



# Oil Crops Outlook: March 2024

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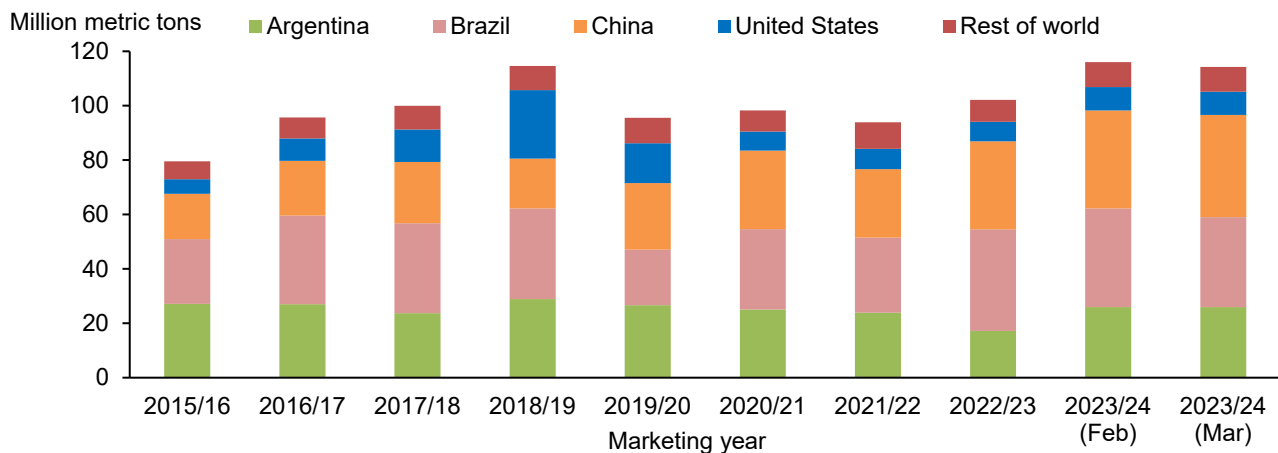
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## Global Soybean Stocks Decline

Global soybean stocks for the end of the marketing year (MY) 2023/24 are reduced this month by 1.8 million metric tons to 114.3 million metric tons on lower soybean production in Brazil and a historic revision of China’s soybean crush and import volumes. Despite this decline, global stocks remain the highest since MY 2018/19 (figure 1). Soybean production in Brazil is lowered by 1.0 million metric tons to 155.0 million metric tons on worsening crop conditions during February and early harvest results. With Brazil’s lower production and higher exports, Brazil’s September ending stocks for MY 2023/24 are reduced by 3.3 million metric tons to 33.1 million metric tons but remain the second largest stocks on record.

Figure 1  
**Global soybean stocks**



Note: Stocks for the United States as of September 1 and stocks for Argentina, Brazil, and China as of October 1.  
 Source: USDA, Economic Research Service using USDA, Foreign Agricultural Service, *Production, Supply and Distribution* data.

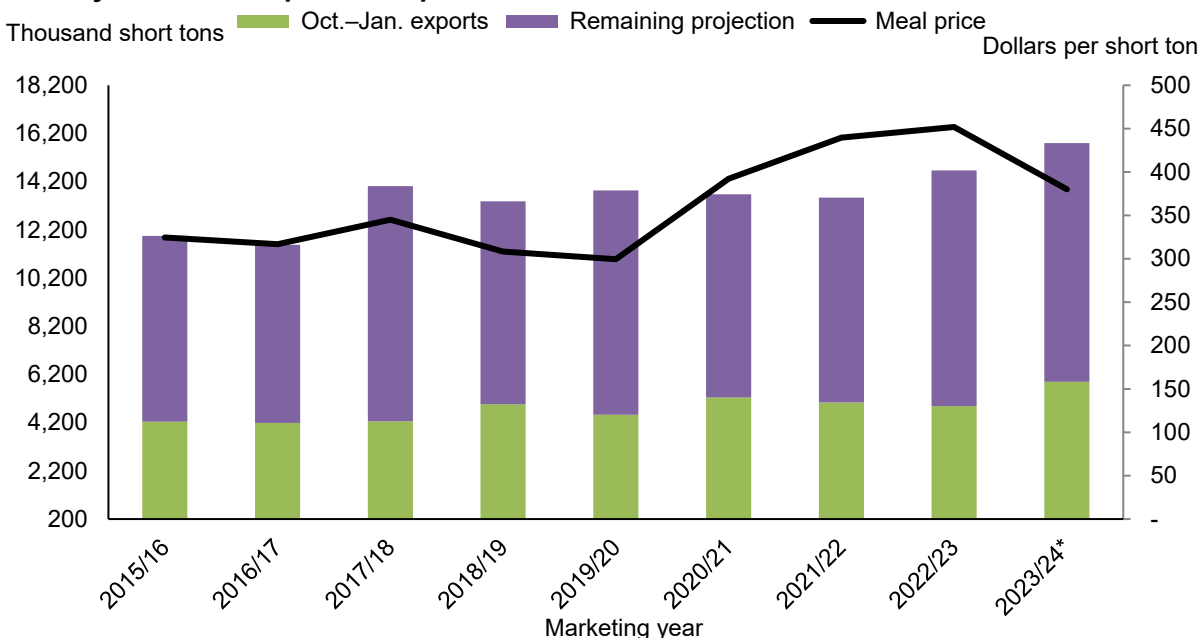
# Domestic Outlook

## Soybean Meal Exports Forecast Revised Up to a Record High

U.S. soybean demand is unchanged this month with soybean crush forecast at 2.3 billion bushels. In January, the USDA, National Agricultural Statistics Service (NASS) reported soybean crush volume at 194.8 million bushels, up 3.7 million bushels from the same period last year but down from December 2023 as colder weather slowed the crush rate. For the September 2023–January 2024 period, soybean crush totaled 975.4 million bushels, 4.6 percent higher than the same period last year. Despite the unchanged forecast for soybean crush, U.S. domestic soybean meal production is raised by 0.1 million short tons on a higher extraction rate. The United States continues to ship a larger quantity of soybean meal to the world in MY 2023/24 as Argentina’s crush remained depressed with limited soybean supplies from the 2023 drought reduced harvest. From October 2023 through January 2024, the United States has exported 5.9 million short tons of soybean meal, up 21 percent from the same period in MY 2022/23 (figure 2).

Figure 2

### U.S. soybean meal exports and prices



Note: Asterisk (\*) denotes forecast.

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

In addition to reported exports, outstanding sales of soybean meal are at 4.0 million short tons as of February 29, 2024, up 24 percent from the same period last year. Consequently, the U.S. soybean meal exports forecast is raised 0.5 million short tons to a record-high 15.8 million short tons, which is partly offset by lower domestic disappearance. Domestic soybean meal use is running approximately 1 percent behind last year. Although recovery in domestic soybean meal demand is still expected, it is less than initially anticipated. The soybean meal average price remains unchanged at \$380.00 per short ton.

## Canola Crush Raised Due To Strong Canola Oil Demand

In MY 2023/24, U.S. canola crush is forecast to rise to 4.5 billion pounds, driven by strong canola oil demand. Canola crush from June 2023 through January 2024 was 3.2 billion pounds, up 11 percent from the same period last year. Although crush is higher, canola imports are forecast down 100 million pounds to 768 million pounds with smaller shipments from Canada as Canada is crushing more and exporting less. The higher U.S. crush results in larger canola oil production that is being used for domestic consumption. Canola oil use in biofuel production is raised to 3.6 billion pounds. For the October–December 2023 period, canola oil biofuel use was 920 million pounds, with December use coming in at a record-high 343 million pounds. Along with higher production, canola oil imports are also forecast higher with larger shipments from Canada. Canola oil imports through January are 2.3 billion pounds, up 19 percent from the same period last year. MY 2023/24 canola oil ending stocks are nearly unchanged at 179 million pounds, up 20 million pounds from the revised MY 2022/23 ending stocks. With strong supplies and demand, the canola oil price for MY 2023/24 is revised lower to 55 cents per pound, down 18 cents from 2022/23, which is following the same trajectory as soybean oil prices.

# International Outlook

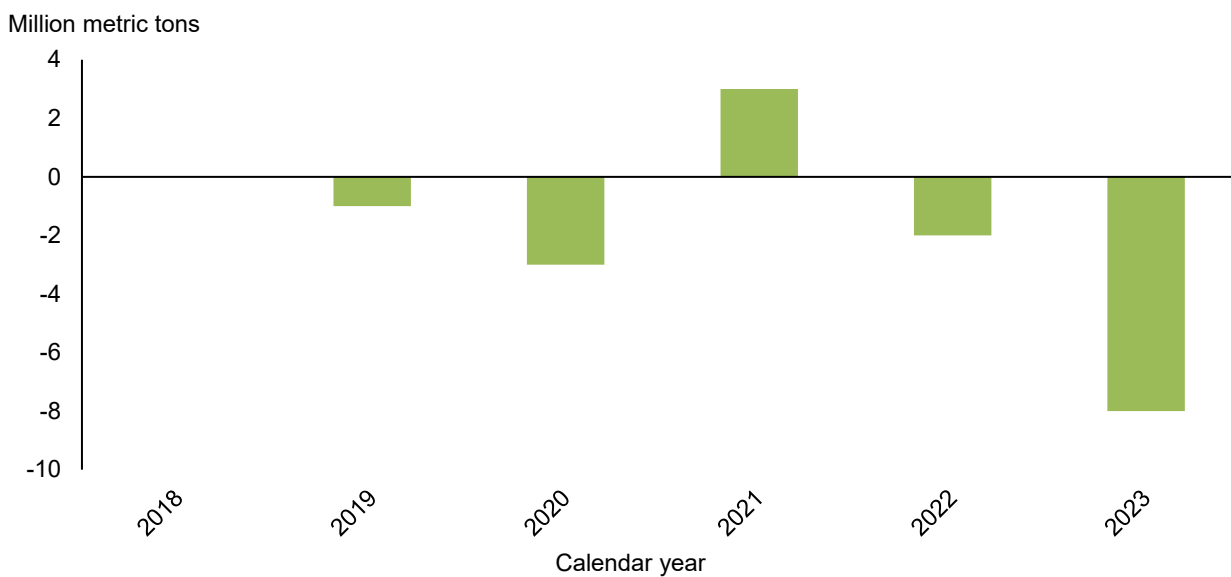
## Global Soybean Supply Forecast Declines on Lower Beginning Stocks for China and Lower Soybean Production

Global soybean beginning stocks for MY 2023/24 are reduced this month on historical revisions to China's soybean crush and imports. Guided by in-country data sources and supplies, China's soybean crush is adjusted higher for MY 2020/21, 2021/22, and 2022/23. Soybean crush for MY 2023/24 is unchanged at 98.0 million metric tons, up 2.0 million metric tons from MY 2022/23.

China's soybean imports forecast for MY 2023/24 is increased by 3.0 million metric tons this month to 105.0 million metric tons in line with the revised MY 2022/23 import estimate. China's soybean imports for MY 2022/23 are revised to 104.5 million metric tons, 3.7 million metric tons higher than the previous estimates. After careful examination of the official import statistics and statistics from the major exporters, the method for estimating China's imports in MY 2022/23 is calculated based on official statistics reported by the major soybean exporters (i.e., Argentina, Brazil, and the United States) with a lag to account for the delivery time. Historically, China's customs data aligned with exporters' data but in the calendar year 2023, the gap between China's official imports statistics and the shipments reported by the major exporters has widened (figure 3).

Figure 3

### Difference between China's official import statistics and shipments from major exporters



Note: Shipments from major exporters (i.e. Argentina, Brazil, and the United States) are lagged to account for time of delivery.  
Source: USDA, Economic Research Service using data from Trade Data Monitor, LLC.

Global soybean production for MY 2023/24 is lowered to 396.9 million metric tons, down 1.4 million metric tons from last month on lower soybean production in Brazil and South Africa. Brazil's soybean production is forecast at 155.0 million metric tons and South Africa's soybean production is forecast at 2.1 million metric tons. Argentina's soybean crop estimate remains unchanged this month, at 50.0 million metric tons.

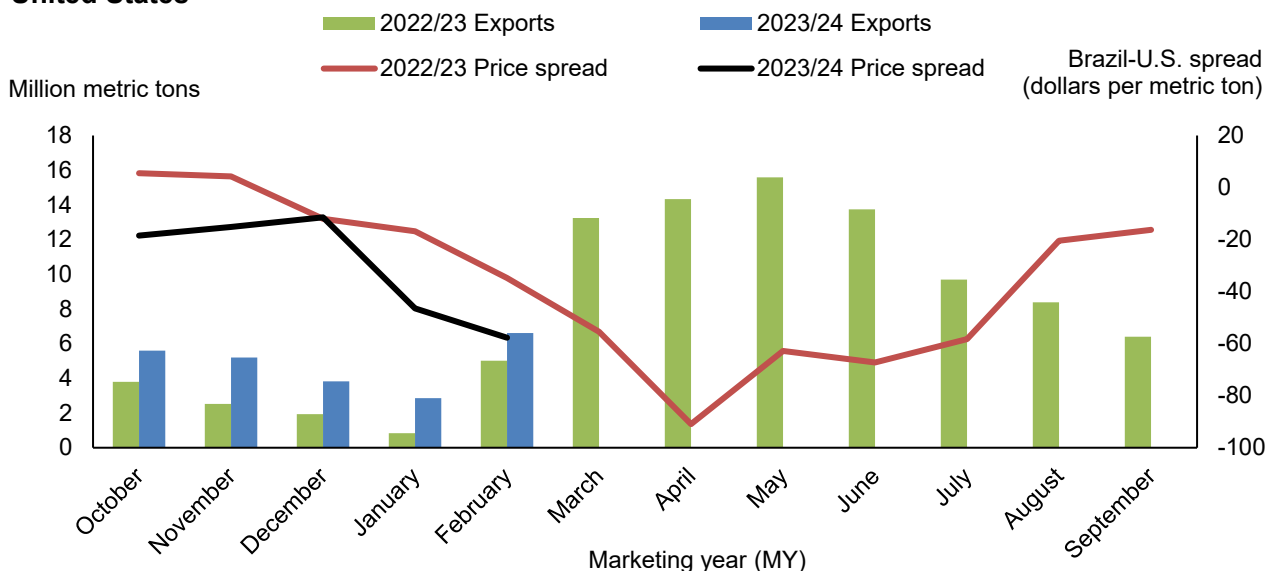
Brazil's soybean production for MY 2023/24 is forecast at 155.0 million metric tons, down 1.0 million metric tons from last month's forecast and down 7.0 million metric tons from MY 2022/23. Soybean yield stands at 3.4 metric tons per hectare, down 1 percent from last month and down 7 percent from last year's record-high level. It is important to note that after the season is complete, USDA reconciles crops data with final use data. USDA uses official exports and crush reported by Associação Brasileira das Indústrias de Óleos Vegetais (ABIOVE). Last year's crop of 162.0 million metric tons reflected record-high yields in most of the country and poor yields in Rio Grande do Sul, where yields are expected to rebound this year.

As of March 1, 2024, 47 percent of the national soybean acreage was harvested compared with the average of 42 percent. The harvested yields are lower than expected especially in the states of Paraná and São Paulo. In contrast, there is still potential for better yields in Rio Grande do Sul, Bahia, and the northern region that includes the states of Maranhão, Piauí, Pará, and Tocantins. Combined, these states account for about a quarter of Brazil's soybean production for the last 3 years. The northern soybean region received beneficial rains during the month of February 2024, when the crop was in the flowering and pod filling stages. Similarly, the states of Bahia and Rio Grande do Sul also received rain in February, improving crop conditions. According to state agency EMATER, as of February 29, 23 percent of the soybean crop was flowering, 63 percent was setting pods, and 6 percent was harvested in Rio Grande do Sul.

Soybean export prices in Paranaguá, free-on-board (FOB) averaged \$401.00 dollars per ton in February, down \$37.00 per metric ton from last month and down nearly 30 percent from the same period last year. Brazil remains a very competitive soybean supplier, exporting a record-high 6.6 million metric tons of soybeans in February, with China accounting for the largest share of those shipments. For the October 2023–February 2024 period, Brazil's soybean exports totaled 24.1 million metric tons, nearly 10.0 million metric tons above the same period last year as the country's prices have been at a larger discount to the United States (figure 4). Consequently, Brazil's soybean export forecast for MY 2023/24 (October–September) is raised by 3.0 million metric tons to 103.0 million metric tons, up 7.5 million metric tons from MY 2022/23.

Figure 4

### Brazil's soybean monthly exports and price spread compared with the United States



Note: Spread between Paranaguá, Brazil free-on-board (FOB) price and U.S. Gulf FOB price.

Source: USDA, Economic Research Service using data from Trade Data Monitor, LLC and International Grains Council.

Brazil's soybean crush forecast is reduced this month by 0.8 million metric tons to 53.0 million metric tons, partially offsetting the lower soybean supply and strong soybean exports. As a result of lower soybean meal supplies, soybean meal exports for MY 2023/24 are reduced by 0.4 million metric tons to 20.1 million metric tons. The lower soybean meal exports from Brazil will likely be offset by higher soybean meal exports from Argentina and the United States.

## Global Rapeseed Crush on the Rise Driven by India and Canada

In MY 2023/24, global rapeseed production is raised 0.6 million metric tons to 88.1 million metric tons with larger crops in India, Russia, and Ukraine. India's rapeseed production for MY 2023/24 is raised this month by 0.5 million metric tons as yields are forecast 4 percent higher based on updated harvest results. Production in Ukraine and Russia are both revised up 0.1 million metric tons to 4.4 million metric tons and 4.2 million metric tons, respectively.

With larger global supplies, the MY 2023/24 global rapeseed crush forecast is raised 0.9 million metric tons to 83.4 million metric tons driven by stronger crush in India, Canada, and Ukraine. Better harvests in India and Ukraine boost domestic crush in each country. India's crush is revised up 0.4 million metric tons this month to 10.9 million metric tons, 0.8 million metric tons higher than MY 2022/23. Canada's rapeseed crush is also revised up to 10.7 million metric tons

driven by strong demand for canola oil. Canada's rapeseed exports are lowered on larger domestic use.

A higher global rapeseed crush boosts rapeseed oil and meal production forecasts to 33.8 million metric tons and 48.5 million metric tons, respectively. India's rapeseed oil production is forecast up to 4.2 million metric tons. With a high domestic supply of rapeseed oil and relatively high prices for palm oil, India's MY 2023/24 palm oil imports forecast is reduced by 0.1 million metric tons this month to 9.2 million metric tons. With higher domestic production of rapeseed oil, Canada's rapeseed oil exports are forecast up 0.2 million metric tons to 3.6 million metric tons with strong shipments to the United States.

Canada's rapeseed meal exports are revised higher based on the larger production estimate and strong shipments to China. Domestic consumption of rapeseed meal in India is experiencing a healthy year-over-year growth of 7 percent. In contrast, India's domestic soybean meal demand is reduced this month on higher soybean meal exports. India's first-quarter shipments are exceeding previous expectations and the soybean meal export forecast for MY 2023/24 is raised this month to 1.4 million metric tons, up 0.2 million metric tons from MY 2022/23.

## Suggested Citation

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