

OILCROPS

FAO's 2021/22 forecasts point towards a tightening market outlook for oilseeds and derived products, broadly underpinned by production shortfalls coinciding with a rather resilient demand, while the war in Ukraine and restrictive export policy measures are expected to bring additional uncertainty.

Global oilseed production is forecast to contract in 2021/22, primarily driven by expected lower soybean and rapeseed outputs, with reduced yield levels seen more than offsetting a further expansion in harvested areas. While world oilmeal supply is anticipated to decline accordingly, the utilization of meals/cakes is forecast to fall only fractionally, tied to a slowdown in feed consumption in response to poor livestock profit margins. With world oilmeal uptake forecast to exceed global supply, the ending stocks of meals/cakes are expected to drop further to multi-year lows, resulting in a lower global stocks-to-use ratio.

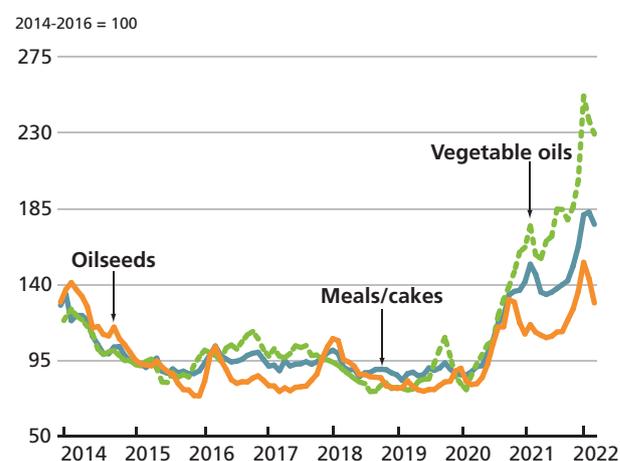
As for oils/fats, global production is expected to increase marginally, with the foreseen growth in palm oil production overshadowing the estimated losses in soy and rapeseed oil outputs. In the meantime, global consumption of vegetable oils is forecast to stagnate at the 2020/21 level, as demand rationing is anticipated for both food and non-food uses owing to elevated prices, supported by a weakening outlook tied to COVID-19-related lockdowns in China. With total oils/fats production poised to fall short of consumption, world carryout inventories of oils/fats should decline for the fourth consecutive season, resulting in a further drop in global stocks-to-use ratio. World trade in vegetable oils is forecast to contract to a four-year low due to lower import demand amid restrictive export measures.

Regarding the upcoming 2022/23 season, highly tentative forecasts suggest a possible sharp rebound in the world production of oilseeds and derived products, while global utilization will likely resume growth at a moderate level. Consequently, a stock replenishment seems possible, although world supply-demand balances would remain relatively tight, as suggested by below average global stocks-to-use ratios for both oilmeals and vegetable oils.

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FAO MONTHLY INTERNATIONAL PRICE INDICES FOR OILSEEDS, VEGETABLE OILS AND MEALS/CAKES (2014-2016=100)



WORLD OILCROP AND PRODUCT MARKET AT A GLANCE

	2019/20	2020/21 <i>estim.</i>	2021/22 <i>f'cast</i>	Change: 2021/22 over 2020/21
	<i>million tonnes</i>			<i>%</i>
TOTAL OILCROPS				
Production	588.2	616.4	604.2	-2.0
OILS AND FATS				
Production	235.1	241.3	242.9	0.7
Supply	275.8	276.4	274.5	-0.7
Utilization	242.8	245.3	245.5	0.1
Trade	134.9	132.7	128.2	-3.4
<i>Global stocks-to-use ratio (%)</i>	14.4	12.9	12.4	
<i>Major exporters stocks-to-disappearance ratio (%)</i>	11.1	9.7	10.4	
MEALS AND CAKES				
Production	149.9	159.8	154.9	-3.0
Supply	183.5	190.0	182.3	-4.0
Utilization	157.8	160.3	159.6	-0.4
Trade	105.2	103.1	100.6	-2.4
<i>Global stocks-to-use ratio (%)</i>	19.1	17.1	15.2	
<i>Major exporters stocks-to-disappearance ratio (%)</i>	12.0	9.2	8.8	
FAO PRICE INDICES (2014-2016=100)				
	2020	2021	2022 <i>Jan-May</i>	Change: Jan-May 2022 over Jan-May 2021 %
Oilseeds	97	139	171	21.9
Meals/cakes	92	116	137	13.6
Vegetable oils	99	165	221	41.3

Note: Kindly refer to footnote 1 on page 31 and to table 2 on page 34 for further explanations regarding definitions and coverage.