**Market situation and outlook for soybeans**

THIRTEENTH SESSION OF THE AMIS GLOBAL FOOD MARKET INFORMATION GROUP

FAO Headquarters, Rome
3-4 May 2018

Outline:

1. **2017/18 forecasts**
   - production
   - utilization
   - carry-out stocks
   - trade
   - prices developments

2. **2018/19 projections**

3. **Round-up**
Global supply & demand – at a glance

<table>
<thead>
<tr>
<th></th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WORLD BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>314.8</td>
<td>347.8</td>
<td>334.3</td>
<td>-3.9</td>
</tr>
<tr>
<td>Trade</td>
<td>134.3</td>
<td>149.2</td>
<td>152.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Total utilization</td>
<td>310.4</td>
<td>340.3</td>
<td>347.6</td>
<td>2.1</td>
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<tr>
<td>Ending stocks</td>
<td>44.4</td>
<td>51.3</td>
<td>40.8</td>
<td>-20.5</td>
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</tbody>
</table>

2017/18 f’cast:
- **production**: sizeable y/y contraction, but still 2nd highest output on record
- **utilization**: continues expanding – though at a below-avg. rate
- **carry-out stocks**: marked y/y drop
- **trade**: moderate expansion

### Major soybean producers

<table>
<thead>
<tr>
<th></th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>% change</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>f’cast</td>
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<td></td>
<td>over</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>2016/17</td>
<td></td>
</tr>
<tr>
<td><strong>WORLD</strong></td>
<td>314.8</td>
<td>347.8</td>
<td>334.3</td>
<td>-13.5</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
<td>-3</td>
</tr>
<tr>
<td>USA</td>
<td>106.9</td>
<td>116.9</td>
<td>119.5</td>
<td>2.6</td>
</tr>
<tr>
<td>China</td>
<td>11.8</td>
<td>12.9</td>
<td>14.6</td>
<td>1.6</td>
</tr>
<tr>
<td>India</td>
<td>7.1</td>
<td>10.5</td>
<td>8.0</td>
<td>-2.5</td>
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<tr>
<td>Canada</td>
<td>6.5</td>
<td>6.6</td>
<td>7.7</td>
<td>1.1</td>
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<tr>
<td>Ukraine</td>
<td>3.9</td>
<td>4.3</td>
<td>3.9</td>
<td>-0.4</td>
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<tr>
<td>Russian Fed.</td>
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<td>3.1</td>
<td>3.7</td>
<td>0.6</td>
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<tr>
<td>Brazil</td>
<td>95.4</td>
<td>114.1</td>
<td>116.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Argentina</td>
<td>57.5</td>
<td>55.0</td>
<td>37.6</td>
<td>-17.4</td>
</tr>
<tr>
<td>Paraguay</td>
<td>9.4</td>
<td>10.1</td>
<td>9.7</td>
<td>-0.4</td>
</tr>
<tr>
<td>Uruguay</td>
<td>2.5</td>
<td>3.3</td>
<td>2.2</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

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Argentina: point estimates - Nov.’17 to May’18

GEOGLAM – crop conditions

Major players: y/y changes

Global utilization

Utilization

Major players: y/y changes

2017/18 vs. 2016/17

China

Brazil

USA

Russian Fed

Other Asia

Mexico

EU

India

Argentina

Million tonnes

Million tonnes

+2%

+5%

+8%

17/18 fcast

16/17

15/16

14/15

13/14

12/13

11/12

08/09

Utilization

+6%
Global production vs. global utilization

End-of-season stocks

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Global import pattern
2017/18 f’cast

China 63%
Rest of World 11%
EU 9%
Other Asia 17%

Major players: y/y changes
2017/18 vs. 2016/17

Exports: major players

Share in global export market

United States Brazil Argentina

Million tonnes

percent

2016 2017 2018

China Other Asia Argentina Russia USA EU Africa

Million tonnes

-3 -2 -1 0 1 2 3

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World soybean prices

Soybean export price index

Source: AMIS (AGMARKNET Price Index) (April 2018) RBOB = 1700

CBOT soybean futures for September

US$/tonne

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2018/19 outlook

Production, utilization & stocks

Total harvest-area

Production (left axis)
Utilization (left axis)
Major exporters closing stocks (right axis)

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Overall situation & outlook

- y/y, global soybean market has tightened
- prices firmer, but still low in historical terms

Near-by price drivers

- South America: final harvest figures
- trade flows 2nd half of 2018
- 2018/19 acreage and crop development: USA (and other NH)
- South America: 2018/19 planting intentions

Uncertainties

- biodiesel policies (new import barriers?)
- China 2018/19 plantings (producer incentives?)
- developments in related markets, esp. (i) global feed grain/DDGs supplies; (ii) crude min. oil prices
- exchange rate movements in major exp./imp. countries
- USA/China trade dispute: potential supply chain disruptions (soybeans and beyond) and increased market volatility