

Soybean Oil Market Update

Prepared for USSEC

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Soybean Market Update

International soybean market updates

- During the last week, the Brazilian Association of Vegetable Oil Industries (ABIOVE) released its soybean crush estimate. The crush was reported at 3.7 million tonnes, which implies Brazil's total crush reached 4.35 million tonnes.
- Despite being marginally lower than the previous month, the result was a record for June.
- Brazil's crush performance has set monthly records in each of the last four reported months.

WASDE's report highlights

- The U.S. season-average soybean price for 2021/22 is forecast at \$13.70 per bushel, unchanged from last month.
- The soybean meal price is forecast at \$385 per short ton, down 10 dollars.
- The soybean oil price forecast is unchanged at 65.0 cents per pound.
- The 2021/22 global oilseed supply and demand forecasts include lower production, crush, exports, and slightly higher ending stocks compared to last month.
- Foreign oilseed production is reduced 3.6 million tons to 501.4 million, reflecting lower canola production for Canada and sunflowerseed for Russia.

Soybean oil Market Update

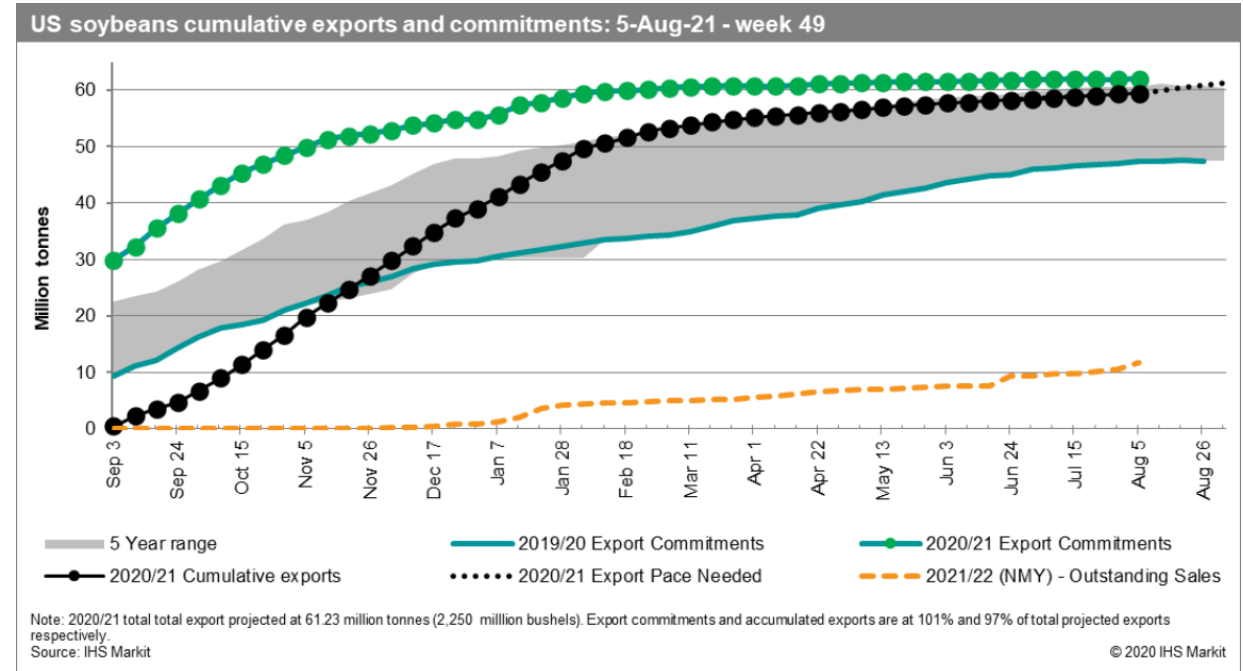
Vegetable oil recent event

- During the first week of **August generally lower prices for most world vegetable oils were seen.**
- **US soybean oil futures were the leaders lower with the nearby, September contract losing 3.7% in the week,** while the thirdposition palm oil contract in Malaysia was lower by 2.2%.
- Only Canada's canola futures ended the week higher on renewed production concerns as early harvest continues.
- There were some negative demand developments this week that took some of the shine off of the US renewable diesel outlook, as one new plant has paused plans for expansion, and as more food industry groups lobby the Biden Administration in relief from rising vegetable oil prices.
- **The pause in expansion for renewable diesel production is a sign that higher prices are rationing demand, but the scope of expansion from US energy firms remains extensive.**
- Net soybean meal sales of 116,300 tonnes for 2020/21 delivery were within the market expectations for 50,000 to 250,000 tonnes
- Net soybean oil sales of 300 tonnes for 2020/21 delivery were at the low end of the market expectations of zero to 10,000 tonnes.

Soybean market highlights

US soybean market

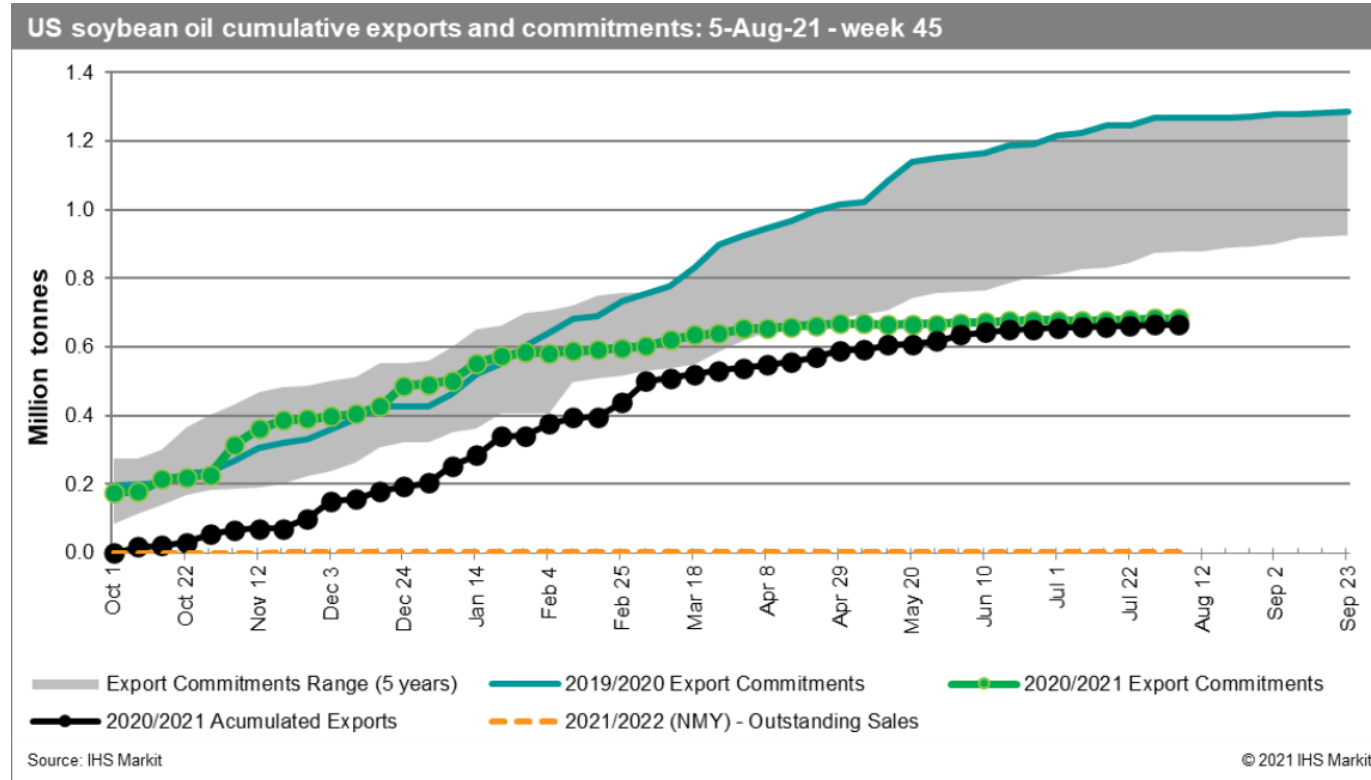
- During the first week of August, net soybean export sales ended totaled 101,200 tonnes. The result was slightly above market expectations that ranged from cancellations of 100,000 to sales of 100,000 tonnes.
- Total commitments for the 2020/21 marketing year increased to 62.02 million tonnes.



Soybean oil US exports highlights

US soybean oil market

- Net soybean oil sales of **300 tonnes** for 2020/21 delivery were at the low end of the market expectations of zero to 10,000 tonnes.
- Net soybean oil exports are expected to decrease out of the 5 year range.

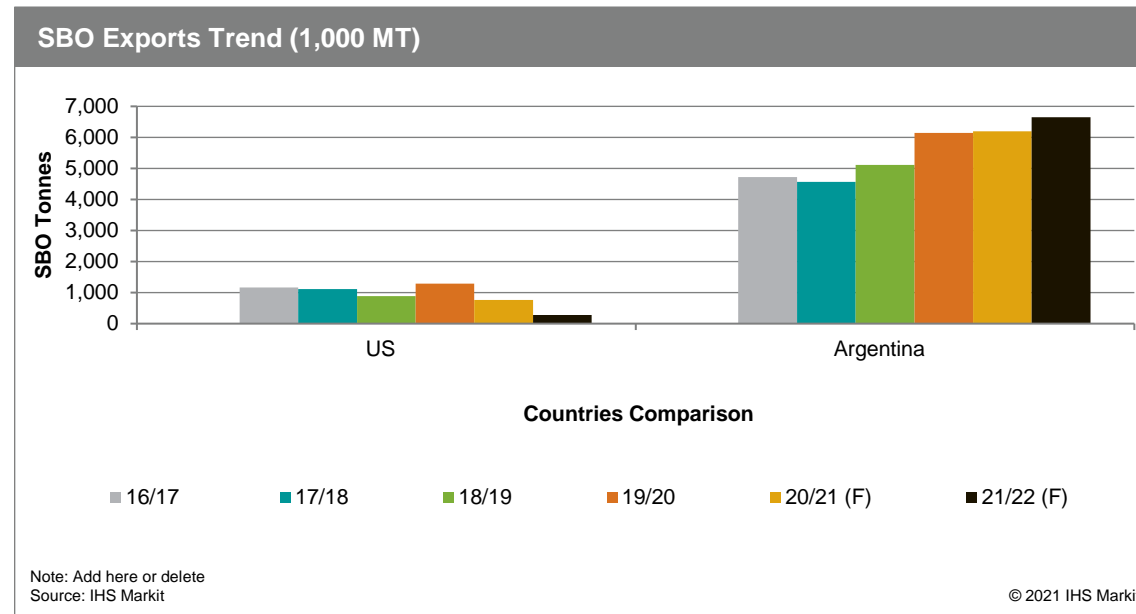


Soybean Oil Balance Tables for US and Argentina

US Soybean Oil Supply and Demand (1,000 MT)						
	16/17	17/18	18/19	19/20	20/21 (F)	21/22 (F)
Carryin (Oct 1)	765	776	905	805	841	779
Production	10,035	10,783	10,975	11,300	11,419	11,744
Imports	145	152	180	145	120	159
Total Supply	10,945	11,711	12,060	12,250	12,380	12,682
Domestic Use	9,009	9,698	10,375	10,121	10,841	11,725
Biodiesel	2,812	3,236	3,567	3,564	4,037	4,967
Non-Biodiesel	6,197	6,462	6,808	6,558	6,804	6,759
Exports	1,159	1,108	880	1,288	760	272
Total Use	10,169	10,806	11,255	11,409	10,841	11,725
Carryout (Sep 30)	776	905	805	841	779	684

*Cells marked in green changed from our last report.

Argentina Soybean Oil Supply and Demand (1,000 MT)						
	16/17	17/18	18/19	19/20	20/21 (F)	21/22 (F)
Carryin (Apr 1)	259	310	170	316	227	155
Production	7,923	7,195	8,041	7,601	8,150	8,931
Imports	0	0	0	0	0	0
Total Supply	8,182	7,505	8,211	7,917	8,377	9,086
Food use	180	511	507	517	505	580
Biodiesel	2,972	2,258	2,274	1,023	1,472	1,675
Exports	4,721	4,566	5,113	6,150	6,200	6,650
Total Use	7,872	7,335	7,894	7,690	8,222	8,905
Carryout (Mar 31)	310	170	316	227	155	181



Raw data available [here](#)

United States: Soybean Oil Exports

US Annual Soybean Oil Exports

(1,000 MT)

Country	18/19	19/20	20/21	21/22 (F)
EU-27	0	0	1	1
China	0	20	11	0
South Korea	303	353	247	150
Rest of Asia/Oceania	35	31	43	0
Africa	17	161	0	28
Colombia	67	137	45	30
Dominican Republic	139	151	85	50
Mexico	126	130	60	40
Other West Hemis.	192	305	256	138
Total	879	1,287	748	437

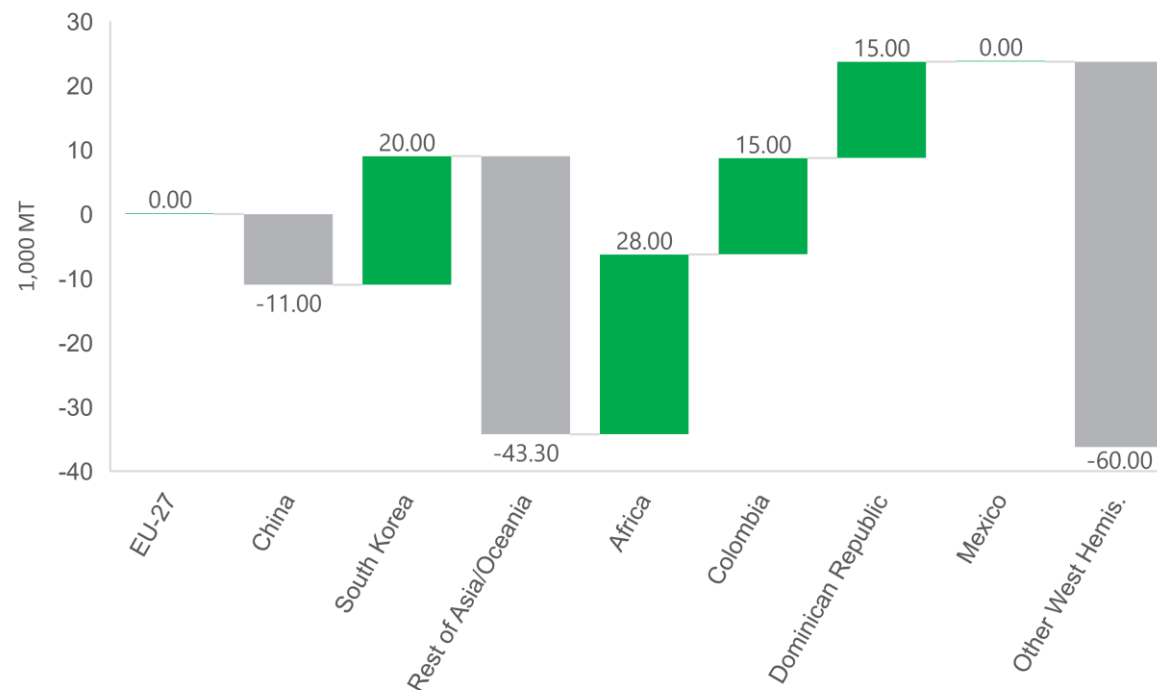
(F) = IHS Markit Forecast

US Monthly Soybean Oil Exports

(1000 MT)

Country	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21
EU28	0	0	0	0	0	0
China	0	0	0	0	1	0
South Korea	17,367	56,731	25,015	13,266	33,020	0
Rest of Asia/Oceania	37,785	1,969	6,549	3,662	453	1,093
Africa	145	18,099	2	2	2	2
Colombia	3,260	12,088	15,505	0	5	0
Dominican Republic	14,271	8,246	19,417	4,236	4,021	7,725
Mexico	7,065	5,224	5,986	6,558	4,065	2,365
Other West Hemis.	26,722	46,350	43,641	42,952	17,223	21,122
Total	106,614	148,708	116,115	70,677	58,790	32,307

YTD Change in Exports (20/21 to 21/22)



Argentina: Soybean Oil Exports Update

Argentina Annual Soybean Oil Exports

(1,000 MT)

Country	17/18	18/19	19/20	20/21 (F)
EU27	0	0	0	0
China	143	134	220	230
South Korea	0	0	60	120
Rest of Asia/Oceania	3,589	3,766	4,080	4,147
Africa	754	777	700	705
Colombia	0	14	75	90
Dominican Republic	0	0	60	75
Mexico	0	0	50	75
Other West Hemis.	747	687	1,000	920
Total	5,233	5,377	6,245	6,362

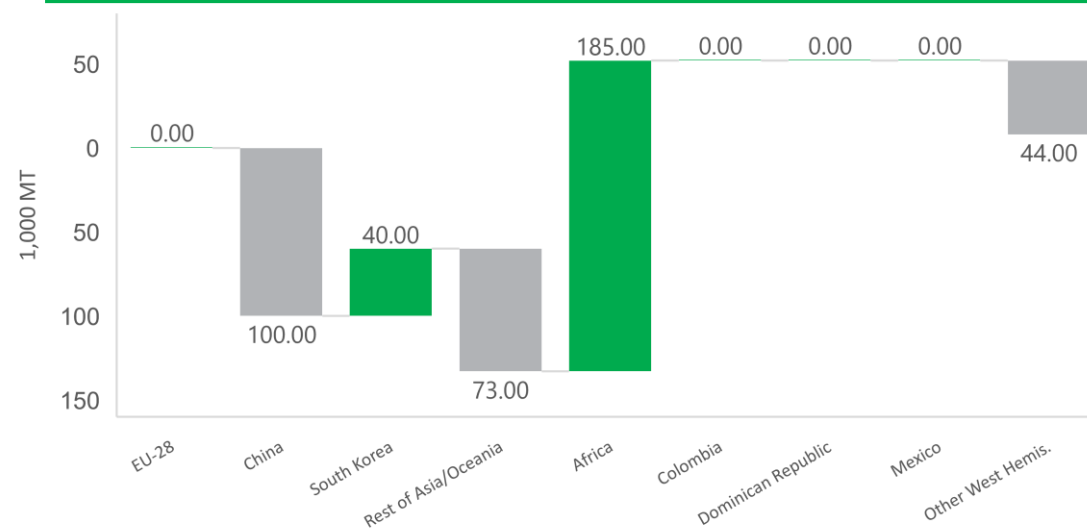
(F) = IHS Markit Forecast

Argentina Monthly Soybean Oil Exports

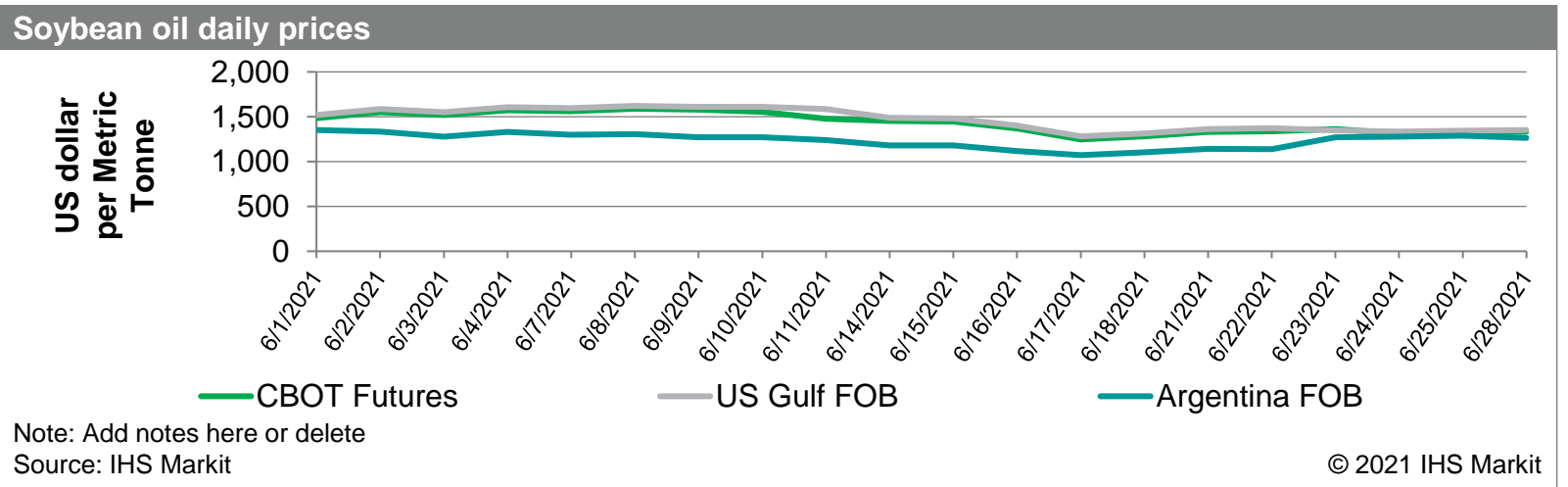
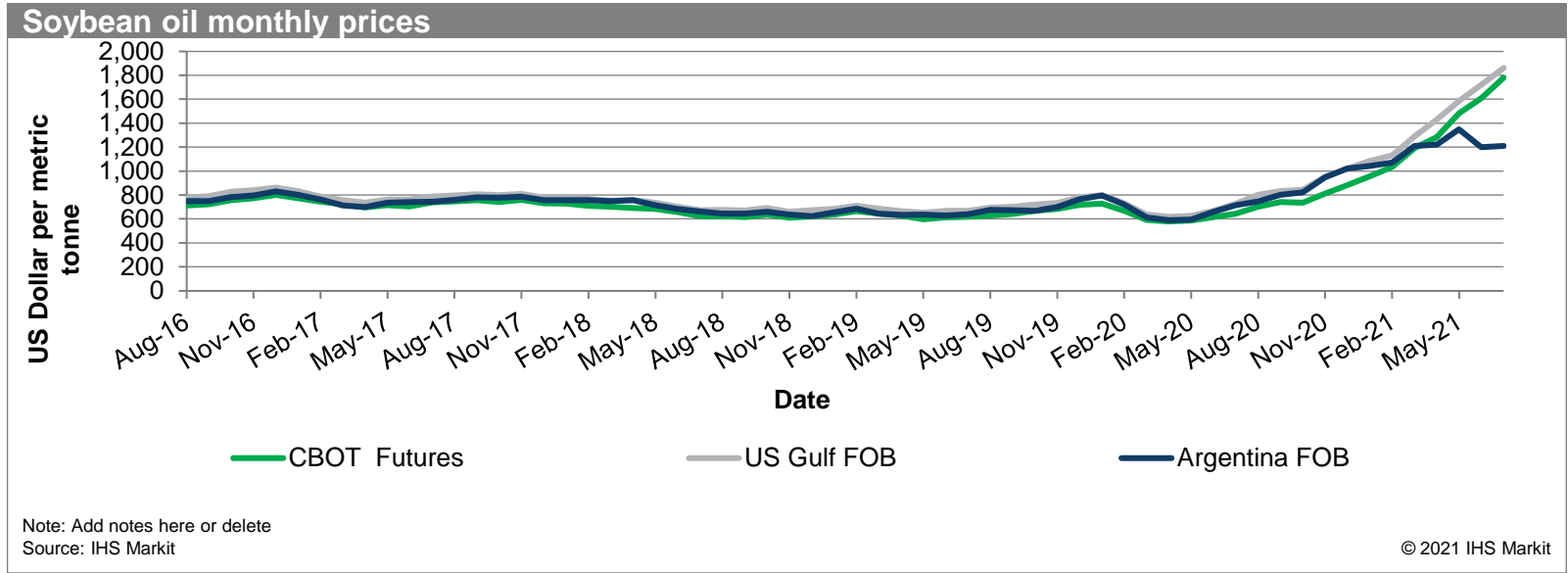
(1,000 MT)

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
EU-28	0	0	0	0	0
China	27	30	0	73	88
South Korea	0	0	0	0	0
Rest of Asia/Oceania	109	609	441	423	452
Africa	0	23	0	0	97
Colombia	0	0	14	0	0
Dominican Republic	0	0	0	0	0
Mexico	0	0	0	0	0
Other West Hemis.	3	58	9	10	49
Total	136	662	455	496	637

YTD Change in Exports (20/21 to 21/22)



Soybean Oil Prices Trends



Date	SBO Nearby Futures Settlement	Soybean oil, US, fob Gulf	Soybean oil, Argentina, fob
Jan-20	728	798	795
Feb-20	667	730	719
Mar-20	593	637	614
Apr-20	578	619	589
May-20	585	625	595
Jun-20	615	667	660
Jul-20	643	729	714
Aug-20	701	800	747
Sep-20	741	833	801
Oct-20	735	844	823
Nov-20	813	954	947
Dec-20	881	1021	1022
Jan-21	957	1084	1042
Feb-21	1035	1131	1070
Mar-21	1192	1287	1209
Apr-21	1284	1430	1220
May-21	1488	1583	1348
Jun-21	1608	1719	1199
Jul-21	1780	1861	1209

Source: IHS Markit, July 2021.
Cells in green are IHS forecasts.

Soybean Oil Lineup Data - Argentina

PORT	TERMINAL	VESSEL	STATUS	DATE	TONS	CARGO	SHIPPER AND/OR CHARTERER	DESTINATION
SAN LORENZO	RENOVA (NORTH BERTH)	SANDPIPER PACIFIC	ETA REC	13-Aug	33,000	SBO	VITERRA	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	ARDMORE SEAVENTURE	ETA REC	14-Aug	19,000	SBO	BUNGE	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	BW PETRELL	ETA REC	15-Aug	9,160	SBO	BUNGE	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	OWL 1	ETA REC	15-Aug	9,500	SBO	VITERRA	NIGERIA
SAN LORENZO	RENOVA (NORTH BERTH)	STI BOSPHOROUS	ETA REC	19-Aug	5,000	SBO	COFCO	MOZAMBIQUE
SAN LORENZO	RENOVA (NORTH BERTH)	CLEAROCEAN MATHILDE	ETR SLZ	20-Aug	18,000	SBO	VITERRA	MOROCCO
SAN LORENZO	RENOVA (NORTH BERTH)	CLEAROCEAN MATHILDE	ETR SLZ	20-Aug	3,500	SBO	VITERRA	SENEGAL
SAN LORENZO	RENOVA (NORTH BERTH)	PACIFIC JASPER	ETA REC	20-Aug	30,000	SBO	VITERRA	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	ALKAIOS	ETR RAM	25-Aug	30,000	SBO	VITERRA	INDIA
SAN LORENZO	COFCO INTL. NORTH BERTH (EX NOBLE)	SCOT HAMBURG	AT REC	7-Aug	6,500	SBO	LUZAR	VENEZUELA
SAN LORENZO	COFCO INTL. NORTH BERTH (EX NOBLE)	STI BOSPHOROUS	ETA REC	17-Aug	12,200	SBO	COFCO	MOZAMBIQUE
SAN LORENZO	MINERA ALUMBRERA	BW LEOPARD	ETF	15-Aug	22,000	SBO	BUNGE	INDIA
SAN LORENZO	MINERA ALUMBRERA	BW LEOPARD	ETF	15-Aug	10,000	SBO	BUNGE	BANGLADESH
SAN LORENZO	MINERA ALUMBRERA	ARDMORE SEAVENTURE	AT REC	12-Aug	5,080	SBO	BUNGE	INDIA
SAN LORENZO	MINERA ALUMBRERA	BW PETRELL	ETA REC	15-Aug	18,300	SBO	BUNGE	INDIA
SAN LORENZO	MINERA ALUMBRERA	BW PETRELL	ETA REC	15-Aug	4,000	SBO (P)	BUNGE	INDIA
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO PARANA)	STI BOSPHOROUS	ETA REC	17-Aug	4,500	SBO (P)	COFCO	PAKISTAN
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO PARANA)	CELSIUS MESSINA	ETA REC	17-Aug	5,000	SBO	CARGILL	PERU
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO PARANA)	LINCOLN PARK	ETA REC	21-Aug	1,450	SBO (P)	BUNGE	EL SALVADOR
SAN LORENZO	DEMPA	BOW NEON	AT ROADS		4,500	SBO	BUNGE	MEXICO
SAN LORENZO	DEMPA	BOW NEON	AT ROADS		1,700	SBO	BUNGE	MEXICO
SAN LORENZO	DEMPA	BW PETRELL	ETA REC	15-Aug	5,000	SBO	BUNGE	SOUTH AFRICA
SAN LORENZO	SAN BENITO	SILVER ELLIE	ETA SLZ	13-Aug	25,000	SBO	BUNGE	INDIA
SAN LORENZO	SAN BENITO	AMOR	ETR ZTE	18-Aug	20,000	SBO	LDC	INDIA
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	PETREL	ETA REC	14-Aug	10,000	SBO	CARGILL	DOMINICAN REP
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	PETREL	ETA REC	14-Aug	3,500	SBO	CARGILL	VENEZUELA
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	PETREL	ETA REC	14-Aug	3,000	SBO	CARGILL	MEXICO
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	BOUCHEM LUXEMBOURG	ETA REC	18-Aug	15,000	SBO	CARGILL	PERU
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	NORD STEADY	ETA REC	22-Aug	7,300	SBO		NETHERLANDS
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	LIAN XIN HU	ETA REC	25-Aug	10,000	SBO	LDC	

Source: Agencia Maritima Nabsa S.A.
Prior Dates August 14, 2021.

Soybean Oil Lineup Data – US

US Port	Destination Port	Ultimate Country	Vessel Name	Cargo	Shipp lines	Date
LOS ANGELES	GUAM	GUAM	PRESIDENT FD ROOSEVELT	SBO	AMERICAN PRESIDENT LINES	8/4/2021
NEW YORK	ANTWERP	BELGIUM	ATLANTIC SAIL	SBO	ATLANTIC CONTAINER LINE	8/1/2021
NEW YORK	SHANGHAI	CHINA (MAINLAND)	EVER LIVING	SBO	CMA-CGM	8/3/2021

Source: IHS Markit's PIERS

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