



# Specialty Oilseed Market in Minnesota



## Market Spotlight

The market for specialty oilseeds in Minnesota has flourished during the last decade. AURI used publicly available information to present a brief market analysis of specialty oilseed crops for new and existing producers and processors needing information about demand, market outlets, and historical prices. This is part of a series of market spotlights from AURI on Minnesota's ag and food industries.

## Industry Outlook

The increased demand for livestock feed, vegetable oil, and industrial uses (biodiesel) has resulted in the production of more specialty oilseed crops (canola, sunflower, flaxseed) in the United States. The American Feed Industry Association (AFIA) indicates that soybean meal's dominance in animal diets in relation to specialty oilseed meals has gradually decreased. Soybean meal has decreased slightly from 86% of the oilseed market share to 81%. This illustrates the growing interest for other specialty oilseed meals. Specialty oilseeds are well adapted to northern states; 80% of total production comes from North and South Dakota, Minnesota, and Montana. In Minnesota, specialty oilseed farming generated \$10.5 million in total value of products sold in 2022 (USDA-NASS, 2022).

## Minnesota Supply

Figure 1 presents the production trends of specialty oilseeds in Minnesota. Canola production has more than tripled between 2012-2022, from 42 million pounds in 2012 to 147 million in 2022. Sunflower production went from 95 to 151 million pounds during the same period.

Figure 2 presents the number of farms growing specialty oilseeds in Minnesota. Data from the USDA Census of Agriculture (USDA-NASS, 2024) shows that from 2012 to 2022, the number of farms producing canola grew by 11%, while the number of farms growing sunflowers decreased slightly by 8%, despite its increased production. Flaxseed has significantly less supply in Minnesota. From 2012 to 2022, the number of farms raising flax decreased from 42 to 19.

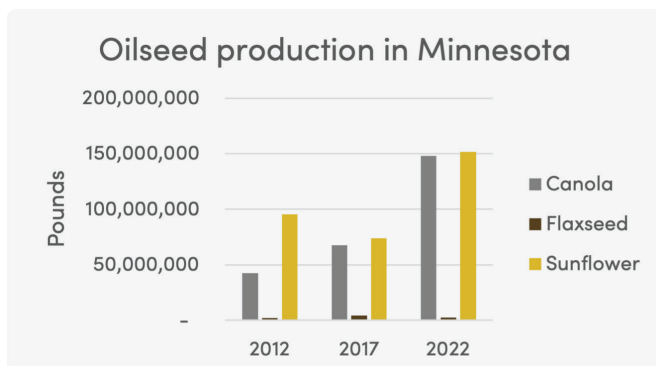


Figure 1. Specialty oilseed production in Minnesota (USDA-NASS, 2024).

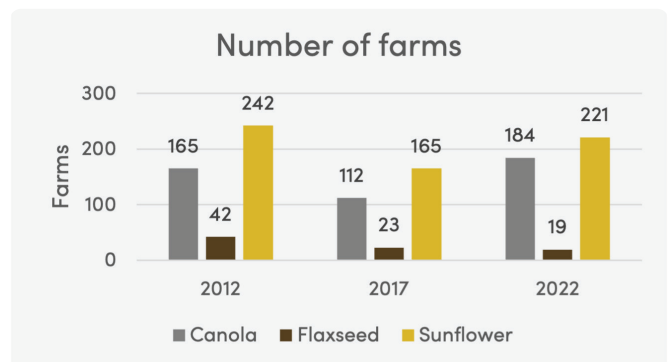


Figure 2. Number of specialty oilseed farms in Minnesota (USDA-NASS, 2024).

## Market Segments

Figure 3 shows the market segments for specialty oilseed crops based on their U.S. market outlets.

National data shows that 58% of non-soybean oilseed crops harvested are processed and manufactured into oil for food and industrial purposes (biodiesel) and meals for livestock feed. Sales totaled \$1.2 billion in 2023.

The next largest demand comes from wholesalers (32%). This segment consists of wholesalers buying these crops for non-oil purposes. These seeds are primarily used in food manufacturing, snacks, cereals, and bird food. This market is increasingly limited, creating more opportunities for the processor and seed buyer segments. This segment represented \$670.8 million in sales in 2023.

The remaining market segment is for whole seed buyers. This segment represents intermediaries selling seed to producers. This smaller sector is gaining importance as the demand for vegetable oil keeps growing.

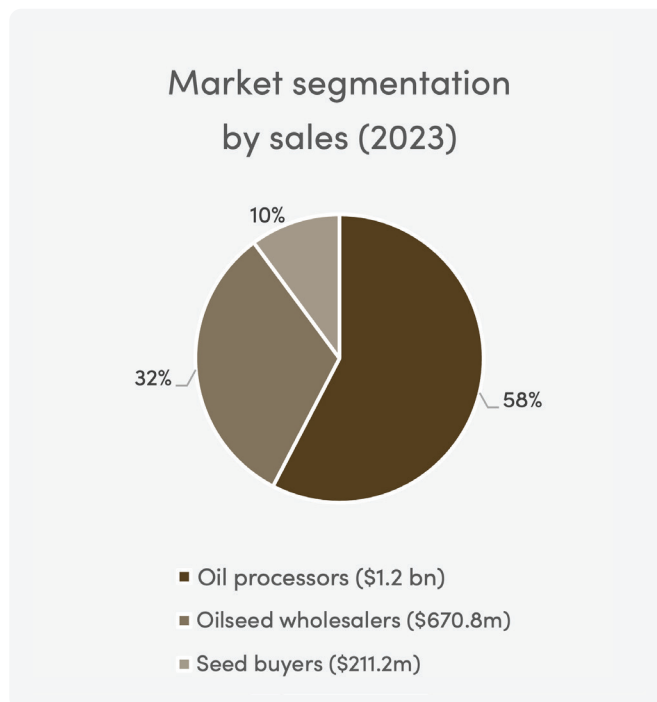


Figure 3. Specialty oilseed buyers in the U.S., 2023 (Ibisworld, 2023).

## Crop Sales

Figure 4 shows crop sales from farms in 2023 for the selected oilseed crops.

Canola accounts for the most significant portion of revenue, with \$1.1 billion in sales in 2023.

Sunflower is the second highest-selling crop, with \$766 million in sales in 2023.

Flaxseed represented \$108 million in sales.

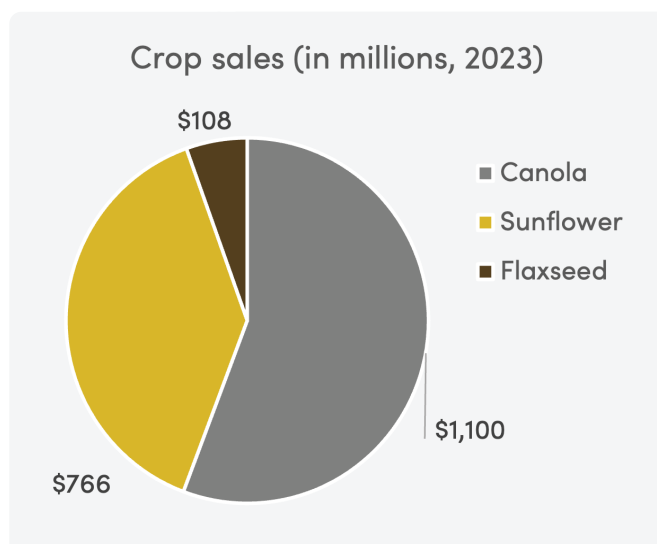


Figure 4. Specialty oilseed sales in the U.S., 2023 (Ibisworld, 2023).

# Utilization of Oilseed Products

## Oilseed Meal

Annual data (USDA-ERS, 2024) shows that the U.S. market used 227,000 tons and 159,000 tons of sunflower seed and flaxseed meal, respectively in 2023. Within the last decade, demand for sunflower seed and flaxseed meal has been relatively stable, (See Figure 5). Most recent data (USDA-ERS, 2024) show that the utilization of canola meal in the U.S. was 5.3 million tons in 2023 and has been increasing about 1% year over year for the last decade. Sunflower seed and flaxseed meal had lower utilization rates than canola.

Minnesota’s total animal feed consumption of canola and sunflower meal was 151,000 and 2,000 short tons in 2020, respectively. No information was available on Minnesota’s flaxseed utilization.

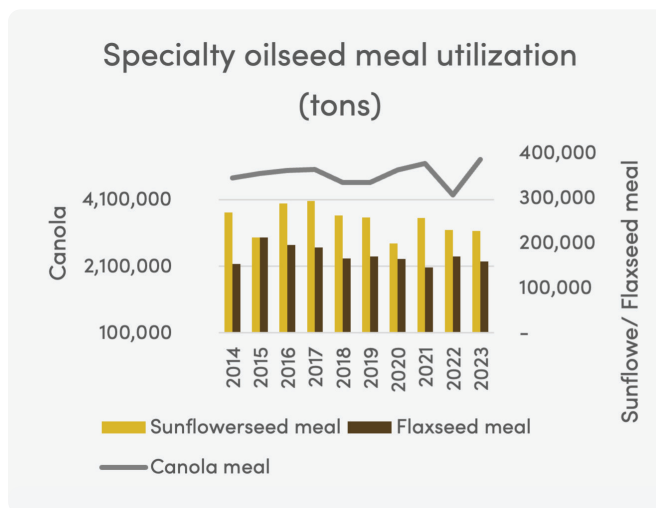


Figure 5. Utilization of specialty oilseed meals in the U.S. from 2014–2023 (USDA-ERS, 2024).

## Oilseed Oil

Figure 6 presents the utilization numbers from 2014–2023 for canola, sunflower seed, and flaxseed oil.

- Canola is often considered a healthier alternative to other edible oils.
- Canola and sunflower seed oil are used for biodiesel, food (frying oils) and dairy substitutes.
- A small amount of sunflower seed oil is used in cosmetics, lubricant, and resins.
- Flaxseed oils is used for food, pharmaceuticals, and cosmetics.

Data shows that in 2023, 8 billion pounds of canola oil was used in the U.S. market. For the 10-year period, usage increased roughly 8% per year. Sunflower seed and flaxseed oil use was stable. Usage in 2023 was 621 million and 176 million pounds, respectively.

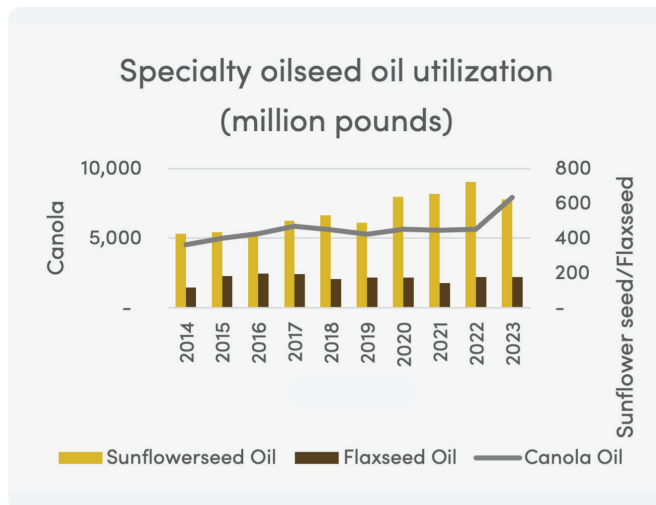
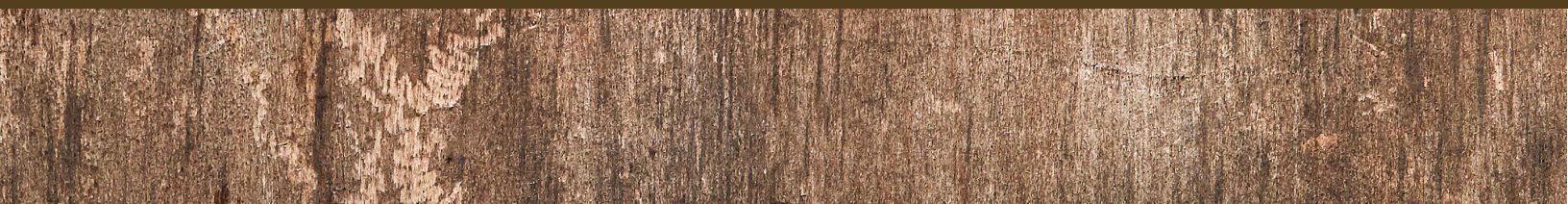


Figure 6. Utilization of specialty oilseed oil in the U.S. from 2014–2023 (USDA-ERS, 2024).





## Takeaways

- 1 Canola and sunflower are gaining market share among all oilseeds, creating market opportunities for specialty oilseed farmers.
- 2 Specialty oilseed crops go mostly to oil processors, representing 58% of the market share.
- 3 Minnesota feed manufacturers used 151,000 tons of canola meal and 2,000 tons of sunflower in animal feed in 2020.
- 4 Finally, farmers are exploring the production of other specialty oilseed crops such as camelina. To date, there are no reported acres for other crops, such as safflower and mustard seed.



This document is part of the Agriculture Innovation Center at the Agricultural Utilization Research Institute (AURI), which provides market and business development services to agricultural producers in Minnesota. The center assists farmers with issues related to market research, marketing plans, customer identification, and market intelligence. It also provides direct services and referrals for feasibility studies and business planning.

For any questions and inquiries, please contact Sanchez Philocles, at [sphilocles@auri.org](mailto:sphilocles@auri.org).