



# Oil Crops Outlook: February 2024

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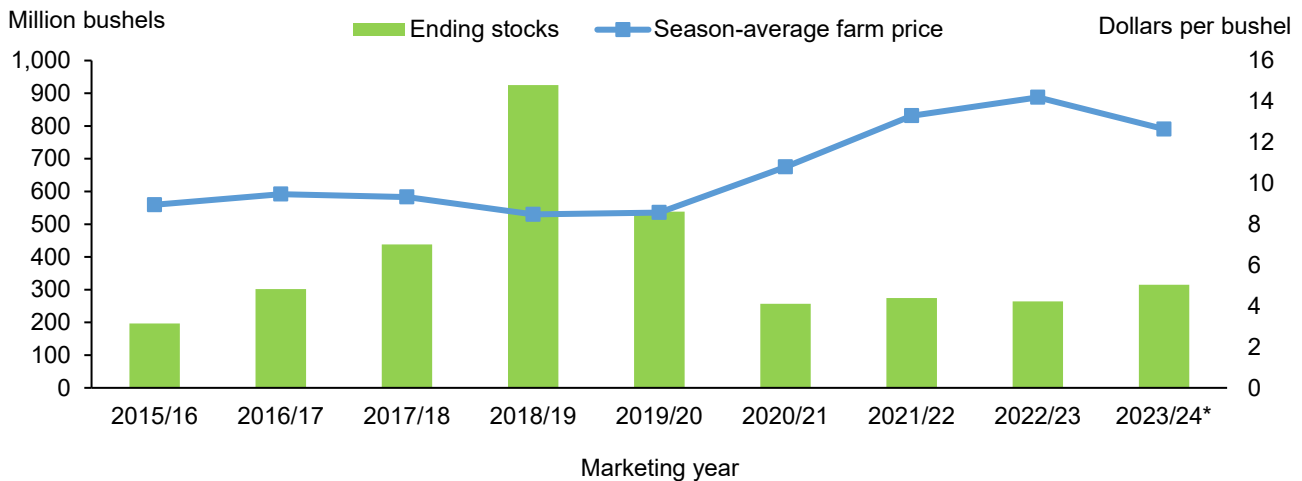
**In this report:**

- [Domestic Outlook](#)
- [International Outlook](#)

## 2023/24 U.S. Soybean Ending Stocks Boosted on Lower Exports

The 2023/24 U.S. soybean season-ending stocks are raised to 315 million bushels on lower soybean exports. The soybean export forecast for marketing year (MY) 2023/24 is reduced this month to 1.7 billion bushels on lower soybean commitments and strong competition from Brazil. U.S. soybean crush is unchanged. With higher ending stocks, U.S. season-average farm price is forecast down 10 cents from last month at \$12.65 per bushel (figure 1).

Figure 1  
**U.S. soybean stocks and season-average farm price**



Note: Asterisk (\*) denotes forecast.

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

# Domestic Outlook

## Soybean Exports Reduced on Shipments and Commitments

In January, U.S. export inspections of soybeans totaled 198 million bushels, up 23 million bushels from December, but down 104 million bushels compared with January 2023. Cumulative export inspections for September 2023–January 2024 were down 23 percent (or 318 million bushels) from the MY 2022/23 pace. U.S. exporters faced strong competition from Brazil that reported a record export volume during the same period. Consequently, USDA reduced the U.S. soybean exports forecast for MY 2023/24 this month to 1.7 billion bushels, down 35 million bushels from last month’s forecast.

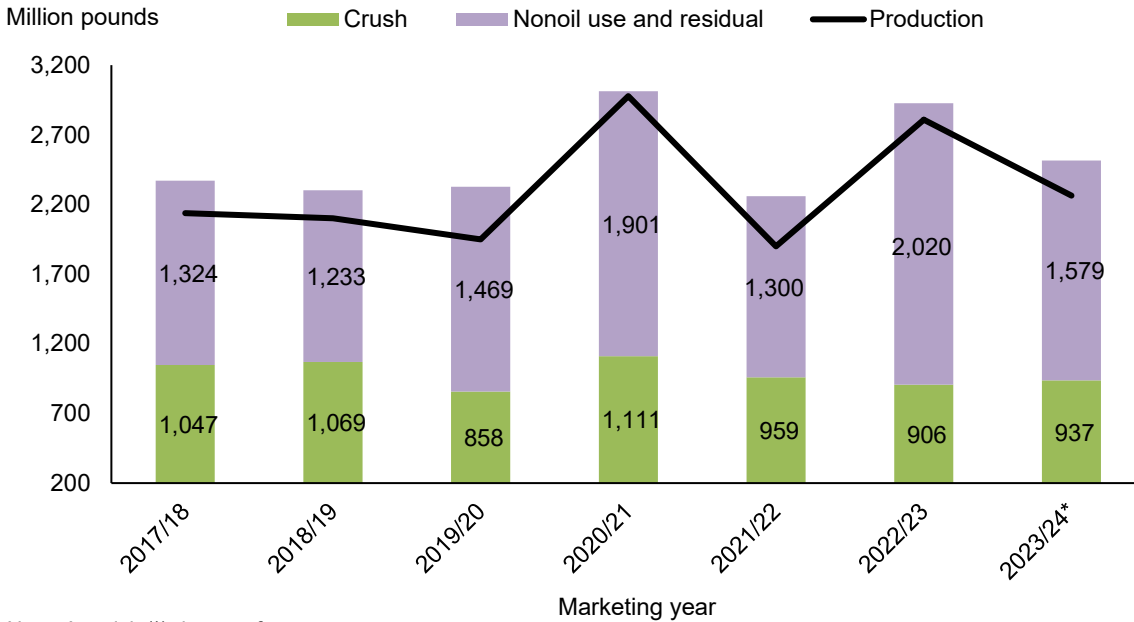
The U.S. soybean crush forecast for MY 2023/24 is unchanged this month and stands at 2.3 billion bushels. In January, U.S. soybean processors crushed 204.3 million bushels, 9 percent more than same period last year. Cumulative U.S. soybean crush for September–December totaled 780.5 million bushels, which is 5 percent higher than same period last year. Strong soybean crush is supported by record soybean meal exports and strong domestic soybean oil demand for biofuels production. Soybean meal and oil demand are unchanged this month. The seasonal soybean meal average price forecast is unchanged at \$380.00 per short ton, while the soybean oil price forecast is revised down \$0.03 from last month’s forecast to \$0.51 per pound. The soybean oil price in Decatur, Illinois declined 6 percent during January 2024 to an average of \$0.49 per pound, or 26 percent lower than last year.

## Sunflowerseed Crush Lowered on Updated Statistics

The MY 2023/24 crush is forecast down to 937 million pounds, up 31 million pounds from last year’s revised estimate based on updated statistics from National Sunflower Association (figure 2). Other sunflowerseed domestic use is revised up 134 million pounds to 1.6 billion pounds, a 442-million-pound reduction from the previous year. In addition to lower crush, exports are forecast down 10 million pounds to 105 million pounds as trade from September through December totaled 30 million pounds, down 25 percent from same period last year. Ending stocks are boosted to 371 million pounds, slightly above last year’s stocks.

Figure 2

**U.S. sunflower oilseed production, crush, and residual use**



Note: Asterisk (\*) denotes forecast.

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

Despite larger domestic supplies, sunflowerseed crush in MY 2022/23 was reported lower than previously forecast at 906 million pounds. In MY 2022/23, crush only made up 31 percent of domestic use, down almost 10 percent from the previous 5-year average. This limited sunflowerseed crush may have been driven by winter weather logistical challenges for producers delivering to crush facilities in addition to the strong canola competition for crush capacity as canola oil demand boomed with its pathway into renewable diesel. Nonoil and residual use is revised up to a record-high 2.0 billion pounds on the lower crush as larger domestic production provides ample supplies. The lower sunflowerseed oil and meal production flowed into lower domestic use.

### Series Revision for Olive Oil and Fish Meal Production

The U.S. olive oil production data were revised back to 2016/17 to reflect updated olive crush statistics from the USDA, National Agricultural Statistics Service, *Noncitrus Fruits and Nuts* report with an average extraction rate of 15.3 percent. Olive oil production declined from 14,000 metric tons in MY 2016/17 to 9,000 metric tons in MY 2022/23. In line with the updated series, MY 2023/24 production is revised down to 10,000 metric tons. All production changes flowed into domestic disappearance; trade estimates remain unchanged.

Fish meal production statistics were also revised back to MY 2018/19 based on updated data from the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), *Fisheries One Stop Shop* dashboard. U.S. fish meal production fell from 263,000 metric tons in MY 2018/19 to 249,000 metric tons in MY 2023/24.

# International Outlook

## Unfavorable Weather Impacts Brazil's Soybean Production

Brazil's soybean production for MY 2023/24 is reduced by 1.0 million metric tons to 156.0 million metric tons on lower yield partially offset by higher harvested acreage. Yield is forecast at 3.4 metric tons per hectare, down 1 percent from last month's forecast and down 6 percent from last year's record. Harvested soybean acreage is forecast higher this month in line with the revised MY 2022/23 estimate.

The yield loss is largely driven by irregular rainfall, planting delays, and hot weather accelerating harvest progress in key growing regions. In Mato Grosso, harvest progress at the beginning of February is ahead of last year at a reported 39 percent. Nationally, Brazil's soybean harvest reached 14.0 percent complete compared with 8.9 percent last year. While the northeast region of Brazil experienced late planting, the region's crop benefitted from rains in January. The southern states of Paraná and Rio Grande do Sul began the growing season with sufficient rainfall, but in Paraná, the dry weather has persisted since mid-December, impacting pod filling and expediting harvest progress. According to the Department of Rural Economy of the Paraná State Secretary of Agriculture and Supply (SEAB-DERAL), 19 percent of soybean area in Paraná was harvested as of February 7 compared with 1 percent last year.

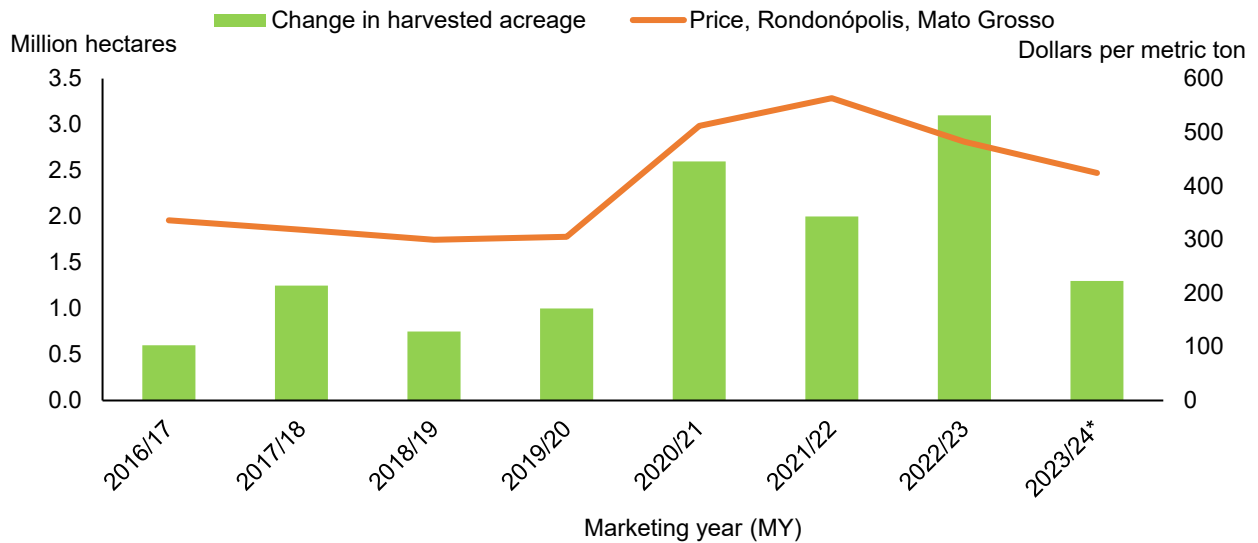
Despite a lower production forecast, Brazil's 2023/24 October–September MY soybean exports are forecast up 0.5 million metric tons to 100.0 million metric tons, driven by strong shipments. In the October 2023–January 2024 period, Brazil's exporters shipped a record-high volume of 17.5 million metric tons, 92 percent above the same period the previous year. In addition to strong exports, soybean processors crushed a record-high soybean volume, more than 5 percent higher in October–December 2023 compared with the previous year.

Higher-than-expected soybean usage for export and crush indicated that Brazil's MY 2022/23 soybean harvest was bigger than previous estimates. Consequently, Brazil's soybean crop for MY 2022/23 is revised up to 162.0 million metric tons on higher harvested acreage and marginally higher yield. Soybean yield is estimated at a new record-high of 3.63 metric tons per hectare. Furthermore, harvested area for MY 2022/23 is estimated at 44.6 million hectares, 0.3 million hectares higher than previous forecast. The higher soybean acreage is supported by favorable returns for soybeans and growth in soybean export demand. Combined with Brazil's weak real, domestic soybean prices have been elevated since 2020 signaling to farmers to plant more soybeans. In the last 3 years, soybean prices in Mato Grosso, a major soybean producing

state, averaged \$520.00 and were 33 percent higher than the last 10-year average (figure 3).

Figure 3

**Brazil's soybean acreage changes and annual average domestic prices, MY 2016/17–2023/24**



Note: Asterisk (\*) denotes forecast. The average prices for MY 2023/24 is for October 2023-January 2024.  
 Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service, February 2024 *Production, Supply and Distribution* database.

## Suggested Citation

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