

**MONTHLY SOYBEAN SUPPLY & DEMAND ROUND-UP**

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**1. World at a glance**

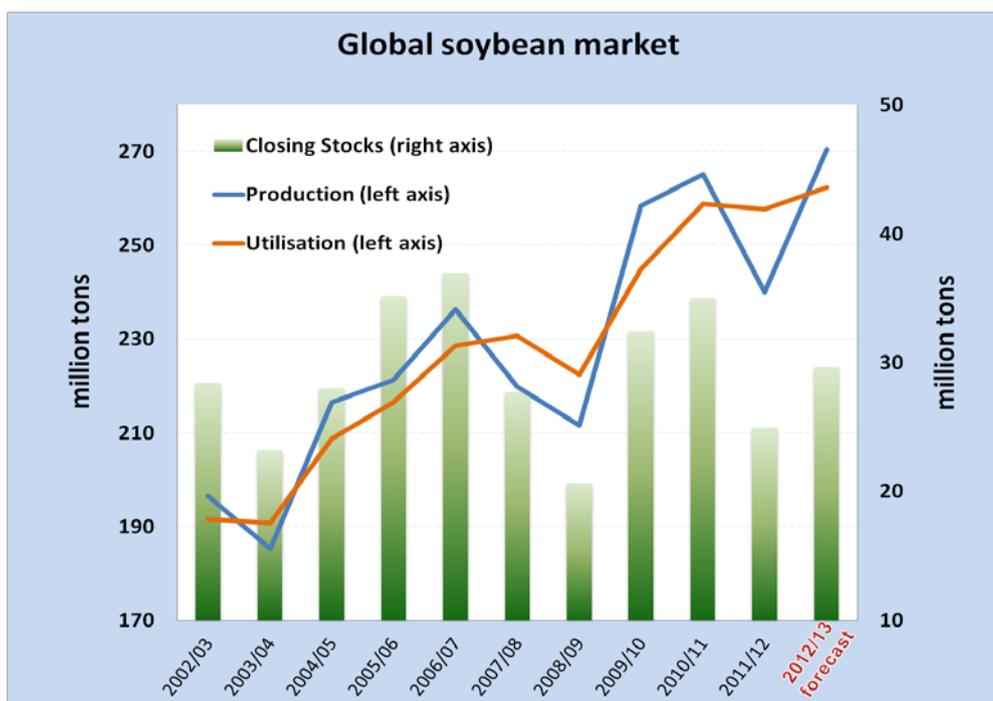
The latest global production forecast for 2012/13 amounts to 270-271 million tons, implying a recovery - by almost 13% - from the previous season, which would also overtake the record registered in 2010/11. Historically low carryover stocks would, however, limit total availabilities for the current season.

Based on successive upward revisions in production, this season's global supply and demand balance for soybeans should prove less tight than anticipated at the start of the season. World production is now forecast to exceed global utilization by 8 million tons or 3%, as opposed to the strong shortfall (almost 18 million tons) seen in 2011/12.

World soybean utilization is now put at 262 million tons, an about 2% year-on-year increase, following last season's stagnation.

The estimate for global soybean trade has been raised to nearly 101 million tons, exceeding the 2011/12 figure by 2%.

Estimates for 2012/13 carry-out stocks have recently undergone upward revisions, now reaching almost 30 million tons, which would allow for a partial replenishment in global inventories after the sharp drop observed in 2011/12. This leads to higher stock-to-use values and major exporters' stock-to-disappearance ratios. Although recovering from the low 2011/12 level, both ratios remain well below previous levels.



## 2. Country details

**Production:** The improved production forecast for 2012/13 (compared to last season) continues to rely almost entirely on the record crops anticipated in South America, although, in early November, the forecasts for Brazil and Argentina have seen some small downward revisions due to weather related sowing delays. However, the impact of climatic conditions on the plantings of both soybean and maize, in particular in Argentina, will require further attention. The United States have revised upward their latest estimate for the recently harvested 2012/13 crop due to better than anticipated yields. Based on the latest figures, this year's production drop would be less severe than previously forecast. However, compared to previous seasons, the 2012/13 output still represents a 4-year low.

**Utilization:** World soybean utilization in 2012/13 is estimated to grow by 1.8% compared to last season, when a contraction in global consumption was recorded. However, the percentage increase anticipated for 2012/13 remains below average historical rates. In China, the world's leading consumer of soybeans, domestic use is estimated to grow by over 3 percent, which would be well below the growth rates recorded in the past 4 years.

In the United States, based on latest official estimates, consumption is now expected to fall by about 7 percent compared to last season. Although declining slightly less than earlier anticipated, domestic utilization is bound to drop to a 9-year low. In the EU, estimates for the current season are similar to 2011/12, thus confirming historically low consumption levels.

**Trade:** As to global trade, latest estimates for global soy imports and exports are higher than anticipated at the beginning of the season and now point at a 7-8% year-on-year growth. The increase in import demand by China and, to a lesser extent the EU, are expected to be satisfied primarily by South America. While record volumes are expected to be shipped from South America (notably from Argentina, Brazil and Paraguay), in the United States, 2012/13 shipments are likely to fall for the third consecutive year. Due to the progressive fall in US shipments, Brazil is bound to overtake the United States as leading international soybean supplier.

<b>World soybean supply and demand</b>					
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12 estimate</b>	<b>2012/13 forecast</b>	
				<b>previous (12/9/'12)</b>	<b>current (16/11/'12)</b>
	..... in `000 mt .....				
<b>Production</b>	258479	265219	239973	263547	<b>270538</b>
<b>Supply <sup>1</sup></b>	279120	297610	274994	287821	<b>295491</b>
<b>Utilization</b>	244859	258815	257732	261059	<b>262343</b>
<b>Trade <sup>2</sup></b>	91743	91908	93897	95438	<b>100738</b>
<b>Ending stocks</b>	32391	35021	24953	26316	<b>29672</b>
<b>World stock-to-use ratio</b>	13.2	13.5	9.7	10.5	<b>11.3</b>
<b>Major exporters' stock-to-disappearance ratio</b>	5.5	6.9	3.4	7.2	<b>6.6</b>

<sup>1</sup> Supply is defined as production plus opening stocks  
<sup>2</sup> Trade refers to exports

### 3. Soyoil/soymeal supply and demand

Current soybean production estimates for 2012/13 translate into an almost 13% year-on-year increase in both soymeal and soyoil output at the global level — in sharp contrast with the exceptional drop experienced in 2011/12. The anticipated production record would be largely on account of South American countries, most notably Brazil and Argentina.

With regard to utilization, only minimal growth is expected for 2012/13: global meal and oil consumption should grow by no more than 1% and thus considerably less than in last three seasons. Main factors contributing to the slowdown include (i) the weak global economic growth prospects, (ii) record high prices rationing demand on the meal side, and (iii) relatively weak demand for soyoil by the biofuel industry.

### 4. Price developments

During November, international prices across the soybean complex, both in spot and futures markets, have maintained the downward trend that started in October. Better than originally anticipated soybean yields in the recently harvested US crop helped to ease market concerns about tight market availabilities especially with regard to the first half of the season. Reports about favourable weather conditions in Brazil, where the new crop is being sown, also influenced the market.

However, in Argentina, plantings continued to be hampered by excessive rainfall. During the coming weeks, the market will closely follow weather developments in South America. Overall, even though fundamentals generally remain supportive, prices could ease on renewed market concerns over poor macroeconomic performance world-wide.

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Soy products: global supply and demand										
	Soybean meal					Soybean oil				
	2009/10	2010/11	2011/12	2012/13		2009/10	2010/11	2011/12	2012/13	
			estimate	previous	current			estimate	previous	current
	..... in '000 mt .....					..... in '000 mt .....				
<b>Production</b>	181960	187949	169439	186290	<b>190948</b>	43438	44848	40502	44556	<b>45632</b>
<b>Consumption</b>	166788	179675	182585	183768	<b>183549</b>	39152	42169	44122	45532	<b>44542</b>

Note: Production data for soybean oil (cake) simply refer to the oil (cake) equivalent of current soybean production, i.e. they do not reflect the outcome of actual crushing.

Average soybean, soyoil and soymeal prices (US\$ per ton)						
	..... week ending on .....				..... monthly avg. ....	
	23-Nov-'12	16-Nov-'12	9-Nov-'12	2-Nov-'12	Oct 2012	Oct 2011
<b>SPOT</b>						
soybeans (US no.1, yellow, Gulf)	553 *	551	583	597	594	467
soybean meal (pellets, 48%, Brazilian origin, CIF Rotterdam)	550	555	588	602	592	383
soybean oil (Dutch, FOB ex-mill Rotterdam)	1128	1116	1125	1166	1178	1228
<b>FUTURES</b>						
soybeans (CBOT, May contract)	505	503	533	541	538	455
soybean meal (CBOT, May contract)	445	447	480	482	472	357
soybean oil (CBOT, May contract)	1095	1072	1097	1130	1150	1149

Source: USDA, CME, BCR, Bloomberg

\* Average 19 to 21 November only