



Soybean Crush Up in July

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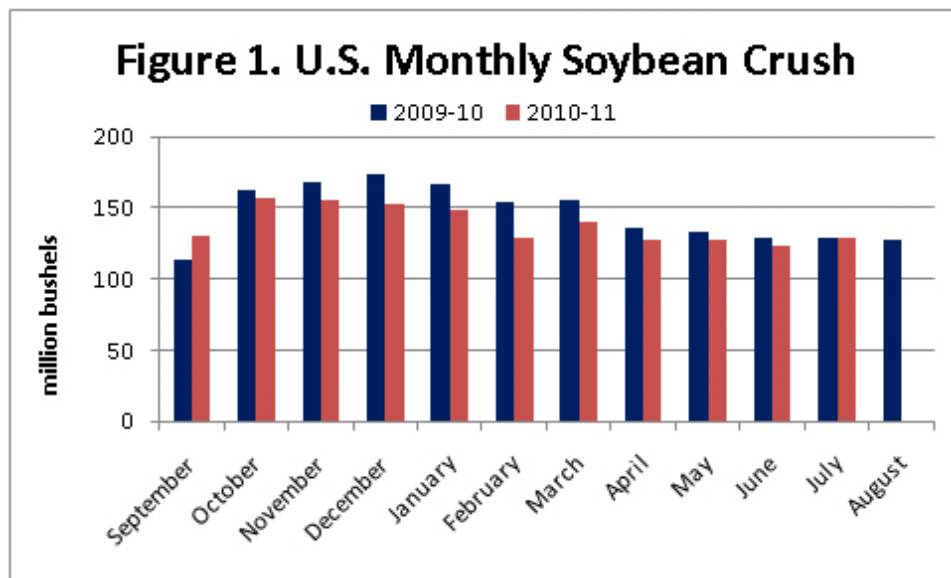
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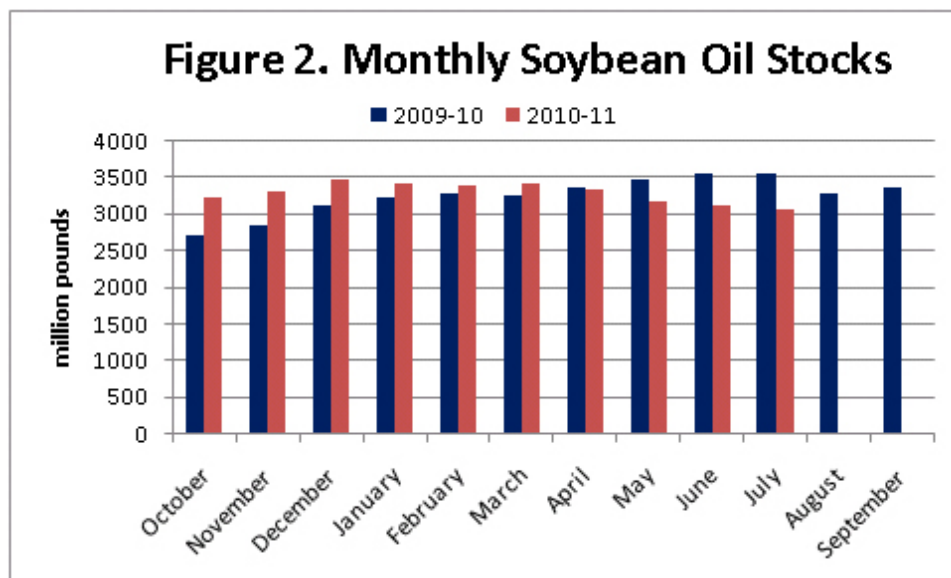
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In the August WASDE report, the USDA lowered the projection of the 2010-11 marketing year soybean crush by 5 million bushels, to a total of 1.645 billion bushels. That projection is 107 million bushels smaller than the crush during the previous marketing year. To reach the projected level, crush during July and August, the last 2 months of the marketing year, needed to total 251.6 million bushels, compared to 257.5 million bushels in the same two months last year.

Today's Census Bureau report estimated the domestic crush of soybeans during July 2011 at 129.6 million bushels. That estimate is 0.2 million bushels more than the crush during July 2010 and 5.9 million bushels larger than the crush during June 2011 (Figure 1). To reach the USDA projection for the year, the crush in August needs to total 122 million bushels. That is 6 million smaller than the crush in August 2010. While the cumulative crush through June warranted the lower projection for the year released earlier this month, it now appears that the crush may be slightly larger than the current projection.



At 11.61 pounds, the apparent soybean oil yield per bushel of soybeans remained high in July, but slightly below the record 11.76 pounds in April 2011. Apparent soybean oil consumption (domestic plus exports) in July was 123 million pounds (8.5 percent) more than in July 2010 and 78 million pounds more than in June 2011. Soybean oil factory and warehouse stocks at the end of July were estimated at 3.069 billion pounds, 60 million pounds less than stocks at the end of June and 480 million pounds less than stocks of a year ago (Figure 2).



The apparent yield of soybean meal and hull meal per bushel of soybeans crushed in July was 47.81 pounds, well below the record yield levels in the previous five months. Total disappearance of soybean meal during July was 105.2 thousand tons (3.4 percent) less than in June, but only 13.2 thousand tons less than in July 2010.

The USDA will release updated forecasts of soybean, soybean meal, and soybean oil consumption during the current marketing year on September 12. In the August WASDE report, the USDA projected soybean stocks at the end of the current marketing year (the end of August) at 230 million bushels. The larger crush in July suggests that stocks could be marginally smaller than projected since exports are right on pace to reach the projection of 1.495 billion bushels. Old crop soybean stocks as of September 1 will be revealed in the USDA's Grain Stocks report to be released on September 30. For now, however,

the primary focus is on the potential size of the 2011 U.S. soybean crop. The first USDA forecast of crop size released on August 11 was smaller than expected. A new forecast will be released on September 12.