



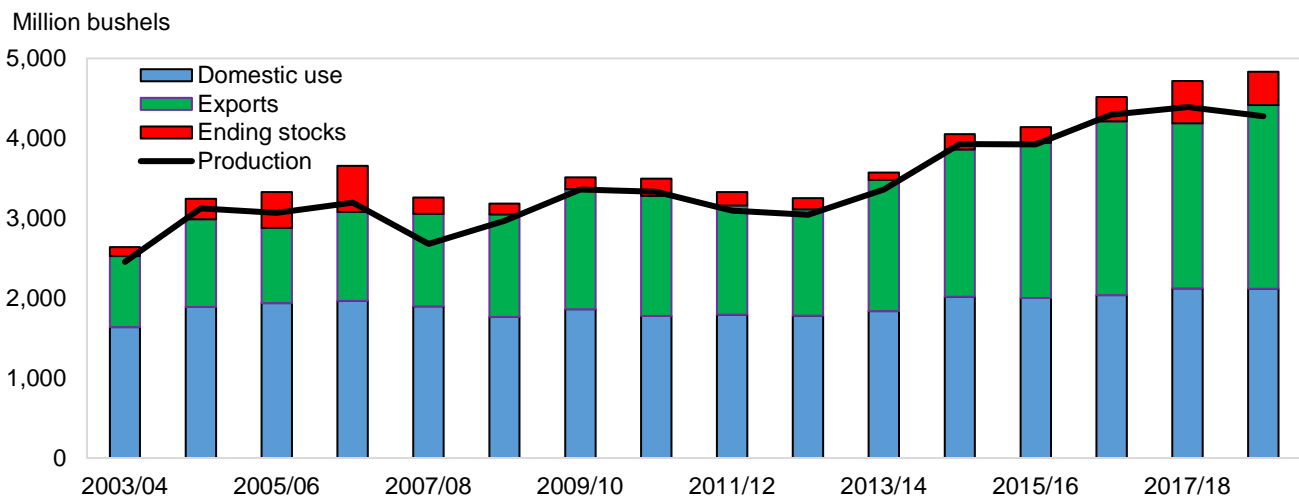
Oil Crops Outlook

Mark Ash
Mariana Matias

Firming of 2018/19 Soybean Prices Hinges on Demand Prospects

USDA's first projection of the 2018/19 soybean crop is 4.28 billion bushels based on a trend yield and 1-percent decline in intended sown acreage. Although this projection falls below the previous two soybean crops, much larger beginning stocks could expand the 2018/19 total supply to an all-time high of 4.84 billion bushels. An abundant supply could boost U.S. soybean exports in 2018/19 to a record 2.29 billion bushels. Only a marginal increase in the 2018/19 crush to 1.995 billion bushels may be necessary to provide a small expected decline for soybean meal demand. A paring of season-ending stocks (from 530 million to 415 million bushels) would strengthen the U.S. 2018/19 average farm price to \$8.75-\$11.25 per bushel.

Lower production, record U.S. soybean use to reduce 2018/19 stocks



Sources: USDA, Economic Research Service, Oil Crops Yearbook and World Agricultural Outlook Board, World Agricultural Supply and Demand Estimates.

Domestic Outlook

High Soybean Supplies To Persist Despite Lower Crop Outlook

U.S. planting intentions for soybeans in 2018/19 are nearly 89 million acres, or down 1 percent from last year's sown area of 90.1 million. Total output may be shaved just below the previous two crops by the combination of lower expected harvested area (88.2 million acres) and a trend yield (48.5 bushels per acre)—also below last year's level. Based on those assumptions, USDA's first projection of the 2018/19 soybean crop is 4.28 billion bushels. Nevertheless, much larger beginning stocks could expand the total supply of soybeans to an all-time high of 4.84 billion bushels.

In April, few areas of the Midwest had been too wet for planting, although many had soil temperatures that had not warmed up enough to start. Particularly in the Northern Plains, unseasonably cold weather this spring has generally delayed sowing of grain crops. That could possibly set back the schedule for soybeans, too, but farmers have more time to complete the crop's planting. Overall, 15 percent of U.S. soybean acreage had been sown as of May 6, slightly ahead of the 5-year average.

By this fall, U.S. export sales of soybeans may see a global resurgence, provided normal trade relations with other countries. An abundant supply could boost U.S. soybean exports in 2018/19 to a record 2.29 billion bushels. Better crop quality and a tightening of South American stocks may also spark more foreign demand.

So far in 2017/18, a record for the domestic soybean crush has been set every month. Likely continuation of such gains through the end of the 2017/18 marketing year led USDA to raise its forecast this month by 20 million bushels to 1.99 billion. In contrast, more modest demand growth by domestic crushers in 2018/19 is likely, as some export markets for U.S. soybean meal are forfeited back to reinvigorated Argentine suppliers. In 2018/19, U.S. soybean meal exports are seen dropping back to 12.4 million short tons from 12.7 million in 2017/18. This season, the rate of domestic soybean meal use has been inflated by a below-average protein level. By next year, however, the inclusion rate of soybean meal needed within feed rations could be scaled back if its protein reverts to a more typical level. USDA projects a modest increase for 2018/19 domestic disappearance of soybean meal to 35.2 million short tons from a

revised 2017/18 forecast of 35.0 million. As a result, only a marginal increase in the 2018/19 crush to 1.995 billion bushels may be necessary.

If realized, the projected record use of soybeans in 2018/19 might pare down U.S. season-ending stocks to 415 million bushels from 530 million in 2017/18. Stronger prices could prevail throughout 2018/19 with a closer balance between soybean supplies and use, which are forecast averaging \$8.75-\$11.25 per bushel versus this year's forecast of \$9.35 per bushel. Similarly, the season-average price for soybean meal could stay elevated at \$330-\$370 per short ton and not far from the expected 2017/18 average of \$360.

Total domestic disappearance of soybean oil for 2018/19 is seen rising to 21.3 billion pounds from 20.7 billion in 2017/18. Part of the expected increase would be related to a 1-percent gain for the edible use of soybean oil to 14 billion pounds. Biodiesel is the other major component of soybean oil use, which is projected up to 7.3 billion pounds for 2018/19. In contrast, USDA lowered its 2017/18 forecast of soybean oil use in biodiesel by 200 million pounds this month to 6.8 billion. A key indicator of the incentive to blend (and produce) biodiesel is the value of Renewable Identification Numbers (RIN), which are tradeable assets used by EPA to monitor compliance with biofuel mandates. In recent months, RIN values have fallen sharply. In part, the decline can be attributed to EPA waivers of obligations under the Renewable Fuels Standard (RFS) for 2016 and 2017 compliance. Law provides EPA the authority to temporarily exempt from RFS compliance any small refiners facing economic hardship.

Midway into the 2018/19 marketing year, U.S. export sales of soybean oil could continue to benefit from a deficit of Argentine shipments but then wane as that competition returns. USDA projects foreign trade of U.S. soybean oil next year to slip to 2.1 billion pounds from 2.3 billion in 2017/18. Excess supplies of soybean oil—the byproduct of a brisk crush pace fueled by robust meal demand—have consistently sustained pressure on the 2017/18 price level. The 2018/19 price outlook may be only marginally higher, though, with USDA's forecast at 29.5-33.5 cents per pound versus 30.5 cents in 2017/18. High global supplies of competing vegetable oils will also limit the price strength of soybean oil.

Minor Supply Changes Seen for Other U.S. Oilseeds

Compared to last year, planting intentions for canola in 2018/19 are nearly identical at 2.08 million acres. But an expected recovery in yields this year is seen raising 2018/19 production by 6 percent to 3.3 billion pounds. Last year, severe drought slashed canola yields in major growing regions of Montana and western North Dakota. Higher U.S. imports of canola may be

encouraged, as well, by a more ample Canadian supply. Equipped with a more liberal supply of canola, domestic processors may boost the 2018/19 crush back to 4.4 billion pounds, after it declined 11 percent in 2017/18 to 3.9 billion. With a stable vegetable oil market, 2018/19 prices for canola seed could remain fairly steady.

The U.S. sunflowerseed crop for 2018/19 is forecast at 2.08 billion pounds, down slightly from 2.17 billion in 2017/18. Most of the reduction is anticipated for non-oil type sunflowerseed. Farmers intend to plant 150,000 acres of non-oil-type sunflowerseed this year—down 20 percent from a year ago and the lowest since 1970. Assuming trend yields, the output of non-oil-type sunflowerseed could be the smallest since 1983. Season-ending stocks may be squeezed lower, and export demand would be curtailed. However, a less dramatic production change is likely for oil-type sunflowerseed, which accounts for 89 percent of total acreage. Based on a 2-percent increase for intended acreage and a retreat from last year's slightly above trend yields, oil-type sunflowerseed production may decline by less than 1 percent in 2018/19 to 1.85 billion pounds. Consequently, at 1.05 billion pounds, domestic crush of sunflowerseed is forecast to undergo little change. The 2018/19 price level for the entire sunflowerseed crop may stay close to this season's expected average of 17.5 cents per pound.

International Outlook

2018/19 Global Soybean Stocks May Tighten Despite Production Rebound

USDA projects a 5-percent increase in global soybean production for 2018/19 to 354.5 million metric tons. Production recoveries are anticipated for Argentina, Uruguay, and India, whose resurgence could more than offset less robust yields in Brazil and the United States and a lower Canadian area. Such production gains in 2018/19 would encourage an expansion in global soybean exports by 7 percent to 161.8 million tons. Global trade of soybean meal should be stepped up again, as well, by an improved Argentine supply. Although global production of soybeans may advance in 2018/19 to an all-time high, a greater increase in use may continue to tighten global stocks to 86.7 million tons (versus 92.2 million in 2017/18). It could take more than a single good harvest to restore Argentine soybean stocks to their former level.

This year, Brazilian soybean farmers may encounter only modestly higher production costs. At the same time, robust shipments to foreign markets are rapidly drawing down old-crop stocks and lending strength to domestic crop prices. While this demand is encouraged in part by an 11-percent depreciation (versus a year ago) in Brazil's exchange rate, it also reflects the deficit in Argentine production. A supply response to these economic conditions may boost 2018/19 soybean area in Brazil by 4 percent to 36.5 million hectares. New-crop soybean yields in Brazil are unlikely to duplicate the undeniable success of the record 2017/18 crop, but a higher area could support production at the same level (117 million tons). It could be the first year ever that Brazil's soybean crop exceeds U.S. production.

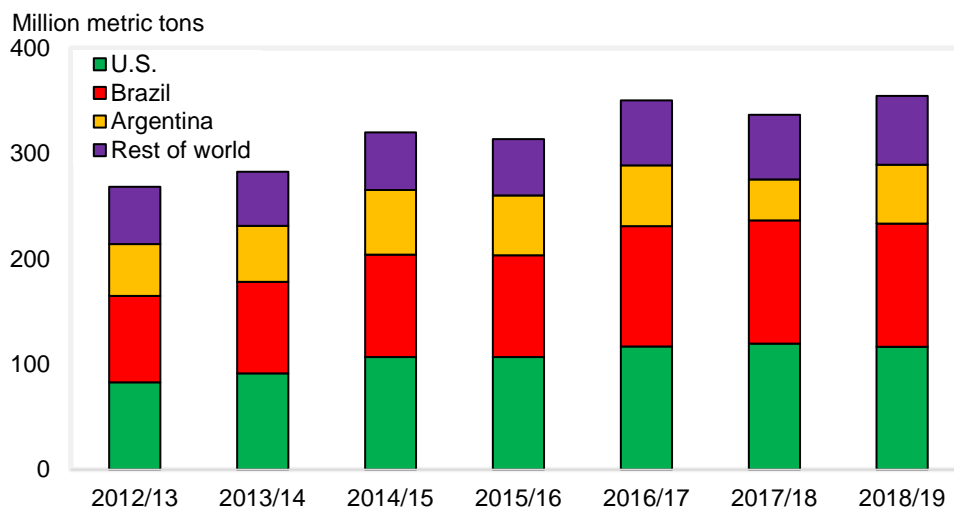
At 73.3 million tons, the windfall for Brazil's soybean exports in 2017/18 is related to disastrous Argentine crop damage and the low protein of U.S. soybeans. In 2018/19, Brazil's soybean shipments abroad could slip to 72.3 million tons. Even that retreat, however, could more quickly deplete the country's inventories. The Brazilian soybean crushing industry is also buoyed this year by a hike in the country's blending requirement for biodiesel (to a 10-percent blend). The Government is considering another blending rate increase for 2019 to 15 percent. A near-record crush in Brazil may occur in 2018/19, despite robust bidding for its soybeans by China's processors and renewed export competition from Argentina. That could moderate the decline in Brazil's soybean meal exports to 15.5 million tons from 15.6 million in 2017/18.

Argentine farmers in 2018/19 will ambitiously try to recoup losses from this year's drought-ravaged soybean harvest. Depreciation of the Argentine peso, which recently sank to an all-time

low against the U.S. dollar, reveals the vital importance of agricultural exports to Argentina's overall economy. Since last year, critical losses in the country's revenue from crop exports contributed to a 41-percent decline in the peso's value. By April, supply rationing and peso depreciation had rallied Rosario soybean prices 72 percent from a year earlier. Later this year, those considerations alone might be enough incentive for producers to plant more soybeans. Yet the profitability of soybeans is still gaining compared to grain crops. For producers financially pressed by this year's poor harvests and facing soaring borrowing costs, the comparatively lower production costs of soybeans may favor a shift from corn. Lastly, soybean earnings will continue to benefit from a scheduled reduction in the country's export taxes through December 2019. Argentine soybean harvested area is expected to rebound by 10 percent in 2018/19 to 18.7 million hectares. Producers will manage this feat by expanding double-cropping and minimizing the abandonment of sown area. Thus, a return to a trend yield could swell the Argentine soybean crop to 56 million tons from 39 million this year.

Restoration of a more normal Argentine soybean supply would revive the country's 2018/19 exports to 8.0 million tons, nearly double the 2017/18 forecast of 4.2 million. The vast majority of these shipments are imported by China. Yet, Argentine producers will be cautious sellers of old-crop stocks and the influx of new-crop supplies will not be available until a year from now. Well into 2019, China's importers must find alternate sources for their usual trade with Argentina. In the meantime, Argentine processors are resorting to importing soybeans (even from the United States) to ease a major supply deficit. USDA forecasts a 6-percent decline for the 2017/18 Argentine crush but expects a recovery in the 2018/19 level by 8 percent to 44 million tons. The competitiveness of Argentine soybean meal exports could resume, bouncing back to 30.5 million tons from 29.0 million in 2017/18.

Global soybean output to rebound in 2018/19



Source: USDA, Foreign Agricultural Service, Production, Supply, and Distribution Online.

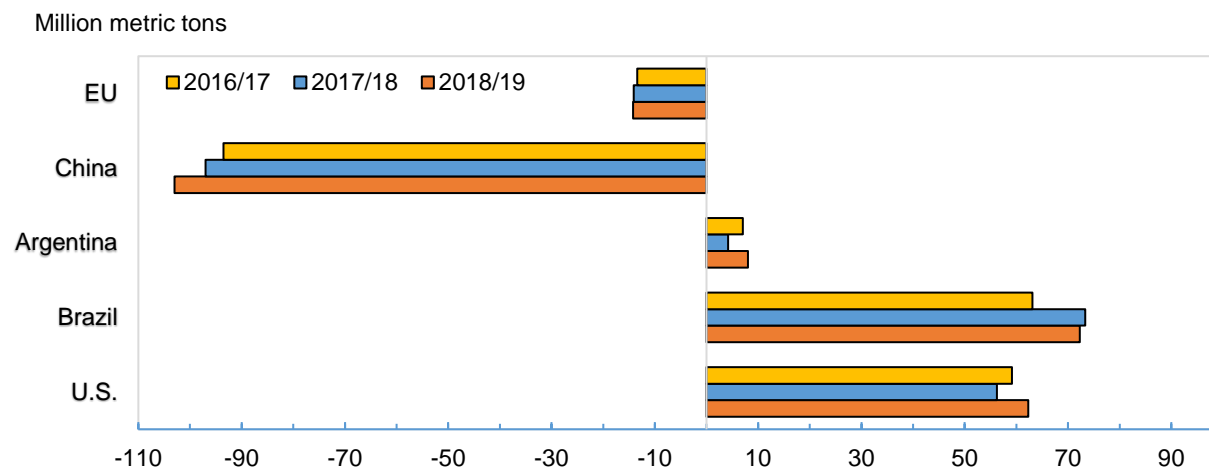
Following a hike this year in Indian import duties on vegetable oils, soybean prices in the country strengthened to a 2-year high, which will incentivize new-crop sowing. The success of India's soybean harvest also depends heavily on the timely arrival of the summer monsoon rains. Provided these come without delay or irregularity, Indian soybean area for 2018/19 could expand 10 percent to 11.5 million hectares. The gains in Indian soybean area, if realized, could then produce a crop of 10.8 million tons. Except for a few bordering countries, exports of Indian soybean meal have not recently been price competitive in world trade. Prospects for Indian soybean meal exports in 2018/19 may not change much for the better. The Indian production surplus available for export may be minimal, given the country's low crop yields and brisk growth in domestic use of soybean meal. Conversely, recent weakness in the Indian rupee will help buoy export prospects. Indian soybean meal exports may slip 100,000 tons from 2017/18 to 1.4 million.

China's domestic output of soybeans is likely to remain steady this year as the potential returns for corn look more profitable. In 2018/19, soybean imports by China are seen rising 6 percent to 103 million tons, representing 87 percent of the expected global increase. Underlying that gain in soybean imports is projected 7.5 percent consumption growth for the world's largest soybean meal market.

Domestic soybean production in the European Union (EU) may rise to 2.75 million tons in 2018/19 based on a 2.5-percent increase in area. Constrained by a steady crush rate, EU soybean imports would increase 1 percent to 14.2 million tons. EU soybean meal imports may

not expand at all—from 18.5 million tons—due to a nearly unchanged level of consumption. EU demand for soybeans and soybean meal will also be tempered by higher use of rapeseed meal and sunflowerseed meal.

Global soybean trade expansion seen in 2018/19 with larger crops and lower stocks



Source: USDA, Foreign Agricultural Service, Production, Supply, and Distribution Online.

Global Rapeseed Supplies May Be More Abundant

Based on expectations for higher 2018/19 crops by many of the world's top producing countries, global rapeseed production is projected up 1.5 percent from last year's record to 75.4 million tons. Global use of rapeseed, however, may expand by nearly 3 percent. Global season-ending stocks could edge up to 6.5 million tons, maintaining pressure on market prices.

EU rapeseed area in 2018/19 is expected slightly lower to 6.8 million hectares. Area reductions in Germany and Poland offset expanded sowing in France and Romania. In the former countries, excessive wetness curtailed the fall-sown area. Generally, the European winter was mild, although a late February cold snap inflicted freeze damage in Germany and Poland on some rapeseed fields exposed by a lack of snow cover. Damaged areas may be left unharvested. EU rapeseed crops have now progressed to the flowering stage. Since March, parts of Europe have also been drier than normal. Despite some setbacks, German yields could still be considerably better than those of a year ago, when they were curtailed by dry spring weather. Overall EU production in 2018/19 may tally 1 percent higher to 22.4 million tons.

A larger domestic harvest will likely curb EU demand for rapeseed imports to 4.2 million tons from 4.4 million in 2017/18. A sluggish EU market for rapeseed crushing—constrained by weaker demand for rapeseed oil—will also temper imports of the crop. Resumption of EU

biodiesel imports is again directly competing with domestically produced rapeseed oil, which is the primary feedstock used by the EU biodiesel industry. In April, the EU removed anti-dumping duties on imports of Argentine and Indonesian biodiesel after a court upheld a legal challenge by the plaintiffs. Prohibitively high duties had restricted EU biodiesel imports for nearly 5 years. For 2018/19, the EU rapeseed crush is seen 2 percent higher to 25.5 million tons. In a reversal of a decade-old upward trend, the industrial use of rapeseed oil in 2018/19 may slip 1 percent to 7 million tons, while food use registers a small increase. Given expectations for modest growth of rapeseed meal consumed in EU livestock feeds, there is little else to support rapeseed crushing margins.

In Canada, projected harvested area for canola in 2018/19 would decline to 9.1 million hectares from last year's record of 9.3 million. Farmers are favoring wheat with a 13-percent recovery in intended acreage. Less sowing of canola area in Saskatchewan accounts for most of the reduction. Assuming a trend yield, lower canola area should scale back production in Canada from the 2017/18 record of 21.5 million tons to 21.1 million. Total supplies of canola may contract more modestly, though, as a severe backlog in 2017/18 rail shipments for export is contributing to a greater accumulation of carryover stocks. For 2018/19, growth in the surplus could be moderated by a 2-percent increase for the crush to 9.3 million tons, while exports may stay level with 2017/18 at 11.5 million tons. Canadian season-ending canola stocks could rise in 2018/19 to 2.5 million tons compared to this season's expected 2.2 million.

Australian growing conditions for canola in 2017/18 deteriorated quickly as the summer rainfall disappeared suddenly. Canola yields plummeted, collapsing production by 22 percent to 3.2 million tons. For 2018/19, low prices for grain and pulses could help raise new-crop canola acreage to 3 million hectares from 2.7 million last year. Assuming more normal yields on a higher area, 2018/19 output is pegged to rise to 4 million tons. Planting will soon commence, but current soil moisture is still deficient. Provided the expected crop materializes, Australia could see canola exports rebound in 2018/19 to 3 million tons from 2.35 million this season. The EU remains the major export market for Australian canola but reduced EU import requirements may force more Australian trade into competition for the traditionally Canadian markets such as Japan and China.

A more ample global supply of rapeseed may let China moderately lessen its dependence on soybean imports. For 2018/19, rapeseed imports by China may expand as domestic output stagnates and use strengthens. In the Yangtze River region, fall planting of rapeseed was inhibited by wet weather. China's producers of rapeseed—unlike winter wheat or rice—are also disadvantaged by the absence of Government price support for the crop. That neglect factored

into a 1-percent decline in 2018/19 rapeseed area (and 6 percent since 2014/15)—to 7.1 million hectares. Domestic production of rapeseed is forecast to dip to 14.2 million tons from 14.4 million in 2017/18. Gains in domestic crushing (from 18.5 million to 19.1 million) would propel an expansion of China’s rapeseed imports to 5.3 million tons from 4.6 million in 2017/18.

New Peak Seen for Global Sunflowerseed Output

In 2018/19, global sunflowerseed production could increase to a record 49.8 million tons from 47.2 million in 2017/18. Expected crop gains for Ukraine, Russia, and Argentina may counter a possible loss of EU production. Given that these countries are processing nearly all the sunflowerseed that they produce, sunflowerseed oil and sunflowerseed meal will be the main beneficiaries of expanded global trade.

Ukraine is the world’s top sunflowerseed producer, but its crop area may stay unchanged in 2018/19 at 6.4 million hectares. Expected production gains for Ukraine—to 15.5 million tons from 13.7 million in 2017/18—would stem entirely from improved sunflowerseed yields. Impressive growth in the country’s crush could resume with an 11-percent gain to 15.3 million tons.

USDA anticipates Russian sunflowerseed area to expand 5 percent in 2018/19 to 7.5 million hectares, despite a narrowing of its profitability with other crops. A strengthening ruble over the last year has weakened prices and may slow the 30-year expansion of sunflowerseed area. On the other hand, lower costs of imported production inputs could also help Russian farmers to better afford higher application rates for fertilizer and to sow more hybrid seed varieties. Assuming normal weather, those additional inputs should lead to better yields. Russian sunflowerseed production in 2018/19 is projected up 11 percent to 11.5 million tons.

Higher crop production would boost the Russian sunflowerseed crush 8 percent in 2018/19 to a record 10.8 million tons. A doubling of Russia’s domestic processing capacity over the last 10 years makes the increase possible. The country’s crushing plants predominantly process sunflowerseed, but many can process other oilseeds, too. The newest plants are situated to service the export market for sunflowerseed oil. Largely due to the growing strength of its sunflowerseed oil shipments, Russia has been a consistent net exporter of vegetable oils since 2011/12.

A marginal decline is seen for EU sunflowerseed area in 2018/19 as declines in Romania, Bulgaria, and Italy would more than offset expanded planting in Spain. In 2017/18, EU sunflowerseed yields swelled to a record high with favorable weather. If yields also recede to a

more typical level this year, the area decline would reduce EU sunflowerseed production by 5 percent to 9.1 million tons. Lower domestic output may then trim the EU sunflowerseed crush in 2018/19 by 4 percent to 8.2 million tons.

In 2018/19, Argentine sunflowerseed producers will welcome better growing conditions. Drought conditions significantly curtailed sown area for the previous year's crop. More optimistic early projections of the 2017/18 harvest were never realized, and production stagnated at 3.4 million tons. Production gains for 2018/19, however, may again be minimal. While better growing conditions are likely, competition for farmland with other crops will be formidable. Little change is seen for domestic crushing and exports of Argentine sunflowerseed products next year.

Marginally Lower Cottonseed and Peanut Harvests Projected

Global production of cottonseed is seen declining 1 percent in 2018/19 to 44.3 million tons as lower harvests by China, the United States, and Australia offset an increase for Pakistan. China's yields of cottonseed may retreat from last year's exceptionally good level and magnify a 1.5-percent decrease in cotton area. While producers in the province of Xinjiang are likely to raise sown cotton area, it would be countered by area declines in other regions, where producers are ineligible for the cotton support payments received in Xinjiang. Lower overall crop yields could trim the country's 2018/19 cottonseed production by 2 percent to 10.6 million tons. For India—the top ranked producer of cottonseed—2018/19 production is projected unchanged at 12.1 million tons. A 4-percent loss of Indian cotton area (to 11.8 million hectares) to soybeans and rice would be offset by better yields, which suffered pest damage last year. Indian cottonseed demand could still edge up slightly with a decline of carryout stocks.

For 2018/19, global peanut production is projected down 2 percent to 44.6 million tons. Lower output in India and the United States may be only partly offset by expected increases for China and Argentina. In 2017/18, India had a record-high peanut yield that is unlikely to be duplicated this year. Even with a modest area increase, a reduced Indian yield would lower its 2018/19 peanut crop by 500,000 tons to 6 million.

Further Easing Seen for Global Vegetable Oil Market

Over the last year, a production recovery for palm oil has widened its price discount with soybean oil by nearly \$50 per ton. By assuming that Argentine production of soybean oil in 2018/19 can return to its former highs, a more intense competition with palm oil is likely to develop. Argentine soybean oil exports are projected 9 percent higher in 2018/19 to 5.1 million

tons. In addition, higher trade in sunflowerseed oil would supplement a well-supplied global vegetable oil market. In 2018/19, sunflowerseed oil exports for Ukraine are expected 9 percent higher to 5.8 million tons while Russian shipments could rise 5 percent to 2.2 million. Once again, India will dominate the global import gains for each of these vegetable oils next year.

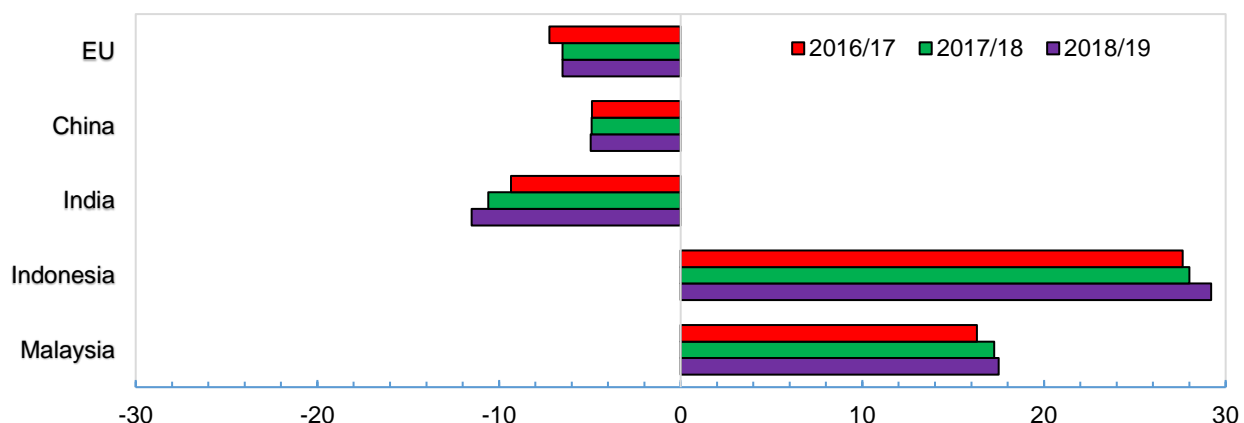
Three years ago, global palm oil production slumped due to El Nino-related droughts in Southeast Asia. Since then, a production turnaround for palm oil has sparked a sharp improvement in global vegetable oil supplies. In 2018/19, global leader Indonesia will forge ahead with a projected 5-percent gain in palm oil output to 40.5 million tons. The surplus could expand Indonesian palm oil exports by 4 percent to 29.2 million tons. Industrial use of palm oil could also get a 10-percent boost to 3.95 million tons as wider use of biodiesel for domestic industries adds to consumption growth. Indonesia mandates that biodiesel account for 20 percent of the domestic fuel use by transportation and industry. Funding to subsidize the cost difference between diesel and biodiesel in Indonesia is achieved through a \$50 per metric ton export tax on crude palm oil. Years ago, Indonesian domestic use of biodiesel surpassed exports as a market, but a resurgence in exports to Europe next year would enhance total demand, as well.

Malaysian palm oil output in 2018/19 is expected to edge up 2 percent to 21 million tons. Most of the Malaysian production gain might be attributed to a modest increase in oil palm area. Even with normal weather and replanting with higher yielding varieties, however, Malaysian yields have been constrained by a chronic shortage of labor. If the fresh fruit bunches are not harvested from the trees in a timely manner, the overripe fruit will simply fall to the ground and rot. This issue affects independent smallholders most acutely. By working only 5-10 hectares of trees, these producers have the most difficulty in hiring seasonal foreign workers. Smallholders account for 16 percent of Malaysian oil palm area. In contrast, the large private and Government-owned plantations can more afford to keep full-time manual laborers as well as adopt labor-saving mechanization.

Higher Malaysian palm oil exports will be tempered by competition from Indonesia as well as exporters of soybean oil and sunflowerseed oil. USDA projects Malaysian palm oil exports to rise 1 percent in 2018/19 to 17.5 million tons, with ending stocks possibly surging 27 percent to 3.7 million tons. If an accumulation of Malaysian stocks becomes too burdensome, the Government could temporarily suspend its 5-percent export tax on crude palm oil, as it did for part of 2017/18.

Higher global palm oil trade in 2018/19 may not prevent stocks from rising

Million metric tons



Source: USDA, Foreign Agricultural Service, Production, Supply, and Distribution Online.

In March, the Government of India raised the country's import tariff for crude palm oil from 30 percent to 44 percent to support domestic oilseed producers. The tariffs may be left intact throughout 2018/19 provided global palm oil prices do not greatly strengthen. While India's domestic oilseed production is seen climbing 6 percent in 2018/19 to 36.5 million tons, vegetable oil imports will continue to grow due to rising demand. Indian vegetable oil consumption in 2018/19 is seen expanding 5 percent to 24.8 million tons. Indian imports are projected up 8 percent for palm oil to 11.5 million tons, up 6 percent to 3.55 million for soybean oil, and 13 percent higher for sunflowerseed oil to 2.2 million tons.

In contrast, China's palm oil demand in recent years has waned as it has been displaced by growth in domestic soybean oil production. For 2018/19, China's imports of palm oil are projected marginally higher to 4.95 million tons while soybean oil imports could decline to 350,000 tons.

Minimal change is anticipated for EU consumption and imports of vegetable oil in 2018/19. EU consumption of rapeseed oil and soybean oil could each inch up 1 percent. In contrast, EU palm oil demand could weaken by 2 percent next year while sunflowerseed oil use stays unchanged. Although EU consumption of vegetable oils has slowed dramatically, its biodiesel industry is still the world's largest. For its next update of the Renewable Energy Directive in 2021, the EU is considering lowering the percentage that first-use food-crop oils can constitute of the biofuels feedstock. A complete ban on the use of palm oil in biodiesel is also under discussion.

Table 1--Soybeans: Annual U.S. supply and disappearance

Year beginning September 1	Area		Yield	Supply				Use				Ending stocks
	Planted	Harvested		Beginning stocks	Production	Imports	Total	Crush	Seed & residual	Exports	Total	
	Million acres		Bu./acre	Million bushels								
2016/17 ¹	83.4	82.7	52.0	197	4,296	22	4,515	1,901	139	2,174	4,213	302
2017/18 ²	90.1	89.5	49.1	302	4,392	25	4,719	1,990	134	2,065	4,189	530
2018/19 ²	89.0	88.2	48.5	530	4,280	25	4,835	1,995	135	2,290	4,420	415

Soybeans: Quarterly U.S. supply and disappearance

2016/17

September						2.3		138.3		136.5		
October						1.8		175.9		412.2		
November						1.4		170.7		377.2		
September-November				196.7	4,296.1	5.4	4,498.2	484.9	188.4	925.9	1,599.2	2,899.1
December						1.2		169.0		293.3		
January						3.2		171.3		272.7		
February						2.3		151.4		162.3		
December-February				2,899.1		6.6	2,905.7	491.8	-53.3	728.3	1,166.8	1,738.9
March						2.2		160.8		114.7		
April						1.6		150.3		89.4		
May						2.1		158.0		53.3		
March-May				1,738.9		6.0	1,744.9	469.1	52.7	257.3	779.0	965.9
June						1.1		148.2		66.0		
July						1.7		155.6		83.1		
August						1.5		151.6		113.0		
June-August				965.9		4.2	970.1	455.5	-49.1	262.2	668.5	301.6
Total					4,296.1	22.2	4,515.1	1,901.2	138.6	2,173.7	4,213.5	

2017/18

September						1.4		145.4		170.5		
October						2.8		175.9		346.9		
November						1.4		173.3		331.9		
September-November				301.6	4,391.6	5.6	4,698.8	494.6	194.1	849.3	1,538.1	3,160.7
December						2.3		176.3		237.1		
January						1.5		174.7		211.7		
February						1.2		165.0		154.8		
December-February				3,160.7		5.0	3,165.7	516.0	-61.1	603.6	1,058.5	2,107.1
March						2.1		182.2		119.0		
Total to date					4,391.6	12.7	4,705.9	1,192.8	133.1	1,571.9	2,596.6	

¹ Estimated. ² Forecast. Note: 1 metric ton equals 36.744 bushels and 1 acre equals 2.471 hectares.Sources: USDA, National Agricultural Statistics Service, *Crop Production and Grain Stocks* and U.S. Department of Commerce, U.S. Census Bureau, *Foreign Trade Statistics*.

Last update: 5/10/2018

Table 2--Soybean meal: U.S. supply and disappearance

Year beginning October 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
----- 1,000 short tons-----								
2016/17 ¹	264	44,787	349	45,400	33,399	11,601	45,000	401
2017/18 ²	401	47,099	500	48,000	35,000	12,700	47,700	300
2018/19 ²	300	47,250	350	47,900	35,200	12,400	47,600	300
2016/17								
October	263.9	4,104.0	26.4	4,394.3	3,084.1	932.5	4,016.7	377.6
November	377.6	4,012.5	28.1	4,418.3	2,997.7	1,012.5	4,010.2	408.0
December	408.0	3,964.1	25.9	4,398.1	3,012.1	939.6	3,951.7	446.4
January	446.4	4,025.2	36.5	4,508.1	2,766.0	1,307.2	4,073.2	434.9
February	434.9	3,559.2	35.9	4,029.9	2,568.3	1,056.8	3,625.1	404.8
March	404.8	3,773.7	25.7	4,204.1	2,392.3	1,457.4	3,849.7	354.5
April	354.5	3,523.5	29.0	3,907.0	2,567.2	909.6	3,476.9	430.1
May	430.1	3,732.0	35.6	4,197.7	2,971.2	798.6	3,769.7	428.0
June	428.0	3,489.5	30.9	3,948.4	2,747.3	851.1	3,598.4	350.0
July	350.0	3,638.1	18.0	4,006.1	2,809.6	772.8	3,582.4	423.7
August	423.7	3,556.5	30.7	4,010.8	2,809.0	875.3	3,684.3	326.5
September	326.5	3,408.6	26.9	3,762.1	2,674.0	687.4	3,361.4	400.6
Total		44,787.0	349.5	45,400.4	33,398.9	11,600.9	44,999.8	
2017/18								
October	400.6	4,123.8	29.5	4,554.0	3,379.0	781.7	4,160.7	393.3
November	393.3	4,101.7	34.4	4,529.4	3,025.4	1,114.9	4,140.3	389.1
December	389.1	4,173.0	32.3	4,594.4	2,854.0	1,185.5	4,039.5	554.9
January	554.9	4,128.3	47.4	4,730.6	3,137.9	1,182.7	4,320.6	410.0
February	410.0	3,899.6	48.2	4,357.7	2,658.7	1,243.3	3,901.9	455.8
March	455.8	4,306.5	56.8	4,819.1	2,860.1	1,414.8	4,274.9	544.2
Total to date		24,733.0	248.6	25,382.2	17,915.0	6,923.0	24,838.0	

¹ Estimated. ² Forecast. Note: 1 metric ton equals 1.10231 short tons.

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Last update: 5/10/2018

Table 3--Soybean oil: U.S. supply and disappearance

Year beginning October 1	Supply				Disappearance			Exports	Total	Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic					
					Total	Biodiesel	Food & Other			
<i>Million pounds</i>										
2016/17 ¹	1,687	22,123	318	24,128	19,861	6,200	13,661	2,556	22,418	1,711
2017/18 ²	1,711	22,885	300	24,896	20,700	6,800	13,900	2,300	23,000	1,896
2018/19 ²	1,896	23,040	300	25,236	21,300	7,300	14,000	2,100	23,400	1,836
2016/17										
October	1,686.8	2,028.5	13.9	3,729.3	1,693.0	526.0	1,167.0	241.0	1,934.0	1,795.3
November	1,795.3	1,961.3	38.4	3,795.0	1,777.6	595.8	1,181.7	236.7	2,014.3	1,780.7
December	1,780.7	1,950.2	47.4	3,778.3	1,670.5	610.5	1,060.1	235.5	1,906.1	1,872.3
January	1,872.3	1,982.9	22.7	3,877.8	1,492.8	390.1	1,102.7	259.4	1,752.1	2,125.7
February	2,125.7	1,757.0	20.8	3,903.6	1,451.5	369.2	1,082.3	238.7	1,690.2	2,213.3
March	2,213.3	1,865.5	27.1	4,105.9	1,467.5	369.5	1,098.0	294.5	1,762.0	2,343.8
April	2,343.8	1,737.8	32.3	4,113.9	1,615.5	426.7	1,188.8	258.3	1,873.9	2,240.0
May	2,240.0	1,839.3	31.5	4,110.8	1,680.4	545.5	1,134.9	161.2	1,841.6	2,269.3
June	2,269.3	1,735.6	24.3	4,029.2	1,748.0	548.8	1,199.2	138.2	1,886.3	2,142.9
July	2,142.9	1,801.4	22.5	3,966.7	1,766.8	606.2	1,160.6	199.4	1,966.2	2,000.5
August	2,000.5	1,762.2	19.3	3,782.1	1,808.6	608.2	1,200.4	163.1	1,971.7	1,810.3
September	1,810.3	1,701.8	18.0	3,530.1	1,689.0	603.9	1,085.1	130.2	1,819.2	1,711.0
Total		22,123.4	318.2	24,128.5	19,861.2	6,200.3	13,660.9	2,556.3	22,417.5	
2017/18										
October	1,711.0	2,016.9	32.2	3,760.0	1,921.0	577.4	1,343.6	212.8	2,133.8	1,626.2
November	1,626.2	1,977.0	22.0	3,625.3	1,802.7	590.8	1,211.9	132.0	1,934.7	1,690.6
December	1,690.6	2,015.3	31.2	3,737.0	1,613.4	594.0	1,019.4	173.0	1,786.4	1,950.7
January	1,950.7	1,995.6	22.1	3,968.4	1,547.9	462.1	1,085.8	180.7	1,728.6	2,239.8
February	2,239.8	1,889.8	41.1	4,170.8	1,564.3	495.6	1,068.7	181.1	1,745.4	2,425.4
March	2,425.4	2,079.1	21.1	4,525.6	1,879.6	NA	NA	201.5	2,081.1	2,444.5
Total to date		11,973.7	169.7	13,854.4	10,328.9	2,719.9	5,729.4	1,081.0	11,409.9	

¹ Estimated. ² Forecast. Note: 1 metric ton equals 2,204.622 pounds. NA: Not available.

Source: USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Last update: 5/11/2018

Table 4--Cottonseed: U.S. supply and disappearance

Year beginning August 1	Supply				Disappearance				Ending stocks
	Beginning stocks	Production	Imports	Total	Crush	Exports	Other	Total	
<i>1,000 short tons</i>									
2016/17 ¹	391	5,369	51	5,811	1,769	342	3,300	5,411	400
2017/18 ²	400	6,422	0	6,822	1,900	475	3,997	6,372	450
2018/19 ²	450	6,145	0	6,595	1,900	425	3,895	6,220	375

¹ Estimated. ² Forecast.Sources: USDA, National Agricultural Statistics Service, *Crop Production* and U.S. Department of Commerce, U.S. Census Bureau, *Foreign Trade Statistics*.

Table 5--Cottonseed meal: U.S. supply and disappearance

Year beginning October 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
<i>1,000 short tons</i>								
2016/17 ¹	20	805	0	825	687	110	797	28
2017/18 ²	28	855	0	883	718	125	843	40
2018/19 ²	40	855	0	895	735	120	855	40

¹ Estimated. ² Forecast.Source: USDA, Foreign Agricultural Service, *PS&D Online*.

Table 6--Cottonseed oil: U.S. supply and disappearance

Year beginning October 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2016/17 ¹	42	542	0	583	435	104	539	44
2017/18 ²	44	580	5	629	469	110	579	50
2018/19 ²	50	590	5	645	495	100	595	50

¹ Estimated. ² Forecast.

Source: USDA, Foreign Agricultural Service, Production, Supply, and Distribution Online.

Table 7--Peanuts: U.S. supply and disappearance

Year beginning August 1	Area		Yield	Supply				Disappearance				Ending stocks	
	Planted	Harvested		Beginning stocks	Production	Imports	Total	Domestic food	Crush	Seed and residual	Exports		Total
<i>1,000 acres Pounds/acre Million pounds</i>													
2016/17 ¹	1,671	1,536	3,634	1,791	5,582	162	7,534	3,092	880	794	1,327	6,093	1,442
2017/18 ²	1,871	1,776	4,074	1,442	7,234	125	8,800	3,172	760	843	1,300	6,075	2,725
2018/19 ²	1,537	1,475	4,149	2,725	6,120	75	8,920	3,237	857	796	1,200	6,090	2,830

¹ Estimated. ² Forecast.Sources: USDA, National Agricultural Statistics Service, *Crop Production* and *Peanut Stocks and Processing*, and U.S. Department of Commerce, U.S. Census Bureau, *Foreign Trade Statistics*.

Last update: 5/15/2018

Table 8--Oilseed prices received by U.S. farmers

Marketing year	Soybeans ¹	Cottonseed ²	Sunflowerseed ¹	Canola ¹	Peanuts ²	Flaxseed ³
	\$/bushel	\$/short ton	\$/cwt	\$/cwt.	Cents/pound	\$/bushel
2008/09	9.97	223.00	21.80	18.70	23.00	12.70
2009/10	9.59	158.00	15.10	16.20	21.70	8.15
2010/11	11.30	161.00	23.30	19.30	22.50	12.20
2011/12	12.50	260.00	29.10	24.00	31.80	13.90
2012/13	14.40	252.00	25.40	26.50	30.10	13.80
2013/14	13.00	246.00	21.40	20.60	24.90	13.80
2014/15	10.10	194.00	21.70	16.90	22.00	11.80
2015/16	8.95	227.00	19.60	15.60	19.30	8.95
2016/17	9.47	195.00	17.40	16.60	19.70	8.00
2017/18 ¹	9.35	139.00	17.50	17.50	23.00	9.40
2018/19 ¹	8.75-11.25	140-180	15.55-19.55	15.35-19.35	19.25-23.25	8.15-10.65
2016/17						
September	9.41	180.00	17.90	15.50	19.10	7.61
October	9.30	197.00	17.00	15.80	19.50	7.37
November	9.47	195.00	16.40	16.20	19.00	7.36
December	9.64	196.00	17.20	17.10	18.60	7.59
January	9.71	199.00	17.20	17.30	19.80	8.26
February	9.86	203.00	17.60	17.40	20.10	7.86
March	9.69	NA	17.40	17.60	20.60	8.34
April	9.33	NA	17.90	18.00	19.80	8.03
May	9.29	NA	17.30	16.80	19.40	8.96
June	9.10	NA	17.60	17.40	19.70	8.52
July	9.42	NA	17.90	17.80	20.50	8.40
August	9.24	127.00	19.10	17.70	19.80	9.30
2017/18						
September	9.35	124.00	17.40	17.30	23.00	9.55
October	9.18	138.00	16.80	16.70	23.70	9.23
November	9.22	144.00	16.60	17.20	23.20	9.21
December	9.30	143.00	17.00	16.70	24.10	9.34
January	9.30	139.00	17.60	17.70	23.10	9.39
February	9.49	156.00	17.70	18.30	22.60	9.81
March	9.81	NA	17.30	18.00	25.10	9.76

¹ September-August. ² August-July. ³ July-June.

NA = Not available. cwt=hundredweight.

Source: USDA, National Agricultural Statistics Service, *Agricultural Prices*.

Last update: 5/10/2018

Table 9--U.S. vegetable oil and fats prices

Marketing year	Soybean oil ²	Cottonseed oil ³	Sunflowerseed oil ⁴	Canola oil ⁴	Peanut oil ⁵	Corn oil ⁶	Lard ⁶	Edible tallow ⁶
-----Cents/pound-----								
2008/09	32.16	37.10	50.24	39.54	78.49	32.75	26.72	25.47
2009/10	35.95	40.27	52.80	42.88	59.62	39.29	31.99	32.26
2010/11	53.20	54.50	86.12	58.68	77.24	60.76	51.52	51.34
2011/12	51.90	53.22	83.20	57.19	100.15	56.09	48.11	50.33
2012/13	47.13	48.60	65.87	56.17	91.83	46.66	51.80	43.24
2013/14	38.23	60.66	59.12	43.70	68.23	39.43	43.93	39.76
2014/15	31.60	45.74	66.72	37.81	57.96	37.48	33.43	31.36
2015/16	29.86	45.87	57.81	35.27	58.26	39.25	32.23	30.07
2016/17	32.55	40.92	53.54	38.73	66.73	37.43	33.07	34.75
2017/18 ¹	30.50	32.50	54.00	37.50	66.00	31.00	33.50	30.50
2018/19 ¹	29.5-33.5	33.5-37.5	53.0-57.0	35.5-39.5	61.0-65.0	32.5-36.5	32.5-36.5	29.5-33.5
2016/17								
October	33.86	44.88	56.00	38.94	64.88	36.22	34.00	32.25
November	34.52	45.81	56.00	39.25	66.00	36.83	NA	34.69
December	35.57	46.40	56.00	40.20	63.10	38.12	31.00	34.00
January	33.58	44.56	56.00	38.69	62.88	37.89	30.10	34.00
February	32.00	41.50	55.00	37.25	63.13	38.11	NA	34.50
March	30.86	39.45	52.00	37.30	65.80	37.90	NA	33.80
April	29.57	37.56	51.00	36.13	69.69	37.63	NA	33.50
May	30.60	38.63	50.50	37.06	70.75	37.71	NA	35.91
June	30.74	38.60	50.80	37.85	76.20	38.00	34.50	36.60
July	32.82	38.88	51.25	39.75	75.75	37.53	NA	36.89
August	33.17	36.38	52.75	41.19	69.63	36.75	NA	35.78
September	33.28	38.45	55.20	41.15	66.60	36.48	35.75	35.08
2017/18								
October	32.35	37.06	56.00	39.06	65.44	34.96	36.00	32.06
November	33.43	37.00	55.50	39.69	65.00	34.46	38.17	33.44
December	32.27	34.25	54.80	38.65	65.20	33.96	37.00	31.63
January	31.61	32.75	55.50	38.31	66.13	30.68	32.08	NA
February	30.63	31.44	55.00	37.44	66.63	29.72	32.20	31.00
March	30.28	31.35	54.00	37.10	67.00	29.66	NA	NA
April	29.70	31.19	54.00	37.31	66.88	29.50	NA	29.50

¹ Preliminary. ² Decatur, IL. ³ Prime bleached summer yellow, Greenwood, MS. ⁴ Midwest.

⁵ Southeast mills. ⁶ Chicago. NA = Not available.

Sources: USDA, Agricultural Marketing Service, *Monthly Feedstuff Prices* and *Milling and Baking News*.

Last update: 5/10/2018

Table 10--U.S. oilseed meal prices

Marketing year	Soybean meal ²	Cottonseed meal ³	Sunflowerseed meal ⁴	Peanut meal ⁵	Canola meal ⁶	Linseed meal ⁷
----- \$/short ton-----						
2008/09	331.17	255.23	152.46	NA	248.82	220.89
2009/10	311.27	220.90	151.04	NA	224.92	209.23
2010/11	345.52	273.84	219.72	NA	263.63	240.65
2011/12	393.53	275.13	246.75	NA	307.59	265.68
2012/13	468.11	331.52	241.57	NA	354.22	329.31
2013/14	489.94	377.71	238.87	NA	359.70	337.23
2014/15	368.49	304.27	209.97	NA	301.20	256.58
2015/16	324.56	261.19	153.17	NA	262.20	260.23
2016/17	316.88	208.61	145.10	NA	267.94	282.49
2017/18 ¹	360.00	275.00	185.00	NA	305.00	230.00
2018/19 ¹	330-370	260-300	160-200	NA	280-320	225-265
2016/17						
October	323.27	241.88	148.75	NA	225.05	305.63
November	322.41	221.00	140.50	NA	234.78	296.00
December	321.02	217.50	145.00	NA	243.30	290.00
January	332.34	223.50	159.00	NA	267.41	297.00
February	334.42	221.88	161.88	NA	276.90	299.38
March	320.34	210.63	155.00	NA	276.33	297.50
April	305.67	195.00	147.50	NA	270.66	291.25
May	307.63	179.50	144.00	NA	279.64	290.00
June	300.72	179.38	140.00	NA	281.66	282.63
July	326.04	200.83	130.63	NA	307.73	250.63
August	301.05	198.50	134.50	NA	289.45	253.00
September	307.70	213.75	134.38	NA	262.33	236.88
2017/18						
October	315.23	229.00	153.00	NA	257.73	214.00
November	313.52	228.75	165.00	NA	255.74	205.00
December	319.22	232.50	185.00	NA	266.53	209.17
January	322.60	259.00	178.00	NA	270.20	215.50
February	362.85	303.13	185.63	NA	315.95	233.13
March	379.85	323.13	187.50	NA	334.58	237.50
April	385.84	263.13	191.88	NA	332.16	238.13

¹ Preliminary. ² High-protein Decatur, IL. ³ 41-percent Memphis. ⁴ 34-percent North Dakota-Minnesota.

⁵ 50-percent Southeast mills. ⁶ 36-percent Pacific Northwest. ⁷ 34-percent Minneapolis.

NA= Not available.

Source: USDA, Agricultural Marketing Service, *Monthly Feedstuff Prices*.

Last update: 5/10/2018

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