

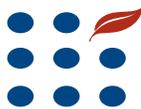
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Outlook



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Oil Crops Outlook

Mark Ash and Erik Dohlman

Farmers Expected to Harvest a Record U.S. Output of Soybeans

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Nov. 13, 2006

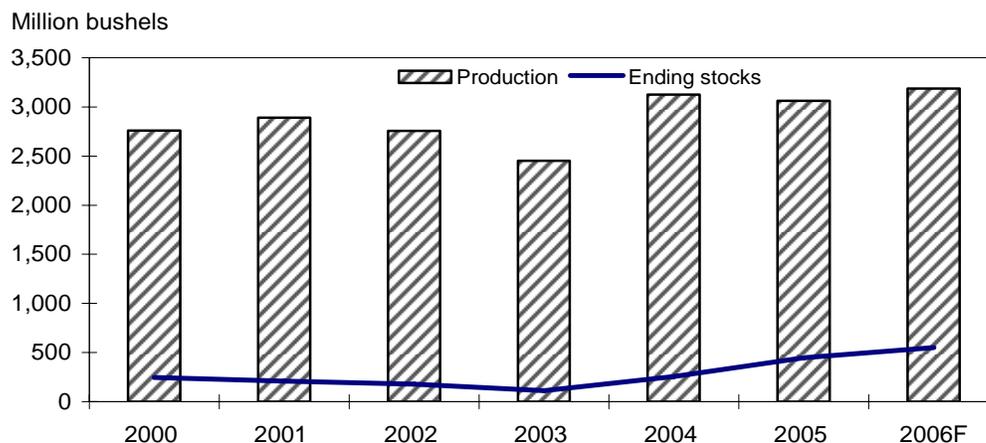
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World Agricultural
Outlook Board.

Based on higher acreage and yield, the U.S. Department of Agriculture's (USDA) October Crop Production report indicated that U.S. soybean output in 2006 would climb to a record high 3,189 million bushels. An expected record supply raised 2006/07 forecasts of soybean exports and domestic crush to respective record highs of 1,145 million and 1,775 million bushels. However, with larger changes for the supply than for soybean demand this month, 2006/07 ending stocks likewise are expected to reach a record high of 555 million bushels. Despite the outlook for an abundant supply, the forecast for the season-average price is unchanged at \$4.90-\$5.90 per bushel, as a rally in corn and wheat prices is contributing support to the soybean market.

Global rapeseed output for 2006/07 was forecast at 46.4 million metric tons, up 0.7 million from last month. Improved yields in Canada increased expected production from 8.0 million to 8.5 million tons, yet still well shy of the record 2005 production at 9.7 million. However, severe drought will slash production in Australia to 0.8 million tons, down from the previous forecast of 1.25 million and last year's output of 1.44 million.

Figure 1

Successive U.S. bumper harvests of soybeans raising the stock carryout



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

Domestic Outlook

Favorable Late Summer Weather Improves Outlook for U.S. Soybean Yield

USDA's October Crop Production report indicated that U.S. soybean output in 2006 would climb to a record high 3,189 million bushels. The revised crop forecast is up 96 million bushels from last month and would exceed the 2005 harvest by 126 million bushels. An updated survey of 2006 acreage indicated a soybean harvested area of 74.5 million acres (exceeding the previous estimate by 570,000 acres). Although 190,000 fewer acres were sown in the Mississippi Delta region, those declines were offset by even higher plantings recorded for Ohio, Nebraska, South Dakota, and North Dakota.

The main reason for this month's higher production, however, was a yield increase to 42.8 bushels per acre. The gain is 1 bushel above the September forecast and just below the 2005 record. Improved yields for Illinois, Minnesota, and Iowa contributed most of this month's increase for the national crop.

Reported beginning stocks of soybeans turned out moderately lower than expected at 448.9 million bushels. Based on the September 1 stocks and the cumulative use data, the 2005 crop was revised down by 23 million bushels to 3,063 million. Harvested area for 2005 was 110,000 acres lower than previously indicated and lower yields in a number of States trimmed the national average yield to 43.0 bushels per acre (formerly at 43.3 bushels). When the stock carryover is added to current production, the total 2006/07 supply is up to 3,641 million bushels, 318 million more than last year's former record.

Despite a slight advance of crop maturity this fall for soybeans, harvest activity in September was stalled in many locations by wet weather. As of October 8, harvesting of the U.S. soybean crop had progressed to 47 percent, matching the 5-year average but behind the 56 percent harvested a year ago. Last month's harvest delays precipitated a brief price rally, which stabilized as conditions improved by early October.

Ample Supply May Support a Record Strong Export Potential

Slow farm sales in September temporarily squeezed the supplies available to domestic processors. However, foreign buyers were more willing to pay a higher cost for soybeans than domestic users, so 2006/07 exports have set off on a strong early pace. U.S. export inspections for September totaled 64 million bushels, the fastest start for the month since 1999. In Brazil, soybean exports peaked in July, and tightening stocks are making subsequent soybean exports comparatively costly. Argentine supplies for export are also declining as domestic processors are consuming rising quantities. New-crop soybean harvests in both countries are at least 4-5 months away. No growth is forecast for 2006/07 soybean exports from Brazil, while Argentine exports are expected down 3 percent. As a consequence, foreign buyers will be more reliant upon U.S. purchases for some time. Sales of U.S. soybeans to China have been particularly brisk. U.S. export sales commitments to date are 143 million bushels higher than a year ago, with sales to China accounting for 91 million of the increase. In contrast, 2006/07 soybean imports by the European Union countries (EU-25) are forecast to rise 1 percent

This month, USDA raised the 2006/07 forecast of U.S. soybean exports from 1,125 million to 1,145 million bushels.

An anticipated major impediment to an even larger volume of soybean exports is a steady demand by domestic processors (and their likely substantial export business for soybean meal). In 2006/07, U.S. crushers are forecast to use a record 1,775 million bushels of soybeans, up 10 million from last month's forecast, compared with the 1,739 million consumed in 2005/06. With larger change for the supply than for soybean demand this month, the expected surplus of 2006/07 ending stocks should rise to a record high 555 million bushels from 530 million forecast earlier. Expectations for a comparatively high stocks-to-use ratio of 18 percent should keep soybean farm prices under pressure. In September, soybean prices in central Illinois averaged \$5.15 per bushel, below last year's \$5.49. Despite the outlook for an abundant supply, the forecast for the season-average price is unchanged at \$4.90-\$5.90 per bushel, as a rally in corn and wheat prices is contributing support to the soybean market.

For at least another year, U.S. soybean meal exports are likely to be quite competitive, particularly throughout major markets in Latin America. To illustrate, 2006/07 soybean meal imports for Mexico are anticipated to expand by 12 percent, although largely at the expense of soybean imports, which could edge 1 percent higher. Comparatively low values for soybean meal (forecast at \$147.50-\$177.50 per short ton) will support a robust level of exports. The 2006/07 forecast of U.S. soybean meal exports was increased 250,000 tons this month to 8.35 million short tons. It is also likely that 2005/06 soybean meal trade finished above previous forecasts at 7.85 million tons.

While likely to grow at a slower percentage than exports, domestic use could still lead the overall increase in soybean meal tonnage. Domestic disappearance is forecast to rise 750,000 tons (2.2 percent) in 2006/07 to 34.1 million tons.

The burden of record-high inventories of soybean oil is weighing down current prices. End of August soybean oil stocks had accumulated to 3,042 million pounds, just slightly below the previous month's all-time high. Since July 2006, soybean oil prices have fallen from a monthly average of 25.9 cents per pound to a September average of 23.5 cents. Subsequent strength in prices will also be tempered by better prospects for canola production in Canada. An all-time high for U.S. canola oil imports is expected this year at 1.65 billion pounds and in 2006/07 should approach that level again. Likewise, domestic output of canola oil (supplied through a strong influx of canola seed imports) could stay near a record volume. Steady growth in U.S. palm oil imports should continue in the marketing year ahead, as well. Yet, soybean oil values could resume their strength in 2007 once consumption overtakes the output gains. The forecast of the 2006/07 average price for soybean oil remains unchanged at 23.0-27.0 cents per pound.

Harvests of Sunflowerseed, Canola, and Cottonseed Hurt by Dry Weather

Producers planted nearly 2 million acres of sunflowers in 2006, up slightly from the estimate from the June Acreage report and reflecting greater sowing of oil-type varieties in North Dakota and South Dakota. Even so, the decline in sunflower acreage from last year still totals 725,000 acres. That factor alone would be enough

to substantially cut sunflowerseed production. Confection-type sunflowerseed took a disproportionate amount of the acreage reduction in 2006.

In addition, sunflowerseed yields are forecast down sharply this year. A dry summer in the Great Plains slashed sunflowerseed yields in all States except Minnesota. For North Dakota, the June-July cumulative precipitation was only half of normal. Following a record high national average yield last year of 1,540 pounds per acre, the 2006 yield could be reduced by a quarter toward 1,134 pounds per acre. Combined with the loss of acreage, the yield reduction lowers expected sunflowerseed production in 2006 by 47 percent to 2,114 million pounds. The two largest producing States, North Dakota and South Dakota, should account for 60 percent of the total output decline.

Cushioning the crop losses is a record-large carryover of sunflowerseed stocks remaining from last year's bumper harvest. September 1 sunflowerseed stocks totaled 781 million pounds, up from just 199 million the previous year. Total 2006/07 supplies will then be down by 1.25 billion pounds, compared with a crop reduction of 1.9 billion pounds. Strong demand for sunflowerseed oil is expected to boost crushing to around 1.3 billion pounds. Ending stocks should be drawn down substantially toward a minimal pipeline level, but it is unlikely that a major reduction in non-oil uses and exports can be avoided. The average sunflowerseed price may not differ markedly from the 2005/06 average of \$12.00 per hundredweight.

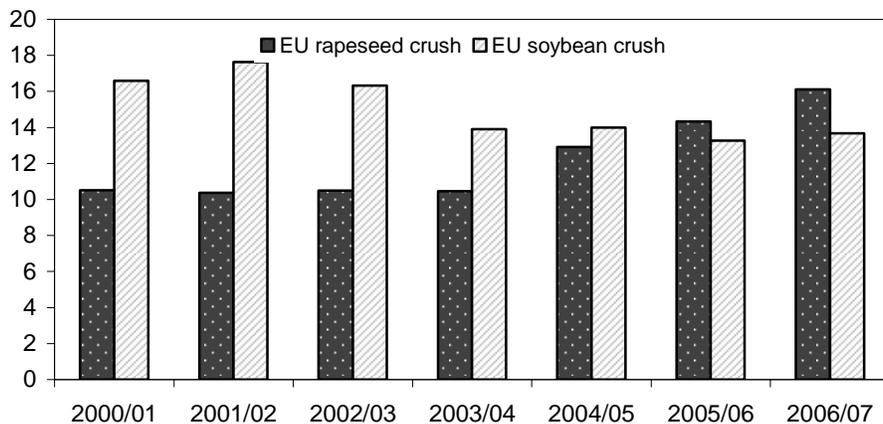
For canola, adverse weather also compounded an acreage decline this year. Sowing of canola fell 10 percent in 2006 to 1.05 million acres. Canola yields were also affected in the same region where sunflower crops were damaged. With a 15-percent drop in the average yield to 1,212 pounds per acre, U.S. canola seed production is forecast down 23 percent to 1.2 billion pounds. Unlike sunflowerseed, though, an ample supply can still be maintained with imports from Canada. Crushing of canola seed can be supported around 2.2 billion pounds by supplementing the domestic harvest with up to 1.3 billion pounds of imports. More stocks will likely be needed in preparation of the opening of a new biodiesel plant in North Dakota next year.

U.S. cottonseed production for 2006 improved this month by 107,000 short tons to 7.3 million. However, production would still be 11 percent lower than last year, principally because of lower harvested acreage and yields in Texas. Despite a smaller output this year, a negligible volume of 2006/07 imports is expected due to a poor Australian cotton crop. Thus, a lower domestic supply likely means reductions for U.S. cottonseed demand. Domestic crushing is seen declining 9 percent to 2.75 million short tons, curtailing the consumption of cottonseed oil by a similar percentage. Feed use of cottonseed could also drop 9 percent to 4.2 million tons. There could be an even larger proportional decline in 2006/07 cottonseed exports (to 405,000 tons from 523,000 tons in 2005/06)

Figure 2

Opposite trends emerge for the EU-25 crush of soybeans and rapeseed

Million metric tons



Source: PS&D database, Foreign Agricultural Service, USDA.

Record European Rapeseed Harvest Offsets Smaller Crops in Australia and Canada

Global rapeseed output for 2006/07 was forecast at 46.4 million metric tons, up 0.7 million from last month. World rapeseed area is up 0.5 percent in 2006, but lower yields are expected to pare output by 4.5 percent from last year's record high of 48.5 million. It will be possible to sustain a steady rate of world rapeseed exports (near 7.2 million tons) only through a sharp reduction in ending stocks.

In Canada, producers have turned in better canola yields than previously anticipated. The excellent yields of a year ago in Saskatchewan and Alberta have not been matched, although Manitoba yields were much improved. For Canada as a whole, expected production increased from 8.0 million to 8.5 million tons, yet still well shy of the record 2005 production of 9.7 million. A better supply and weaker competition from Australia boosts the 2006/07 export forecast to 5.65 million tons versus 5.4 million in 2005/06. Canola ending stocks next year are expected to drop to barely over 1 million tons from 2.1 million tons this year given the smaller crop and robust demand.

Throughout Australia, this year's severe drought has devastated crop potential. When canola was sown last May, the soils were already becoming abnormally dry. Following the country's driest August on record, and exacerbated by warmer than average temperatures, moisture levels continued to deteriorate through September. The stunted canola fields are now expected to produce just 0.8 million tons, down from the previous forecast of 1.25 million and last year's output of 1.44 million. The production decline led to a reduction in the 2006/07 forecast of Australian canola seed exports to a 10-year low of 450,000 tons.

The crop losses in Australia contributed to an already tight global balance between supply and demand. Farmers in the EU-25 are expected to produce a record-large 15.5 million tons of rapeseed this year. The harvest estimate is up 0.7 million tons from last month and slightly above last year's previous record of 15.4 million tons. Conditions since sowing last fall were far from optimal, but rapeseed crops proved to be surprisingly resilient, particularly in Germany and Poland. Early spring soil moisture was apparently sufficient to support crop yields through a comparatively dry and hot summer.

Despite a bumper harvest, rapeseed processors in the EU-25 are being hard pressed to keep up with an ever growing demand for rapeseed oil. Rapeseed crushing in 2006/07 is forecast at 16.1 million tons, 13 percent above the 2005/06 record. The lack of exportable Australian supplies complicates the task, with a majority of EU-25 imports now expected to come from Ukraine, Russia, and Romania. The potential demand is higher, but the foreign supply constraints could limit EU-25 rapeseed imports to around 0.4 million tons. Although there are available stocks of seed to export from Canada, the EU-25 currently restricts imports of all Canadian biotech varieties. By next year, however, that barrier could fall. The European Commission is now tasked with deciding whether to approve canola imports (exclusively for processing an oil for biodiesel) for the second of Canada's two major biotech varieties. For now, a growing volume of rapeseed oil imports from Canada, the United States, and even China should continue to supplement domestic output.

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Data

Monthly tables from *Oil Crops Outlook* are available in Excel (.xls) spreadsheets at <http://www.ers.usda.gov/briefing/soybeansoilcrops/data.htm>. These tables contain the latest data on the production, use, imports, exports, prices, and textile trade of cotton and other fibers.

Recent Reports

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decision makers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments <http://www.ers.usda.gov/publications/ERR12/>. See also *Farm Program Acres* for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped. <http://www.ers.usda.gov/data/baseacres/>

Related Websites

WASDE,
(<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>)
Oilseed Circular, http://www.fas.usda.gov/oilseeds_arc.asp
Soybeans and Oil Crops Briefing Room,
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Table 1--Soybeans: U.S. supply and disappearance

| Year beg. Sept. 1 | Area | | Yield | Supply | | | Disappearance | | | | Ending stocks | |
|----------------------|----------------------|-----------|----------------|---------------------|------------|---------|---------------|---------|---------|---------------------------|------------------|---------|
| | Planted | Harvested | | Beginning stocks | Production | Imports | Total | Crush | Exports | Seed, feed, & residual | | Total |
| | <i>Million acres</i> | | <i>Bu/acre</i> | ----- | | | ----- | | | | | |
| | | | | | | | | | | | | |
| 2004/05 | 75.2 | 74.0 | 42.2 | 112 | 3,124 | 6 | 3,242 | 1,696 | 1,097 | 193 | 2,986 | 256 |
| 2005/06 | 72.0 | 71.3 | 43.0 | 256 | 3,063 | 3 | 3,322 | 1,739 | 947 | 188 | 2,874 | 449 |
| 2006/07 ² | 75.6 | 74.5 | 42.8 | 449 | 3,189 | 4 | 3,641 | 1,775 | 1,145 | 166 | 3,086 | 555 |
| 2004/05 | | | | | | | | | | | | |
| September | | | | | | 0.4 | | 121.0 | 47.2 | | | |
| October | | | | | | 0.2 | | 155.3 | 177.7 | | | |
| November | | | | | | 0.3 | | 151.1 | 181.0 | | | |
| Sep-Nov | | | | 112.4 | 3,123.7 | 1.0 | 3,237.1 | 427.4 | 405.8 | 99.3 | 932.4 | 2,304.6 |
| December | | | | | | 0.7 | | 150.0 | 155.0 | | | |
| January | | | | | | 0.5 | | 148.6 | 123.5 | | | |
| February | | | | | | 0.3 | | 137.6 | 132.2 | | | |
| Dec-Feb | | | | 2,304.6 | --- | 1.4 | 2,306.0 | 436.2 | 410.7 | 77.8 | 924.7 | 1,381.4 |
| March | | | | | | 0.4 | | 148.5 | 98.7 | | | |
| April | | | | | | 0.3 | | 139.4 | 55.5 | | | |
| May | | | | | | 0.3 | | 142.8 | 43.7 | | | |
| Mar-May | | | | 1,381.4 | --- | 1.0 | 1,382.3 | 430.7 | 197.9 | 54.4 | 683.1 | 699.3 |
| June | | | | | | 0.7 | | 132.0 | 34.6 | | | |
| July | | | | | | 1.2 | | 139.5 | 20.0 | | | |
| August | | | | | | 0.3 | | 130.3 | 28.2 | | | |
| Jun-Aug | | | | 699.3 | --- | 2.3 | 701.5 | 401.8 | 82.8 | (38.8) | 445.8 | 255.7 |
| Total | | | | | | 5.6 | 3,241.7 | 1,696.1 | 1,097.2 | 192.7 | 2,985.9 | |
| 2005/06 | | | | | | | | | | | | |
| September | | | | | | 0.2 | | 133.2 | 34.1 | | | |
| October | | | | | | 0.2 | | 157.7 | 137.2 | | | |
| November | | | | | | 0.2 | | 151.5 | 141.4 | | | |
| Sep-Nov | | | | 255.7 | 3,063.2 | 0.6 | 3,319.6 | 442.4 | 312.6 | 62.5 | 817.5 | 2,502.1 |
| December | | | | | | 0.3 | | 148.4 | 88.3 | | | |
| January | | | | | | 0.2 | | 152.4 | 111.8 | | | |
| February | | | | | | 0.4 | | 136.3 | 111.3 | | | |
| Dec-Feb | | | | 2,502.1 | --- | 0.8 | 2,502.9 | 437.2 | 311.4 | 85.1 | 833.7 | 1,669.2 |
| March | | | | | | 0.4 | | 149.5 | 95.6 | | | |
| April | | | | | | 0.3 | | 135.5 | 43.4 | | | |
| May | | | | | | 0.3 | | 146.2 | 46.5 | | | |
| Mar-May | | | | 1,669.2 | --- | 1.0 | 1,670.2 | 431.3 | 185.5 | 62.7 | 679.5 | 990.7 |
| June | | | | | | 0.6 | | 137.4 | 39.0 | | | |
| July | | | | | | 0.2 | | 148.5 | 47.6 | | | |
| August | | | | | | 0.2 | | 142.1 | 51.0 | | | |
| Jun-Aug | | | | 990.7 | --- | 1.0 | 991.7 | 428.0 | 137.7 | (22.7) | 543.0 | 448.8 |
| Total to date | | | | | | 3.4 | 3,322.3 | 1,738.7 | 947.2 | 210.3 | 2,330.6 | |

¹ Forecast.Sources: *Crop Production* and *Grain Stocks* National Agricultural Statistics Service, U.S. Department of Agriculture; and *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Last update: 10/16/2006

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

| Year begin. Oct. 1 | Supply | | | | Disappearance | | | Ending stocks |
|-------------------------|---------------------|------------|---------|----------|---------------|---------|----------|------------------|
| | Beginning stocks | Production | Imports | Total | Domestic | Exports | Total | |
| <i>1,000 short tons</i> | | | | | | | | |
| 2004/05 | 211 | 40,715 | 147 | 41,073 | 33,559 | 7,343 | 40,902 | 172 |
| 2005/06 ¹ | 172 | 41,163 | 165 | 41,500 | 33,350 | 7,850 | 41,200 | 300 |
| 2006/07 ² | 300 | 42,285 | 165 | 42,750 | 34,100 | 8,350 | 42,450 | 300 |
| 2004/05 | | | | | | | | |
| October | 210.7 | 3,685.2 | 6.5 | 3,902.4 | 3,077.2 | 469.5 | 3,546.7 | 355.7 |
| November | 355.7 | 3,584.2 | 7.3 | 3,947.1 | 2,866.6 | 793.7 | 3,660.3 | 286.8 |
| December | 286.8 | 3,567.9 | 6.9 | 3,861.7 | 2,697.0 | 893.4 | 3,590.4 | 271.3 |
| January | 271.3 | 3,552.5 | 6.8 | 3,830.6 | 2,875.3 | 614.5 | 3,489.8 | 340.8 |
| February | 340.8 | 3,293.3 | 7.0 | 3,641.2 | 2,649.2 | 681.5 | 3,330.7 | 310.4 |
| March | 310.4 | 3,547.6 | 8.9 | 3,867.0 | 2,900.5 | 718.5 | 3,619.0 | 248.0 |
| April | 248.0 | 3,326.6 | 7.6 | 3,582.1 | 2,583.6 | 691.0 | 3,274.6 | 307.5 |
| May | 307.5 | 3,397.9 | 9.4 | 3,714.7 | 2,819.8 | 546.0 | 3,365.7 | 349.0 |
| June | 349.0 | 3,160.6 | 7.4 | 3,517.1 | 2,704.4 | 567.9 | 3,272.3 | 244.8 |
| July | 244.8 | 3,320.4 | 5.8 | 3,570.9 | 2,726.1 | 482.5 | 3,208.6 | 362.3 |
| August | 362.3 | 3,122.1 | 64.9 | 3,549.3 | 2,903.2 | 407.9 | 3,311.1 | 238.3 |
| September | 238.3 | 3,157.0 | 8.8 | 3,404.1 | 2,756.1 | 476.2 | 3,232.3 | 171.8 |
| Total | | 40,715.4 | 147.2 | 41,073.3 | 33,558.9 | 7,342.6 | 40,901.5 | |
| 2005/06 | | | | | | | | |
| October | 171.8 | 3,700.9 | 9.3 | 3,882.0 | 2,906.6 | 659.2 | 3,565.8 | 316.1 |
| November | 316.1 | 3,562.2 | 10.0 | 3,888.4 | 2,908.9 | 674.6 | 3,583.5 | 304.9 |
| December | 304.9 | 3,518.0 | 10.8 | 3,833.7 | 2,879.4 | 616.2 | 3,495.7 | 338.0 |
| January | 338.0 | 3,589.5 | 10.7 | 3,938.1 | 2,869.0 | 742.5 | 3,611.5 | 326.6 |
| February | 326.6 | 3,215.3 | 11.0 | 3,552.9 | 2,514.4 | 736.8 | 3,251.2 | 301.6 |
| March | 301.6 | 3,504.0 | 12.5 | 3,818.1 | 2,866.4 | 665.2 | 3,531.6 | 286.5 |
| April | 286.5 | 3,212.6 | 11.4 | 3,510.5 | 2,584.0 | 511.1 | 3,095.1 | 415.4 |
| May | 415.4 | 3,474.6 | 13.3 | 3,903.4 | 2,921.6 | 678.2 | 3,599.8 | 303.5 |
| June | 303.5 | 3,250.9 | 16.4 | 3,570.8 | 2,689.8 | 614.9 | 3,304.6 | 266.2 |
| July | 266.2 | 3,507.8 | 11.3 | 3,785.2 | 2,642.7 | 770.0 | 3,412.6 | 372.6 |
| August ¹ | 372.6 | 3,351.7 | 12.7 | 3,737.0 | 2,780.8 | 730.3 | 3,511.1 | 225.8 |
| Total to date | | 37,887.4 | 129.4 | 38,188.6 | 30,563.7 | 7,399.0 | 37,962.7 | |

¹ Estimated. ² Forecast.

Source: *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Last update: 10/16/2006

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

| Year begin. Oct. 1 | Supply | | | | Disappearance | | | Ending stocks |
|-----------------------|---------------------|------------|---------|----------|---------------|---------|----------|------------------|
| | Beginning stocks | Production | Imports | Total | Domestic | Exports | Total | |
| <i>Million pounds</i> | | | | | | | | |
| 2004/05 ¹ | 1,076 | 19,360 | 26 | 20,462 | 17,439 | 1,324 | 18,763 | 1,699 |
| 2005/06 ² | 1,699 | 20,345 | 35 | 22,079 | 17,900 | 1,150 | 19,050 | 3,029 |
| 2006/07 ² | 3,029 | 20,060 | 55 | 23,144 | 19,200 | 1,250 | 20,450 | 2,694 |
| 2004/05 | | | | | | | | |
| October | 1,075.6 | 1,759.6 | 1.4 | 2,836.6 | 1,507.3 | 59.9 | 1,567.2 | 1,269.4 |
| November | 1,269.4 | 1,688.0 | 4.7 | 2,962.1 | 1,586.5 | 184.5 | 1,771.0 | 1,191.2 |
| December | 1,191.2 | 1,682.3 | 1.1 | 2,874.5 | 1,323.9 | 239.5 | 1,563.5 | 1,311.1 |
| January | 1,311.1 | 1,680.2 | 1.7 | 2,992.9 | 1,355.8 | 77.0 | 1,432.8 | 1,560.1 |
| February | 1,560.1 | 1,564.1 | 2.0 | 3,126.2 | 1,262.2 | 217.2 | 1,479.4 | 1,646.8 |
| March | 1,646.8 | 1,686.4 | 1.8 | 3,335.0 | 1,447.6 | 74.6 | 1,522.2 | 1,812.7 |
| April | 1,812.7 | 1,579.6 | 2.1 | 3,394.5 | 1,522.6 | 74.8 | 1,597.4 | 1,797.1 |
| May | 1,797.1 | 1,620.1 | 1.8 | 3,419.0 | 1,458.3 | 71.9 | 1,530.2 | 1,888.7 |
| June | 1,888.7 | 1,497.3 | 0.8 | 3,386.9 | 1,480.3 | 68.5 | 1,548.9 | 1,838.0 |
| July | 1,838.0 | 1,586.7 | 0.2 | 3,425.0 | 1,383.7 | 52.4 | 1,436.1 | 1,988.8 |
| August | 1,988.8 | 1,484.4 | 2.8 | 3,476.0 | 1,611.7 | 137.3 | 1,749.0 | 1,727.0 |
| September | 1,727.0 | 1,531.1 | 5.8 | 3,264.0 | 1,499.1 | 65.9 | 1,564.9 | 1,699.0 |
| Total | | 19,359.7 | 26.3 | 20,461.6 | 17,439.0 | 1,323.7 | 18,762.6 | |
| 2005/06 | | | | | | | | |
| October | 1,699.0 | 1,828.6 | 3.1 | 3,530.8 | 1,570.9 | 76.3 | 1,647.3 | 1,883.5 |
| November | 1,883.5 | 1,756.7 | 2.9 | 3,643.2 | 1,637.3 | 154.1 | 1,791.4 | 1,851.8 |
| December | 1,851.8 | 1,717.3 | 1.9 | 3,571.0 | 1,272.8 | 107.8 | 1,380.6 | 2,190.5 |
| January | 2,190.5 | 1,765.2 | 3.0 | 3,958.8 | 1,388.8 | 71.3 | 1,460.1 | 2,498.7 |
| February | 2,498.7 | 1,594.8 | 4.0 | 4,097.5 | 1,356.9 | 67.2 | 1,424.1 | 2,673.4 |
| March | 2,673.4 | 1,746.5 | 4.2 | 4,424.0 | 1,527.8 | 178.1 | 1,705.9 | 2,718.1 |
| April | 2,718.1 | 1,586.3 | 2.3 | 4,306.7 | 1,454.7 | 96.6 | 1,551.3 | 2,755.4 |
| May | 2,755.4 | 1,709.3 | 2.2 | 4,466.9 | 1,528.6 | 53.4 | 1,582.0 | 2,885.0 |
| June | 2,885.0 | 1,608.7 | 2.3 | 4,496.0 | 1,494.6 | 82.3 | 1,576.8 | 2,919.2 |
| July | 2,919.2 | 1,737.6 | 3.3 | 4,660.1 | 1,464.7 | 89.3 | 1,554.0 | 3,106.1 |
| August ¹ | 3,106.1 | 1,657.7 | 3.7 | 4,767.5 | 1,660.2 | 65.3 | 1,725.5 | 3,042.0 |
| Total to date | | 18,708.8 | 33.0 | 20,440.8 | 16,357.1 | 1,041.7 | 17,398.8 | |

¹ Estimated. ² Forecast.

Sources: *Oilseed Crushings* and *Production, Consumption, and Stocks*, Census Bureau, U.S. Department of Commerce.

Last update: 10/16/2006

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

| Year beg. Aug. 1 | Supply | | | | Disappearance | | | | Ending stocks |
|-------------------------|---------------------|------------|---------|-------|---------------|---------|-------|-------|------------------|
| | Beginning stocks | Production | Imports | Total | Crush | Exports | Other | Total | |
| <i>1,000 short tons</i> | | | | | | | | | |
| 2004/05 | 421 | 8,242 | 1 | 8,664 | 2,923 | 379 | 4,770 | 8,072 | 592 |
| 2005/06 ¹ | 592 | 8,172 | 0 | 8,764 | 3,011 | 523 | 4,629 | 8,163 | 602 |
| 2006/07 ² | 602 | 7,256 | 25 | 7,883 | 2,750 | 405 | 4,227 | 7,382 | 501 |

¹ Estimated. ² Forecast.

Sources: *Crop Production*, National Agricultural Statistics Service, U.S. Department of Agriculture; and *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Last Updated: 10/13/2006

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

| Year beg. Oct. 1 | Supply | | | | Disappearance | | | Ending stocks |
|-------------------------|---------------------|---------|------------|-------|---------------|---------|-------|------------------|
| | Beginning stocks | Imports | Production | Total | Domestic | Exports | Total | |
| <i>1,000 short tons</i> | | | | | | | | |
| 2004/05 | 77 | 0 | 1,362 | 1,439 | 1,280 | 107 | 1,387 | 52 |
| 2005/06 ¹ | 52 | 0 | 1,370 | 1,422 | 1,222 | 150 | 1,372 | 50 |
| 2006/07 ² | 50 | 0 | 1,240 | 1,290 | 1,170 | 70 | 1,240 | 50 |

¹ Estimated. ² Forecast.

Source: *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Last Updated: 10/13/2006

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

| Year beg. Oct. 1 | Supply | | | | Disappearance | | | Ending stocks |
|-----------------------|---------------------|---------|------------|-------|---------------|---------|-------|------------------|
| | Beginning stocks | Imports | Production | Total | Domestic | Exports | Total | |
| <i>Million pounds</i> | | | | | | | | |
| 2004/05 | 109 | 2 | 957 | 1,068 | 935 | 57 | 991 | 76 |
| 2005/06 ¹ | 76 | 1 | 950 | 1,027 | 892 | 65 | 957 | 70 |
| 2006/07 ² | 70 | 0 | 865 | 935 | 815 | 55 | 870 | 65 |

¹ Estimated. ² Forecast.

Sources: *Oilseed Crushings and Production, Consumption, and Stocks*, Census Bureau, U.S. Dept. of Commerce.

Last update: 10/16/2006

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

| Year beg. Aug. 1 | Supply | | | | Disappearance | | | | Ending stocks | |
|-----------------------|---------------------|---------|------------|-------|------------------|-------|--------------------|---------|------------------|-------|
| | Beginning stocks | Imports | Production | Total | Domestic food | Crush | Seed & residual | Exports | | Total |
| <i>Million pounds</i> | | | | | | | | | | |
| 2004/05 | 1,121 | 37 | 4,288 | 5,447 | 2,600 | 393 | 548 | 491 | 4,032 | 1,415 |
| 2005/06 ¹ | 1,415 | 32 | 4,870 | 6,317 | 2,618 | 542 | 499 | 491 | 4,150 | 2,167 |
| 2006/07 ² | 2,167 | 35 | 3,267 | 5,469 | 2,658 | 597 | 437 | 485 | 4,177 | 1,292 |

¹ Estimated. ² Forecast.

Sources: *Crop Production* and *Peanut Stocks and Processors*, National Agricultural Statistics Service, U.S. Dept. of Agriculture and Census Bureau, U.S. Department of Commerce.

Last update: 10/16/2006

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

| Marketing year | Soybeans \$/bu. | Cottonseed \$/ton | Sunflower \$/cwt. | Peanuts Cents/lb. | Flaxseed \$/bu. |
|------------------------|--------------------|----------------------|----------------------|----------------------|--------------------|
| 1996/97 | 7.35 | 126.00 | 11.70 | 28.10 | 6.37 |
| 1997/98 | 6.47 | 121.00 | 11.60 | 28.30 | 5.81 |
| 1998/99 | 4.93 | 129.00 | 10.60 | 28.40 | 5.05 |
| 1999/00 | 4.63 | 89.00 | 7.53 | 25.40 | 3.79 |
| 2000/01 | 4.54 | 105.00 | 6.89 | 27.40 | 3.30 |
| 2001/02 | 4.38 | 90.50 | 9.62 | 23.40 | 4.29 |
| 2002/03 | 5.53 | 101.00 | 12.10 | 18.20 | 5.77 |
| 2003/04 | 7.34 | 117.00 | 12.10 | 19.30 | 5.88 |
| 2004/05 | 5.74 | 107.00 | 13.70 | 18.90 | 8.07 |
| 2005/06 | 5.66 | 95.50 | 12.00 | 17.30 | 5.95 |
| 2006/07 ¹ | 4.90-5.90 | 88-118 | 10.95-12.55 | 17.8-19.4 | 5.65-6.65 |
| 2005/06 | | | | | |
| September | 5.77 | 96.00 | 13.20 | 17.00 | 6.10 |
| October | 5.67 | 89.40 | 12.80 | 17.40 | 6.05 |
| November | 5.62 | 92.60 | 12.30 | 17.50 | 5.93 |
| December | 5.78 | 95.10 | 11.60 | 17.40 | 5.82 |
| January | 5.87 | 102.00 | 11.20 | 17.30 | 5.64 |
| February | 5.67 | 98.20 | 11.40 | 18.60 | 5.50 |
| March | 5.57 | NA | 11.40 | 16.90 | 5.35 |
| April | 5.52 | NA | 11.90 | 17.40 | 5.56 |
| May | 5.68 | NA | 11.80 | 17.30 | 5.58 |
| June | 5.62 | NA | 11.70 | 17.00 | 5.40 |
| July | 5.61 | NA | 11.90 | 17.00 | 5.47 |
| August | 5.23 | 93.00 | 12.50 | 17.00 | 5.50 |
| 2006/07 | | | | | |
| September ¹ | 5.12 | 99.10 | 12.00 | 17.10 | 5.45 |

¹ Preliminary. NA = Not available.

Source: *Agricultural Prices*, National Agricultural Statistics Service,
U. S. Department of Agriculture.

Last update: 10/16/2006

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

| Marketing year | Soybean oil ² | Cottonseed oil ³ | Sunflower oil ⁴ | Peanut oil ⁵ | Corn oil ⁶ | Lard ⁶ | Edible tallow ⁶ |
|------------------------|--------------------------|-----------------------------|----------------------------|-------------------------|-----------------------|-------------------|----------------------------|
| <i>Cents/lb.</i> | | | | | | | |
| 1996/97 | 22.50 | 25.58 | 22.64 | 43.65 | 24.05 | 23.02 | 23.01 |
| 1997/98 | 25.80 | 28.85 | 27.00 | 49.21 | 28.94 | 19.46 | 20.69 |
| 1998/99 | 19.90 | 27.32 | 20.10 | 40.72 | 25.30 | 14.66 | 15.14 |
| 1999/00 | 15.60 | 21.52 | 16.68 | 35.96 | 17.81 | 13.64 | 13.21 |
| 2000/01 | 14.15 | 15.98 | 15.89 | 34.97 | 13.54 | 14.61 | 13.43 |
| 2001/02 | 16.46 | 17.98 | 23.25 | 32.23 | 19.14 | 13.55 | 13.87 |
| 2002/03 | 22.04 | 37.75 | 33.11 | 46.70 | 28.17 | 18.13 | 17.80 |
| 2003/04 | 29.97 | 31.21 | 33.41 | 60.84 | 28.43 | 26.13 | 22.37 |
| 2004/05 | 23.01 | 28.01 | 43.71 | 53.63 | 27.86 | 21.80 | 18.48 |
| 2005/06 | 23.41 | 29.47 | 38.50 | 44.96 | 25.18 | 21.74 | 18.16 |
| 2006/07 ¹ | 23.0-27.0 | 28.0-32.0 | 32.5-36.5 | 43.0-47.0 | 25.5-29.5 | 19.0-23.0 | 19.0-23.0 |
| 2004/05 | | | | | | | |
| October | 23.23 | 22.74 | 34.81 | 55.00 | 23.10 | 27.95 | 16.13 |
| November | 22.95 | 23.88 | 34.70 | 55.00 | 24.24 | 27.26 | 16.34 |
| December | 21.79 | 23.81 | 35.40 | 55.67 | 26.67 | 26.50 | 17.43 |
| January | 20.46 | 23.70 | 44.29 | 56.00 | 27.41 | 22.10 | 17.51 |
| February | 20.70 | 24.38 | 49.29 | 55.00 | 27.58 | 18.30 | 18.50 |
| March | 23.60 | 28.19 | 47.11 | 50.00 | 28.08 | 17.71 | 19.95 |
| April | 23.09 | 29.80 | 45.98 | 50.00 | 29.29 | 20.72 | 22.19 |
| May | 23.38 | 30.63 | 46.50 | 53.25 | 30.65 | 22.95 | 20.84 |
| June | 24.70 | 33.13 | 46.50 | 52.50 | 30.73 | 21.30 | 19.25 |
| July | 25.46 | 34.15 | 45.13 | 52.38 | 30.01 | 18.08 | 17.36 |
| August | 23.59 | 30.44 | 46.44 | 52.25 | 28.83 | 17.75 | 17.38 |
| September | 23.19 | 31.25 | 48.33 | 50.06 | 27.75 | 20.97 | 18.83 |
| 2005/06 | | | | | | | |
| October | 24.26 | 34.44 | 37.75 | 45.50 | 27.50 | 27.38 | 18.95 |
| November | 22.52 | 34.38 | 39.07 | 45.50 | 27.08 | 27.76 | 19.98 |
| December | 21.00 | 30.50 | 37.61 | 45.00 | 26.08 | 18.60 | 18.94 |
| January | 21.63 | 29.63 | 36.24 | 42.50 | 25.22 | 17.16 | 18.60 |
| February | 22.21 | 29.50 | 37.02 | 42.50 | 23.65 | 16.44 | 18.07 |
| March | 23.21 | 29.75 | 36.24 | 42.50 | 22.61 | 16.82 | 17.54 |
| April | 22.98 | 27.05 | 37.50 | 42.50 | 23.19 | 18.00 | 15.86 |
| May | 24.76 | 28.06 | 40.31 | 42.50 | 25.25 | 17.13 | 16.19 |
| June | 24.20 | 27.25 | NA | 43.75 | 25.70 | 17.63 | 17.33 |
| July | 25.86 | 29.20 | NA | 45.00 | 25.75 | 22.21 | 18.17 |
| August | 24.80 | 26.69 | NA | 47.30 | 25.42 | 29.91 | 18.93 |
| September ¹ | 23.54 | 27.13 | NA | 49.25 | 24.71 | 31.86 | 19.33 |

¹ Preliminary. ² Decatur, IL. ³ PBSY Greenwood, MS. ⁴ Minneapolis. ⁵ Southeast mills. ⁶ Chicago.

Sources: *Monthly Feedstuff Prices* and *Peanut Report*, Agricultural Marketing Service, U.S. Dept. of Agriculture.

Last update: 10/16/2006

Table 10--U.S. oilseed meal prices

| Marketing year | Soybean meal ² | Cottonseed meal ³ | Sunflower meal ⁴ | Peanut meal ⁵ | Canola meal ⁶ | Linseed meal ⁴ |
|------------------------|---------------------------|------------------------------|-----------------------------|--------------------------|--------------------------|---------------------------|
| <i>\$/Short ton</i> | | | | | | |
| 1996/97 | 262.00 | 192.00 | 110.60 | 207.79 | 192.02 | 158.75 |
| 1997/98 | 185.30 | 144.00 | 84.20 | 210.25 | 131.15 | 117.54 |
| 1998/99 | 138.50 | 109.55 | 64.20 | 122.02 | 112.28 | 84.49 |
| 1999/00 | 167.62 | 127.43 | 75.00 | 108.15 | 117.07 | 103.42 |
| 2000/01 | 173.62 | 142.93 | 90.50 | 119.75 | 139.20 | 121.92 |
| 2001/02 | 167.72 | 136.16 | 87.27 | 112.32 | 143.33 | 121.29 |
| 2002/03 | 181.58 | 146.12 | 105.00 | 128.35 | 144.06 | 122.91 |
| 2003/04 | 256.05 | 183.47 | 111.14 | 177.56 | 188.45 | 159.25 |
| 2004/05 | 182.90 | 124.04 | 85.50 | 118.34 | 139.75 | 115.55 |
| 2005/06 | 174.17 | 144.27 | 77.46 | 110.86 | 140.52 | 120.00 |
| 2006/07 ¹ | 147.5-177.5 | 115-145 | 55-85 | 85-115 | 110-140 | 75-105 |
| 2004/05 | | | | | | |
| October | 155.37 | 126.75 | 75.67 | 100.38 | 133.39 | 99.50 |
| November | 153.90 | 119.00 | 98.00 | 99.25 | 138.81 | 114.60 |
| December | 161.60 | 117.00 | 97.63 | 93.50 | 135.13 | 109.13 |
| January | 167.34 | 112.50 | 94.00 | 93.25 | 129.21 | 111.63 |
| February | 167.95 | 111.25 | 76.00 | 99.25 | 139.55 | 109.88 |
| March | 187.96 | 110.80 | 68.20 | 112.00 | 146.08 | 109.80 |
| April | 193.19 | 108.00 | 75.00 | 122.75 | 140.85 | 104.00 |
| May | 198.68 | 110.40 | 80.00 | 137.25 | 139.25 | 96.00 |
| June | 219.28 | 138.75 | NA | 145.25 | 153.98 | 116.00 |
| July | 215.75 | 151.00 | NA | 140.83 | 150.48 | 159.38 |
| August | 198.43 | 143.00 | NA | 132.50 | 138.12 | 157.75 |
| September | 175.40 | 140.00 | 105.00 | 109.00 | 132.10 | 98.98 |
| 2005/06 | | | | | | |
| October | 166.22 | 133.13 | 73.25 | 105.50 | 130.13 | 100.38 |
| November | 170.32 | 132.50 | 64.80 | 102.50 | 139.55 | 113.60 |
| December | 193.17 | 175.00 | 70.00 | 100.88 | 158.06 | 118.00 |
| January | 183.64 | 172.50 | NA | NA | 150.05 | 127.25 |
| February | 176.73 | 152.50 | NA | 114.50 | 143.94 | 130.17 |
| March | 175.07 | 148.75 | 98.00 | 113.50 | 134.74 | 129.00 |
| April | 174.64 | 144.38 | 90.33 | 113.17 | 136.04 | 126.63 |
| May | 175.77 | 131.50 | 72.60 | 113.33 | 136.59 | 119.10 |
| June | 176.83 | 135.00 | 66.50 | 107.13 | 139.63 | 116.88 |
| July | 168.97 | 132.50 | 76.50 | 107.50 | 137.83 | 111.50 |
| August | 159.76 | 134.50 | 79.33 | 100.00 | 143.28 | 101.10 |
| September ¹ | 168.87 | 139.00 | 83.33 | 98.75 | 136.38 | 92.75 |

¹ Preliminary. ² Hi-pro Decatur, IL. ³ 41% Memphis. ⁴ 28% Minneapolis.

⁵ 50% Southeast mills. ⁶ 36% Pacific Northwest.

Source: *Monthly Feedstuff Prices*, Agricultural Marketing Service, U.S. Dept. of Agriculture.

Last update: 10/16/2006