

Supply and Demand

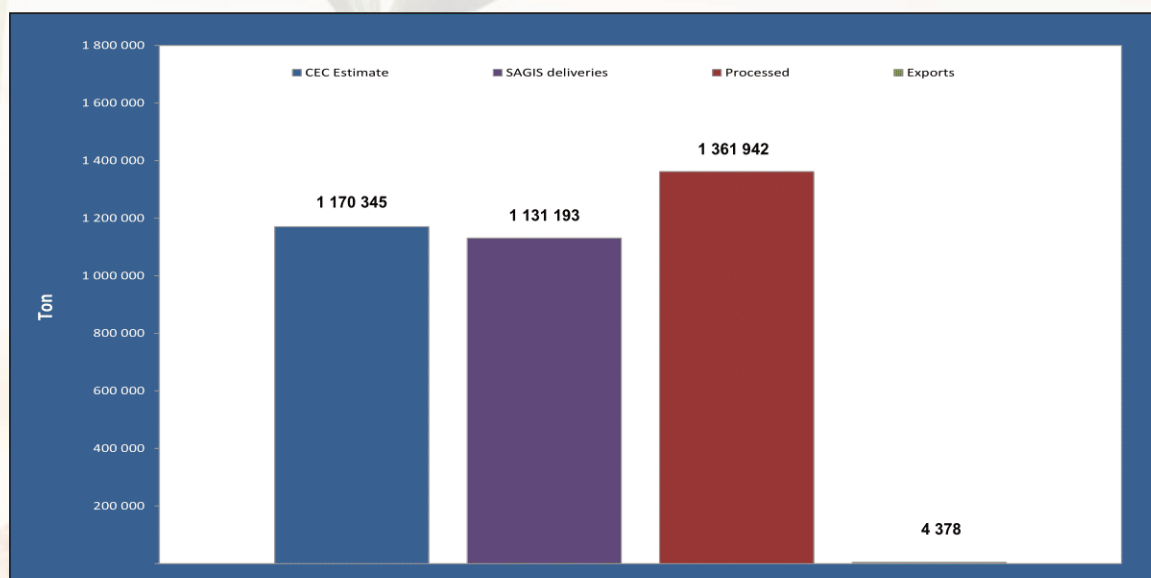
The soybean marketing season dates from March to end of February. According to SAGIS' supply and demand figures for the current marketing season to date (March 2019 to January 2020), 9 098 tons of soybeans have been imported compared to the 6 945 and 27 508 tons of the previous two seasons. China remains the largest importer of soybeans worldwide, with 82.54 million metric tons during the 2018/19 season, followed by the European Union and Southeast Asia.

Of the 1.36 million tons of soybeans processed to date, 1.6% was used for human consumption, 13.2% for animal feed as full fat soya and the bulk crushed to produce oil and oilcake. Soybean oilcake demand is primarily driven by the feed industry. The quantity of soybeans crushed so far, is 10% more than the total quantity crushed during the previous season and 86% more than the 10-year average. According to BFAP Baseline, crush volumes are expected to increase by 15% year on year.

Due to the rapid expansion over the past five years, the soybean industry is becoming more mature and further expansion is expected to occur at a much slower rate. Total soybean processing capacity (crush and full fat) in South Africa is derived from a combination of dedicated soybean processing facilities, as well as plants with the ability to switch between soybeans and sunflowers. A return to longer term yields suggest that, as early as 2020, sufficient soybeans will be produced in South Africa for dedicated soybean processing facilities to reach a benchmark utilisation rate of 80%. Total capacity, in combination with dual plants is more than 2 million tons. South Africa therefore have ample capacity to process the projected volumes (crush and full fat) until 2025, provided that crush margins are sufficient to induce switching of dual plants into soybean crushing. As a result of increased crush volumes, South Africa has replaced a substantial share of imported oilcake over the past decade. The use of soybean oilcake, dominant in the oilcake complex, is projected to expand from 1.2 million tons in 2018 to 1.6 million tons in 2028.

4 378 tons of soybeans/products have been exported so far this season compared to the 32 810 tons in the previous season. Globally, soybean exports during the 2018/19 season amounted to an estimated 148.33 million metric tons, with Brazil exporting 50% and the United States 32% of this figure. The projected world soybean exports for the 2019/20 season currently stands at 151.88 million metric tons. Argentina and Brazil are 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 2019 - Jan 2020)



Information provided by SAGIS.