

Global Supply, Demand and Price Outlook of Soybeans, Oil and Meal in 2021/22

Pre-Recorded Presentation on 12 Nov 2021

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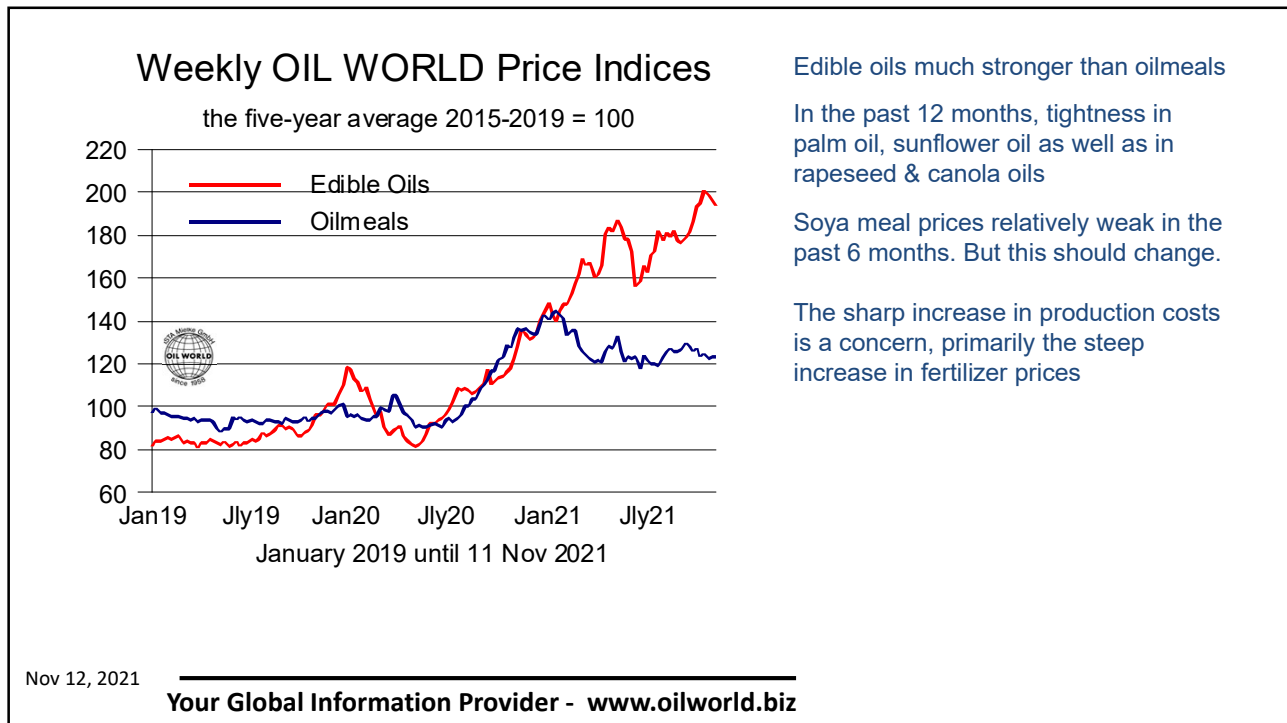
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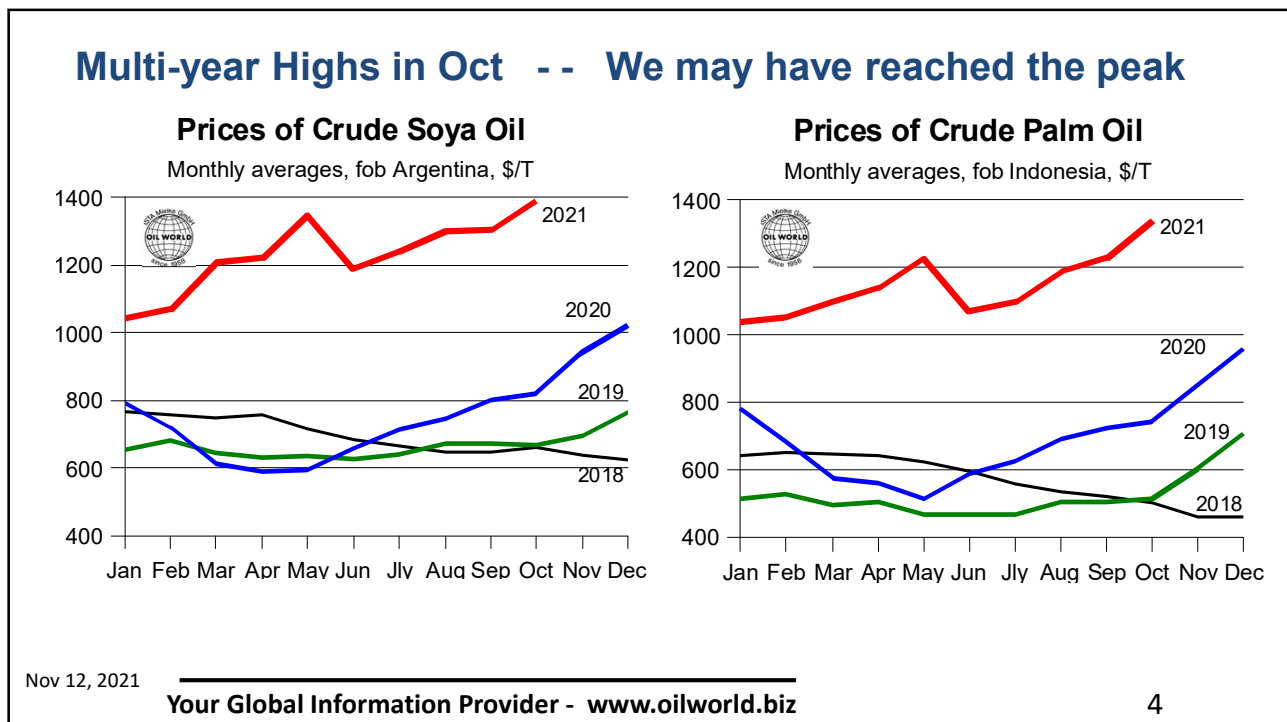
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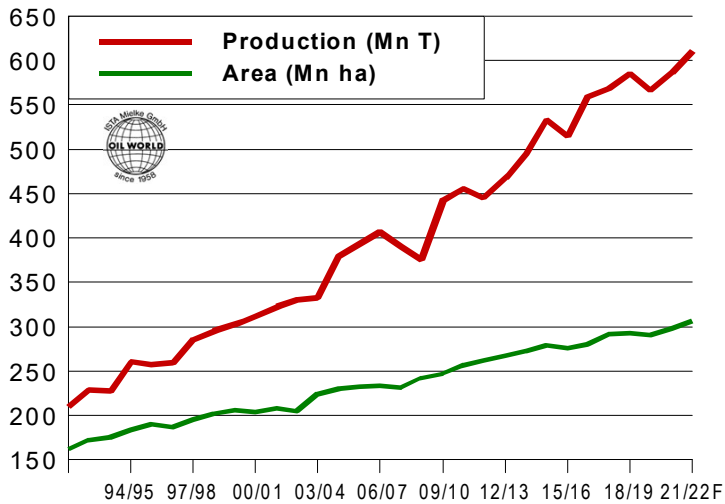


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10 Oilseeds: World Area and Production



Reactions to the high prices:

- 1) Consumers cut back usage, mainly in the edible sector
- 2) Farmers boosted oilseed plantings worldwide by 9 Mn ha
- 3) Low contract cover & low stocks

The fight for acreage with grains has limited the oilseed area expansion. In China soya area reduced.

World production of 10 oilseeds forecast to increase by 25 Mn T in 21/22 to a new high of 611 Mn T.

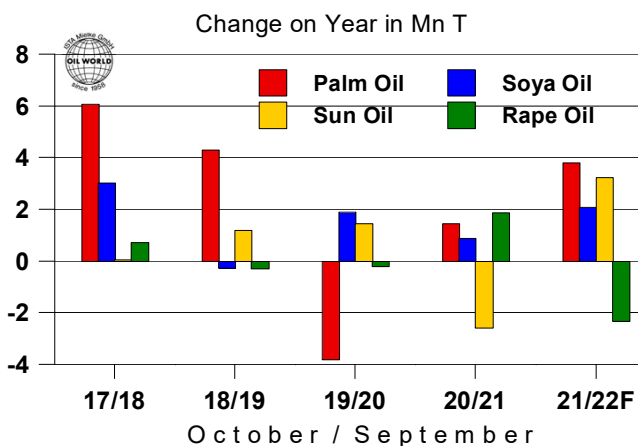
There will (most likely) be sufficient supplies of oilseeds to sharply raise crushings and to eliminate the current vegetable oil supply tightness.

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World Production of 4 Major Oils



For 2021/22 we forecast world production of 4 veg oils to increase by 6.5-7.0 Mn T, the biggest growth in 4 years.

This follows 2 years with a global production deficit and a sharp decline of veg oil stocks.

Veg. oil prices are set to decline. Meal prices are likely to become relatively stronger in 2021/22.

But slow crushings of record oilseed supplies in Sept/Dec (primarily sunseed & soybeans) has kept veg oil prices high lately

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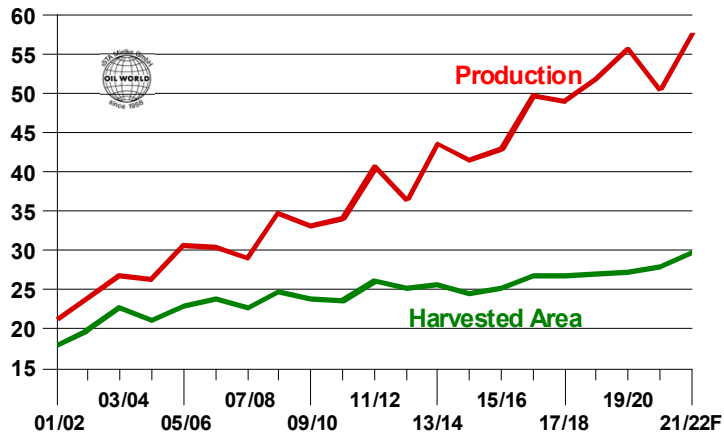
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SUNFLOWERSEED

World Production (Mn T) and Area (Mn ha)



World production plummeted by 5.3 Mn T in 2020/21 (biggest decline ever)

Substantial recovery by 7 Mn to 57.7 Mn T expected in 2021/22, raising oil export supplies

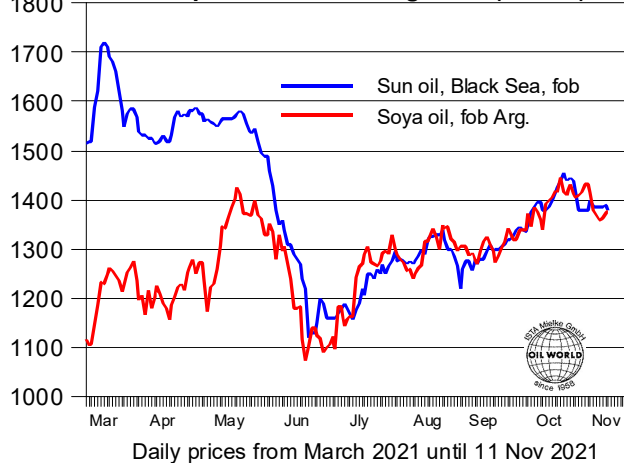
Ukraine 16.9 (vs. 13.9)
Russia 15.3 (vs. 13.4)
EU-27 10.5 (vs. 8.9)

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Fob Export Prices of 2 Veg. Oils (US-\$/T)



Sun oil prices currently still high
Very slow farmer selling in Russia due to high Russian export tax (US-\$ 194.50 in Nov and 276.70 in Dec)

Russian sunflower crushings down sizeably from last year in Sep/Nov

World crush likely to decline in Sept/Dec 2021, despite record crop

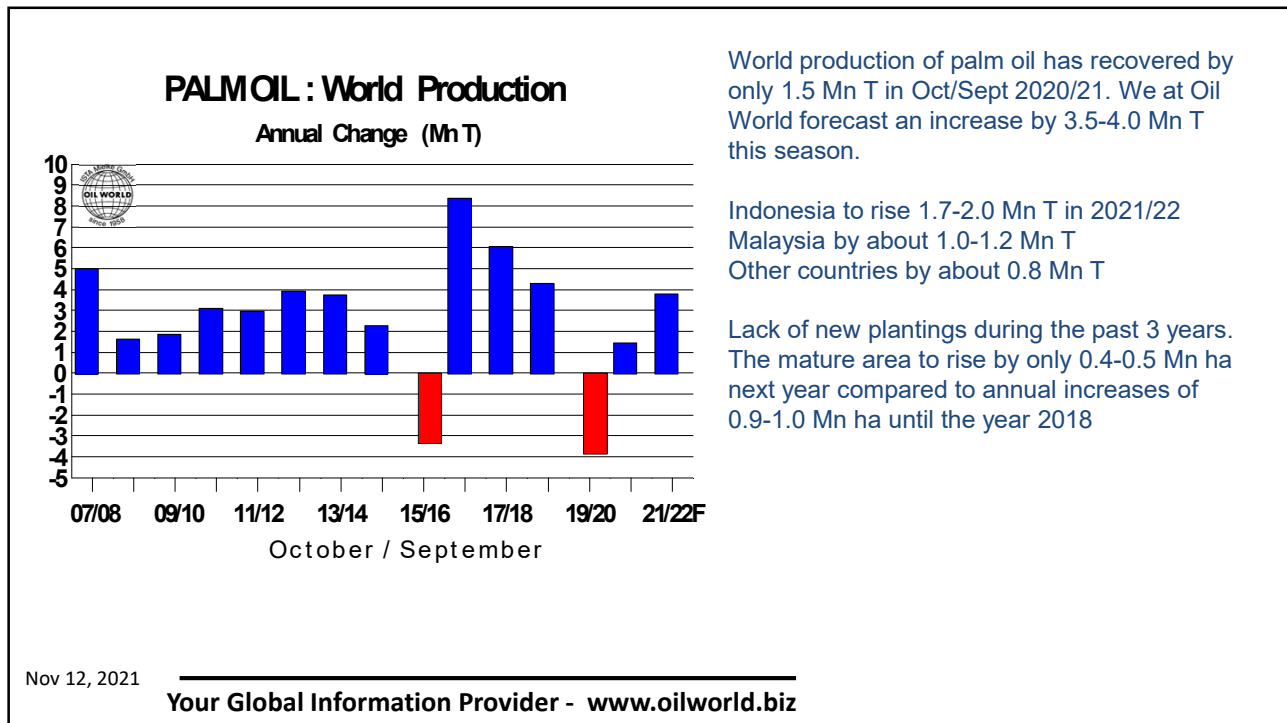
But world crush up substantially by 5.5-6.0 Mn T in Jan/Aug 2022, creating price pressure

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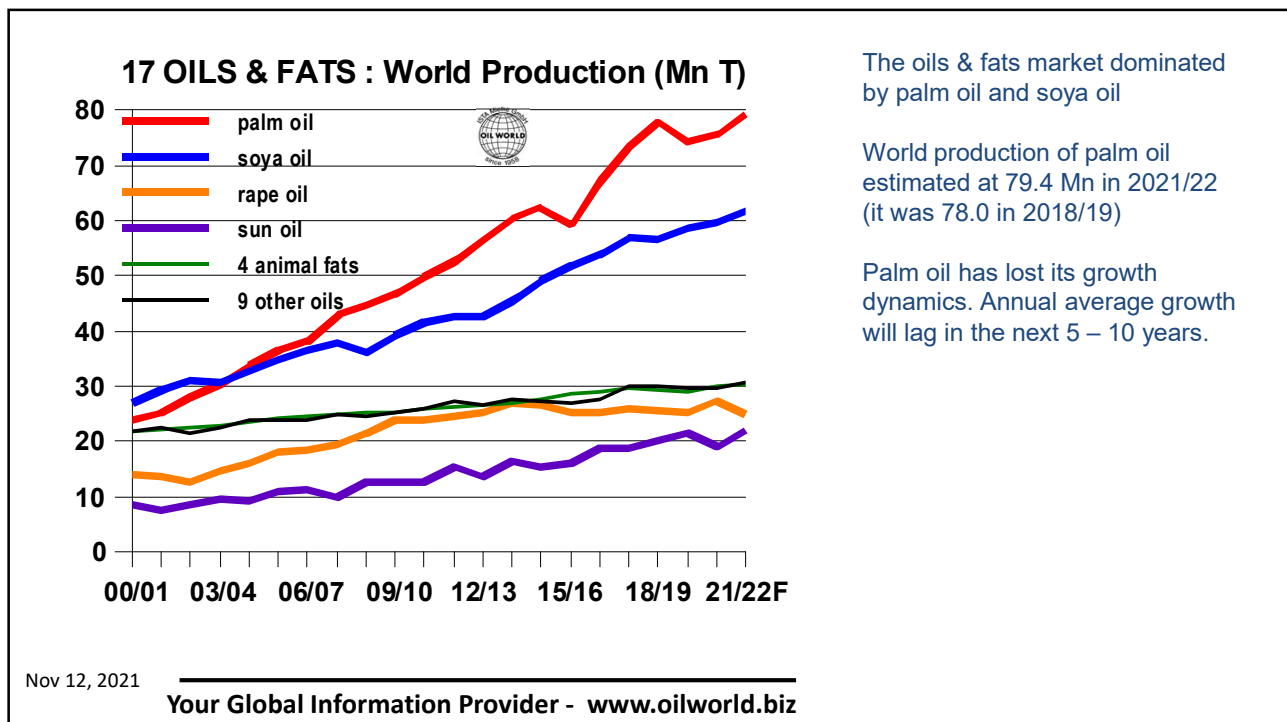
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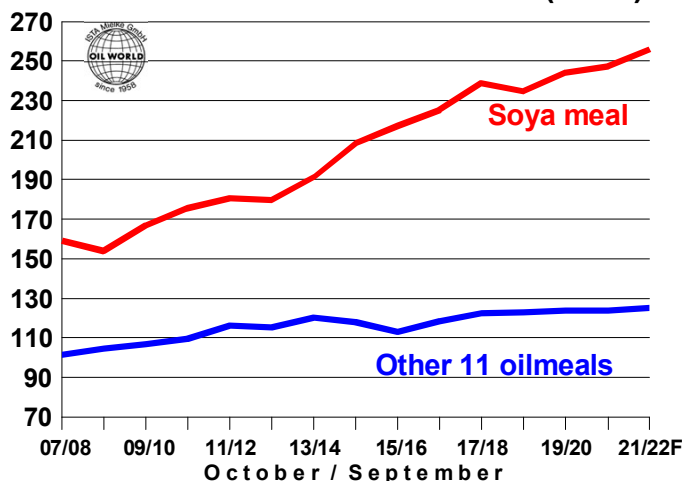
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Increasing Dependence on Soya Meal

12 Oilmeals: World Production (Mn T)



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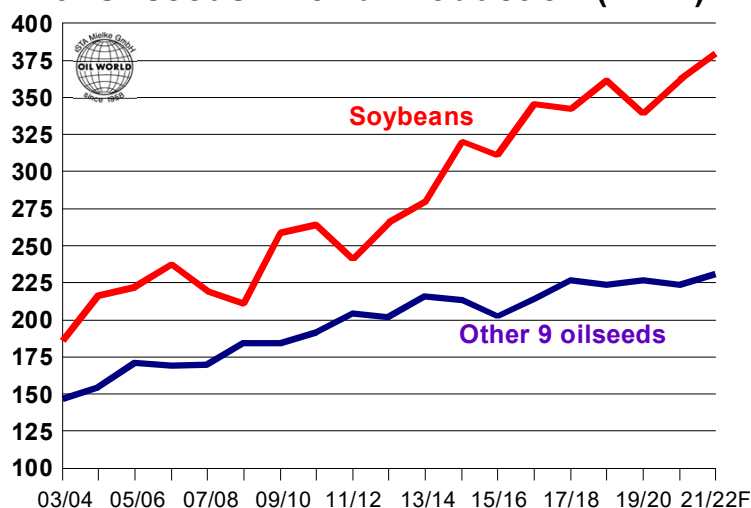
This season soya meal is likely to account for 67% of all oilmeals

Smaller than expected soya meal consumption has slowed soybean crushings in the past 4-5 months, primarily in China

Chinese soybean crush likely to rise by only 1.5 Mn T in Jan/Dec 2021 versus +5.0 Mn T in 2020

But this is going to change. World soybean crush set to accelerate by 9-10 Mn T in 21/22. Consumption of soya meal set to rise by 7-8 Mn T in 2021/22, benefiting from tighter grain supplies

10 Oilseeds: World Production (Mn T)



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The Outlook for Soybeans:

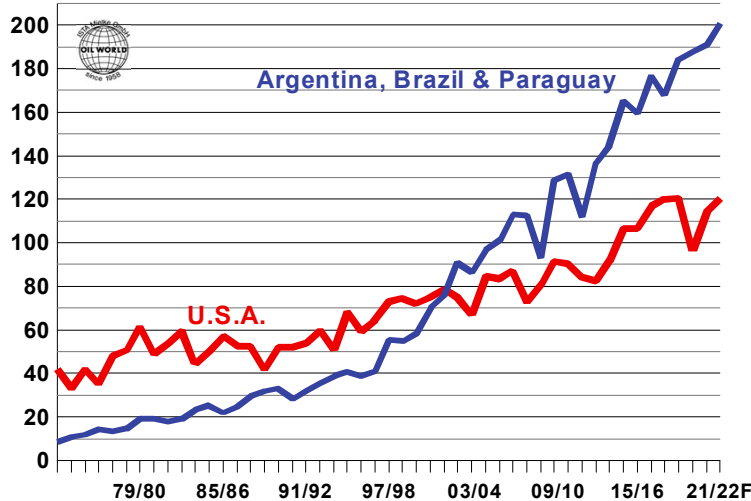
Soybean production set to rise by 17 Mn T in 2021/22 to 379 Mn T (accounting for 62% of all oilseeds). Now rising faster than consumption.

World stocks of soybeans set to increase in 2021/22, mainly in the USA and South America

But still many uncertainties (weather, farmer selling, covid, import demand of China, trade policies, currencies, GDP, energy prices, etc.)

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Soybean Crop Trend Since 74/75 (Mn T)



Rapid expansion in S. America, driven by area expansion

Soybean crop estimates for 2021/22 in Mn T (vs. 2020/21):

Brazil 145 (vs. 138)
USA 120.4 (vs. 114.8)
Argentina 45-46 (vs. 43.8)

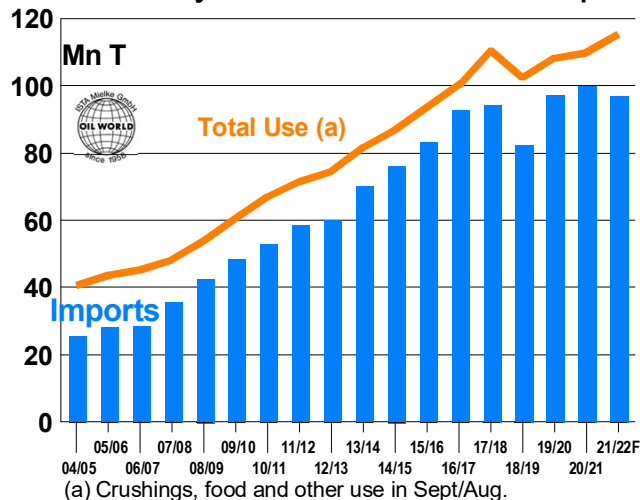
Brazil much larger soybean crop in early 2021 despite dryness. Huge increase in plantings (partly on illegal area)

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CHINA: Soybean Demand and Share of Imports



In Sept/Aug 2020/21 China imported a record 38.1 Mn T of soybeans from the USA (against 17.9 Mn in 2019/20).

But arrivals of US soybeans in China have been small since May this year.

China has slowed purchases on the world market this summer, imports plummeted by 8.5 Mn T from last in June/Oct 2021. Stocks were reduced.

Outlook 2021/22: So far China purchased 18.2 Mn T of US soybeans (against 27.6 a year ago). Large purchases are imminent. Probably waited for the Nov 9 US crop revision, hoping for lower prices.

But strong competition from S.America

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SOYBEANS : World Exports (Mn T)

September / August

	21/22F	20/21	19/20	18/19	15/16
Argentina . .	4.80*	4.53	11.43	7.63	10.34
Brazil	93.20*	81.09	92.48	74.84	56.64
Paraguay . .	6.67*	6.48	5.72	5.39	5.37
Uruguay . .	2.16*	2.01	2.45	2.60	2.51
Subtotal . .	106.83*	94.11	112.08	90.46	74.86
U.S.A.	54.30*	61.77	45.77	47.88	52.92
Canada . . .	3.80*	4.51	3.58	5.64	4.20
Oth. c'tries	4.68*	4.67	5.59	4.71	3.99
World . . .	169.61*	165.06	167.02	148.69	135.97



The USA is losing market share to South America since March 2021 and again in Sept/Aug 2021/22.

Record South American exports likely to reduce US soybean exports by 7 Mn T or more.

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SOYBEANS : World Supply and Demand (Mn T)

	21/22F	20/21	19/20	18/19
Opening stocks	97.80*	96.90	111.75	93.99
Production	379.00*	362.32	339.66	361.81
Total supply	476.80*	459.22	451.41	455.80
Crush (Sept/Aug).	325.40*	315.91*	310.73	301.95
Other use	47.40*	45.51*	43.78	42.10
Ending stocks	104.00*	97.80*	96.90	111.75
U.S.A. Aug 31	10.70*	6.97	14.28	24.74
Argentina Aug 31	34.50*	34.10*	32.94*	32.90*
Brazil Aug 31	34.37*	33.14*	24.82*	37.56*
Stocks/usage	27.9%	27.1%	27.3%	32.5%



Production up 17 Mn T in 2021/22 and is expected to exceed consumption, facilitating a recovery of stocks by about 6 Mn T

Soybean crushings anticipated to increase by 9-10 Mn T in 2021/22 worldwide. The development of soya meal demand is a variable to watch.

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U.S.A : Soybean Supply & Demand Balance (Mn T)

	September / August				
	21/22F	20/21	19/20	18/19	17/18
Op. stocks . . .	6.97	14.28	24.74	11.92	8.21
Crop.	120.43	114.75	96.67	120.51	120.07
Imports50*	.57	.45	.42	.62
Exports	54.30*	61.77	45.77	47.88	58.23
Crushings . . .	59.90*	58.26	58.91	56.93	55.93
Other use. . . .	3.00*	2.59	2.90	3.30	2.82
End. stocks . .	10.70*	6.97	14.28	24.74	11.92
Stocks/usage	9.1%	5.7%	13.3%	22.9%	10.2%



Soybean prices have fallen to a 9-month low in early November 2021

- higher than expected production
- lower than expected world soybean imports and crushings

In the USA soybean stocks likely to rise sharply by 4 Mn T, probably more

Downward potential in soybean prices, unless S. American weather damage

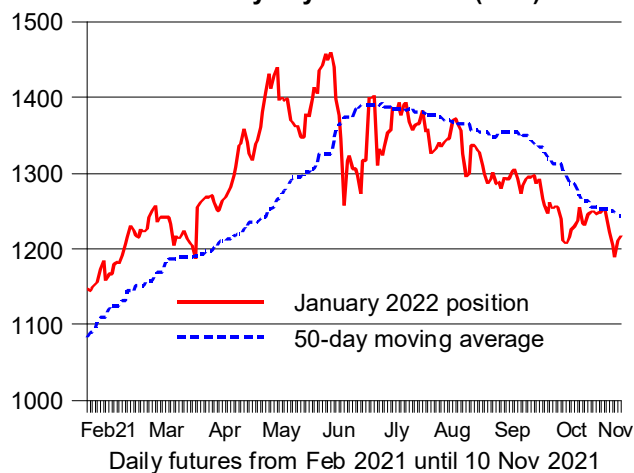
Chinese buying is a key variable to watch

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CBOT : Daily Soybean Futures (c/bu)

Soybean prices have been on a declining trend, due to:

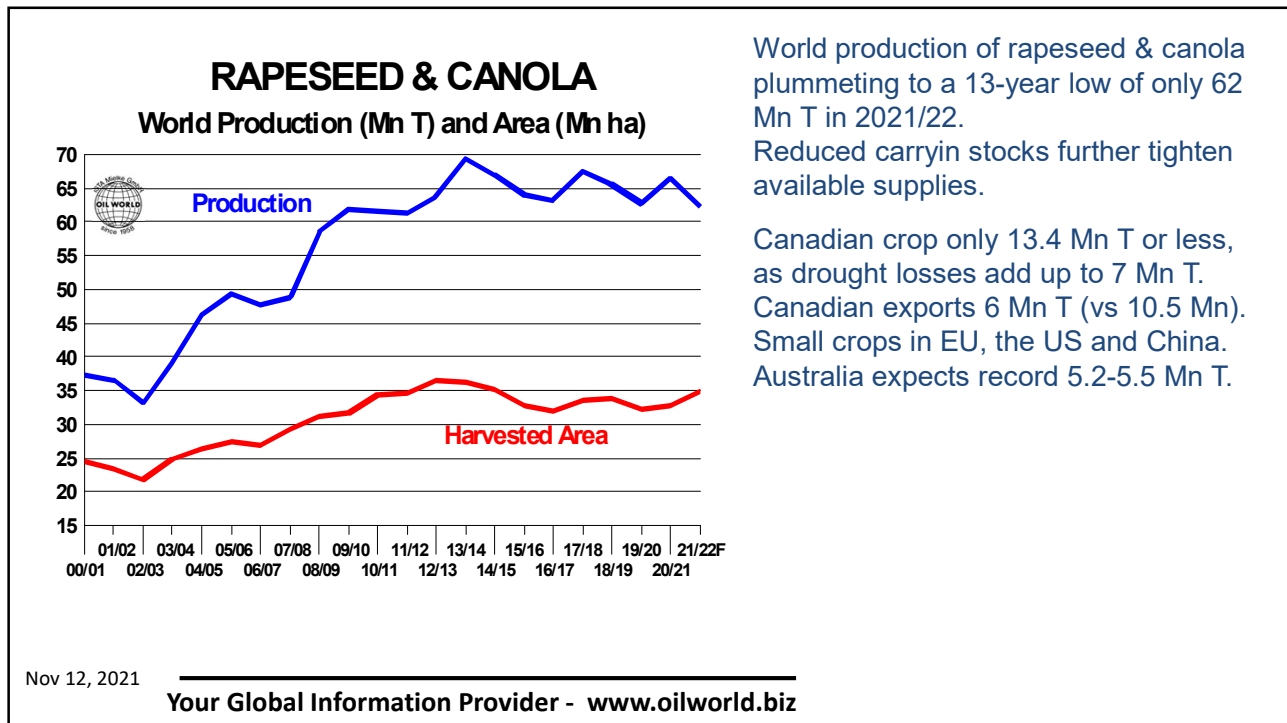
- Slow-down of soybean disposals
- Declining world trade since June
- Sluggish soya meal demand
- Approaching new-crop supplies
- Prospects of a global production surplus in soybeans. But weather remains the major uncertainty.
- World stocks to rise by 6 Mn T to the 2nd highest on record

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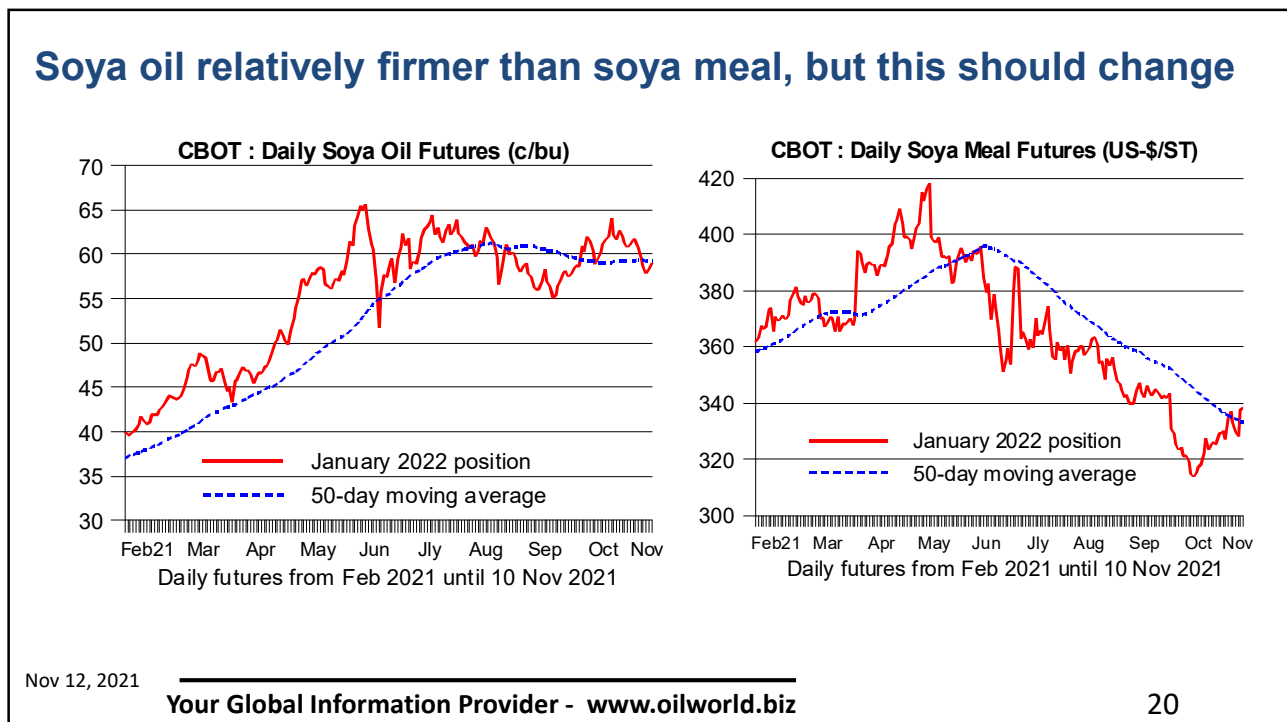
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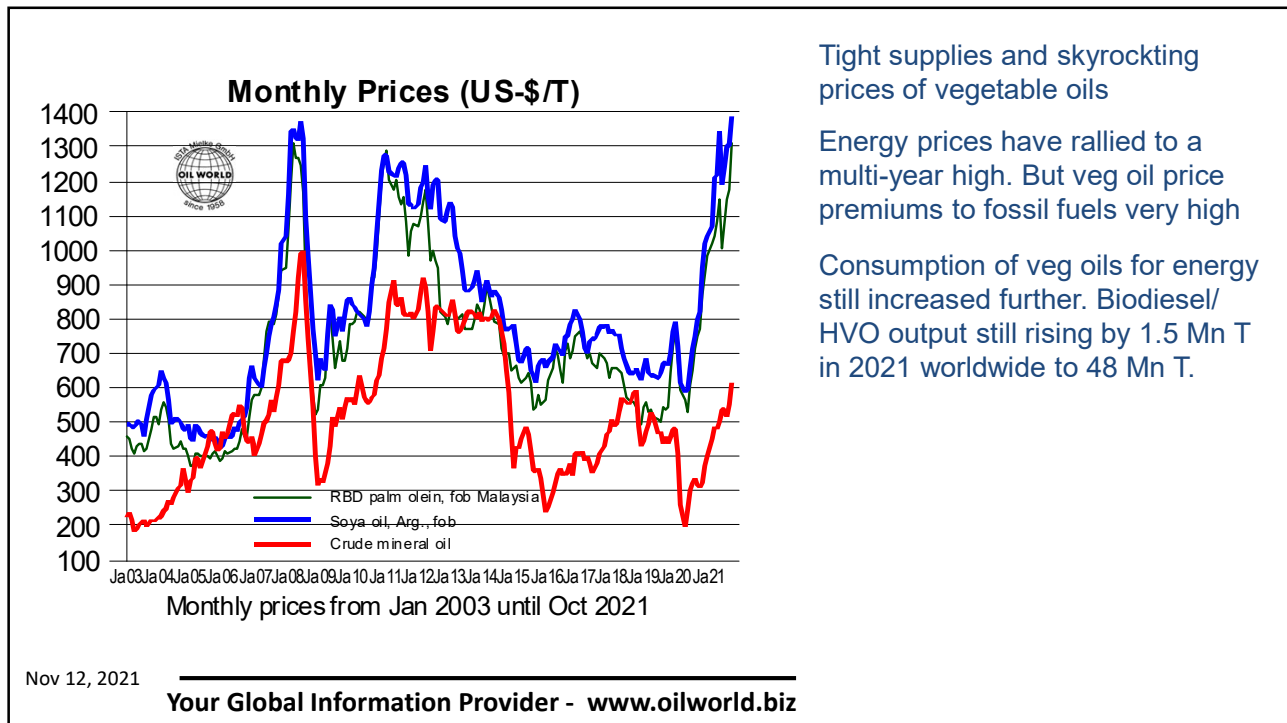


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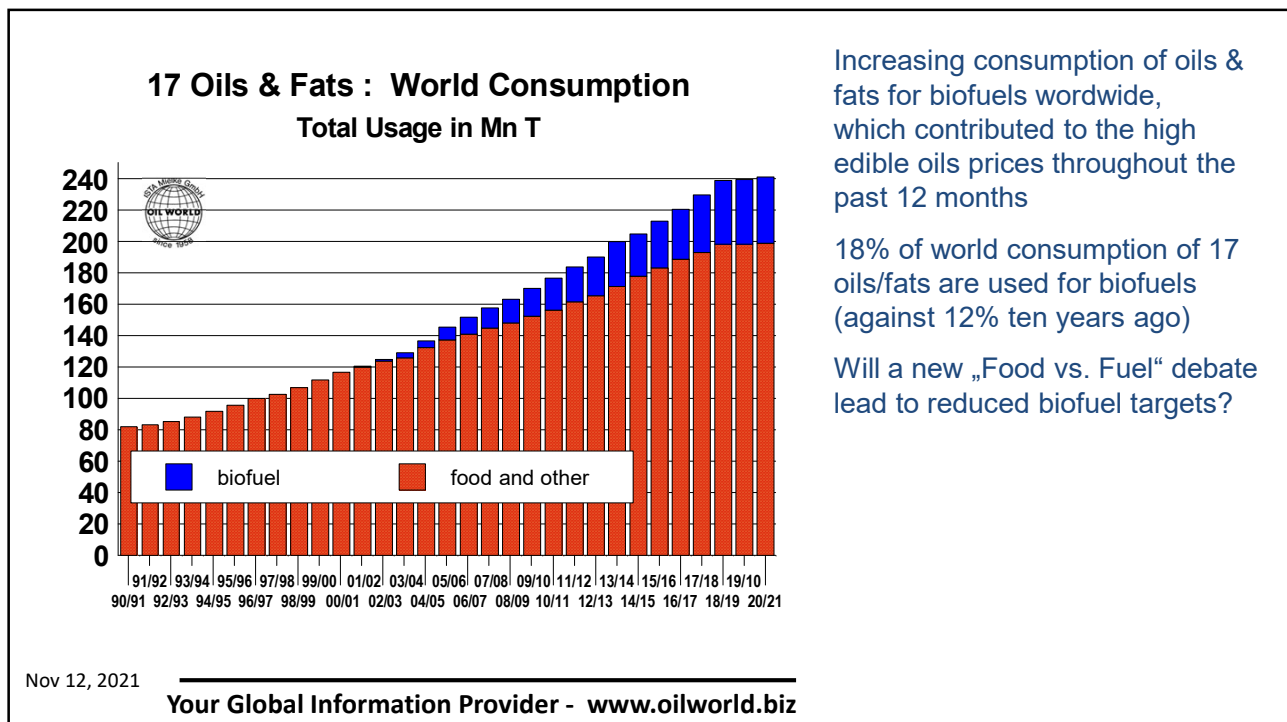


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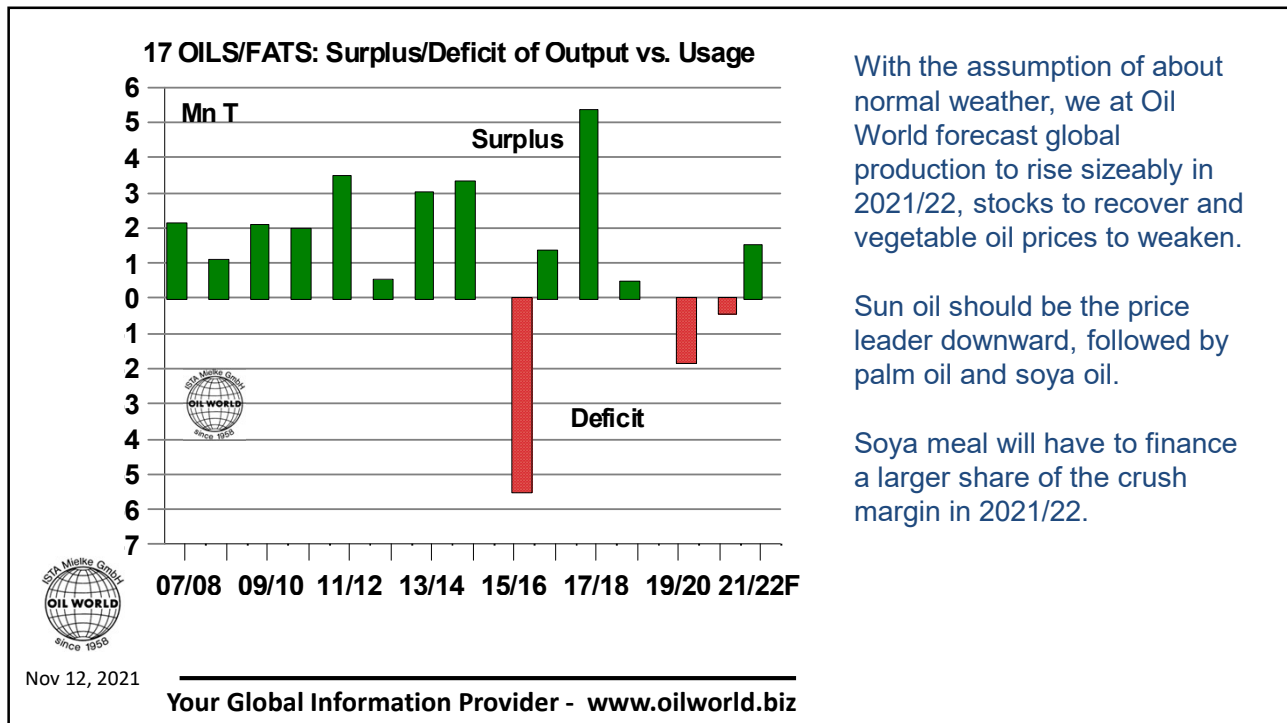
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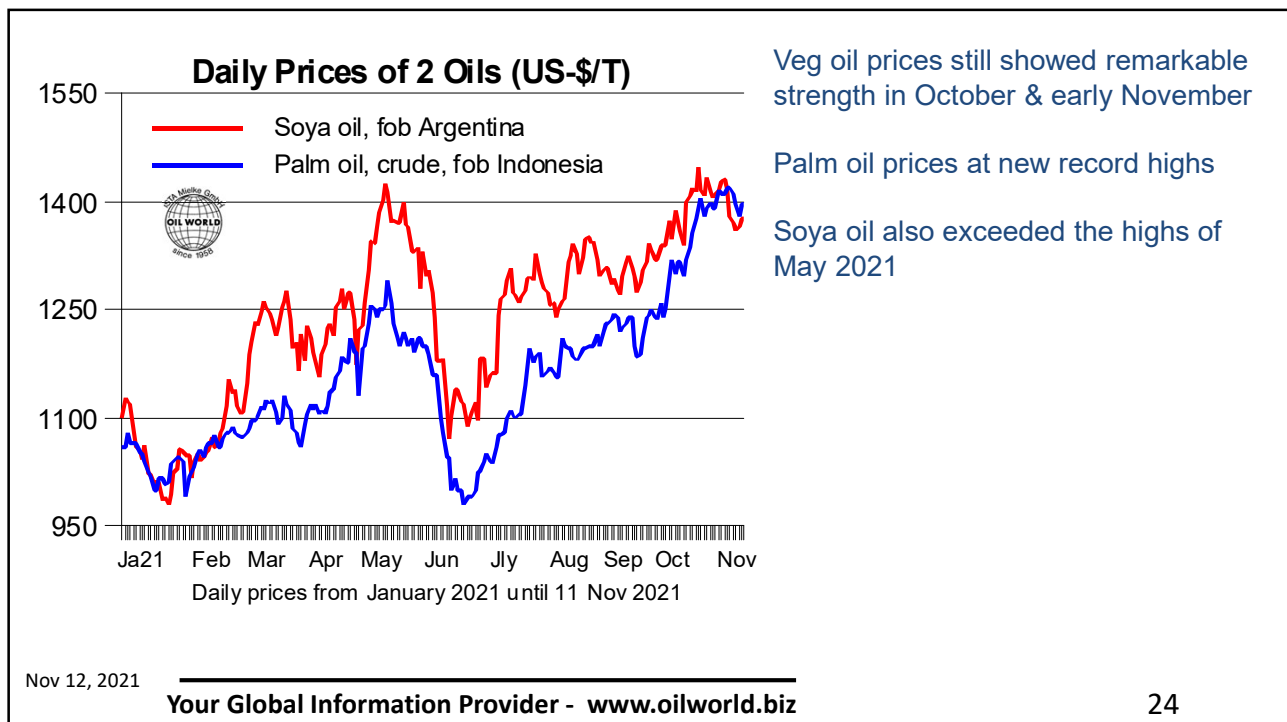
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Selected Nearby and Deferred Prices (US-\$T)

As of Nov 11, 2021:	Nearby		Deferred Positions	
	1.	2.	3.	4.
Soybeans, cif Rott	547 N	550 D	552 Ja	555 F
Soya pell, Arg, fob	385 N	387 D	390 Ja	387 F
Soya oil, Arg, fob	1396 N	1376 D	1366 Ja	1348 F
Sun oil, Black Sea, fob	1380 N	1380 D
Rapeseed oil, fob Rott	1874 N/Ja	1759 F/Ap	1713 M/Jy	1496 Ag/O
Palm olein RBD fob Mal	1365 N	1315 D	1210 Ja/Mr	1110 Ap/Je
Coconut oil, cif Rott	1810 D/Ja	1800 Ja/F	1790 F/Mr	..

High oil prices not sustainable

Triggered by rising production and stocks, we at Oil World anticipate veg. oil prices to decline in Jan/June 2022 under the lead of sun, palm & soya oils

The deferred position already show lower veg oil prices, but there is more downward potential

Soya meal prices likely to appreciate with demand picking up and veg oil easing

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Thank You for Your Attention!

More market info required?
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