

Supply and Demand

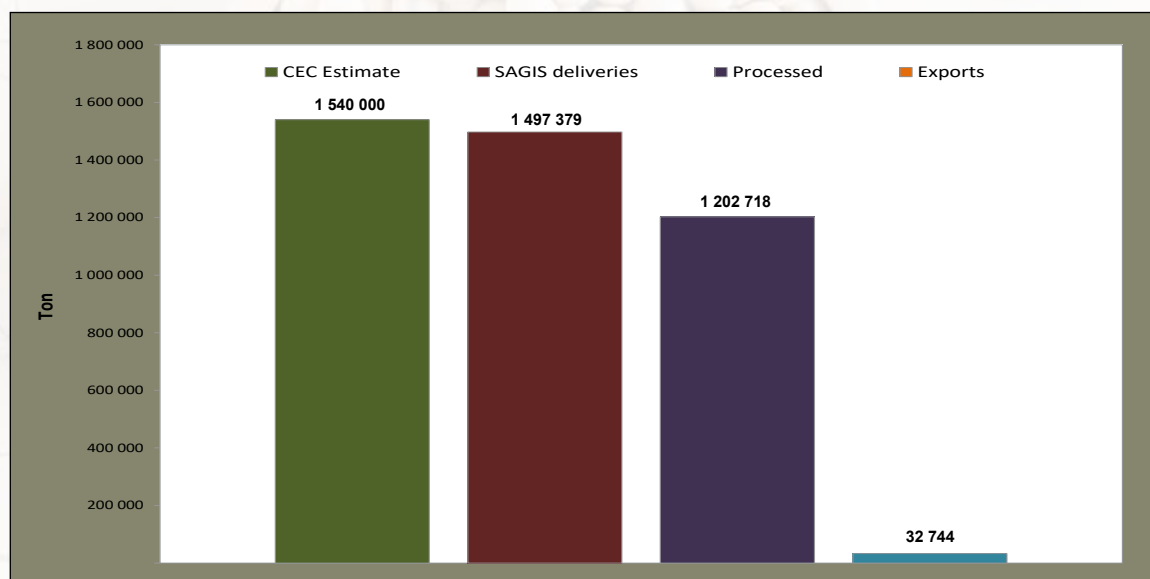
The soybean marketing season dates from March to end of February. According to SAGIS' supply and demand figures for the current marketing season to date (March 2018 to January 2019), only 6 496 tons of soybeans have been imported compared to the 27 508 and 271 098 tons of the previous two seasons. The lower import figures of the current and 2017/2018 seasons, stands to reason given the record crops produced locally. Of the 1.2 million tons of soybeans processed to date, 1.9% was used for human consumption, 16.6% for animal feed as full fat soya and the bulk crushed to produce oil and/or oilcake. Soybean oilcake demand is primarily driven by the feed industry. The quantity of soybeans crushed so far, is almost 10% more than the total quantity crushed during the previous season and 85% more than the 10-year average.

According to BFAP Baseline, the local demand for soybean cake currently exceeds the local levels of production and despite the fact that the development of new crushing plants has resulted in progressive replacement of imports by local production, a significant amount of soybean cake is still being imported. Approximately 450 000 tons of soybean cake will probably be imported during the current season. Soybean oilcake consumption is projected to rise to 1.56 million tons by 2027.

Total vegetable oil demand (including palm oil) increased by an average of 3% per annum over the last 10 years. 41% of this consumption figure was produced locally in 2017. During 2007 to 2017, soybean oil consumption increased by an average of 2% per year. Over the 2018 – 2027 period, soybean oil consumption is projected to expand by 1.7%, while soybean oil production is expected to grow at an annual average of 5.6% over the next decade.

32 744 tons of soybeans/products have been exported so far this season compared to the 414 tons in the previous season. Globally, soybean exports during the 2017/2018 season amounted to an estimated 152.96 million metric tons, with Brazil exporting 50% and the United States 38% of this figure. The projected world soybean exports for the 2018/2019 season currently stands at 154.20 million metric tons. China remains the largest importer of soybeans followed by the European Union and Mexico. Argentina and Brazil remain the largest exporters of soybean meal as well as soybean oil (WASDE).

**Graph 11: Soybean supply and demand overview for the current marketing season
(Mar 2018 - Jan 2019)**



Information provided by SAGIS.