Transformation of the US marketplace

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U.S. soybeans long-term projections

Item	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Soybeans												
Area (million acres):												
Planted	87.5	83.6	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0	87.0
Harvested	86.2	82.8	86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1	86.1
Yield, bushels per harvested acre	49.6	49.6	52.0	52.5	53.0	53.5	54.0	54.5	55.0	55.5	56.0	56.5
Supply (million bushels)												
Beginning stocks, September 1	274	268	220	286	303	304	300	300	301	306	316	326
Production	4,270	4,104	4,475	4,520	4,565	4,605	4,650	4,690	4,735	4,780	4,820	4,865
Imports	25	30	15	15	15	15	15	15	15	15	15	15
Total supply	4,569	4,403	4,710	4,821	4,883	4,924	4,965	5,005	5,051	5,101	5,151	5,206
Use (million bushels)												
Crush	2,212	2,300	2,375	2,430	2,465	2,490	2,510	2,530	2,550	2,570	2,590	2,615
Seed and residual	97	128	123	124	124	124	124	124	125	125	125	125
Exports	1,992	1,755	1,925	1,965	1,990	2,010	2,030	2,050	2,070	2,090	2,110	2,135
Total use	4,301	4,183	4,423	4,519	4,579	4,624	4,664	4,704	4,745	4,785	4,825	4,875
Ending stocks, August 31												
Total ending stocks	268	220	286	303	304	300	300	301	306	316	326	331
Stocks-to-use ratio, percent	6.2	5.2	6.5	6.7	6.6	6.5	6.4	6.4	6.5	6.6	6.8	6.8

Transformation of the US marketplace

- Corn and ethanol
- Soybean oil and renewable diesel
- **Soybeans from an export market to a domestic market**

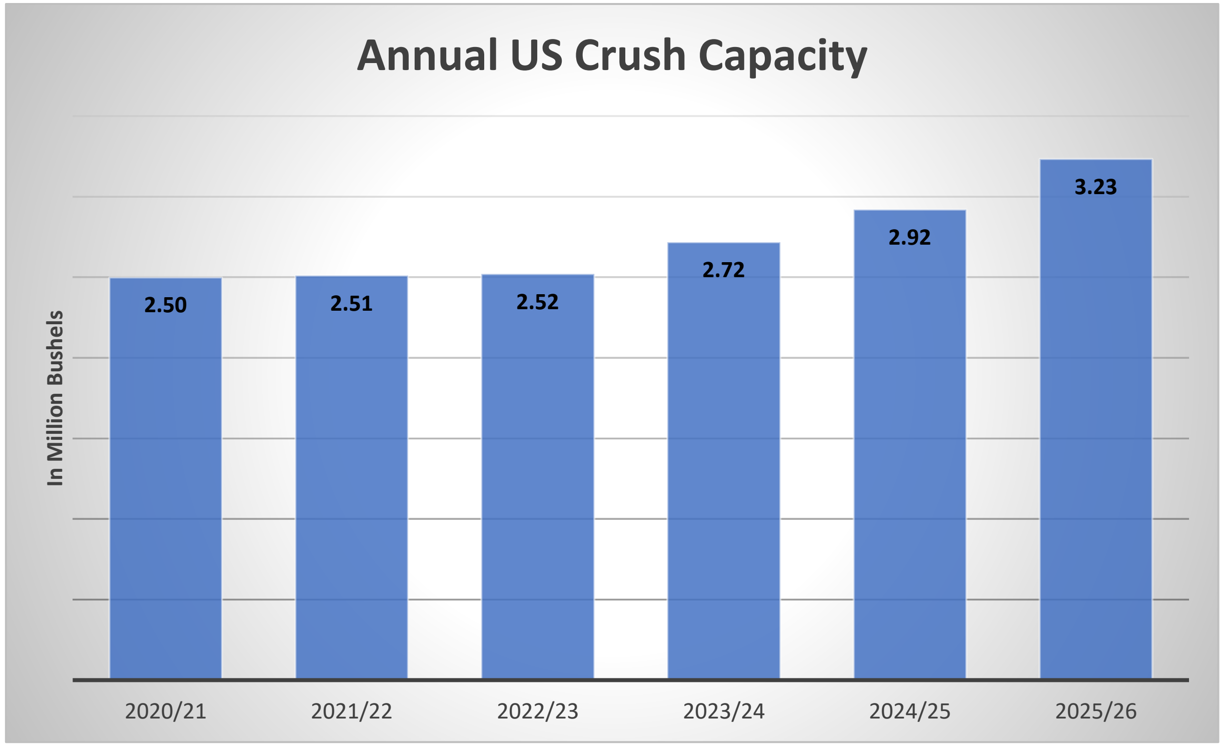
    Partly due to increased S.Amer competition/reduced US export demand

- **Products – bean oil to the domestic market, meal to the export market**

A Rush to Crush - crush expansion

- Federal and state policies, including the Low Carbon Fuel Standard in California behind RD production boom.
- RD production capacity in 2010 was 100 mln gallons/yr, 800 mln in 2020. The boom began in 2021, production doubled to 1.6 bln gallons and then rose 1 bln gallons to 2.6 bln in 2022.
- RD production capacity surpassed that for biodiesel in Jan of this yr.
- Capacity at the end of this year is seen at 4.1 mln. It’s projected to reach 5.5 mln in 2024, 6.0 bln in 2025 and 7.4 bln in 2026.

- RD expansion has led to the partnering of big oil and processors (Chevron/Bunge, ADM/Marathon) and is behind a tremendous expansion in US crush capacity.
- By 2025/26, crush capacity is projected up 734 mb from 2020/21.



New Crush Capacity

2022-23
Cargill Sidney OH new plant 100,000
Shell Rock, IA new plant 110,000
2023-24
ADM Spiritwood, ND new plant 150,000
Epitome Crookston MN new plant 120,000
AGP S Bluff IA expansion of 50,000
2024-25
Bunge Cairo IL expansion of 135,000
Bunge Destrehan LA expansion of 135,000
NDSP Castleton ND new plant 125,000
Platinum Crush Alta IA new plant 110,000
Bartlett Mongomery Co KS new plant 110,000
Marquis Hennepin IL new plant 120,000
2025-26
Norfolk, Norfolk NE new plant 110,000
AGP David City, NE new plant 140,000

2023/24	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Capacity	7.170	7.330	7.410	7.410	7.410	7.410	7.410	7.410	7.465	7.520	7.520	7.575	
Days in Month	30	31	30	31	31	29	31	30	31	30	31	31	
Total Mo Cap	215.1	227.2	222.3	229.7	229.7	214.9	229.7	222.3	231.4	225.6	233.1	234.8	2715.9
Monthly Crush	174.8	201.7	202.0	209.0	208.0	189.5	201.0	190.0	191.0	183.0	188.0	182.0	2320.0

2024/25	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Capacity	7.745	7.810	7.810	7.810	7.920	8.030	8.030	8.095	8.165	8.165	8.165	8.235	
Days in Month	30	31	30	31	31	29	31	30	31	30	31	31	
Total Mo Cap	232.4	242.1	234.3	242.1	245.5	224.8	248.9	242.9	253.1	245.0	253.1	255.3	2919.5
Monthly Crush	175.0	218.0	214.0	220.5	224.0	197.0	211.0	203.0	204.0	196.5	193.0	189.0	2445.0

Crush Expansion

- Going forward, the expansion in crush will continue to divert beans away from the export market to the domestic market.
- 2023/24 crush will require nearly 110 mb more beans, 115 mb in 2024/25.
- S.America will be needed to fill the void left by the US to meet global demand. Their ability to do so will in part be dictated by weather, logistics and politics.
- A recovery in production from back-to-back yrs of short crops will be enough meet both crush and export needs.
- The US will remain a major exporter of beans.

What does it mean for you – the Importer

- This yr, a larger share of US demand will shift from the export market to the domestic market. This is not only a function of growth in crush but also increased S.Amer competition.
- Going forward – recovery in US production following back-to-back short crops will provide enough beans to support both crush and exports.
- Meal - With domestic demand growth limited, much of the excess US meal will need to be exported. Stronger US crush margins will make it difficult for Argentina to compete. To compete with the US, Argentina will likely be forced too aggressively discount meal or shift away from crushing beans to exporting beans.

USDA U.S. SOYBEAN SUPPLY AND DEMAND

(In Millions of Bushels and Acres)

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	LONN 23/24	USDA 23/24	LONN 24/25
PLANTED ACRES	77.5	77.4	75.0	77.2	76.8	83.3	82.7	83.5	90.2	89.2	76.1	83.4	87.2	87.5	83.6	83.6	86.5
HARVESTED ACRES	76.4	76.6	73.8	76.1	76.2	82.6	81.7	82.7	89.5	87.6	74.9	82.6	86.3	86.2	82.8	82.8	85.6
YIELD/ACRE (BU)	44.0	43.5	41.9	40.0	44.0	47.5	48.0	51.9	49.3	50.6	47.4	51.0	51.7	49.6	49.4	49.9	52.0
SUPPLY																	
CARRY-IN	138	151	215	169	141	92	191	197	302	438	909	525	257	274	268	268	250
PRODUCTION	3359	3329	3094	3042	3357	3928	3927	4296	4412	4428	3552	4216	4465	4270	4090	4129	4451
IMPORTS	15	14	16	41	72	33	24	22	22	14	15	20	16	25	30	30	20
TOTAL SUPPLY	3512	3495	3325	3252	3570	4052	4140	4515	4735	4880	4476	4761	4738	4569	4388	4428	4721
USE																	
CRUSH	1752	1648	1703	1689	1734	1873	1886	1901	2055	2092	2165	2141	2204	2212	2320	2300	2445
EXPORTS	1499	1501	1365	1328	1638	1842	1942	2166	2134	1752	1679	2266	2158	1992	1690	1755	1750
SEED/FEED	90	87	90	89	97	96	97	105	104	88	96	101	102	97	101	101	105
RESIDUAL	20	43	-2	5	10	50	18	42	5	39	12	-4	1	0	27	26	21
TOTAL USE	3361	3280	3156	3111	3479	3862	3943	4214	4297	3971	3952	4504	4464	4301	4138	4182	4321
ENDING STOCKS	151	215	169	141	92	191	197	302	438	909	525	257	274	268	250	245	400
STOCKS/USE RATIO	4.5	6.6	5.4	4.5	2.6	4.9	5.0	7.2	10.2	22.9	13.3	5.7	6.1	6.2	6.0	5.9	9.3

Source: USDA, WAOB

USDA U.S. SOYBEAN MEAL SUPPLY & DEMAND

(October-September) (In Thousands of Tons)

													USDA	LONN	USDA
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	23/24
SUPPLY																
BEG. STOCKS	235	302	350	300	275	250	260	264	401	555	402	341	341	311	371	371
PRODUCTION	41707	39251	41025	39875	40685	45062	44672	44787	49226	48814	51100	50565	51814	52493	54654	54154
IMPORTS	160	180	216	245	383	333	403	350	483	683	639	784	649	632	575	600
TOTAL SUPPLY	42101	39732	41591	40420	41343	45645	45336	45400	50109	50052	52142	51691	52804	53436	55600	55125
USE																
DOMESTIC USE	30640	30301	31548	28969	29547	32277	33118	33420	35537	36212	37967	37674	38970	38402	39875	39425
EXPORTS	11160	9081	9743	11176	11546	13108	11954	11580	14016	13438	13834	13675	13524	14664	15325	15300
TOTAL USE	41800	39382	41291	40145	41093	45385	45072	45000	49554	49650	51801	51350	52493	53065	55200	54725
ENDING STOCKS	302	350	300	275	250	260	264	401	555	402	341	341	311	371	400	400
STOCKS/USE RATIO	0.7	0.9	0.7	0.7	0.6	0.6	0.6	0.9	1.1	0.8	0.7	0.7	0.6	0.7	0.7	0.7
MEAL YIELD	47.61	48.05	47.98	47.47	47.17	47.36	47.28	46.95	47.35	46.82	47.03	47.39	46.91	47.31	47.11	47.09

Source: USDA, WAOB

USDA U.S. SOYBEAN OIL SUPPLY & DEMAND

(October-September) (In Millions of Pounds)

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	USDA 22/23	LONN 23/24	USDA 23/24
SUPPLY																
CARRY-IN	2862	3406	2425	2540	1655	1165	1855	1687	1711	1995	1775	1853	2131	**1991**	**1602**	**1602**
PRODUCTION	19614	18888	19740	19820	20130	21399	21950	22123	23772	24197	24911	25023	26155	**26227**	**27215**	**27025**
IMPORTS	104	159	149	196	165	264	287	319	335	397	320	302	303	**376**	**375**	**400**
TOTAL SUPPLY	22580	22453	22314	22556	21950	22828	24092	24129	25819	26590	27006	27177	28590	**28594**	**29192**	**29027**
USE																
DOMESTIC USE	15814	16795	18310	18687	18908	18959	20162	19862	21380	22874	22317	23314	24825	**26614**	**27250**	**27100**
Biofuels	1680	2737	4874	4689	5010	5039	5670	6200	7134	7863	8658	8920	10348	**12400**	**13000**	**12800**
EXPORTS	3360	3233	1464	2164	1877	2014	2243	2556	2443	1940	2837	1731	1773	**378**	**400**	**350**
TOTAL USE	19174	20028	19774	20850	20785	20973	22405	22418	23823	24815	25154	25046	26599	**26992**	**27650**	**27450**
ENDING STOCKS	3406	2425	2540	1705	1165	1855	1687	1711	1995	1775	1853	2131	1991	**1602**	**1542**	**1577**
STOCKS/USE RATIO	17.8	12.1	12.8	8.2	5.6	8.8	7.5	7.6	8.4	7.2	7.4	8.5	7.5	**5.9**	**5.6**	**5.7**
OIL YIELD	11.20	11.58	11.51	11.80	11.67	11.24	11.61	11.59	11.43	11.60	11.46	11.73	11.83	**11.82**	**11.73**	**11.75**
DECATUR CASH	35.95	53.20	51.90	47.13	38.23	31.60	29.86	32.48	30.04	28.26	29.65	56.87	72.98	**65.26**		**61.00**

Source: USDA/WAOB