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 oilseeds 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.