

MONTHLY SOYBEAN SUPPLY & DEMAND ROUND-UP

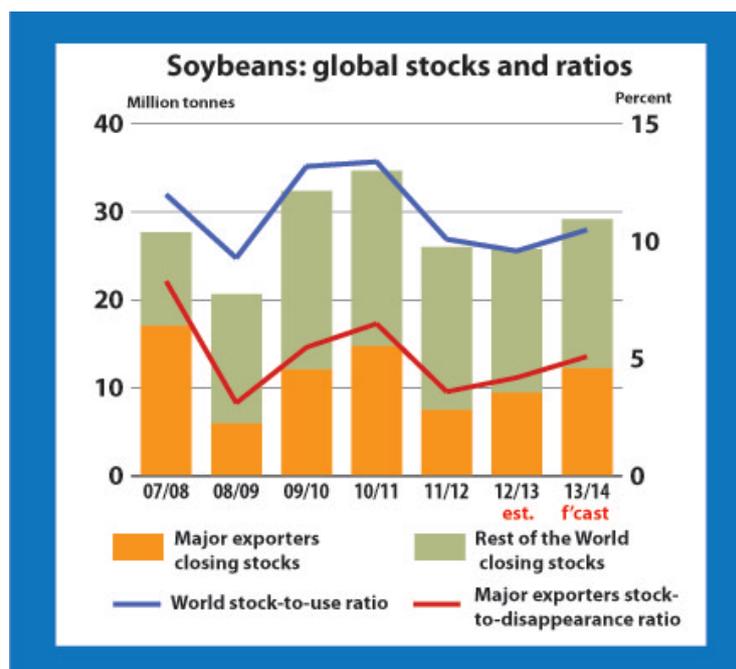
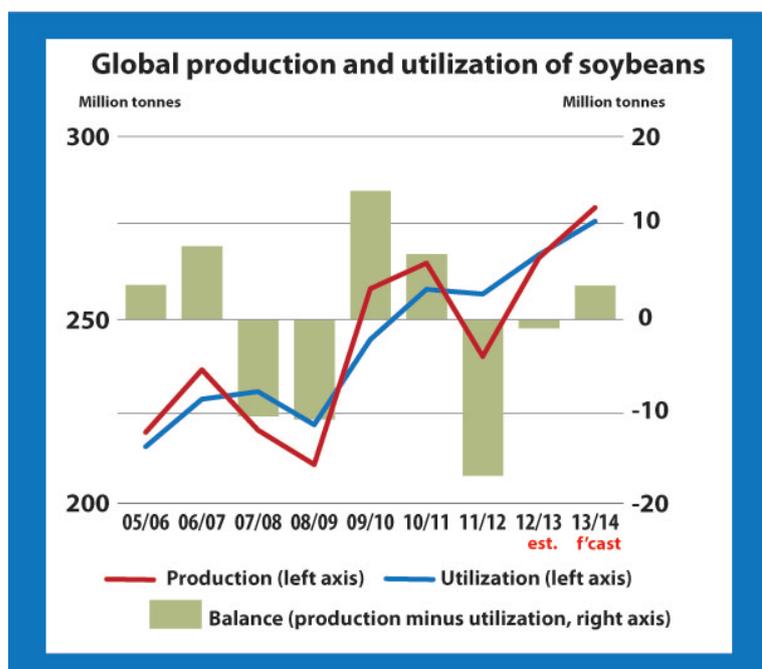
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1. World at a glance

- The global soybean production forecast for 2013/14 has been lowered by 1 percent compared to last month, now reaching 281 million tons. The new estimate still represents a record crop and a 5 percent increase from the 2012/13 season. Year-on-year expansion in total available supplies is also expected to be around 5 percent.
- The 2013/14 estimate for world soybean utilization has been revised downwards by about 1 percent to 277 million tons, still growing by an about average 3.4 percent from the 2012/13 season.
- The 2013/14 soybean supply/demand balance – though improving compared to last season – is

estimated to be tighter than earlier anticipated. The surplus in world production relative to utilization is now anticipated at 3.7 million tons (or 1.3 percent).

- As to world soybean trade, this month’s estimate for 2013/14 has been adjusted upwards slightly, bringing the year-on-year increase to 8 percent.
- The forecast for 2013/14 global closing stocks has undergone another downward revision by about 5.5 percent. The current estimate still implies a substantial replenishment of global inventories compared to the level recorded for 2012/13. The two ratios, global stock-to-use and major exporters’ stock-to-disappearance, have also been corrected downwards, though still marking a three-year high.



2. Country details

Supply:

- The estimated for global production has been revised downwards mainly on account of the United States and Argentina, with only partially offsetting upward adjustments for Brazil.
- The output estimate for the United States has been lowered to 85.7 million tons due to dry weather conditions that affected yield levels. Production is still anticipated to recover, after three consecutive years of decrease.
- In South America, initial forecasts point to ample crops throughout the soybean growing regions, but plantings are still to begin. Brazilian output, at 86.5 million tons, is expected to be at an all-time record, mainly driven by an expansion in planted area. If the forecasts materialized, Brazil would become the world's leading producer, overtaking the United States. The production forecast for Argentina has been lowered to 52.5 million tons, still a near-record crop outcome.

Utilization:

- This month's downward revision primarily reflects the changes in production prospects in the United States and Argentina.

Inventories:

- The month-on-month drop in global 2013/14 closing stocks reflects the second consecutive cut in inventory estimates in the United States, where ending stocks are now anticipated to be 4 million tons – still a recovery from the historically low levels recorded in the past two seasons. However, the new estimate is substantially lower than earlier estimates that pointed to multi-year highs.

Trade:

- As to trade, the initial estimates for global 2013/14 soybean imports and exports have been revised upwards by 0.8 percent. On the export side, there have been upward revisions in Brazil, Paraguay and Canada, while on the import side, the main changes occurred in China and other Asian countries.
- Provided the forecasts materialized, Brazil would be the leading exporter for the second consecutive year, replacing the United States. As to imports, China continues to be the leading player and should account for some 63 percent of global purchases.

World soybean supply and demand						
	2010/11	2011/12	2012/13 estimate	2013/14 forecast		
				previous (23/08/'13)	current (23/09/'13)	change in percent
 in '000 mt					
Production	265433	239983	266828	283960	280536	-1.21
Supply ¹	297814	274637	292871	308835	306303	-0.82
Utilization ²	258283	256981	267736	277826	276817	-0.36
Trade ³	90809	94350	97657	104400	105210	0.78
Ending stocks	34654	26043	25767	30857	29171	-5.46
 in percent					
World stock-to-use ratio	13.4	10.1	9.6	11.1	10.5	
Major exporters' stock-to-disappearance ratio ⁴	6.5	3.6	4.2	6.1	5.1	

¹ Supply is defined as production plus opening stocks .

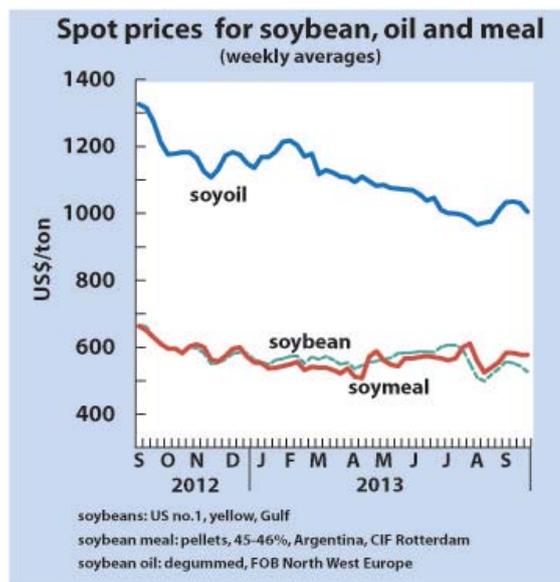
² Utilization is defined as domestic disappearance and includes primarily crush, plus seed, waste and confectionary uses.

³ Trade refers to exports.

⁴ Major exporters considered for this ratio include United States, Argentina, Brazil and an aggregate of other South American countries, and 'disappearance' comprises exports of the countries listed.

4. Price developments

- In September, average international prices strengthened throughout the soy complex in the spot market, while in the futures market values strengthened for soybean and soymeal, but continued easing for soybean oil.
- The overall increase in prices was mostly concentrated in the first half of the month, reflecting rising concerns about the impact of dry weather in the major US growing regions, especially considering that the second consecutive downward revision in expected output led to significantly lower forecasts for ending stocks.
- From mid September onward, however, international quotations started easing again, following reports of an improved rainfall situation in the United States.



Average soybean, soyoil and soymeal prices (US\$ per ton)							
 week ending on monthly avg.		
	27-Sep-'13	20-Sep-'13	13-Sep-'13	06-Sep-'13	Sep 2013	Aug 2013	Sep 2012
SPOT							
soybeans (US no.1, yellow, Gulf)	518	527	544	553	533	526	642
soybean meal (pellets, 45-46%, Argentina, CIF Rotterdam)	572	578	578	583	578	563	638
soybean oil (degummed, FOB North West Europe)	1011	1005	1030	1036	1020	995	1281
FUTURES							
soybeans (CBOT, January contract)	484	485	503	500	494	465	616
soybean meal (CBOT, December contract)	457	466	478	474	467	429	558
soybean oil (CBOT, December contract)	927	936	947	967	941	953	1225
Source: USDA, CME, Bloomberg, Reuters, own calculations							

For comments or queries
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