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Oil Crops Outlook: October 2026

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2026/27 U.S. Soybean Production Is Increased on Higher Yields

This month, USDA, National Agricultural Statistics Service (NASS) increased the marketing year (MY) 2026/27 U.S. soybean production forecast by 27 million bushels to 4.56 billion bushels on higher yield and unchanged acreage. The U.S. average soybean yield forecast stands at 53.1 bushels per acre, up 0.3 bushels per acre from last month's projection. With higher soybean production and lower beginning stocks, total soybean supply is raised by 17 million bushels to 4.9 billion bushels. Soybean exports are raised by 10 million bushels to nearly 1.7 billion bushels on higher supplies. Soybean crush is unchanged this month and stands at 2.78 billion bushels. The soybean ending stocks for MY 2026/27 are forecast at 315 million bushels, marginally higher than last month's forecast and even with last year's finalized ending stocks. The soybean price received by farmers forecast for 2026/27 is unchanged at \$12.00 per bushel.

The USDA, National Agricultural Statistics Service (NASS) published the first production forecast for U.S. canola and sunflowerseed in this month's *Crop Production* report. U.S. canola production is forecast at a record of 5.4 billion pounds on record acreage. U.S. sunflowerseed production is forecast at 2.3 billion pounds, 31 million pounds lower than MY 2025/26 sunflowerseed production.

Indonesia's palm oil production is lowered this month by 2.2 million metric tons to 45 million metric tons on reduced yields. Yield is forecast at 3.21 metric tons per hectare, nearly 5 percent lower than last month's forecast due to dryness in the major palm oil producing provinces of Sumatra and Kalimantan.

Domestic Outlook

Soybean Outlook

In its *Crop Production* report this month, USDA, National Agricultural Statistics Service (NASS) forecasts the MY 2026/27 U.S. soybean production at 4.56 billion bushels, up 27 million bushels from last month's forecast. The U.S. average soybean yield forecast is up 0.3 bushels per acre and stands at 53.1 bushels per acre. The harvested acreage is unchanged this month at 85.9 million acres.

Higher soybean yield estimates contributed to the increase in aggregate U.S. soybean production. Yield estimates were higher month to month for Arkansas, Illinois, Kentucky, Louisiana, Maryland, Michigan, North Dakota, Ohio, South Carolina, and Tennessee. Higher month-to-month harvests in these States more than offset lower estimated production in: Alabama, Kansas, Iowa, Mississippi, Missouri, Nebraska, North Carolina, and Wisconsin. Overall, while there is higher soybean production across the corn belt and the delta regions, the Northern and Central Plains regions are projected to have smaller soybean crops than last year.

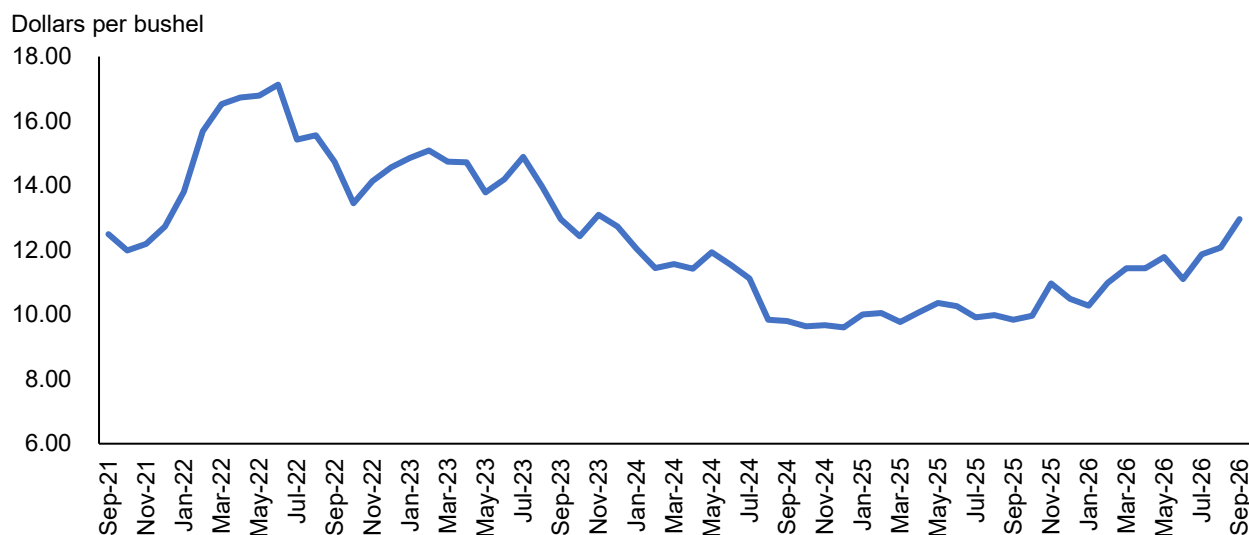
September 2026 was dominated by persistent heavy rainfall across the Western Corn Belt and Central Plains regions (especially Nebraska, Kansas, and Iowa)—leading to repeated harvest delays, localized flooding, and record-breaking monthly precipitation. While these rains improved soil moisture after earlier dryness, the rains also created field access issues during early harvest, with these States seeing less than 3 days suitable for fieldwork. Iowa was only at 5 percent harvested compared to a 5 year average of 38 percent, Kansas at 16 percent harvested versus 22 percent, and Nebraska at 9 percent harvested versus 34 percent. As a result, the U.S soybean harvest was only 25 percent complete as of October 4, compared to 5-year average of 33 percent. In addition, there have been reports of lower quality soybeans due to these heavy rains.

The beginning stocks for MY 2026/27 were lower than previously estimated. USDA, NASS indicated in its latest *Grain Stocks* report that the September 1 soybean inventory totaled 315.1 million bushels. Off-farm stocks were reported at 224.7 million bushels and accounted for 71 percent of total soybean stocks. The lower carry-in stocks from MY 2025/26 are more than offset by higher soybean production, raising the total soybean supply forecast for the MY 2026/27 by 17 million bushels to 4.9 billion bushels. With higher soybean supply, the U.S. soybean export forecast is raised by 10 million bushels to 1.7 billion bushels. The soybean

crush forecast is unchanged this month and stands at 2.78 billion bushels. Noticeably, there are small changes to the soybean balance sheet for MY 2025/26, as the crush and trade data are finalized for the September–August marketing year. U.S. soybean crush for MY 2025/26 is finalized at 2,646 million bushels, 9 million bushels lower than last month’s forecast due to lower-than-expected crush in August. August soybean crush was reported at 209.6 million bushels, which was lower than expected due to additional seasonal downtime. U.S. soybean ending stocks for MY 2026/27 are forecast at 315 million bushels, up from last month’s forecast and unchanged year to year from the revised MY 2025/26 ending stocks estimate.

The MY 2026/27 season-average farm soybean price forecast is unchanged this month and stands at \$12 per bushel. In September, soybean prices in Central Illinois at the elevators rallied on slow harvest progress and tighter soybean stocks and reached a monthly average of \$12.96 per bushel, compared to \$12.08 in August and at \$9.84 same time last year (figure 1). Despite this rally, the season-average soybean farm price forecast remains unchanged from last month, as prices are expected to be under pressure once harvest supplies start to hit the market in late October.

Figure 1
U.S. central Illinois county elevator soybean price



Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service, *Illinois Grain Bids* report.

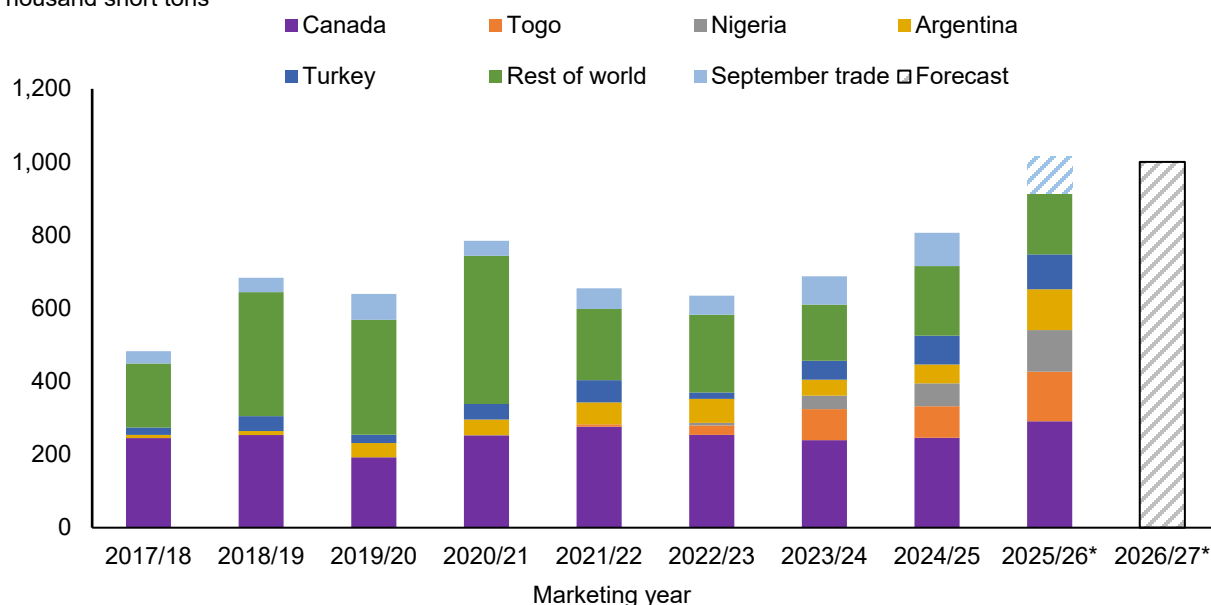
U.S. Soybean Meal and Oil Imports Are Raised for MY 2026/27

The U.S. soybean meal supply for MY 2026/27 is increased this month on higher soybean meal imports. Soybean meal imports are raised to 1.0 million short tons, slightly below revised imports for MY 2025/26. U.S. soybean meal imports for MY 2025/26 are raised this month due to higher-than-expected imports in August. In the October–August period of MY 2025/26, the United States imported most of its soybean meal from Canada, Togo, Nigeria, Argentina, and Turkey (figure 2). Organic soybean meal imports account for more than 60 percent of the total soybean meal imports in MY 2025/26 and are mostly supplied by following countries: Togo, Nigeria, Turkey, Canada, and Benin.

Figure 2

U.S. soybean meal imports by origin

Thousand short tons



Note: Asterisk (*) denotes forecast. Trade by origin is total from October through August. September trade for 2017/18 through 2024/25 reflect imports from all origins during the month of September. September trade for 2025/26 is a forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service Global Agricultural Trade System and USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates* report.

Higher soybean meal imports are expected to be consumed domestically. Consequently, domestic soybean meal consumption is raised to 44.1 million short tons, reflecting a nearly 2-percent growth in domestic consumption. Soybean meal prices in Decatur, Illinois increased nearly 12 percent during September, in tandem with higher soybean prices and averaged nearly

\$366.00 per short ton. The soybean meal average price for MY 2026/27 is forecast at \$340.00 per short ton, unchanged from last month's forecast.

In contrast, the soybean oil supply forecast for MY 2026/27 (October-September) is reduced by 80 million pounds this month to 35.3 billion pounds on lower beginning stocks from MY 2025/26, partially offset by higher soybean oil imports. Soybean oil stocks for the year ending September 2026 have tightened on lower soybean oil production in MY 2025/26. Soybean oil production in MY 2025/26 (October-September) is lowered on a decrease in soybean crush for the last 2 months of the October–September marketing year and a reduced soybean oil extraction rate. Consequently, soybean oil ending stocks for MY 2025/26 are forecast at 1.66 billion pounds, 180 million pounds lower than last month's forecast.

U.S. soybean oil imports for MY 2026/27 are raised to 0.7 billion pounds, up 0.175 billion pounds from revised imports for MY 2025/26. Demand for soybean oil has stayed robust, particularly for use in biofuel production. The U.S. Department of Energy's U.S. Energy Information Administration's *Feedstocks Consumed for Production of Biofuels* report (dated September 30) showed 1.687 billion pounds of soybean oil were used in biofuels during July 2026, a new monthly record high. This number was 8.4 percent higher than the previous record observed in June 2026. The forecasts for soybean oil use in biofuel production for MY 2025/26 and MY 2026/27 are unchanged this month at 14.8 billion pounds and 17.8 billion pounds, respectively. The MY 2026/27 average price for soybean oil is unchanged at 70 cents per pound.

Canola Production Reaches a Record on Acreage Expansion

In the USDA, NASS October *Crop Production* report, NASS released updated canola acreage statistics. The report utilizes data from the USDA, Farm Service Agency and USDA, Risk Management Agency, along with its first survey-based yield forecast. In MY 2026/27, canola production is forecast at 5.4 billion pounds on additional canola acreage while yield is forecast to decline from last year. North Dakota (the leading canola producer) planted 2.33 million acres, up 29 percent from last year. The strong demand for vegetable oils both for food and use in biofuels supported canola prices, resulting in favorable returns compared to other commodities. Canola acreage also expanded in Minnesota, Montana, Washington, Oklahoma, and Kansas. Based on conditions during the growing season, canola yields are forecast to be down 10 percent from last year to 1,811 pounds per acre.

With higher canola supply compared to MY 2025/26, U.S. canola usage is forecast to be up 16 percent from MY 2025/26. U.S. canola exports for MY 2026/27 are forecast to rise to 0.9 billion pounds, up from last month and last year. Total U.S. canola exports in the first quarter totaled 285 million pounds, up 170 million from last year. This increase is largely driven by additional shipments to Mexico and the Netherlands. Domestic canola crush is also forecast to be up 11 percent from MY 2025/26 to 5.3 billion pounds. In August 2026, NASS reported that 459.6 million pounds of canola were crushed. This number brought the first quarter crush total to 1.3 billion pounds, 15 percent higher than the first quarter in MY 2025/26. In addition, a new crush facility is expected to be completed in MY 2026/27, expanding the total U.S. canola crush capacity. This expansion of crush is largely supported by the domestic demand for canola oil and canola meal, which has supported domestic crush margins.

The additional production of canola oil and meal is forecast to be used largely domestically. In MY 2026/27, biofuel use of canola oil is forecast to expand to 5.6 billion pounds, up from 3.7 billion pounds in MY 2025/26. In addition to the robust 2026 and 2027 renewable volume obligations, biomass-based diesel produced with canola oil from North America is now eligible for the 45Z producer tax credit. This credit incentivizes additional use of canola oil in biofuel compared to 2025 when it did not receive a credit. Canola oil use in food, feed, and other industrial use is also forecast to expand 4 percent from last year to 4.9 billion pounds. The canola oil price is forecast at 78 cents per pound, unchanged from last month's forecast. The canola price is unchanged this month and forecast at 26.5 dollars per hundredweight.

Sunflowerseed Outlook

In MY 2026/27, U.S. sunflowerseed production is forecast to be marginally lower than the MY 2025/26 production on lower yield and higher area. In the latest *Crop Production* report, NASS released the first survey-based yield forecasts for sunflowerseed at 1,761 pounds per acre, down 5 percent from MY 2025/26. The farmers planted more sunflowerseed area in MY 2026/27 and are expected to harvest 1.3 million acres of sunflowerseed. The higher acreage is largely concentrated in North Dakota, South Dakota, and Minnesota. This increase was partially offset by lower area in Texas, Nebraska, and Kansas. Higher vegetable oil prices have supported sunflowerseed prices and farmer profitability, especially oil-type sunflowerseed which makes up more than 90 percent of total sunflowerseed acreage.

The lower sunflowerseed production is more than offset by higher carry in stocks from MY 2025/26 and higher imports. As a result, U.S. sunflowerseed supply for MY 2026/27 is projected up 3 percent from MY 2025/26. With higher supplies, total demand for sunflowerseed is forecast to be up from last year, driven largely by domestic consumption. Sunflowerseed crush is forecast to remain elevated on increased demand for sunflowerseed oil. Sunflowerseed oil domestic use is forecast to grow 12 percent to 735 million pounds. Sunflowerseed oil is expected to fill part of the gap in food demand as a result of other domestic vegetable oils, like soybean oil, expected to be consumed in biofuel production.

Non-oil use and residual is forecast higher than last year on the larger supply. The use is projected to be higher due to continued demand for birdseed. Sunflowerseed prices for MY 2026/27 are forecast to be up from last year to 26.40 dollars per hundredweight.

International Outlook

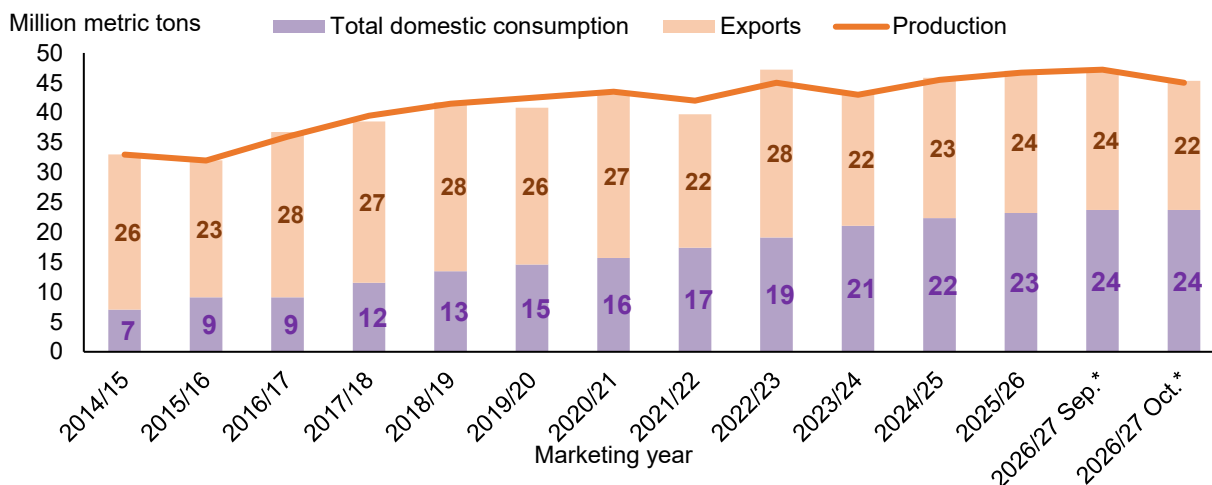
Indonesia's Palm Oil Production Forecast To Decline

Indonesia's palm oil production forecast for MY 2026/27 is reduced this month by 2.2 million metric tons to 45.0 million metric tons on a lower yield. The yield is estimated at 3.21 metric tons per hectare, down nearly 5 percent from last month's forecast due to dry weather in the major palm oil producing provinces. Since July, the dry weather persists in the southern Sumatra and Kalimantan provinces that account for approximately 60 percent of the total palm oil acreage in Indonesia. This continuous dryness is expected to have a negative impact on yield, as palm fruits require approximately 150–200 millimeters of water monthly and 2,400 millimeters per year. From June–September 2026, the cumulative precipitation reached more than 250 millimeters, compared with 800 millimeters during the same period last year.

As a result of the lower palm oil production projection for MY 2026/27, Indonesia's palm oil export forecast is reduced by 1.9 million metric tons this month to 21.6 million metric tons. The lower levels of palm oil exports from Indonesia are only partially offset by higher palm oil exports from Malaysia. In addition, world soybean oil and rapeseed oil exports are also raised, as some countries are expected to switch to these products in the face of tighter palm oil supplies. Indonesia's domestic palm oil consumption is unchanged this month and stands at 23.7 million metric tons, as the strong demand from the biofuels industry supports the domestic use of palm oil (figure 3).

Figure 3

Indonesia's palm oil production, domestic consumption, and exports



Note: Asterisk (*) denotes forecast.

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

Domestic palm oil consumption has continued to grow over time, reducing exportable availability. Indonesian palm oil stocks for MY 2026/27 are forecasted to decline to 3.8 million metric tons, down 0.3 million metric tons from last month's forecast and MY 2025/26.

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