U.S. soybean meal exports will face competition from Argentina’s larger supplies in April–September 2025. The U.S. soybean meal export forecast for MY 2024/25 is unchanged this month and stands at 17.4 million short tons.

Soybean meal prices in Central Illinois declined in February and averaged \$304.78 per short ton, down nearly 4 percent from the previous month and down 16 percent from the previous year. The 2024/25 season-average soybean meal price forecast is unchanged this month and stands at \$310.00 per short ton.

Vegetable Oils Demand for Biomass-Based Diesel Production Reduced

U.S. soybean oil prices remain competitive on the global market with ample domestic supply and uncertainty in the domestic biofuels policy. U.S. soybean oil prices, Free on Board (FOB) Gulf dropped at the beginning of March to \$1,004.00 per metric ton and were on average \$40.00 per ton cheaper than soybean oil prices in Argentina, FOB, Up River (figure 2).

Figure 1
Select major exporters' soybean oil and palm oil prices



FOB: Free On Board. YTD = Year to date.
 Note: Marketing year average prices are averages of daily quotes on an October through September basis.
 Source: USDA, Economic Research Service using data from International Grains Council.

U.S. soybean oil prices are competitive with Argentina’s soybean oil prices and competitive against palm oil. As a result, a sporadic buyer like India made U.S. soybean oil purchases. U.S. soybean oil exports totaled 900 million pounds from October 2024 through January 2025, 18 times higher than the same period last year. According to the USDA, FAS’ *Export Sales* report, soybean oil outstanding sales are at 528 million pounds as of February 27, 2025. With higher U.S. soybean oil exports, domestic use of soybean oil is forecast down including use of soybean oil in biomass-based diesel production.

Soybean oil and canola oil use in biomass-based diesel production are both lowered this month to 13.45 billion pounds and 4.8 billion pounds, respectively. This decrease is due to

expectations of reduced biomass-based diesel production and feedstock usage in the first quarter of 2025. The U.S. Environmental Protection Agency's (EPA) Renewable Identification Numbers (RINs) generated in January 2025 signaled a drop off in both biodiesel and renewable diesel production. While the first quarter of 2025 is expected to be slower to fill the Renewable Volume Obligation (RVOs) for calendar year 2025, the latter half of the marketing year is expected to pick up.

The lower domestic demand for U.S. canola oil resulted in lower canola oil imports, especially from Canada. The MY 2024/25 canola oil import forecast is lowered to 7.8 billion pounds in line with the year-to-date arrivals but is still up 7 percent from MY 2023/24. Canola oil imports have totaled 2.5 billion pounds from October 2024 through January 2025.

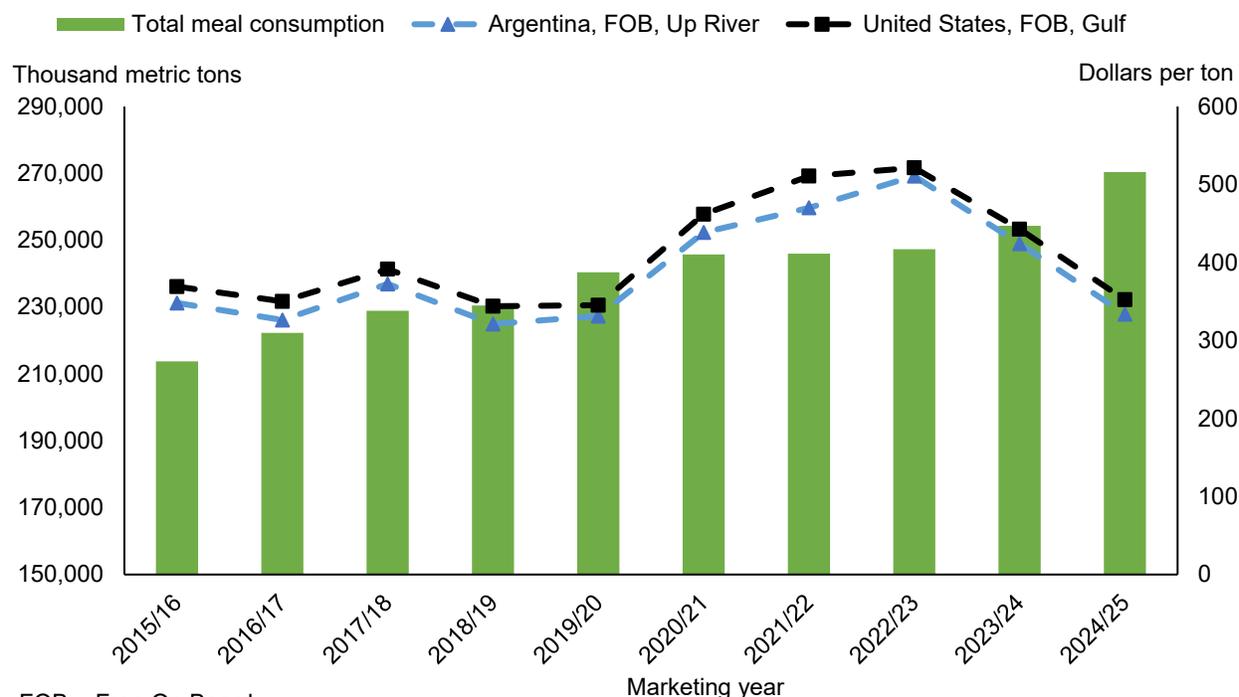
International Outlook

Global Soybean Meal and Oil Consumption to Increase in MY 2024/25

Global soybean meal prices are declining, and soybean meal is one of the most competitive protein sources in the global market. Consequently, the global soybean meal consumption forecast for MY 2024/25 is raised this month by 1.6 million metric tons to 270.4 million metric tons (figure 2). Most of the increase in soybean meal domestic consumption for MY 2024/25 is forecast in the European Union (EU), China, the United States, Brazil, and Southeast Asia (i.e. Indonesia, Malaysia, Philippines, Vietnam, Thailand). These countries account for 70 percent of global soybean meal consumption.

Figure 2

Global soybean meal consumption and select major exporters' prices



FOB = Free On Board.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database; and International Grains Council.

In contrast, the global usage of other meals (e.g., rapeseed meal, sunflowerseed meal, and cottonseed meal) forecast is reduced this month by 1.2 million metric tons to 84.0 million metric tons. The higher usage of soybean meal more than offsets the reduction in rapeseed meal, sunflowerseed meal and cottonseed meal.

The EU's soybean meal consumption forecast is raised this month by 0.6 million metric tons to 28.3 million metric tons on higher soybean meal consumption supported by higher imports and lower supply of mid-proteins, like rapeseed meal and sunflowerseed meal. In February, soybean prices for CIF (Cost, Insurance, Freight) in Rotterdam, Netherlands from Argentina averaged \$368.00 and were down 18 percent compared with February 2024. EU soybean meal imports were raised by 1.0 million metric tons to 17.6 million metric tons. Higher soybean meal imports more than offset lower domestic supply of rapeseed meal and sunflowerseed meal. Domestic production of both meals are reduced this month due to lower rapeseed and sunflowerseed crush.

China's soybean crush forecast is increased this month by 2.0 million metric tons to 105.0 million metric tons on indicated pace and higher soybean meal and oil demand. Inside country sources reports have indicated that soybean crush volume in China is running ahead of the last year's levels in the range of a 7–10-percent increase. China's domestic soybean meal consumption is increased to 81.7 million metric tons and exports are raised to 1.2 million metric tons. Soybean oil domestic consumption is also increased offsetting the lower palm oil imports.

Argentina's soybean meal export forecast is increased this month by 1.0 million metric tons to 29.0 million metric tons on higher shipments and competitive soybean meal prices on the international market. Soybean meal prices, Argentina, FOB, Upriver, have averaged \$334.00 per metric ton in MY 2024/25, down \$90.00 per metric ton from MY 2023/24. As a result, the soybean crush is increased to 42.0 million metric tons. With unchanged domestic soybean production, higher crush and unchanged exports, soybean ending stocks in Argentina are forecast lower.

With higher soybean crush, global soybean oil production and trade is forecast to increase. The global soybean oil production forecast is raised this month by 1.7 million metric tons to 68.1 million metric tons on higher crush in Argentina, China, Pakistan, Thailand, and Ukraine. Global soybean oil trade is increased to a record high of 13.5 million metric tons with India as a major importer. India's soybean oil imports are increased by 0.6 million metric tons to a record-high level of 4.4 million metric tons. The higher soybean oil imports compensate for a decline in palm oil imports. The global palm oil trade forecast is reduced this month by 1.2 million metric tons to 45.1 million metric tons on lower exports from Indonesia and Colombia. Indonesia's exports are reduced due to higher domestic palm oil consumption, especially for biodiesel. In addition, global production and trade of sunflowerseed oil is raised on higher crush in Ukraine and Russia. India is expected to import more sunflowerseed oil.

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