



# Oil Crops Outlook: June 2024

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## U.S. Soybean Ending Stocks Projected Higher for MY 2024/25

A higher carryover raised the marketing year (MY) 2024/25 U.S. soybean ending stocks forecast by 10.0 million bushels to 455.0 million bushels. The increase in expected carryover stocks is due to a reduction of the soybean crush forecast for MY 2023/24, which is reduced by 10.0 million bushels to 2.29 billion bushels due to lower domestic meal demand. The higher domestic soybean meal prices along with slower livestock growth contributed to revised estimate for U.S. soybean meal demand. The forecasts for soybean, soybean meal, and soybean oil prices are unchanged this month.

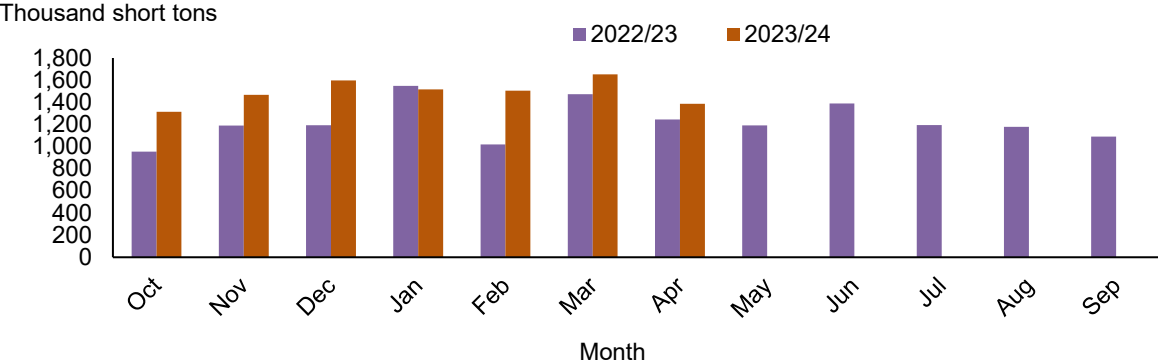
Global rapeseed production for MY 2024/25 is reduced this month by 1.3 million metric tons on a lower production forecast for the European Union (EU) and Australia. The EU rapeseed production is reduced this month by 0.3 million metric tons to 18.8 million metric tons on lower yield. Australia rapeseed production is reduced by 1.0 million metric tons to 5.5 million metric tons on lower planted acreage. Global rapeseed crush and ending stocks are expected to decline.

# Domestic Outlook

## U.S. Soybean Meal Exports Offset Weak Domestic Soybean Meal Demand

Although U.S. soybean meal exports are on a seasonal decline, exports are still outpacing last year’s shipments throughout the spring season. For the October 2023–April 2024 period, U.S. soybean meal exports totaled 10.4 million short tons, up 21 percent from the same period last year (figure 1).

Figure 1  
**U.S. soybean meal exports**



Source: USDA, Economic Research Service using USDA, Foreign Agricultural Service, Global Agricultural Trade System data.

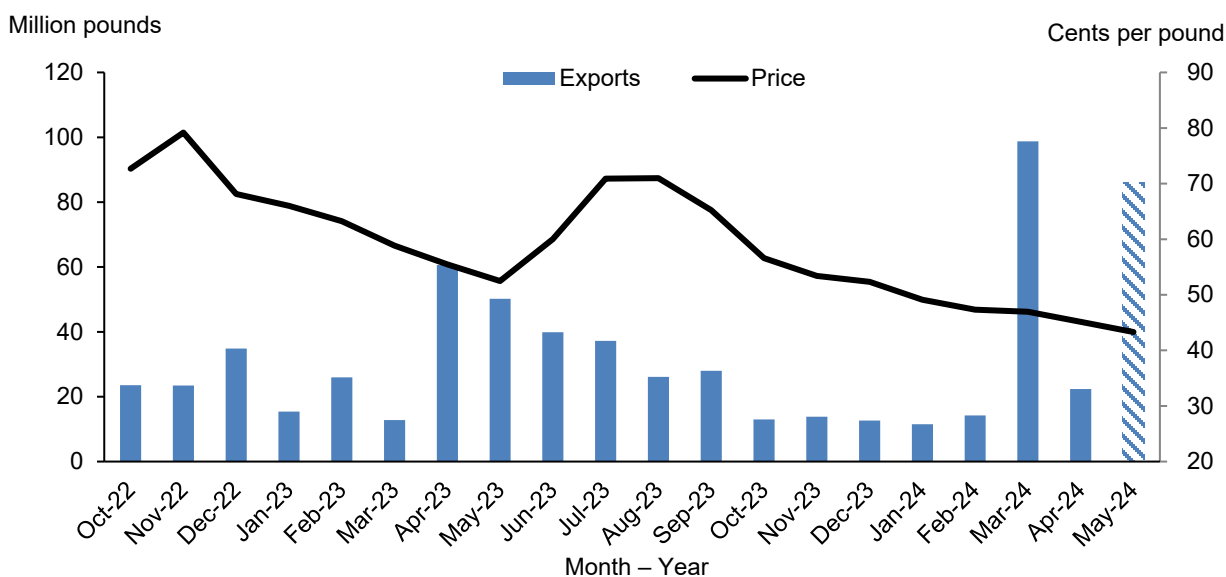
In May, U.S. exporters shipped over 900 thousand metric tons of soybean meal according to the USDA, Foreign Agricultural Service (FAS) *Weekly Export Sales* report. U.S. soybean meal has offset the decline in trade from Argentina. However, as Argentina begins to crush, U.S. shipments are projected to slow in the remaining months. Robust U.S. soybean meal export commitments result in a higher MY 2023/24 export forecast of 16.0 million short tons, up 0.2 million short tons from last month. In contrast, domestic soybean meal demand for MY 2023/24 is reduced by 0.4 million short tons on pace to date. The annual soybean meal price forecast remains unchanged this month and stands at \$380.00 per short ton.

With lower domestic demand for soybean meal, U.S. soybean crush for MY 2023/24 is reduced this month by 10.0 million bushels to 2.29 billion bushels. Considering expansion of U.S. soybean crush capacity and higher soybean supply, the U.S. soybean crush forecast for MY 2024/25 remains unchanged this month at 2.43 billion bushels.

## Decline in U.S. Domestic Soybean Oil Price Supports Slightly Higher Exports

In MY 2023/24, soybean oil prices have fallen as production has increased with record soybean crush and record vegetable oil imports. According to the USDA, National Agricultural Statistics Service (NASS), soybean crush from September through April was 1.55 billion bushels, up 56 million bushels from the same period last year. In April, soybean oil stocks were 2.3 billion pounds, down 2 percent from March while production dropped 13 percent. Soybean oil prices in Decatur, Illinois, dropped 2 cents from April to 43 cents per pound in May, potentially spurring soybean oil exports (figure 2). During the October–April 2023/24 period, soybean oil exports totaled 186.0 million pounds. Although down from last year, the outstanding U.S. soybean oil sales stand at 114.0 million pounds as of May 30, up 5 percent from the same period last year. USDA raised its MY 2023/24 soybean oil export forecast by 100.0 million pounds to 450.0 million pounds. Furthermore, the soybean oil export forecast for MY 2024/25 is increased by 100.0 million pounds to 600.0 million pounds. The domestic consumption of soybean oil for MY 2023/24 and MY 2024/25 is lowered 200.0 million pounds and 100.0 million pounds, respectively, for food, feed, and other industrial use. The soybean oil price forecast for MY 2024/25 is unchanged at 42 cents per pounds, down 6 cents from MY 2023/24.

Figure 2  
**Soybean oil exports and price**



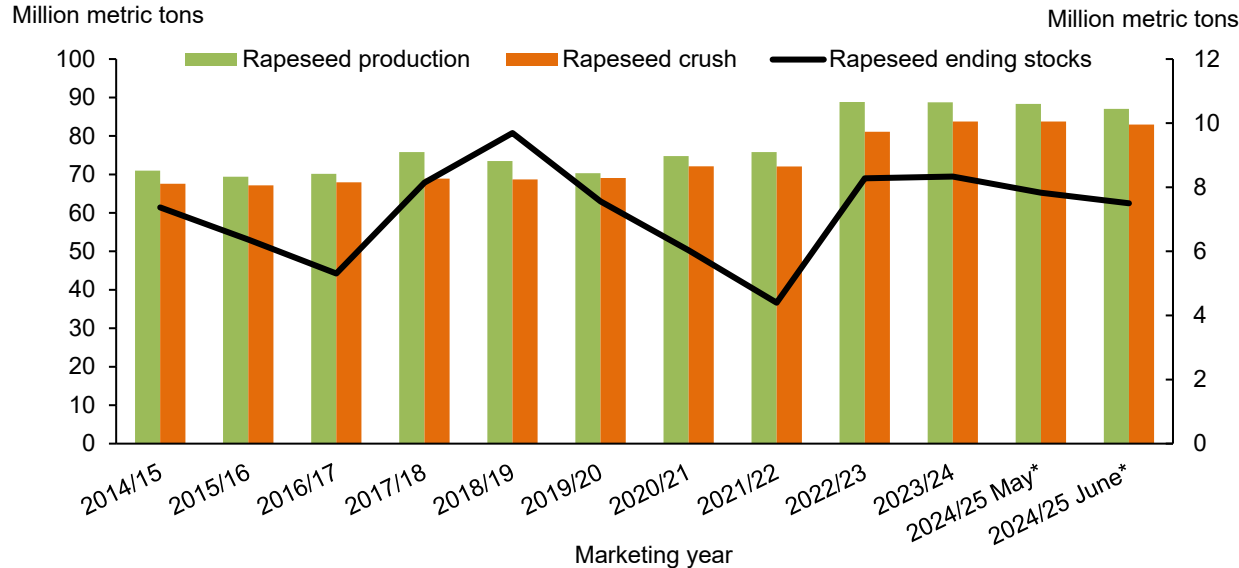
Note: The May 2024 value is estimated using weighted weekly sales data from USDA, Foreign Agricultural Service's Export Sales report.  
Source: USDA, Economic Research Service using USDA, Agricultural Marketing Service data; and USDA, Foreign Agricultural Service, Export Sales and Global Agricultural Trade System data.

# International Outlook

## Prospect for Global Rapeseed Output Declines

Global rapeseed production for MY 2024/25 is reduced this month by 1.3 million metric tons to 87.1 million metric tons on lower production in the EU and Australia. Global rapeseed exports are expected to decline by 0.7 million metric tons to 16.9 million metric tons as lower exports from Australia are partially offset by slightly higher rapeseed exports from Canada. Major importers of Australia’s rapeseed, including the EU, Pakistan, and the United Arab Emirates are expected to import less rapeseed than previously forecasted. With less global rapeseed supply, global rapeseed crush is forecasted down 0.8 million metric tons, at 82.9 million metric tons, resulting in lower rapeseed oil production. Furthermore, the global rapeseed oil consumption forecast is reduced, and it is partially offset by higher soybean oil and palm oil consumption. Global rapeseed ending stocks for MY 2024/25 are expected to decline to 7.5 million metric tons, down 0.3 million metric tons from last month’s forecast and 0.8 million metric tons lower than last year’s ending stocks.

Figure 3  
**Global rapeseed production, crush and ending stocks**



Note: Asterisk (\*) denotes forecast.  
 Source: USDA, Economic Research Service using USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, June 2024.

The EU’s rapeseed production for MY 2024/25 is forecast at 18.8 million metric tons, down 0.3 million metric tons from last month on lower yield. The EU’s rapeseed yield is estimated at 3.21 tons per hectare, down 1 percent from last month. By the end of May, most of the rapeseed crop was ahead of normal development and was entering the pod-filling stage. Dry weather in

Hungary and Romania, which began in the middle of January and persisted throughout May, is expected to affect pod fill development. At the same time, excessive rainfall in France and Germany is expected to hinder the yield potential. The harvested area is estimated at 5.9 million hectares, unchanged from last month but down 6 percent from last year.

The EU's rapeseed supply for 2024/25 is forecast at 26.8 million metric tons, down 0.6 million metric tons from last month on lower production and import forecasts. As a result of lower supply, the EU's rapeseed crush for MY 2024/25 is reduced this month to 24.1 million metric tons. Furthermore, ending stocks are expected to decline to 1.5 million metric tons, down 0.2 million metric tons from last month and 0.2 million metric tons lower than the previous 2023/24 season.

Australia's rapeseed production forecast for MY 2024/25 is reduced this month by 1.0 million metric tons to 5.5 million metric tons on lower area. The harvested area is estimated at 3.2 million hectares, down 0.6 million hectares from last month's forecast. Persistent dryness in Western Australia and South Australia discouraged producers from planting rapeseed in favor of other crops, such as wheat, barley, and pulses. Australia's rapeseed yield forecast stands at 1.72 metric tons per hectare, nearly unchanged from last month's forecast. As a result of a lower rapeseed crop, Australia's exports and ending stocks are reduced this month.

## Brazil's Soybean Production Lowered on Flood Conditions in MY 2023/24

In May, the continued rains in the State of Rio Grande do Sul have disrupted MY 2023/24 harvesting progress and limited the number of fields that can be harvested. The State of Rio Grande do Sul agency, EMATER/RS (Associação Riograndense de Empreendimentos de Assistência Técnica e Extensão Rural), reported a reduction in the State's soybean acreage and production. The harvested area is estimated down by 100,000 hectares to 45.8 million hectares. The lower harvested area, combined with a slightly lower yield, pushes Brazil's MY 2023/24 estimated production to 153.0 million metric tons, down 1.0 million metric tons from last month's forecast. Brazil's MY 2023/24 soybean import forecast is raised this month by 0.2 million metric tons on higher imports from Paraguay. For Brazil's local year (Jan.–Dec. 2024), the soybean export forecast is lowered by 1.0 million metric tons, while the MY 2023/24 (Oct.–Sep.) soybean export forecast is unchanged. With lower production, higher imports and unchanged use, soybean stocks at end of September 2024 are reduced to 30.6 million metric tons.

## Suggested Citation

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