

OILCROPS

FAO's 2020/21 forecasts continue to point towards a tight market situation for oilseeds and oilseed products, with resumed production growth foreseen insufficient to meet world demand. In 2020/21, global oilcrop production is expected to recover from the previous season's reduced level, with an area-driven rebound in soybean and rapeseed production more than offsetting a weather-induced contraction in world sunflower seed output. While global supplies of meals/cakes are set to recover, global consumption is forecast to continue expanding, led by increasing consumption in China. With global meal uptake expected to surpass world supplies, global carry-out stocks of meals/cakes are anticipated to contract for a second consecutive season, possibly dropping to a seven-year low and entailing a further decline in stocks-to-use ratios.

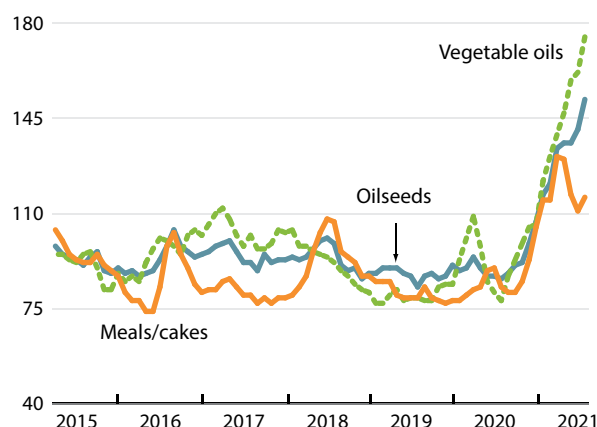
As for oils/fats, global output is expected to recover from the previous season's exceptional contraction, largely underpinned by gains in palm and soybean production. Meanwhile, global utilization of vegetable oils is seen expanding modestly, with below-average growth in both food and non-food uses, linked to the protracted COVID-19 crisis and record-high vegetable oil prices. With total oils/fats production poised to fall short of utilization, global inventories of oils/fats are forecast to drop to an 11-year low, while stocks-to-use ratios would also fall markedly.

With regard to the forthcoming 2021/22 season, tentative forecasts suggest a slight improvement in the global supply-demand conditions, possibly including a moderate replenishment in stocks. Initial crop forecasts point to a likely significant expansion in global output of oilmeals and vegetable oils, while growth in total utilization of oilcrop products is anticipated to accelerate somewhat. Accordingly, moderate stock replenishments could take place for both meals and oils, although stocks-to-use ratios would still linger below the levels observed in recent years, pointing to persistent supply-demand tightness. However, this outlook remains subject to major uncertainties, notably with regard to weather conditions in key growing regions, the evolution of the COVID-19 pandemic and vaccination campaigns, and national policy measures that could affect global trade flows of oilseeds and derived products, as well as the implementation of biodiesel admixture mandates.

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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

	2018/19	2019/20 <i>estim.</i>	2020/21 <i>f'cast</i>	Change: 2020/21 over 2019/20
	<i>million tonnes</i>			<i>%</i>
TOTAL OILCROPS				
Production	613.0	588.0	610.1	3.8
OILS AND FATS				
Production	242.2	234.2	241.2	3.0
Supply	284.5	274.8	275.6	0.3
Utilization	243.3	242.4	244.1	0.7
Trade	132.3	134.9	135.8	0.7
<i>Global stocks-to-use ratio (%)</i>	16.7	14.2	12.5	
<i>Major exporters stocks-to-disappearance ratio (%)</i>	13.4	10.7	8.3	
MEALS AND CAKES				
Production	158.7	149.9	157.6	5.1
Supply	189.6	183.6	187.5	2.1
Utilization	153.2	157.3	159.9	1.7
Trade	98.7	105.4	106.6	1.2
<i>Global stocks-to-use ratio (%)</i>	22.0	19.0	16.2	
<i>Major exporters stocks-to-disappearance ratio (%)</i>	16.2	11.8	7.9	
FAO PRICE INDICES (2014-2016=100)				
	2019	2020	2021 <i>Jan-May</i>	Change: Jan-May 2021 over Jan-May 2020 %
Oilseeds	88	97	140	57.6
Meals/cakes	80	92	121	41.7
Vegetable oils	83	99	156	73.5

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