



# Oil Crops Outlook: January 2024

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**In this report:**

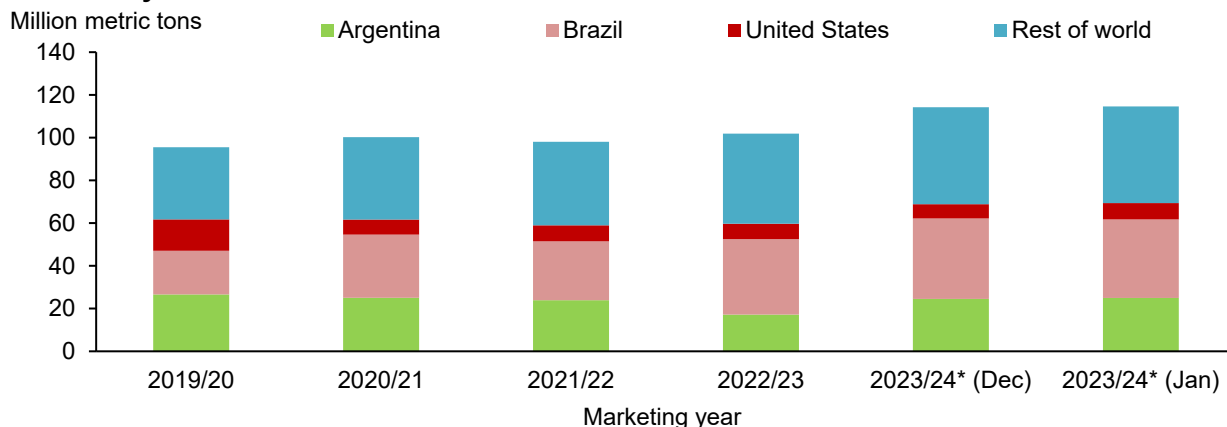
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## Global Soybean Stocks Raised on Higher Production

The marketing year (MY) 2023/24 global soybean production forecast is increased by 0.1 million metric tons this month to 399.0 million metric tons. Higher production in Argentina, the United States, Paraguay, Russia, China, and Bolivia more than offset lower production in Brazil. Global soybean trade for MY 2023/24 is forecast up from last month and stands at 170.9 million metric tons due to higher exports from Paraguay and Russia. The global soybean crush is nearly unchanged this month, as higher crush in Argentina, India, Egypt, and Thailand offsets the reduced crush volume in Brazil. Global soybean ending stocks are forecast at 114.6 million metric tons, up 0.4 million metric tons from last month's forecast and 12.7 million metric tons above last year's level (figure 1).

Figure 1

### Global soybean stocks



Note: Stocks of September 1 for the United States and October 1 for Brazil and Argentina. Asterisk (\*) denotes forecast.  
Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, January 2024.

# Domestic Outlook

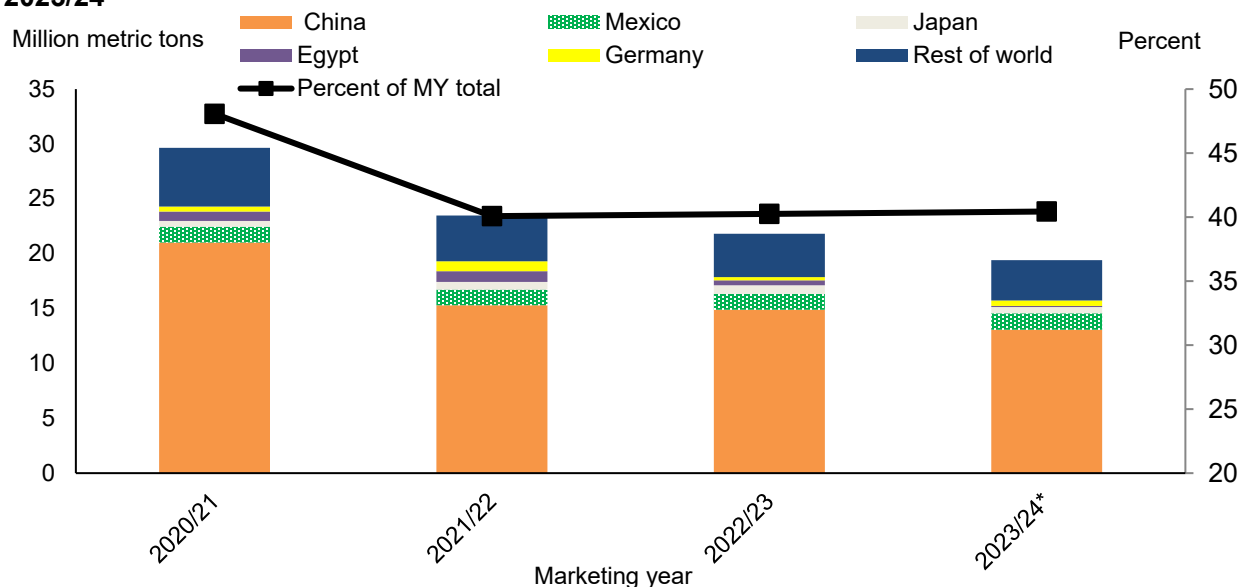
## U.S. Soybean Production Raised on Higher Yield

In the latest *Crop Production* report by the USDA, National Agricultural Statistics Service (NASS), U.S. soybean production is raised by 35.2 million bushels on higher yields. The harvested acreage is reduced this month 0.4 million acres on lower harvested area—especially in Kansas. The higher soybean yields in Illinois, Missouri, and North Dakota contributed to the increased national output. The average U.S. soybean yield is estimated at 50.6 bushels per acre, up 0.7 bushels per acre from last month. With a higher supply forecast for MY 2023/24 and unchanged soybean exports and crush, the ending stocks are forecast at 280.0 million bushels, 35.0 million bushels higher than last month's forecast. The 2023/24 season-average soybean price is expected to decline from the previous forecast of \$12.90 per bushel to \$12.75 per bushel.

USDA, NASS' *Grain Stocks* report released on January 12, 2024, indicated that December 1 soybean stocks were at 3.0 billion bushels with 1.5 billion bushels stored onfarm. Onfarm stocks made up 48 percent of total soybean stocks compared with 49 percent 1 year ago. USDA, NASS' *Grain Stocks* report implied the September–November disappearance was 1.4 billion bushels, down 6 percent from the same period last year. The cumulative U.S. soybean exports for September–November 2023 totaled 713.0 million bushels, 88.5 million bushels below the same period last year (figure 2). China accounts for 67 percent of the shipments and China's share is down only 1 percent compared with the same period last year. With higher soybean supply, the U.S. soybean export forecast for MY 2023/24 is unchanged this month at 1.76 billion bushels.

Figure 2

**September–November U.S. soybean exports by destination, MY 2020/21–2023/24**



MY=Marketing year.

Note: Asterisk (\*) denotes forecast.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, Global Agricultural Trade System (GATS) database, January 2024.

Soybean crush for September–November 2023 reached a record-high 576.2 million bushels, up 47.9 million bushels from the previous quarter and 22.4 million bushels higher than September–November 2022. In November, U.S. soybean crush totaled 200.1 million bushels, which implied a new record-high daily crushing rate of 6.67 million bushels, up 2.7 percent from the previous month. The annual soybean crush volume is forecast at 2.3 billion bushels, unchanged from previous month’s forecast as the total soybean meal demand is unchanged this month. The soybean crush is supported by strong export demand for soybean meal driven by record-low soybean meal exports from Argentina in recent months. In November, U.S. soybean meal exports totaled 1.47 million short tons, a record-high for the month of November. Combined October and November soybean meal shipments are nearly 30 percent higher than the same period last year. Despite strong shipments in the beginning of the marketing year, U.S. soybean meal exports will face competition from Argentina’s larger supplies in April–September 2024. The U.S. soybean meal export forecast for MY 2023/24 is unchanged this month and stands at 15.3 million short tons.

Soybean meal prices in Central Illinois declined during December and averaged \$440.60 per short ton, down 5 percent from the previous month and down 5 percent from the previous year. In tandem with the soybean prices forecast, the 2023/24 season-average soybean meal price is down this month and forecast at \$380.00 per short ton.

The 2023/24 season-average soybean oil price forecast is also reduced this month to \$0.54 per pound. At the beginning of January 2024, soybean oil prices in Central Illinois averaged \$0.49 per pound, down by more than 5 percent from December 2023. U.S. soybean oil prices have been above the world price parity for the last 2 years, which has caused a reduction in U.S. soybean oil exports and an increase in vegetable oil imports. The U.S. soybean oil exports forecast is reduced this month by 50 million pounds to 300 million pounds on lower export sales commitments. Furthermore, soybean oil imports are increased by 50 million pounds to 450 million pounds. For the October–November period, U.S. soybean oil imports totaled 82 million pounds, a 48-percent increase from the same period in the previous year.

The higher U.S. supply of soybean oil is offset by larger domestic soybean oil demand. Domestic soybean oil use is raised by 100 million pounds to 27.2 billion pounds. Although soybean oil use for biofuels production is increased by 200 million pounds to 13 billion pounds, the food, feed, and other industrial use is reduced by 100 million pounds. Higher canola oil use offset the declining use of soybean oil in food, feed, and other industrial use.

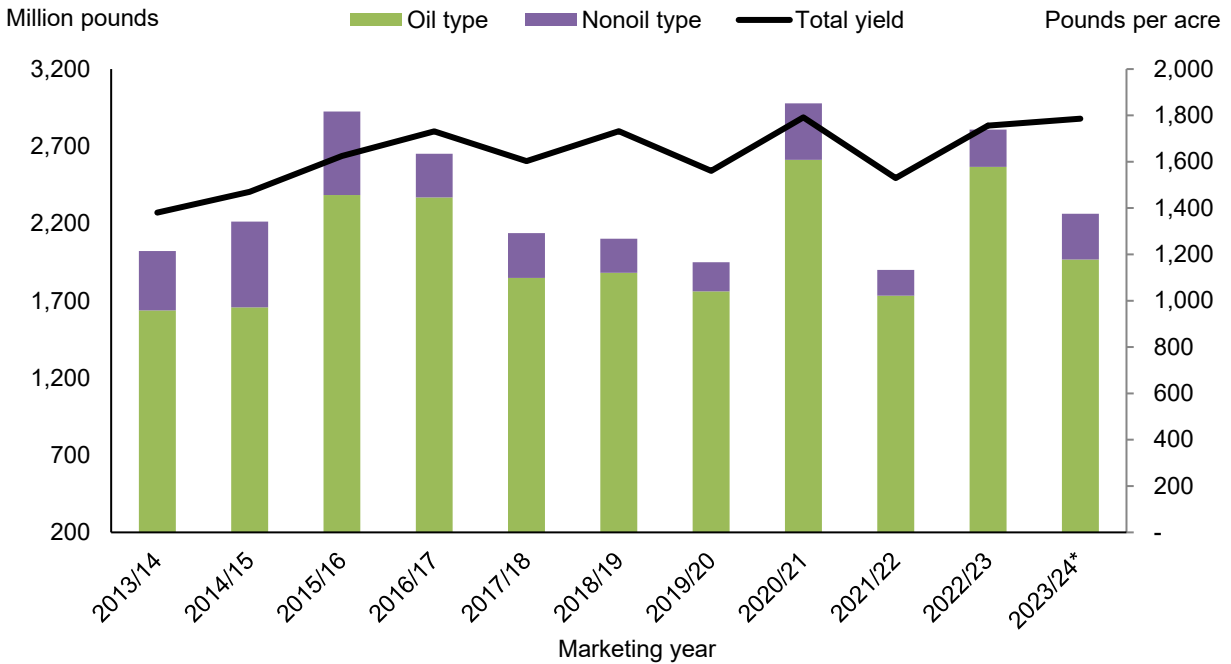
## 2023/24 U.S. Minor Oilseeds Production Update

In this month's *Crop Production—2023 Summary* report, USDA, NASS updated the MY 2023/24 production estimates for sunflowerseed, canola, peanuts, and cottonseed. This month, the final estimate for MY 2023/24 sunflowerseed production is raised by 69.1 million pounds to 2.3 billion pounds on higher harvested area and yields. Sunflowerseed yields are forecast at 1,786 pounds per acre, nearly 2 percent higher than yields in MY 2022/23. Oil type varieties production was raised 2 percent to 1.97 billion pounds. The nonoil type varieties were increased 33.5 million pounds to 297 million pounds on higher yields. The higher total sunflowerseed supply results in the nonoil use and residual increasing, whereas sunflowerseed crush is unchanged.

Sunflowerseed ending stocks for MY 2023/24 are projected to be 286.4 million pounds, 80.0 million pounds below ending stocks for MY 2022/23. With higher supplies, the season-average farm price for sunflowerseed was reduced by 5 cents to \$19.50 per hundredweight. In line with soybean oil prices, sunflowerseed oil prices are lowered 5 cents to 64 cents per pound.

Figure 3

**U.S. sunflower oilseed production by type**



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Production* report, January 2024.

USDA, NASS raised canola production by 150 million pounds to a record high of 4.2 billion pounds on record-high harvested acreage and yields. The harvested acreage is estimated at 2.3 million acres, up 1 percent from last month’s forecast and up 7 percent from MY 2022/23. With higher production, canola imports are lowered to 0.9 billion pounds and crush is forecast up to 4.5 billion pounds. Canola crush in November 2023 was at a record-high 462 million pounds bringing the June–November crush total to 2.4 billion pounds, 16 percent above MY 2022/23. The strong crush is driven by the domestic demand for canola oil. Along with higher canola oil production, canola oil imports are forecast up 0.2 billion pounds to 6.9 billion, which have been largely sourced from Canada. With higher supplies, canola oil for food use is forecast up to 5.2 billion pounds. As a result of record-high crush, canola oil prices have continued to fall and are forecast at 59 cents per pound, the lowest since MY 2019/20.

Peanut production forecast for MY 2023/24 is reduced by 93 million pounds to 5.9 billion pounds on lower harvested acreage. Peanut yields are at 3,742 pounds per acre, marginally higher than last month’s forecast. Peanut harvested acreage is reduced this month largely in Texas as dry conditions resulted in higher crop abandonment rates. Peanut exports are forecast up 25 million pounds to 1.3 billion pounds as the United States has increased shipments to Mexico, Canada, and the Netherlands. From August through November 2023, the United States exported 497

million pounds of peanuts, up 4 percent from last year. Peanut crush from August through November 2023 was 226 million pounds, down 23 percent from the same period last year. With strong exports and lower domestic production, crush is lowered by 25 million pounds to 750 million pounds. Ending stocks are lowered 0.1 billion pounds to 1.9 billion pounds, the lowest since MY 2016/17. Peanut oil and meal domestic use is lowered with the decline in crush.

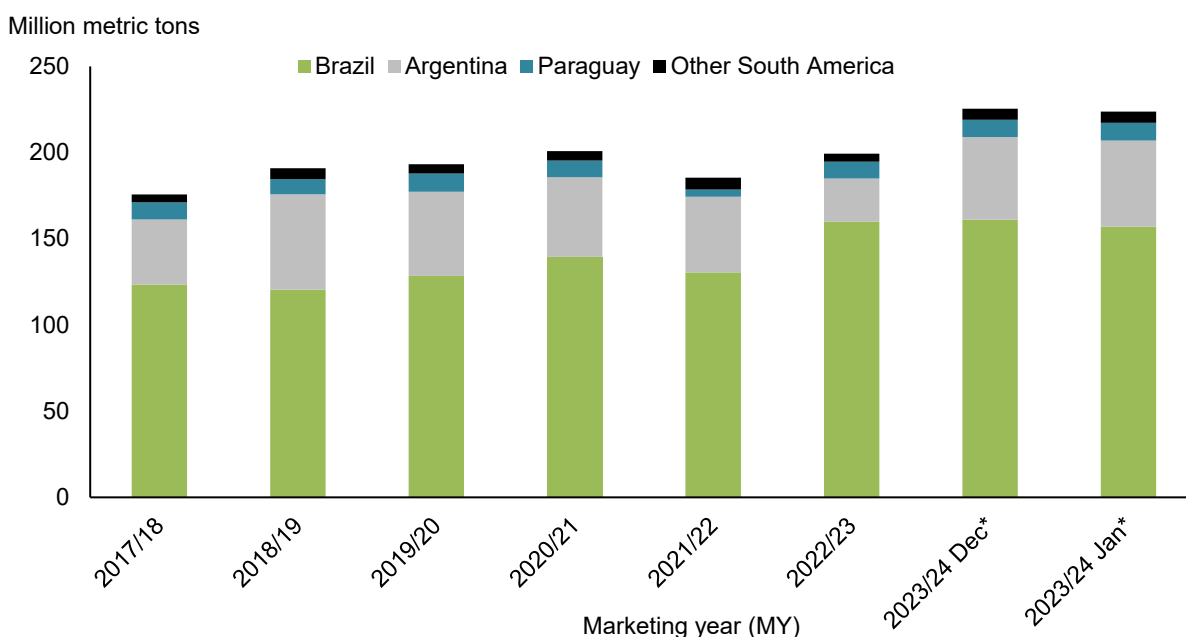
Cottonseed production is forecast down by 0.1 million short tons to 3.8 million short tons driven by lower harvested acreage and slightly higher yields. With lower production, the other use of cottonseed is reduced. The cottonseed exports forecast is unchanged this month despite the strong shipments to South Korea, Mexico, and Japan as new sales have slowed.

# International Outlook

## South America’s Output Declines on Lower Soybean Crop in Brazil

South America’s production is forecast down 1.6 million metric tons to 223.8 million metric tons as lower production in Brazil is only partially offset by higher production in Argentina, Paraguay, and Bolivia (figure 4).

Figure 4  
**Production in South America, MY 2017/18–2023/24**



Other South America = Bolivia, Colombia, Ecuador, Peru, Uruguay, and Venezuela.  
 Note: Asterisk (\*) denotes forecast.  
 Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, *Production, Supply and Distribution* database, January 2024.

Brazil’s soybean production has been reduced this month by 4.0 million metric tons to 157.0 million metric tons on lower soybean yield driven by unfavorable weather, especially in the Center-West and Northeast regions. The soybean yield is forecast at 3.4 tons per hectare, down 2 percent from last’s month yield and 5 percent below last year’s record-high yield. The Center-West region of Brazil (i.e., Mato Grosso, Mato Grosso do Sul, Goiás, and Distrito Federal) accounted for more than 50 percent of Brazil’s total output last year. From October through December 2023, the region experienced well below normal precipitation and above average temperatures. The region received some rain toward the end of December 2023, but this might have been too late in some parts although it helped in other parts of the region. The degree of

yield loss in the Center-West region will depend on the distribution of rainfall and temperatures throughout January and February 2024.

The Northeast region of Brazil continues to experience irregular precipitation and ongoing planting delays. In contrast, the southern region of Brazil has observed better-than-normal precipitation in last 3 months. Recent dry weather is advancing crop development in the State of Rio Grande do Sul that accounts for 14 percent of Brazil's production. Yield prospects for the State of Parana remain favorable, although the potential will depend on January's rainfall. Better growing conditions in the southern States are expected to produce yields that will likely partly offset the Central-West region's anticipated losses. If realized, the soybean output for Brazil would be 2 percent below a record-high production of 160 million metric tons in MY 2022/23.

Favorable weather conditions in Argentina and Paraguay allowed planting to be completed in a timely manner. The Ministry of Agriculture of Argentina reported that 89 percent of soybean acreage was planted at the beginning of January. As of January 10, 2024, 97 percent of the soybean crop is rated in good-to-excellent condition. Argentina's soybean production is raised by 2.0 million metric tons to 50.0 million metric tons on a higher yield projection. Soybean yield is forecast at 3.03 tons per hectare, up 4 percent from last month's forecast and up 75 percent from last year's yield.

Paraguay's soybean production forecast for MY 2023/24 is raised this month by 0.3 million metric tons to 10.3 million metric tons on higher yields. Yields are raised this month from 2.8 tons per hectare to 2.9 tons per hectare on better growing conditions this season. In addition, with higher soybean production, Paraguay's soybean exports forecast is increased this month to 6.3 million metric tons. Notably, MY 2022/23 production is revised up to 9.8 million metric tons on higher-than-expected usage.

Bolivia's soybean production forecast for MY 2023/24 is increased to 3.4 million metric tons, 0.1 million metric tons higher than last month's forecast, but 0.3 million metric tons below the revised estimates for MY 2022/23 soybean production. Bolivia's 2022/23 soybean production forecast is revised up 0.3 million metric tons to 3.7 million metric tons on higher acreage and yield. This revision is made due to higher use of soybean for crush and—consequently—higher soybean meal exports volumes.

With Brazil's lower soybean production forecast, soybean crush for MY 2023/24 is reduced this month by 2.0 million metric tons to 53.8 million metric tons. This reduction is partially offset by higher crush forecasts for Argentina, Bolivia, India, Egypt, and Thailand. Argentina's soybean crush forecast for 2023/24 is increased by 1.0 million metric tons from last month's forecast of



34.5 million metric tons and the forecast is 5.2 million metric tons higher than the 2022/23 crush volume.

With fewer exportable supplies of soybean meal, Brazil's soybean meal export forecast for MY 2023/24 is reduced while the forecast is raised for soybean meal exports from Argentina and India.

## Global Sunflowerseed Ending Stocks Reduced on Lower Crops for the European Union, Russia, and Argentina

Global sunflowerseed production forecast for MY 2023/24 is reduced this month by 1.3 million metric tons to 55.5 million metric tons on lower sunflowerseed production in the European Union (EU), Russia, and Argentina. The global sunflowerseed harvested acreage forecast is lowered by 0.5 million hectares to 27.9 million hectares on lower acreage in Argentina, Russia, and the EU. With lower supply, the global sunflowerseed export and crush forecasts are reduced by 0.2 million metric tons and 0.6 million metric tons, respectively. Global sunflowerseed ending stocks for MY 2023/24 are forecast to decline to 3.1 million metric tons, 0.7 million metric tons lower than last month and 0.9 million metric tons lower than last year's stocks level.

The EU's sunflowerseed production is reduced this month by 0.5 million metric tons to 10.2 million metric tons on lower harvested acreage and yield. Lower harvested area and dry conditions coupled with record-setting heat led to lowered outputs for Bulgaria and Romania. The EU's sunflowerseed yield forecast is revised down 3 percent and stands at 2.08 metric tons per hectare compared with last year's yield of 1.84 metric tons per hectare. With a lower supply, the EU's sunflowerseed crush forecast is cut to 9.1 million metric tons this month from 9.6 million metric tons last month. With fewer exportable sunflowerseed oil supplies, the EU's sunflowerseed oil export forecast is lowered, while its import forecast is raised with larger shipments from Ukraine. Ukraine's sunflowerseed oil exports in December 2023 reached the highest volume since the start of the war in February 2022, showcasing higher-than-expected crush. Ukraine's sunflowerseed crush is forecast up to 14.1 million metric tons, pushing it marginally above MY 2022/23 and 3.3 million metric tons over the war-reduced crush in MY 2021/22.

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