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Oil Crops Outlook: May 2025

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In this report:

U.S. Soybean Ending Stocks Forecast Is Lower for MY 2025/26

The U.S. soybean supply for marketing year (MY) 2025/26 is forecast nearly unchanged, with higher carryover stocks and marginally lower soybean production. Soybean production is forecast at 4.3 billion bushels, down nearly 1 percent, due to the lower planted area. The U.S. soybean yield is forecast at 52.5 bushels per acre, based on a weather-adjusted trend, while assuming normal weather during the growing season. U.S. soybean total demand for MY 2025/26 is forecast higher, as an increase in the domestic soybean crush offsets the reduction in exports. Consequently, U.S. soybean ending stocks for MY 2025/26 are projected at 295 million bushels, 55 million bushels lower than estimated stocks for MY 2024/25. The 2025/26 U.S. season-average farm price for soybeans is forecast at $10.25 per bushel, compared with $9.95 per bushel in MY 2024/25. Soybean meal and oil prices are forecast to increase to $310.00 per short ton and $0.46 per pound, respectively. Total U.S. oilseeds production for MY 2025/26 is forecast higher at 128.5 million metric tons.

Global oilseed production is forecast to reach a new record high of 692 million metric tons. This number is up nearly 15 million metric tons from MY 2024/25 on higher soybean, rapeseed, sunflowerseed, copra, peanut and palm kernel—with cottonseed production declining. A record-high soybean crop is forecast for Brazil at 175 million metric tons. Global soybean crush volumes are projected to increase but at a slower pace than in MY 2024/25. China's soybean imports are forecast up to 112 million metric tons—along with several other countries including Bangladesh, Egypt, and Pakistan. Global soybean ending stocks for MY 2025/26 are projected at 124.3 million metric tons, up 1.2 million metric tons from MY 2024/25.

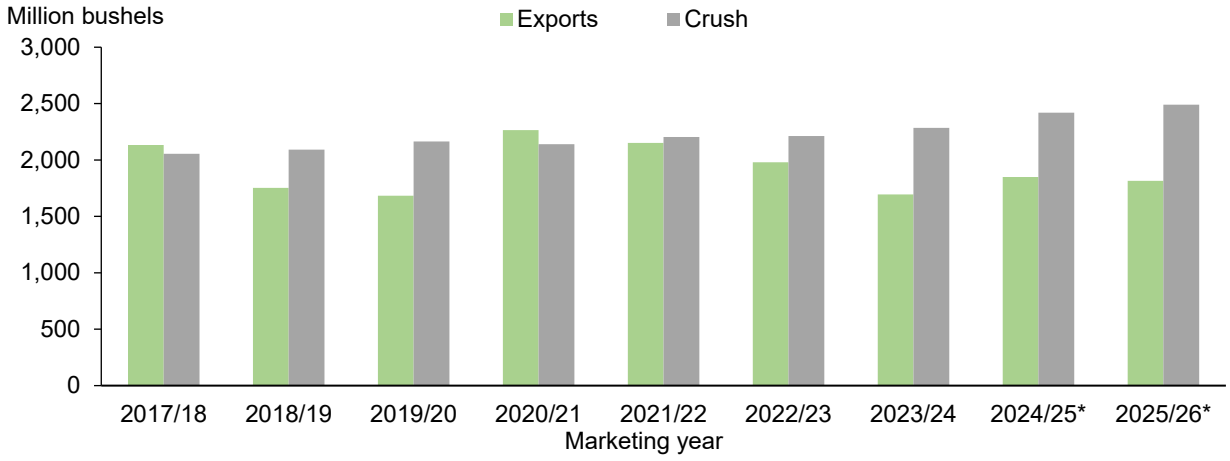
Approved by USDA's World Agricultural Outlook Board

Domestic Outlook

U.S. Soybean Crush Is Forecast To Increase on Higher Demand for Products

U.S. soybean production for MY 2025/26 is projected to be down slightly to 4.34 billion pounds, on lower planted acreage and a trend yield of 52.5 bushels per acre. The projected yield is based on a weather-adjusted trend model and assumes normal weather. As outlined in the U.S. Department of Agriculture (USDA), National Agricultural Statistics Service's (NASS) *Prospective Plantings* report, U.S. farmers intend to plant 83.5 million acres (down 3.6 million acres from the previous year) as producers shifted to more profitable crops, such as corn. With higher beginning stocks and slightly lower production, U.S. soybean supply is forecast slightly lower than in MY 2024/25. U.S. soybean exports are forecast at 1.82 billion bushels, 35 million bushels lower than MY 2024/25. Overall, the U.S. share of global soybean trade is projected to drop to 26 percent, 2 percent lower than MY 2024/25, as U.S. soybean exports compete with higher supply in South America. In contrast, U.S. soybean crush for MY 2025/26 is forecast to increase 3 percent to a record-high of 2.49 billion bushels (figure 1).

Figure 1
U.S. soybean 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* report, May 2025.

Higher crush volumes are expected to meet the projected 2-percent increase in domestic soybean meal demand, as well as growth in soybean meal exports. The growth in domestic meal demand is forecast in tandem with domestic pork and poultry production forecasts, and competitive soybean meal prices compared with other feed ingredients. U.S. soybean meal

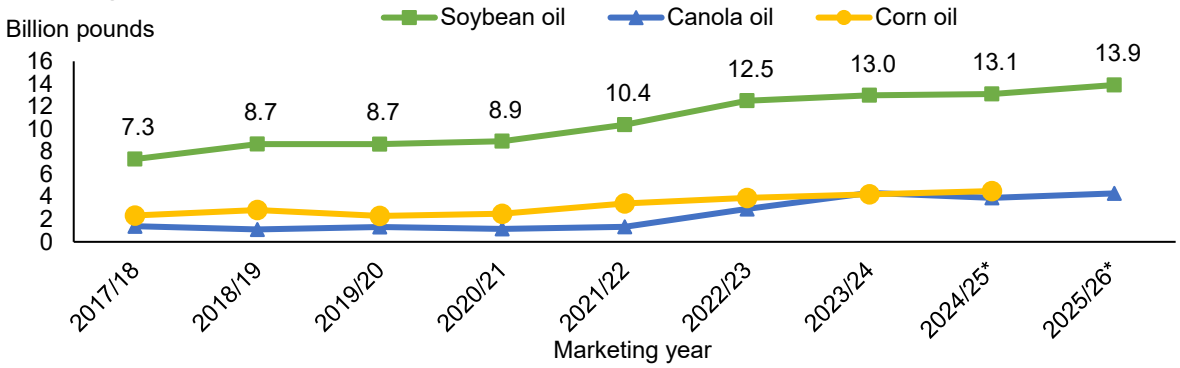
exports for MY 2025/26 are forecast to increase 0.6 million short tons to a record-high 18.0 million short tons.

U.S. soybean crush capacity has increased in the last 3 years, on growing demand for soybean products and is expected to continue to expand in MY 2025/26, based on announcements of new crush facilities. In the past, most of the Northern Plains soybean production was directed to the export market through the Pacific Northwest. However, the increased capacity in the region may divert soybeans to crush. Furthermore, the higher soybean crush volumes are largely supported by domestic demand. Soybean oil use for biomass-diesel production in MY 2025/26 is projected to increase to 13.9 billion pounds. U.S. soybean oil exports for MY 2025/26 are projected to decrease 0.7 billion pounds to 1.7 billion pounds on higher supply of other major vegetable oils (i.e. palm oil, sunflowerseed oil, and rapeseed oil).

Usage of Vegetable Oils in Biomass-Based Diesel Production Forecast To Rise in MY 2025/26

As of May 12, 2025, the renewable volume obligations (RVOs) have not been set for calendar year 2026. Biofuel use for soybean oil and canola oil is forecast assuming an average growth in the RVOs and current U.S. State policies. Soybean oil use in biomass-based diesel production is forecasted at 13.9 billion pounds, up 6 percent from revised MY 2024/25 (figure 2). Canola oil use in biofuels is expected to be up 0.4 billion pounds, from revised MY 2024/25 to 4.3 billion pounds, in line with MY 2022/23. With higher domestic canola oil demand and unchanged domestic production, canola oil imports are forecast to be a record-high 7.3 billion pounds. Canola oil stocks are forecast at 122 million pounds, nearly unchanged from MY 2023/24.

Figure 2
U.S. vegetable oil use in biomass-based diesel production



Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service (ERS) using data the USDA, ERS Oil Crops Yearbook and from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates,* May 2025.

The use of feedstocks for biomass-based diesel production (reported by the U.S. Department of Energy, Energy Information Administration) indicates that the first-quarter of 2025 use was weak. In February, soybean oil use in biofuels was 576 million pounds making October 2024 through February 2025 use down 7 percent from MY 2023/24. Total soybean oil use in MY 2024/25 is lowered to 13.1 billion pounds. While production of biomass-based diesel has been slow, the recovery is projected later in the marketing year to fill the RVOs. The RIN prices have started to increase, likely incentivizing production and higher use of feedstocks. Canola oil biofuel use in February was only 92 million pounds, bringing the total to 1.7 billion pounds for October 2024—February 2025. Due to lower use and U.S. biofuel policy uncertainty, canola oil biofuel use is lowered to 3.9 billion pounds in MY 2024/25. Use of grease in biofuels has also declined, with slower imports from China.

Minor Oilseeds Outlook for MY 2025/26

As indicated by USDA, NASS *Prospective Plantings* report, farmers intend to sow more sunflowerseed and peanuts, at the loss of canola acreage. U.S. total oilseeds (except soybean) production is forecast at 10.4 million metric tons, up from MY 2024/25—as lower canola output is more than offset by higher production in sunflowerseed, peanuts, and cottonseed.

Canola seed production in MY (June–May) 2025/26 is forecast down 6 percent on lower planted area and trend yield. Total supplies are forecast lower, as higher imports only partially offset the lower beginning stocks and production. The canola crush forecast is nearly unchanged at 4.78 billion pounds and exports are forecast lower at 0.4 billion pounds. Despite lower supplies, canola crush is supported by strong domestic demand for canola oil, for both food and biofuel use. Canola seed ending stocks are forecast to be unchanged from MY 2024/25 at 350 million pounds.

U.S. sunflowerseed farmers intend to plant more sunflowerseed acreage, at 1.1 million acres. Assuming 96-percent of sown acreage is harvested, and trend yield at 1,766 pounds per acre, U.S. sunflowerseed production is forecast to rise to 1.8 billion pounds. With a higher supply, sunflowerseed crush is forecast to rebound to 0.805 billion pounds and non-oil use and residual is forecast to increase to 1.3 billion pounds. Sunflowerseed ending stocks are forecast slightly higher than MY 2024/25, at 241 million pounds. The season-average sunflowerseed farm price is forecast down to $20.75 per hundredweight, on higher stocks and pressure from higher global supplies of sunflowerseed.

U.S. peanut production is forecast to rise to 7.5 billion pounds, up 1.0 billion pounds from MY 2024/25, largely on higher acreage and trend yields. Peanut domestic food use in MY 2025/26 is projected to grow 1.3 percent from the previous year. With higher supply and moderate food growth, peanut crush is forecast up to 900 million pounds and exports to 1.4 billion pounds. Despite large supply, peanut exports are limited by competition with Argentina. Ending stocks of peanuts in MY 2025/26 are forecasted to increase to 2.3 billion pounds. With higher stocks, the peanut season-average farm price is forecast down from MY 2024/25 to 24.5 cents per pound in MY 2025/26.

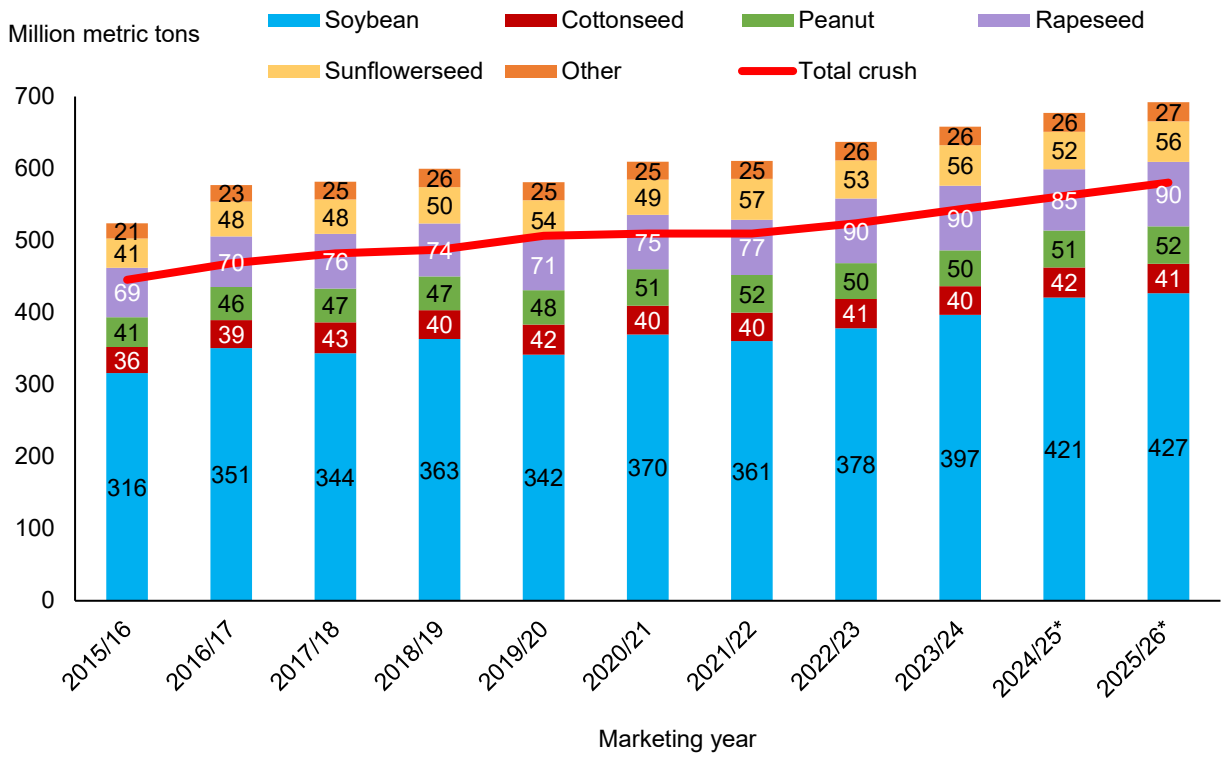
Cottonseed production is up from MY 2024/25 at 4.5 million short tons, on higher cotton production, driven by higher harvested acres. A larger domestic supply pushes cottonseed crush in MY 2025/26 to 1.45 million short tons, up 200,000 short tons from MY 2024/25. Cottonseed prices in MY 2025/26 are projected to decline by $5.00 to $220.00 per short ton.

International Outlook

Global Oilseeds Production for MY 2025/26 Increases To a Record High

Global oilseeds production for MY 2025/26 is forecast to increase by 14.9 million metric tons to nearly 692 million metric tons—on higher soybean, sunflowerseed, rapeseed, peanut, palm kernel, and copra production—while cottonseed production is projected to decline marginally (figure 3). Higher soybean production, which is expected to reach a record high of 426.8 million metric tons, accounts for most of the gain.

Figure 3
Global major oilseed production and crush



Note: Asterisk (*) denotes forecast. Other includes: Copra and palm kernel.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, May 2025.

Global rapeseed and sunflowerseed production are projected to recover by 4.5 million metric tons and 4.3 million metric tons, respectively (to 89.6 million metric tons and 56.2 million metric tons, respectively), on marginally higher area and trend yield.

Global oilseeds trade forecast is increase by 6.8 million metric tons to 215.1 million metric tons—on higher soybean, peanut, and sunflowerseed exports—which are partially offset by lower rapeseed and cottonseed exports. Global oilseed crush volume is forecast to increase by 18.4 million metric tons to 580.5 million metric tons, with soybean crush volume accounting for 67 percent of that increase. Sunflowerseed, rapeseed, and palm kernel crush volumes account for the rest of that global increase. Global cottonseed crush volume is forecast to decline slightly in MY 2025/26, due to a lower supply of seeds. Despite the 3-percent growth in global domestic oilseeds use, global oilseeds ending stocks are forecast at 143.2 million metric tons, up from MY 2024/25. Soybean ending stocks are forecast to increase by 1.2 million metric tons in MY 2025/26 from last year's record level of 123.2 million metric tons. Global rapeseed and sunflowerseed ending stocks are forecast to rebound to 9.2 million metric tons and 3.2 million metric tons, respectively. In addition, global peanuts, palm kernel, and cottonseed stocks are forecast to rise marginally.

Global Soybean Crush Increases on Higher Supply and Soybean Products Demand

Global soybean supply for MY 2025/26 is projected to increase on record-high carryover stocks from MY 2024/25 and a forecasted increase in soybean production for Brazil, Paraguay, Russia, China, and Bolivia. This increase is partially offset by a soybean production decline in the United States, Argentina, Canada, India, Uruguay, and Ukraine. The incentives to plant soybeans vary by country, but in general, returns to corn acres in MY 2025/26 have resulted in more planted corn acres at the expense of soybean acres. Consequently, the global soybean area is expected to decline nearly 1 percent, reaching 145.8 million hectares. With record-high carryover stocks and higher production, global soybean supply for MY 2025/26 is forecast to increase. Global soybean trade is projected at 188.4 million metric tons, up 7.6 million metric tons from MY 2024/25. The higher soybean export forecasts for Brazil, Paraguay, Argentina, and Russia more than offset lower exports from the United States and Canada. China's soybean imports are forecast at 112.0 million metric tons, up from the revised MY 2024/25 forecast. Soybean imports for Bangladesh, Iran, Egypt, and Pakistan are forecast to increase due to higher domestic soybean crush and increased feed demand.

Global soybean crush volume for MY 2025/26 is forecast at 366.5 million metric tons, a 12.3-million metric ton increase from MY 2024/25. Soybean crush volume is forecast to increase in several countries (including China, the United States, Argentina, Brazil, Egypt, Bangladesh, Thailand, Pakistan, and Vietnam). The higher crush volumes are driven by demand growth for

soybean meal and soybean oil. Global growth for soybean meal demand is driven by higher global livestock production and lower feed prices. Despite the growth in global soybean trade and domestic use, global soybean stocks for MY 2025/26 are projected to increase, with higher stocks in South America and lower in the United States.

Brazil's soybean production for MY 2025/26 is forecast to reach a new record-high 175.0 million metric tons, on a 3-percent increase in harvested area and a soybean yield of 3.59 tons per hectare. Brazil is projected to continue to dominate global soybean trade, with a record-high soybean supply and a weak currency, accounting for 59 percent of the global soybean trade in MY 2025/26. Brazil's soybean exports are projected at 112.0 million metric tons, 7.5 million metric tons higher than the estimate for MY 2024/25. Soybean crush is forecast to increase by 1 million metric tons to 58.0 million metric tons, supported by soybean meal and oil demand.

Brazil's soybean domestic meal demand in MY 2025/26 is expected to grow nearly 5 percent, while soybean meal exports are forecast to increase marginally due to stronger competition from Argentina and the United States. Furthermore, Brazil's consumption of soybean oil is projected to grow nearly 3 percent to 10.4 million metric tons. Strong demand for soybean oil is driven by the 14-percent biodiesel blend requirement set by the Government of Brazil.

In Argentina, soybean planted area is expected to decline nearly 5 percent, as the net returns for grains are more attractive than for soybeans. With a lower planted area and a trend yield of 2.9 metric tons per hectare, Argentina's soybean production is forecast to decline slightly to 48.5 million metric tons. The lower soybean production is offset by higher soybean imports, on ample supplies from neighboring countries. Argentina's soybean exports are projected higher than 2024/25 and crush is forecast to increase marginally.

India's soybean production is forecast marginally lower at 12.5 million metric tons, on lower area and average yield. The lower soybean production is offset by higher soybean imports. Soybean crush is expected to rise to a record high of 11.4 million metric tons. With domestic soybean meal consumption projected to grow nearly 4 percent, India's soybean meal exports for MY 2025/26 are forecast at 1.1 million metric tons, unchanged from MY 2024/25.

In China, soybean production for MY 2025/26 is forecast marginally higher, at 21.0 million metric tons, on a modest increase in area. Soybean imports are forecast at 112 million metric tons, up 4 million metric tons from revised imports for MY 2024/25. With domestic soybean meal demand continuing to grow, soybean crush is expected to increase 4 percent. With higher soybean crush and food use more than offsetting larger imports, soybean ending stocks in China are forecast to decline slightly.

The global soybean meal equivalent domestic consumption for MY 2025/26 is forecast to increase 4 percent to 363 million metric tons, supported by higher feed demand and competitive soybean meal prices. Soybean meal accounts for 84 percent of this growth. China's soybean meal equivalent growth is projected to grow 3 percent, with a major contribution from soybean meal. China is projected to account for 30 percent of global soybean meal consumption in MY 2025/26. In addition, lower soybean meal prices are expected to support soybean meal demand growth in Asia (including South Korea, Taiwan, Thailand, and Vietnam). Furthermore, higher soybean consumption is forecast for several countries (including Egypt, Pakistan, and Bangladesh). The higher growth in domestic soybean meal consumption is met not only through higher crush of imported soybeans at the destinations but also higher soybean meal imports. Global soybean meal trade for MY 2025/26 is expected to increase by 1.5 percent to 80.9 million metric tons (with United States leading the increase in exports, followed by Argentina). The European Union (EU) is forecast to crush more oilseeds domestically. The EU is the third biggest global soybean meal consumer and largest importer of soybean meal. With an increase in domestic oilseed crush, the EU's soybean meal imports are forecast to decline. In contrast, Indonesia, Malaysia, the Philippines, Thailand, Japan, and Vietnam are forecast to increase soybean meal imports. This increase is based on higher domestic meal demand, supported by growth in the livestock sector and competitive prices for soybean meal as a feed ingredient. Other countries (such as Iran, Turkey, Saudi Arabia, South Africa, Colombia, Ecuador, and Mexico) are also projected to import more soybean meal in MY 2025/26.

Global Rapeseed and Sunflowerseed Production Is Projected To Rebound in 2025/26

Global rapeseed and sunflowerseed output for MY 2025/26 is forecast to increase by 5 percent and 8 percent, respectively, on higher area and trend yields. Rapeseed production is forecast higher for the EU, Russia, Canada, China, India, and Australia—which more than offsets lower production in Ukraine, the United Kingdom, and the United States. The EU and Russia are also expected to have higher sunflowerseed production as well as Ukraine, Turkey, China, and the United States. Global rapeseed trade is expected to decline on lower imports from the EU while global sunflowerseed trade is expected to increase marginally. Global rapeseed and sunflowerseed crush volume is forecast to increase by 1.4 million metric tons and 4.2 million metric tons (respectively) to 85.1 million metric tons and 51.9 million metric tons, respectively. Global rapeseed and sunflowerseed stocks are forecast to increase marginally from last year's lows.

In the EU, rapeseed and sunflowerseed production is forecast to increase to 19.2 million metric tons and 10.0 million metric tons, respectively. The harvested area for rapeseed is estimated up 4 percent from MY 2024/25 and stands at nearly 6 million hectares. The increase in the rapeseed area is a result of favorable prices and weather conditions in autumn. With a 2.3-million metric ton increase in domestic rapeseed production, the EU's rapeseed imports are forecast to decline to 5.8 million metric tons. The EU rapeseed crush forecast is projected at 24.0 million metric tons, 0.6 million metric tons higher than MY 2024/25. In contrast, farmers are expected to plant 2 percent less sunflowerseed. With a trend yield forecast, the EU sunflowerseed production is expected to recover from last year's drought. The sunflowerseed crush is forecast to increase by 1.4 million metric tons to 9 million metric tons.

In Russia, winter rapeseed experienced relatively stable weather during the growing season. With a more-than 5-percent increase in the area and a trend yield, Russia's rapeseed production for MY 2025/26 is forecast to reach a record high of 5.3 million metric tons. Sunflowerseed production is also forecast to increase to 17.5 million metric tons, on trend yields and unchanged acreage.

Ukraine's rapeseed production is projected to decline slightly on lower acreage, while sunflowerseed production is forecast to increase to 14.4 million metric tons from the revised production estimate in MY 2024/25 of 13.0 million metric tons. With higher sunflowerseed production, both exports and crush are projected to be higher than last year. Ukraine's sunflowerseed crush is forecast to increase by 1.7 million metric tons to 14.0 million metric tons, whereas rapeseed crush is forecast unchanged from MY 2024/25.

In Canada, rapeseed production is forecast to increase nearly 4 percent to 19.5 million metric tons, on a modest increase in the area and trend yield. The increase in production does not offset lower carryover stocks from MY 2024/25, resulting in the lower supply forecast for MY 2025/26 at 21.2 million metric tons. Rapeseed crush is forecast to increase by 0.3 million metric tons to 11.3 million metric tons, while the rapeseed export forecast is reduced by 1.2 million metric tons from MY 2024/25 to 7.6 million metric tons.

Australia's rapeseed production is forecast to increase 4 percent to 6.2 million metric tons, on higher area and a trend yield. The acreage increase is due to favorable prices for rapeseed, compared to alternative crops. In addition, the rotation practice to reduce exposure to diseases is supportive of planting more rapeseed. With expectations for higher rapeseed supply, Australia's crush is projected to increase by 0.1 million metric tons to 1.2 million metric tons, while export forecast remains nearly unchanged at 4.8 million metric tons.

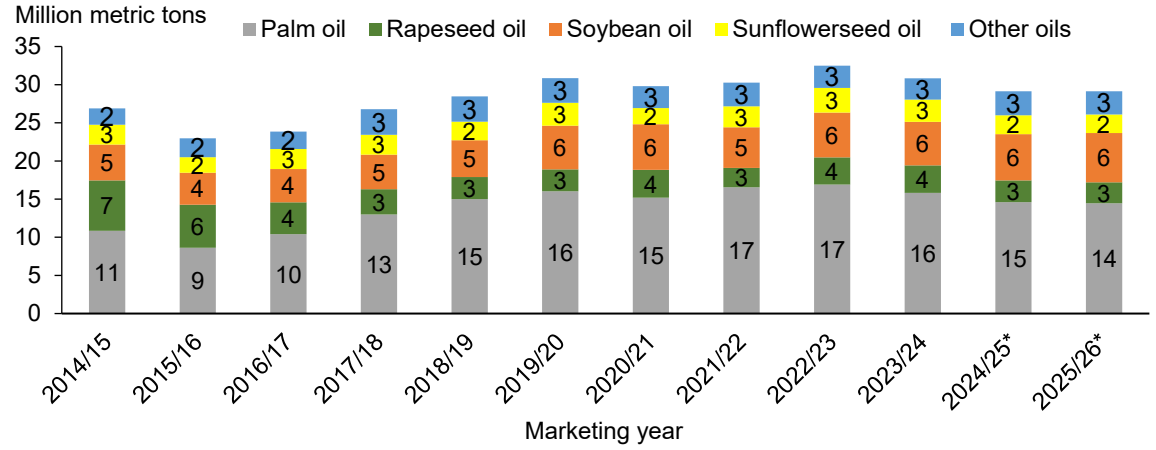
In China, rapeseed and sunflowerseed production is forecast to increase in the MY 2025/26, on higher harvested area and an average yield projection. Despite higher domestic production, China's rapeseed imports are forecast to increase to 4.8 million metric tons, on higher domestic crush to meet growing rapeseed oil demand.

In India, the 2025/26 rapeseed crop is forecast at 12.0 million metric tons, up 0.5 million metric tons from MY 2024/25, on higher harvested area projected at 9.3 million hectares, the same as the record harvested area from 2023/24. The rapeseed crush is forecast at a record high of 10.8 million metric tons.

Global Vegetable Oils Production Forecast To Increase on Higher Palm Oil Production and Rebound in Softseeds Crush

Global vegetable oils production is forecast to increase in MY 2025/26 by 6.8 million metric tons to 234.5 million metric tons. The reason is higher production for palm oil, soybean oil, rapeseed oil, sunflowerseed oil, palm kernel oil, coconut oil, peanut oil, and cottonseed oil (while olive oil is projected to decline). Global vegetable oils consumption is forecast to reach 228.9 million metric tons, up 4.9 million metric tons. Global food consumption accounts for 72 percent of the total vegetable oils consumption. Global industrial use, that includes the use of vegetable oils as feedstock for biofuels production, continues to grow and is projected to reach 64.1 million metric tons. The growth in the vegetable oils demand offset the growth in production. Consequently, vegetable oils ending stocks are forecast at 29.1 million metric tons for MY 2025/26, unchanged from MY 2024/25 (figure 4).

Figure 4
Global major vegetable oil stocks



Other oils include coconut oil, cottonseed oil, olive oil, and palm kernel oil.
Note: Asterisk (*) denotes forecast.
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, May 2025.

Global palm oil production for MY 2025/26 is forecast to increase 3 percent to 80.4 million metric tons. Malaysia's palm production is forecast at 19.2 million metric tons, up 0.5 million tons from MY 2024/25. Indonesia's palm oil production is projected to increase 1.5 million metric tons to 47.5 million metric tons. Global palm oil exports are expected to rebound to 45.6 million metric tons—on higher exports from Indonesia, Malaysia, and Thailand. Indonesia's domestic palm oil demand from the biodiesel industry is expected to rise slightly. With steady growth in palm oil production and palm oil usage, global palm oil ending stocks are forecast at 14.5 million metric tons, similar to MY 2024/25.

Global soybean oil production is projected to increase by 2.2 million metric tons to 70.8 million metric tons, on higher global soybean crush. Global domestic soybean oil consumption is forecast to grow by 3 percent to 69.2 million metric tons, due to growth in food consumption and industrial use. Soybean oil exports are forecast to decline from the record level in MY 2024/25, on higher trade of other oils and more soybean crush in major soybean importing countries. Bangladesh, Pakistan, and India are projected to import less soybean oil. Global soybean oil ending stocks for MY 2025/26 are forecast to increase to 6.4 million metric tons.

Global rapeseed oil production for MY 2025/26 is forecast to increase by 0.6 million metric tons to 34.5 million metric tons on higher global rapeseed crush. Higher production for Canada, the European Union, China, India, and Australia are offset by lower production in Mexico, the United Kingdom, and Russia. Global rapeseed oil trade for MY 2025/26 is almost unchanged. With steady growth in global rapeseed oil consumption, global rapeseed oil stocks are projected to decline to 2.7 million metric tons, the lowest since MY 2021/22.

Global sunflowerseed oil production for MY 2025/26 is forecast to increase by 1.8 million metric tons to 21.9 million metric tons, on higher sunflowerseed crush in Ukraine, the EU, Russia, China, Turkey, and the United States. Partially offsetting is lower crush in Argentina and Kazakhstan, due to lower sunflowerseed production. Global sunflowerseed oil exports are expected to increase nearly 1.0 million metric tons to 13.7 million metric tons—on higher shipments from Ukraine, Russia, and Turkey. Imports of sunflowerseed oil for China and India are forecast to increase to 1.2 million metric tons and 3.2 million metric tons, respectively. Global sunflowerseed oil consumption for MY 2025/26 is projected to grow 7 percent to 20.4 million metric tons, on higher supply and competitive prices. The increase is projected in major consuming countries: India, China, and the EU. With global demand growth keeping up with global supply, global sunflowerseed oil ending stocks for MY 2025/26 are forecast at 2.4 million metric tons, flat compared with MY 2024/25.

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