



Oil Crops Outlook: September 2024

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U.S. Soybean Ending Stocks Are Forecast Marginally Lower

USDA, National Agricultural Statistics Service's (NASS) *Crop Production* report this month indicated the 2024/25 soybean production at the record level of 4.6 billion bushels, marginally lower than last month's forecast. The lower production forecast for Illinois, Ohio, Alabama, Arkansas, Missouri, and Kentucky is partially offset by higher production for Indiana, Iowa, North Dakota, and Wisconsin. The U.S. soybean yield forecast remains at a record-high 53.2 bushels per acre. Summer weather in the Midwest region was generally beneficial to soybeans, with a lack of extreme temperatures during the pod development stages in August. USDA, NASS's *Weekly Crop Progress* report indicated that on September 1, 2024, 65 percent of U.S. soybean acreage was rated in good-to-excellent condition. Soybean crops are rapidly approaching maturity throughout the Midwest, whereas harvesting is now well underway in Louisiana with 25 percent harvested, Mississippi with 17 percent harvested, and Arkansas with 14 percent harvested.

As a result of lower production and reduced carryover from marketing year (MY) 2023/24, the U.S. soybean supply for MY 2024/25 is reduced this month. With unchanged demand and lower supplies, the U.S. soybean ending stocks for MY 2024/25 are forecast at 550.0 million bushels, 10.0 million bushels down compared with last month's forecast, but up 110 million bushels from MY 2023/24. The U.S. season-average soybean farm price forecast is unchanged at \$10.80 per bushel.

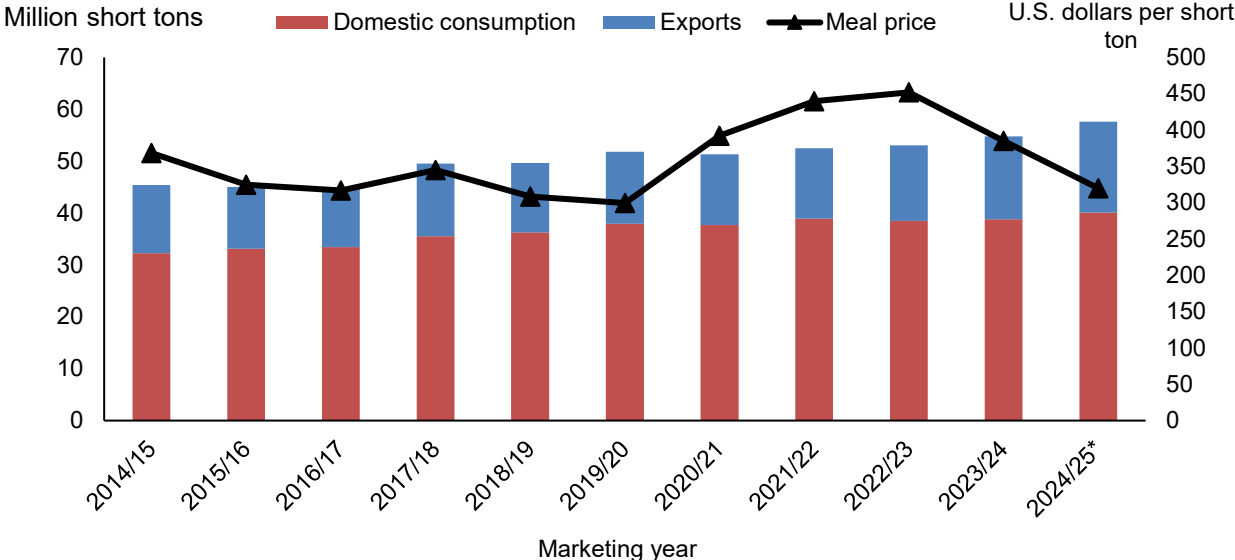
Domestic Outlook

Expanding Surplus of New Crop Soybeans Weighs on Prices

Soybean prices at the mills and processors in Central Illinois declined 7 percent during August 2024 and averaged \$10.62 per bushel, which is 26 percent lower than August 2023. Soybean prices declined based on the prospects of a good U.S. soybean harvest; both soybean meal and soybean oil prices declined as well. Soybean meal prices in Central Illinois averaged \$343.40 per short ton, down 6 percent from July. Similarly, soybean oil prices declined by nearly 7 percent to 43 cents per pound in August.

In July, U.S. soybean crushers turned out a record pace for the month at 193.5 million bushels, exceeding the previous record high for July by nearly 5 percent. With the crushers' robust performance, the annual soybean crush for MY 2023/24 is raised this month by 5 million bushels to 2.3 billion bushels. With higher crush, the additional soybean meal production is expected to be consumed domestically. The domestic soybean meal demand is raised this month by 150,000 short tons to 38.8 million short tons. The soybean meal export forecast is unchanged this month at 16.0 million short tons (figure 1).

Figure 1
U.S. soybean meal domestic consumption, exports, and price



Source: USDA, Economic Research Service using data from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, September 2024.

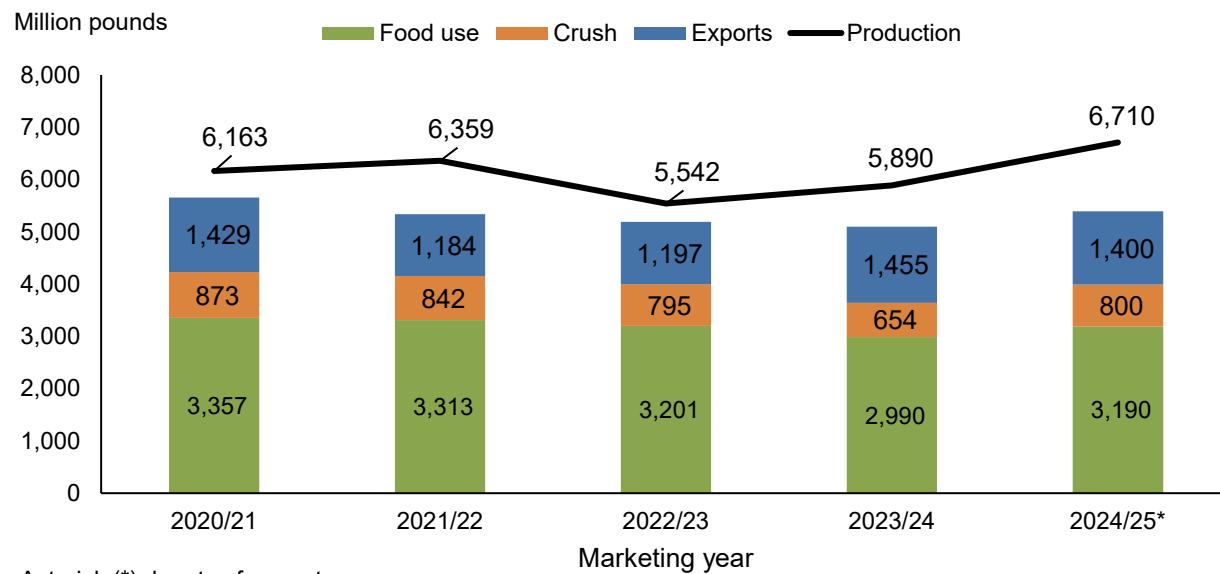
Similarly, U.S. soybean oil production for MY 2023/24 is raised this month by 160 million pounds to 27.1 billion pounds on higher crush and oil extraction rate. In addition to larger production, imports of soybean oil are raised to 650.0 million pounds. With a higher soybean oil supply, soybean oil used for biofuel production forecast for MY 2023/24 is increased by 100 million pounds to 13.0 billion pounds. According to the U.S. Department of Energy, Energy Information Agency in the *Monthly Biofuel Capacity and Feedstocks Update* report, soybean oil used for biofuel reached the second highest volume on record at 1,267 million pounds in June 2024, driven by higher use in renewable diesel production.

U.S. Peanut Production Declines On Lower Yield

The total peanut supply for MY 2024/25 is forecast at 8.3 billion pounds, down 0.3 million pounds from last month's forecast on the lower carryover stocks from MY 2023/24 and lower production. USDA, NASS's *Peanut Stocks and Processing* report indicated that the MY 2023/24 season-ending stocks on July 31 totaled 1.5 billion pounds. Furthermore, USDA, NASS's September *Crop Production* report has forecast the MY 2024/25 peanut production this month at 6.7 billion pounds, down 75 million pounds from last month's forecast but up 14 percent from MY 2023/24. The reduction in peanut production forecast this month is due to marginally lower acres and lower yields. The national average yield is estimated at 3,836 pounds per acre, down 1 percent from last month with lower yields in Alabama, North Carolina, Texas, and Virginia. The peanut yield for Georgia, the top peanut producing State, is unchanged this month and stands at 4,100 pounds per acre.

With lower peanut supply forecast for MY 2024/25, peanut crush and exports are reduced. Peanut crush is estimated at 0.8 billion pounds. Peanut exports are down 0.1 billion pounds to 1.4 billion pounds. Peanut ending stocks are revised down to 1.7 billion pounds.

Figure 2
U.S. peanut production, crush, and exports



Asterisk (*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*, September 2024.

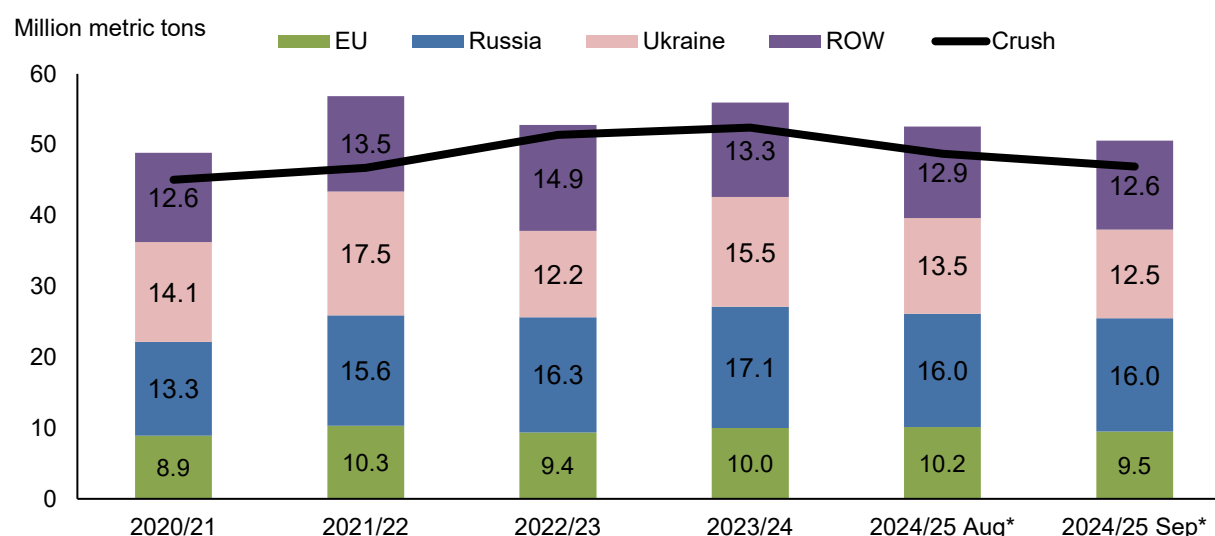
The NASS *Crop Production* report lowered MY 2024/25 cottonseed production to 4.4 million short tons on a lower yield. As a result, the MY 2024/25 cottonseed crush is lowered to 1.4 million short tons, up slightly from the finalized MY 2023/24 crush. Other cottonseed use is lowered to 2.7 million short tons. Exports are unchanged at 350,000 short tons. With crush and other use lower, cottonseed ending stocks are unchanged this month at 375,000 short tons.

International Outlook

Dry and Hot Weather in August Trims Global Sunflowerseed Production for MY 2024/25

The global sunflowerseed production forecast for marketing year (MY) 2024/25 is trimmed this month by 2.0 million metric tons to 50.6 million metric tons. Lower output is forecast for Ukraine, the European Union (EU), Kazakhstan, Moldova, and Serbia. As a result of lower sunflowerseed supply, global sunflowerseed exports and crush are forecast to decline. Global sunflowerseed exports for MY 2024/25 are forecast at 2.3 million metric tons, down 0.2 million metric tons from last month's forecast and the lowest since MY 2015/16. Global sunflowerseed crush is forecast to decline by 1.8 million metric tons to 46.9 million metric tons. If realized, it would be the lowest sunflowerseed crush since MY 2021/22 (figure 3). With lower global sunflowerseed crush, the global sunflowerseed oil production forecast is reduced this month by 0.8 million metric tons to 19.8 million metric tons. Global sunflowerseed oil exports are reduced by 0.5 million metric tons mainly on lower sunflowerseed oil exports from Ukraine. With lower sunflowerseed oil supply, the global consumption of sunflowerseed oil is reduced. Furthermore, global sunflowerseed oil ending stocks for MY 2024/25 are forecast to decline to 2.1 million metric tons, down 0.3 million metric tons from last month's forecast and the lowest since MY 2020/21.

Figure 3
Global sunflowerseed production and crush, MY 2020/21–2024/25



Asterisk (*) denotes forecast. ROW = Rest of World. MY = Marketing year.
 Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, September 2024.

In Ukraine, the hot and dry weather continued through August in the central and southeastern districts, which are major sunflowerseed production regions, so sunflowerseed yield potential is reduced. The yield forecast is reduced this month by 7 percent and stands at 2.0 metric tons per hectare. Consequently, Ukraine’s sunflowerseed production for MY 2024/25 is lowered this month by 1.0 million metric tons to 12.5 million metric tons. With lower sunflowerseed supply forecast, Ukraine’s crush is forecast to decline to 12.2 million metric tons in MY 2024/25 compared with last month’s forecast of 13.2 million metric tons and 15.7 million metric tons in MY 2023/24. A lower crush will reduce sunflowerseed oil exports forecast for MY 2024/25 to 4.8 million metric tons compared with 6.2 million metric tons exported in MY 2023/24.

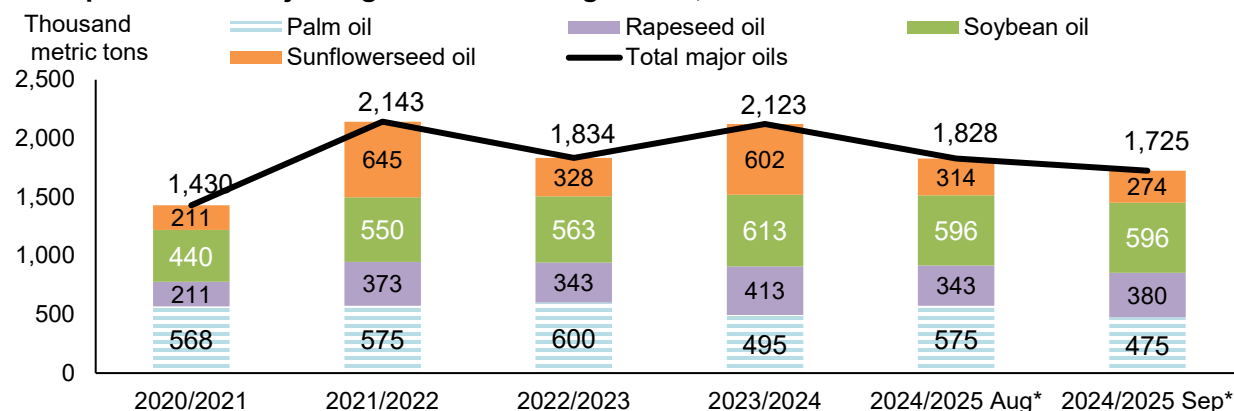
In the EU, the sunflowerseed production forecast is reduced this month by 0.7 million metric tons to 9.5 million metric tons on lower yields and slightly lower area. The sunflowerseed yield in the EU is forecast at 1.9 tons per hectare, down 6 percent from last month’s forecast and 7 percent lower than MY 2023/24. Yields have been affected by dry and hot weather conditions during the growing season in Romania, Bulgaria, Hungary, and Serbia. These countries experienced record-high temperatures in the last half of July. The hot and dry weather continued in August and resulted in yield losses.

European Union Vegetable Oil Stocks Lowest Since MY 2018/19

The European Union (EU) major vegetable oil stocks (soybean, rapeseed, palm, sunflowerseed oils) for MY 2024/25 are expected to decline to 1.7 million metric tons, the lowest level since MY2020/21 on the lower ending stocks for sunflowerseed oil and palm oil (figure 4).

Figure 4

European Union major vegetable oil ending stocks, MY 2020/21–2024/25



Asterisk (*) denotes forecast. MY = Marketing year.

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

Tight vegetable oil stocks are the result of reduced oilseed crush. The sunflowerseed and rapeseed crush forecast is lower this month due to a lower forecast of sunflowerseed and rapeseed production in the EU. In addition, palm oil stocks are reduced on lower carryover from MY 2023/24 as imports from MY 2023/24 are reduced this month on pace of imports to date.

The EU's major vegetable oils production (rapeseed oil, sunflowerseed oil, soybean oil) for MY 2024/25 is reduced by 0.3 million metric tons this month to 16.5 million metric tons on lower rapeseed and sunflowerseed crush. Both rapeseed and sunflowerseed crush is reduced by 0.3 million metric tons and 0.5 million metric tons, respectively, due to lower seed supply. The hot and warm weather in August trimmed the oilseed production in the EU and trimmed sunflowerseed production in Ukraine, a major supplier of sunflowerseed oil for the EU.

The EU's rapeseed production forecast for MY 2024/25 is reduced by 1.3 million metric tons to 17.7 million metric tons this month on lower production in Central and Southeast Europe. Dry and hot weather in August further reduced the rapeseed yield. Rapeseed yields are forecast at 3.07 tons per hectare, down 5 percent from last month's forecast and 4 percent from the yield in MY 2023/24. Lower production is expected in Germany, Poland, Czech Republic, and Hungary. Harvested acreage is estimated at 5.8 million hectares, down 0.1 million hectares from last month's forecast.

The lower EU domestic vegetable oil production is offset partially by higher oils imports. Rapeseed oil imports are raised this month by 0.2 million metric tons to 0.5 million metric tons, while sunflowerseed oil imports are reduced by 0.1 million metric tons to 2.0 million metric tons. The domestic vegetable oils consumption forecast for MY 2024/25 is unchanged this month.

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