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 2022 to January 2023), the amount of soybeans imported (4 018 tons) was less than the 13 448 tons imported during the previous season. The ten year import amount average is 67 571 tons. China remains the largest importer of soybeans worldwide, with 91.57 million metric tons during the 2021/22 season, followed by the European Union.

Of the 1.75 million tons of soybeans processed locally to date, 1.2% was used for human consumption, 10.1% 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 2% more than the total quantity crushed during the previous season and 60% more than the 10-year average. According to *BFAP Baseline*, soybean processing volumes are projected to increase by 40% over the next 10 years.

Soybean oilcake remains the main source of protein in most animal feed rations, due to its high protein content and favourable pricing relative to alternatives such as fishmeal. As livestock production continues to grow, the demand for soybean oilcake will also increase, with growth projected at an average of 2.6% per annum. Soybean oilcake production growth is expected to be 28% above 2021 levels by 2031.

Over the course of 2022 to 2031, soybean oilcake imports are set to remain below 300 000 tonnes, compared to 496 000 tons in 2021. Industry managed to replace 450 000 tons of imported oilcake over the past decade. Imports occur into the coastal regions, mostly in the off season. While some trade has started to occur to the coastal regions through the harvest season, the high cost of transportation continues to inhibit full import replacement. Investment into rail infrastructure to reduce transport cost, will benefit both the soybean processing as well as the livestock subsector.

By 2031, total vegetable oil consumption is expected to rise by 18% relative to average levels between 2019 and 2021. Over the same period, soybean oil consumption is expected to rise by 25%. From 2011 to 2021 soybean oil consumption rose by 28%.

251 876 tons of soybeans/products have been exported so far this season compared to the2 295 tons of the previous season and the 26 192 tons of the 10-year average. Exports to countries outside the African continent (Bangladesh, Malaysia, Thailand and Vietnam) have increased considerably. Globally, soybean exports during the 2021/22 season amounted to an estimated 153.98 million metric tons, with Brazil exporting 51% and the United States 38% of this figure. The projected world soybean exports for the 2022/23 season currently stands at 168.40 million metric tons. Argentina, followed by Brazil and the USA are the largest exporters of soybean meal and Argentina and Brazil the largest exporters of soybean oil *(WASDE - 634)*.

Graph 11: Soybean supply and demand overview for the current marketing season (Mar 2022 - Jan 2023)

Information provided by SAGIS.