



Oil Crops Outlook: December 2024

Maria Bukowski

Bryn Swearingen

In this report:

- [Domestic Outlook](#)
- [International Outlook](#)

U.S. Soybean Oil Exports Increase on Strong Export Commitments

U.S. soybean crush and soybean oil production reached a record high in October 2024. U.S. soybean oil became the most competitive vegetable oil in the global market with tightening supply of global palm oil. As of November 28, 2024, USDA, Foreign Agricultural Service (FAS) indicated in the weekly *U.S. Export Sales* report that soybean oil total commitments are at 416,300 metric tons compared with 28,100 metric tons during the same period last year. With larger supplies and competitive prices, the U.S. soybean oil export forecast for marketing year (MY) 2024/25 is raised this month by 500.0 million pounds to 1.1 billion pounds. The higher exports forecast is partially offset by lower domestic demand. Soybean oil ending stocks for MY 2024/25 are lowered slightly this month to 1.5 billion pounds.

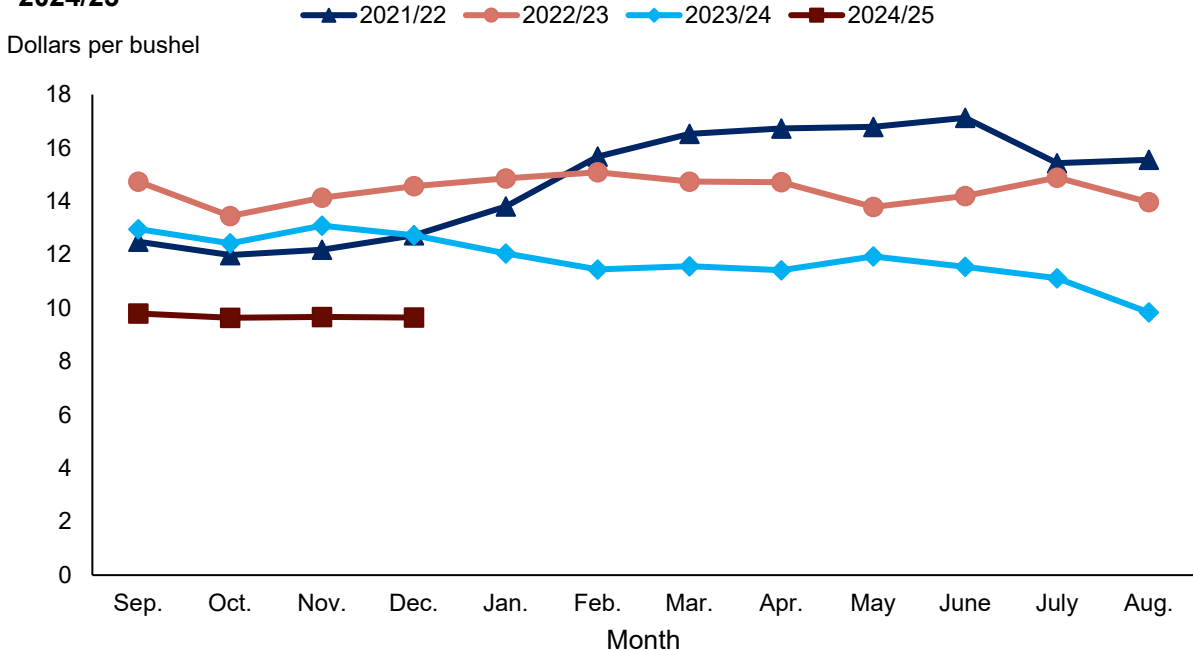
The global vegetable oils supply forecast for MY 2024/25 is reduced this month due to lower palm oil supply partially offset by higher soybean and sunflowerseed oil supply. With reduced global supply and unchanged vegetable oil consumption, global vegetable oil ending stocks are forecast to decline.

Domestic Outlook

Soybean and Soybean Meal Prices Decline on Ample Supply

U.S. soybean prices have continued to face downward pressure due to ample soybean supplies. According to the latest USDA, National Agricultural Statistics Service (NASS) *Agricultural Prices* report, farms received \$9.91 per bushel in October 2024, down 29 cents from September 2024. On average, about one-third of the U.S. soybean crop is typically marketed in September and October. Based on current prices, the outlook for the U.S. season-average farm price is lower at \$10.20 per bushel, down 60 cents from last month. In addition, cash prices in November and in the beginning of December were also depressed throughout the country. Soybean prices at the country elevator in Central Illinois averaged \$9.65 per bushel in the beginning of December (figure 1).

Figure 1
Central Illinois average soybean prices at country elevators, MY 2021/22–2024/25

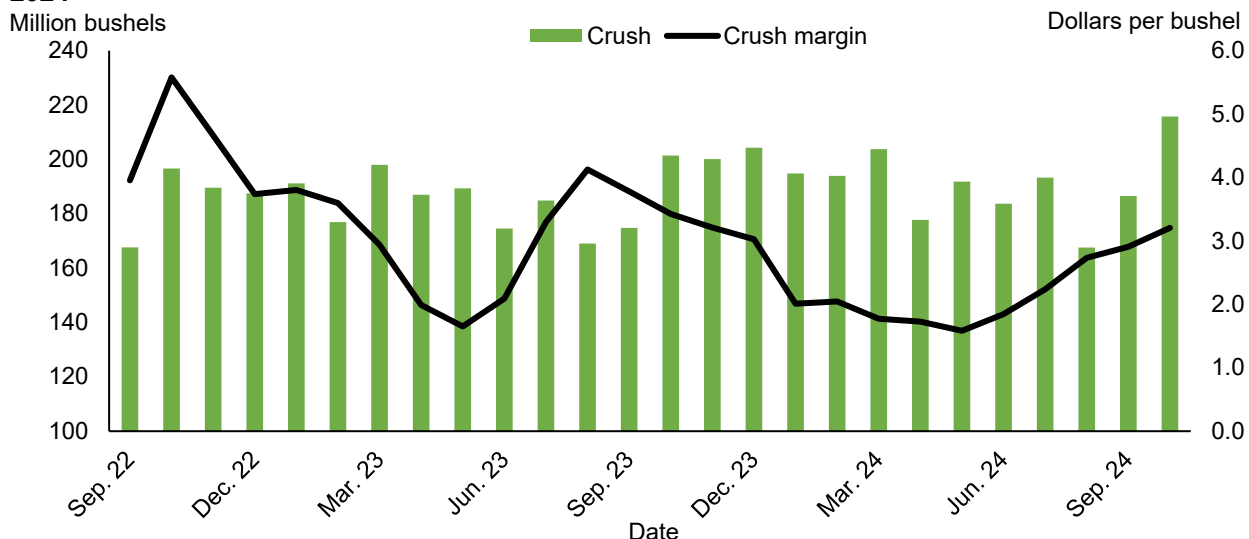


MY = Marketing Year.
 Note: December 2024 average includes just the first week of data.
 Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service, My Market News.

In addition to lower U.S. soybean prices, ample soybean meal supplies on the global market have put downward pressure on soybean meal prices. November 2024 soybean meal prices in Illinois were at \$316.00 per short ton, down \$27.00 per short ton from October 2024. Although U.S. soybean and soybean meal prices have decreased, soybean oil prices are unchanged at

43 cents per pound. As a result, the U.S. soybean oil share value of the crush margin has increased. In October 2024, the crush margin in Central Illinois was \$3.20 per bushel, up 30 cents from September 2024 (figure 2).

Figure 2
Crush margin in Central Illinois and monthly crush, September 2022–October 2024



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, Quick Stats; and USDA, Agricultural Marketing Service, My Market News.

The U.S. processors crushed a record-high 215.8 million bushels of soybeans in October, 11.5 million bushels higher than the record established in December 2023. This translates to nearly 7.0 million bushels of soybeans crushed per day. If the daily rate crush rate of 7.0 million bushels represents capacity utilization in the range of 80–90 percent based on crush margins, USDA, Economic Research Service (ERS) estimate the annual U.S. soybean crush capacity in a range of 2.8–3.1 billion bushels.

In October, U.S. processors produced 11.91 pounds of soybean oil for each crushed soybean bushel, which is 0.11 pounds higher than in October 2023. Consequently, the MY 2024/25 extraction rate forecast is raised this month to 11.87 pounds per bushel, and soybean oil production is increased by 270.0 million pounds to 28.6 billion pounds.

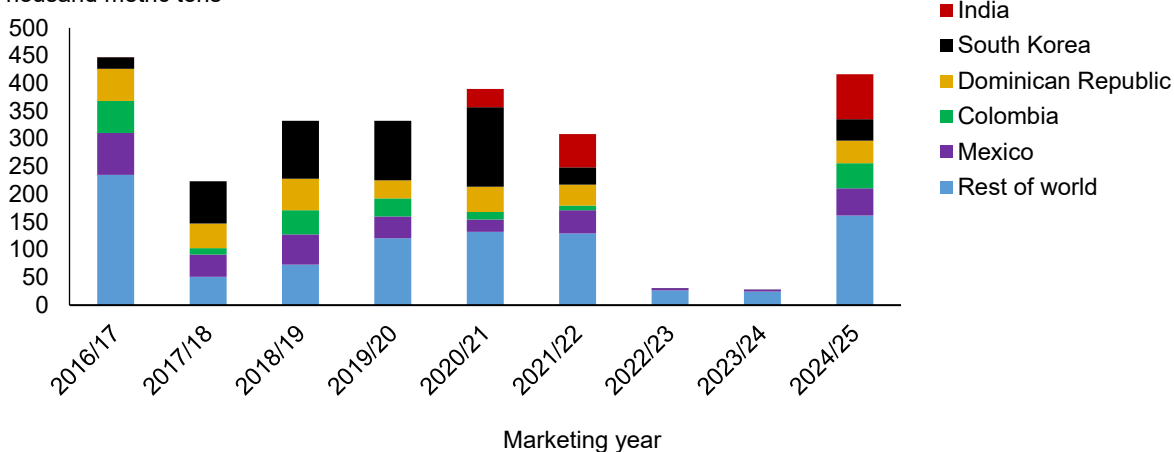
As of November 28, 2024, soybean oil total commitments (accumulated exports plus outstanding sales) totaled 416,300 metric tons (0.9 billion pounds), the highest since MY 2016/17 (figure 3). These higher commitments are largely the result of U.S. soybean oil prices being competitive in the global market. Palm oil prices have been on the rise since September 2024 with lower production in Indonesia and Malaysia. The spread between U.S. Gulf soybean oil and palm oil refined, bleached and deodorized (RBD) Malaysia, free on board (FOB) has

widened since September. In November, U.S. soybean oil traded at a significant discount of \$132.00 per metric ton compared with Malaysia palm oil RBD. These competitive prices have spurred additional soybean oil sales and shipments. India, the largest vegetable oil importer, only periodically purchases U.S. soybean oil has purchased 81,000 metric tons this marketing year, higher than both commitments in MY 2020/21 and 2021/22.

Figure 3

Soybean oil total commitments at the end of November by country, MY 2016/17–2024/25

Thousand metric tons



Note: Total commitments are the sum of outstanding sales and accumulated exports.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *U.S. Export Sales* report.

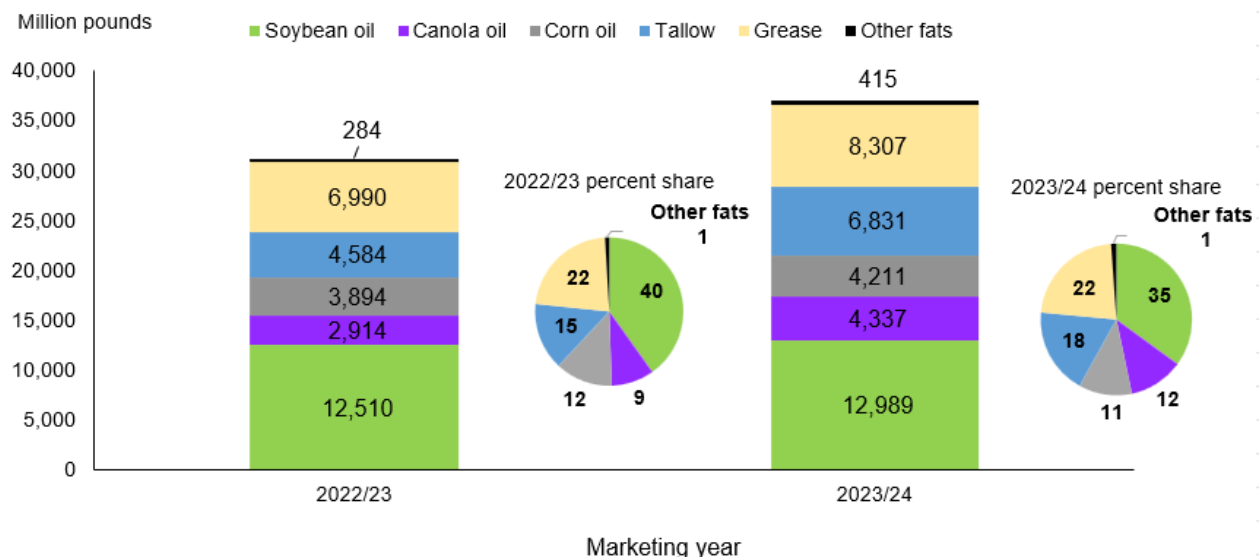
Due to higher commitments and competitive prices, the U.S. soybean oil export forecast for MY 2024/25 is raised 0.5 billion pounds to 1.1 billion pounds. Soybean oil used for biofuel production is unchanged this month while the food, feed, and other industrial use forecast is reduced by 0.2 billion pounds to 14.0 billion pounds. U.S. soybean oil ending stocks for MY 2024/25 are lowered marginally this month to 1.5 billion pounds.

Feedstock Use in Biomass-Based Diesel Finalized for MY 2023/24

In December, the U.S. Department of Energy, Energy Information Administration’s (EIA) *Feedstocks Consumed for Production of Biofuels* report finalized MY 2023/24 feedstock usage. The total U.S. vegetable oils and fats used for biomass-based diesel production in MY 2023/24 increased over 6.0 billion pounds and was over 37.1 billion pounds (figure 4). This increase was largely driven by renewable diesel production. The renewable diesel capacity rose 24 percent from last September and stands at 4.6 billion gallons. Despite the increased total feedstocks used for renewable diesel production, the share of soybean oil in biomass-based diesel

production has declined from 40 percent in MY 2022/23 to 35 percent in MY 2023/24 because of other feedstocks. U.S. soybean oil biofuel use in MY 2023/24 was finalized short of 13.0 billion pounds, an increase of approximately 0.5 billion pounds from MY 2022/23. Furthermore, use of soybean oil for biofuels accounts for 48 percent of soybean oil produced in MY 2023/24, similar share as in the previous year. U.S. canola oil biofuel use was finalized at 4.3 billion pounds, up 1.4 billion pounds from MY 2022/23. Canola oil for biofuel use was supplied through higher domestic crush and higher imports from Canada. Both grease and tallow used as feedstock for biomass-based diesel production increased to a record high of 8.3 billion pounds and 6.8 billion pounds, respectively. With steady domestic grease and tallow production, the United States has increased grease, tallow, and processed oil imports by more than 80 percent compared with MY 2022/23.

Figure 4
Feedstock usage in U.S. biomass-based diesel production, MY 2022/23 and 2023/24



MY = Marketing year.

Note: Total feedstocks used in biomass-based diesel production shown here only includes those feedstocks that were disclosed.

Source: USDA, Economic Research Service using data from U.S. Department of Energy, Energy Information Administration.

International Outlook

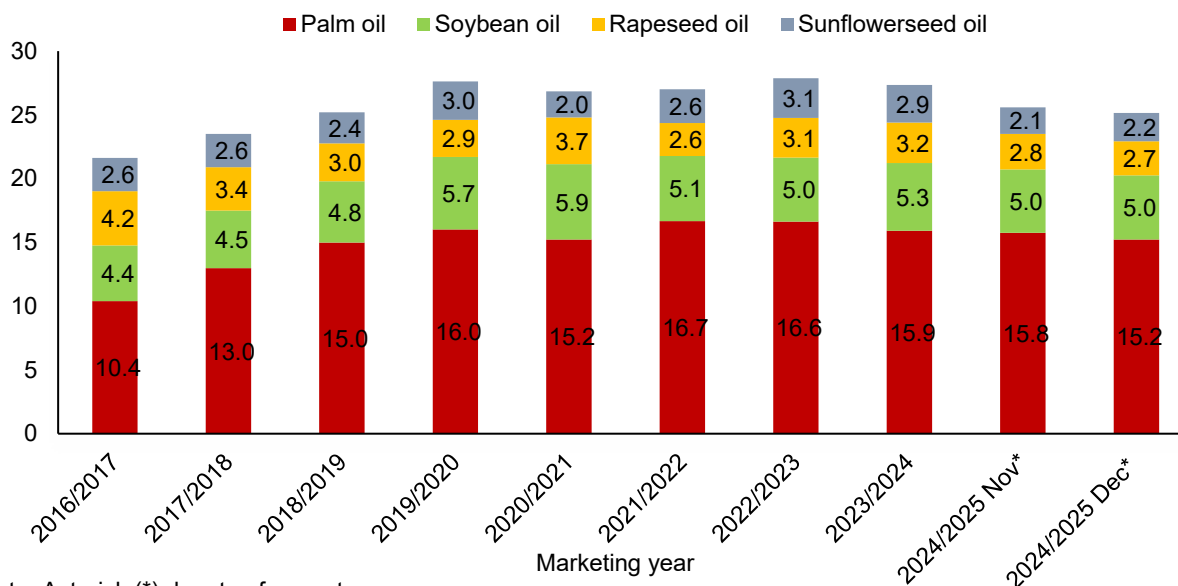
Global Vegetable Oil Stocks Tightening on Lower Supply

The global supply forecast for MY 2024/25 for the major vegetable oils (e.g., palm oil, soybean oil, sunflowerseed oil, and rapeseed oil) is reduced this month by 0.3 million metric tons to 227.1 million metric tons on lower palm oil supply partially offset by higher soybean and sunflowerseed oil supply. The global vegetable oils trade forecast is reduced this month by 0.5 million metric tons due to lower palm oil exports, which are partially offset by higher soybean and sunflowerseed oil exports. With the global domestic consumption forecast remaining unchanged this month at 197.4 million metric tons, the global ending stocks for MY 2024/25 are expected to decline to 25.2 million metric tons, down 0.3 million metric tons from last month's forecast and down 2.2 million metric tons from MY 2023/24 and the lowest since MY 2018/19 (figure 5).

Figure 5

Major vegetable oils global ending stocks as of September 30

Million metric tons



Note: Asterisk (*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, December 2024.

The global palm oil supply for MY 2024/25 is forecast lower on reduced palm oil production in Malaysia and lower beginning stocks in Indonesia. In addition, exportable supplies are further tightened as Thailand temporarily banned exports of crude palm oil due to crop production issues.

Due to lower global palm oil supplies, global trade, consumption, and ending stocks are reduced this month. The global palm oil trade for MY 2024/25 is lowered by 1.4 million metric tons on

lower exports from Malaysia and Indonesia. The global palm oil trade is partially offset by higher soybean oil trade and sunflowerseed oil trade. The global consumption of palm oil is reduced by 0.5 million metric tons to 78.3 million metric tons due to high palm oil prices.

Palm oil production in Malaysia for MY 2024/25 is reduced this month by 0.5 million metric tons to 19.3 million metric tons due to lower yields, especially in East Malaysia and heavy rainfall in parts of Peninsular Malaysia (i.e., Kelantan, Terengganu and northern Perak). The provinces Kelantan, Terengganu, and northern Perak account for 5 percent of Malaysia's palm production. The heavy rain in late November throughout those provinces has led to widespread flooding, which has negatively impacted harvest operations. The yield is reduced by nearly 3 percent from last month's forecast and stands at 3.45 tons per hectare. October palm oil production was reported at 1.8 million metric tons, down 6 percent compared with October 2023. Malaysian (FOB) palm oil prices increased nearly 10 percent since October and averaged \$1,247.00 per metric ton in November. Palm oil became the most expensive oil in the global market and is priced at a premium to other vegetable oils.

Indonesia's palm oil production forecast for MY 2024/25 is unchanged this month at 46.5 million metric tons, 3.5 million metric tons higher than the revised production in MY 2023/24. The 2023/24 palm production was revised down 1.0 million metric tons to 43.0 million metric tons on a lower yield. As a result, Indonesia's beginning stocks for MY 2024/25 are lowered reducing the total palm oil supply for MY 2024/25. Indonesia's palm oil exports forecast is lowered this month on higher domestic demand, especially from the biodiesel industry. Indonesia's Government announced an implementation of a higher mandate for biodiesel. The mandate increases the blend rate in the nation's diesel supply from the current 35 percent (B35) to 40 percent (B40) in 2025. With higher domestic palm oil demand, Indonesia's palm oil ending stocks are expected to decline.

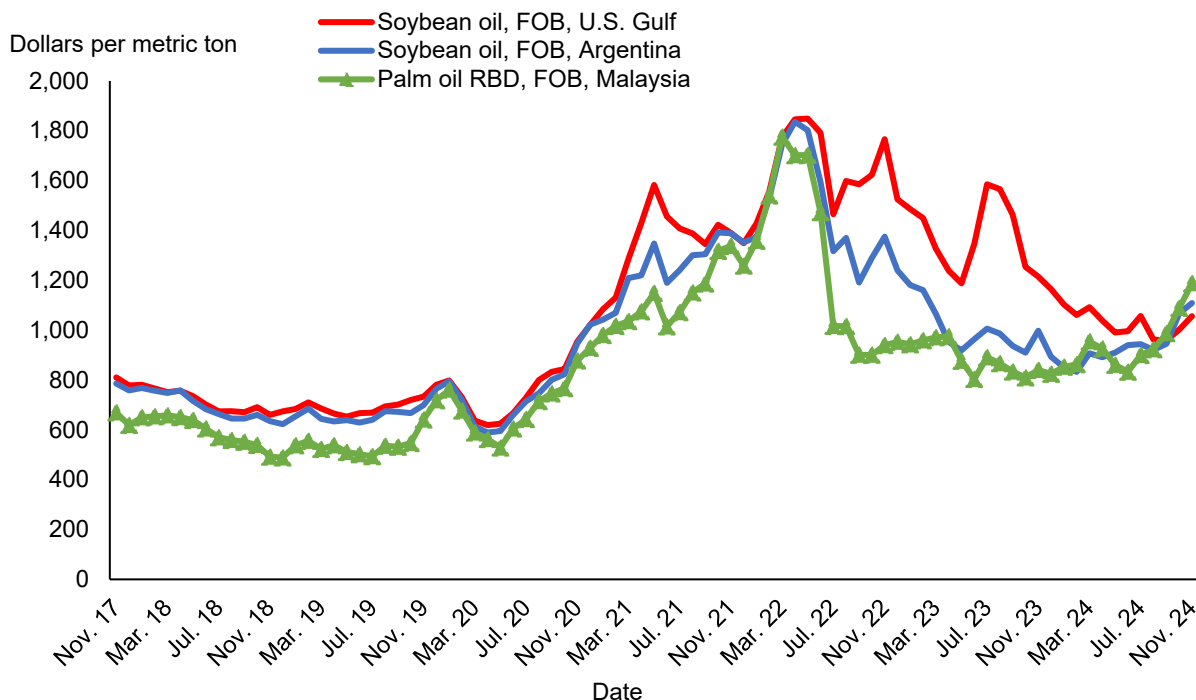
The global soybean oil production forecast for MY 2024/25 is raised on the higher soybean crush in Argentina and higher soybean oil extraction rate in the United States. Soybean crush in Argentina is increased by 1.0 million metric tons on a larger crop, providing an additional supply of soybean meal and oil for export. Global soybean crush is forecast for MY 2024/25 at a record of 347.4 million metric tons, 16.5 million metric tons higher than MY 2023/24.

Soybean oil prices in the U.S. Gulf increased 5 percent during November and averaged \$1,056.00 dollars per metric ton. Despite this increase, U.S. soybean oil was discounted \$132.00 compared with RBD palm oil FOB Malaysia in November. Likewise, soybean oil prices

in Argentina and Brazil were discounted relative to palm oil (figure 6).

Figure 6

Historical monthly average vegetable oil prices



FOB = Free on board. RBD = Refined, bleached, deodorized.
Source: USDA, Economic Research Service using data from Oil World.

The global soybean oil trade is raised this month by 0.6 million metric tons to 12.6 million metric tons on higher exports from Argentina, Brazil, and the United States. If this forecast is realized, this will be record-high trade for global soybean oil. Higher soybean oil imports are forecasted for India, China, the European Union (EU) and Canada. Global soybean oil consumption is increased as soybean oil is the cheapest oil. Global soybean oil stocks for MY 2024/25 are forecast at 5.0 million metric tons, marginally higher than last month's forecast but 0.3 million metric tons lower than MY 2023/24.

Global sunflowerseed oil supply for MY 2024/25 is forecast higher on increased beginning stocks and marginally higher production. Global sunflowerseed oil production increased marginally this month on higher crush and stands at nearly 20.0 million metric tons. If realized, the global sunflowerseed oil production will decline by 2.2 million metric tons from MY 2023/24 on lower global sunflowerseed crush and supply. Sunflowerseed crush is reduced in the EU this month due to a lower sunflowerseed crop. The lower sunflowerseed crush in the EU is partially offset by higher sunflowerseed oil imports from Ukraine. Ukraine's and Russia's sunflowerseed crush are both raised this month on higher sunflowerseed supply. The global sunflowerseed oil trade forecast for MY 2024/25 is increased this month by 0.3 million metric tons to 12.3 million

metric tons on higher sunflowerseed oil exports from Ukraine and Russia. The global sunflowerseed oil consumption forecast is marginally higher this month on inelastic demand especially in the EU.

The global rapeseed oil supply forecast for MY 2024/25 is nearly unchanged this month. The global rapeseed crush is unchanged and stands at 84.5 million metric tons. Although Canada's rapeseed production is reduced this month to 18.8 million metric tons, rapeseed crush in Canada is unchanged as the first quarter crush is 6 percent above the same period last year. Canada's smaller rapeseed crop has resulted in lower rapeseed exports and tighter stocks. The global rapeseed oil trade is forecast at 7.8 million metric tons, unchanged from last month's forecast and up 0.4 million metric tons from MY 2023/24. Global rapeseed oil consumption is increased by 0.1 million metric tons on higher consumption in China compensating for lower palm oil consumption. With unchanged global rapeseed oil production and higher consumption, global rapeseed oil stocks for MY 2024/25 are expected to decline to 2.7 million metric tons, the lowest since MY 2021/22.

Suggested Citation

Bukowski, M., & Swearingen, B. (2024). *Oil crops outlook: December 2024* (Report No. OCS-24I). U.S. Department of Agriculture, Economic Research Service.

Use of commercial and trade names does not imply approval or constitute endorsement by USDA.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.