



## Soybean Oil Use for Biodiesel Largest Since December 2009

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The [post of May 5](#) began to chronicle the rebound in the consumption of soybean oil in the production of methyl esters (biodiesel) after the blenders' tax credit was reinstated beginning January 1, 2011. The Census Bureau's estimate of consumption of soybean oil and the consumption all fats and oils for April 2011 was released on June 2nd. That report indicated that soybean oil consumption in the production of methyl esters increased again in April (Figure 1). Consumption for the month was estimated at 216.8 million pounds, 40.5 million pounds larger than consumption in March and the largest monthly consumption since December 2009, but well below the peak of 376.2 million pounds in August 2007. Methyl esters accounted for 13.6 percent of total soybean oil consumption (domestic plus exports) during April 2011. That is the largest percentage since November 2009, but below the peak of 20.1 percent in August 2007.

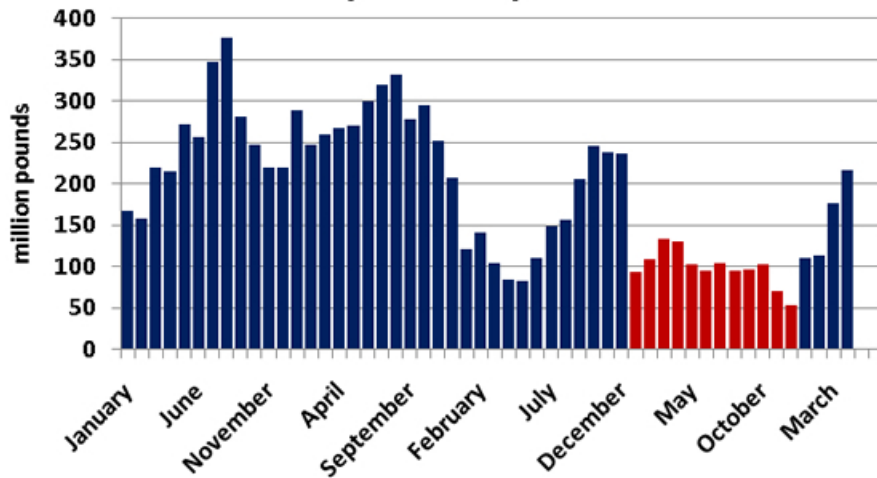
The consumption of soybean oil in production of methyl esters totaled 2.021 billion pounds during the 2008-09 marketing year (October 2008-September 2009), but declined to 1.681 billion pounds during the 2009-10 marketing year when the blender's tax credit was not in place. The USDA initially projected use during the current marketing year at 2.9 billion pounds, in line with mandated levels of production. That projection was lowered to 2.7 billion pounds in March 2011 and to 2.5 billion pounds in May 2011. Consumption during the first 7 months of the 2010-11 marketing year totaled 842.6 million pounds. To reach the USDA projection for the year, use during the final 5 months of the year needs to total 1.657 billion pounds, or 331.5 million pounds per month. It still appears that use could fall short of the USDA projection. To date, declining projections of domestic use of soybean oil in the production of methyl esters have been mostly offset by larger projections for exports.

Consumption of all fats and oils in the production of methyl esters in April 2011 was estimated at 463.6 million pounds (Figure 2). That estimate is 71.6 million pounds larger than consumption in March and the largest since November 2009, but below the peak of 515.6 million pounds in July 2008. Consumption of all fats and oils in the production of methyl esters accounted for 17.8 percent of total consumption during the month. That is just below the record of 18.1 percent in November 2009. Soybean oil accounted for only 46.5 percent of all fats and oils used in the production of methyl esters in the first 4 months of 2011, compared to over 79 percent in the 2007 calendar year and 55 percent in the 2010 calendar year.

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**Fig 1. Soybean Oil Used for Methyl Esters  
January 2007--April 2011**



red columns are months with no blender tax credit

**Fig. 2. Fats and Oils Used in Methyl Esters  
January 2007-April 2011**

