

# Soybean Oil Market Update

Prepared for USSEC

July 30, 2021



# Table of Content

Section	Page
Market highlights	3
Soybean market recent highlights	4
Soybean oil recent highlights	5
Soybean oil balance tables	7
US	7
Argentina	8
Soybean oil exports	9
US	9
Argentina	10
Soybean oil prices trend	11
Soybean oil lines up data	12

# Soybean oil Market Update

## Vegetable oil recent events

- Globally targets for the use of renewable energy (RE) targets and the reduction of greenhouse gas (GHG) are raised and this will come over with several policy changes in order to support biodiesel demand going forward.
- Based on the aforementioned, soybean oil will continue being essential on energy and transportation markets.
- Specifically RED II, European Union issued its official proposal on how to achieve the 55% greenhouse gas (GHG) reduction target for 2030 (from 1990 levels).
- The RED II targets now refer to the whole transport sector whereas in the current version, only road and rail transport are included
- On the other hand, in general terms market recovery after COVID 19 will have a slow pace, lockdown measures will not be as tight as last year however new cases raising among the countries will affect directly different markets such as the transportation sector.
- As we mentioned before in our previous report **Argentina's government changed it's long- long-standing biodiesel blending requirement this week to cut the portion of biodiesel in half to 5% until 2030. This implies less soybean oil for domestic use and increases the available exportable surplus.**
- IHS Markit forecast for Argentina soybean oil already reflects this outcome leaving our **forecast at 6.2 million tonnes, the largest since 2014/15.**

# Soybean oil Market Update

## *Argentina soybean oil market*

- As we mentioned before, Argentina was through important policy changes. On July 16, the Argentine Senate approved a new biofuels law to be effective until December 2030.
- Based on this policy change, we forecast lower domestic biodiesel feedstock demand **will result in a 142,000-tonne increase in soybean oil exportable supply.**
- Moreover, according to Argentina's SBO consumption trend we estimate a 33% below the five-year average.

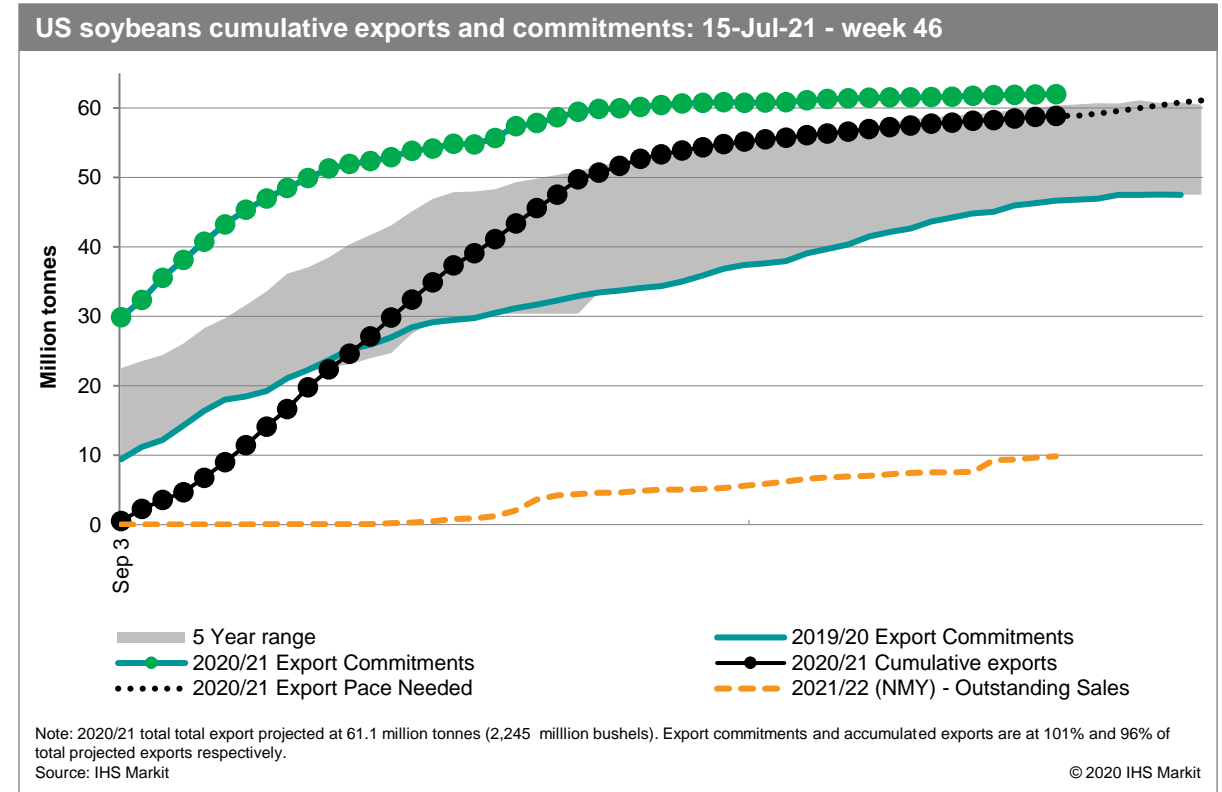
## *US soybean oil market*

- Biden is under pressure to provide relief to oil refiners from Renewable Fuel Standard (RFS) mandates; biofuel blending mandates for 2021 were due to be issued in late July but were again postponed with no clear date yet; this adds uncertainty over the future of the RFS post-2022.
- Biden's EPA was expected to issue in July 2021 biofuel blending mandates (RVOs) for 2021 and 2022 that are roughly in line or slightly lower relative to those of 2020.
  - However, the decision was delayed again and there is no clear direction, as of July 29, 2021, when the RVOs will be released. Such a decision would be a reflection of weaker fuel demand due to the COVID-19 pandemic coupled with increased cost of compliance reflected on the rise of renewable identification number (RIN) prices.
  - But flat or lower RVOs would come at the expense of biofuel producers and the corn industry, which rely on the added volume that accompany the usual annual expansion in renewable volume obligations under the Clean Air Act-mandated Renewable Fuel Standard (RFS)
- **Some have indicated that the levels could be announced as early as September.**

# Soybean market highlights

## US soybean market

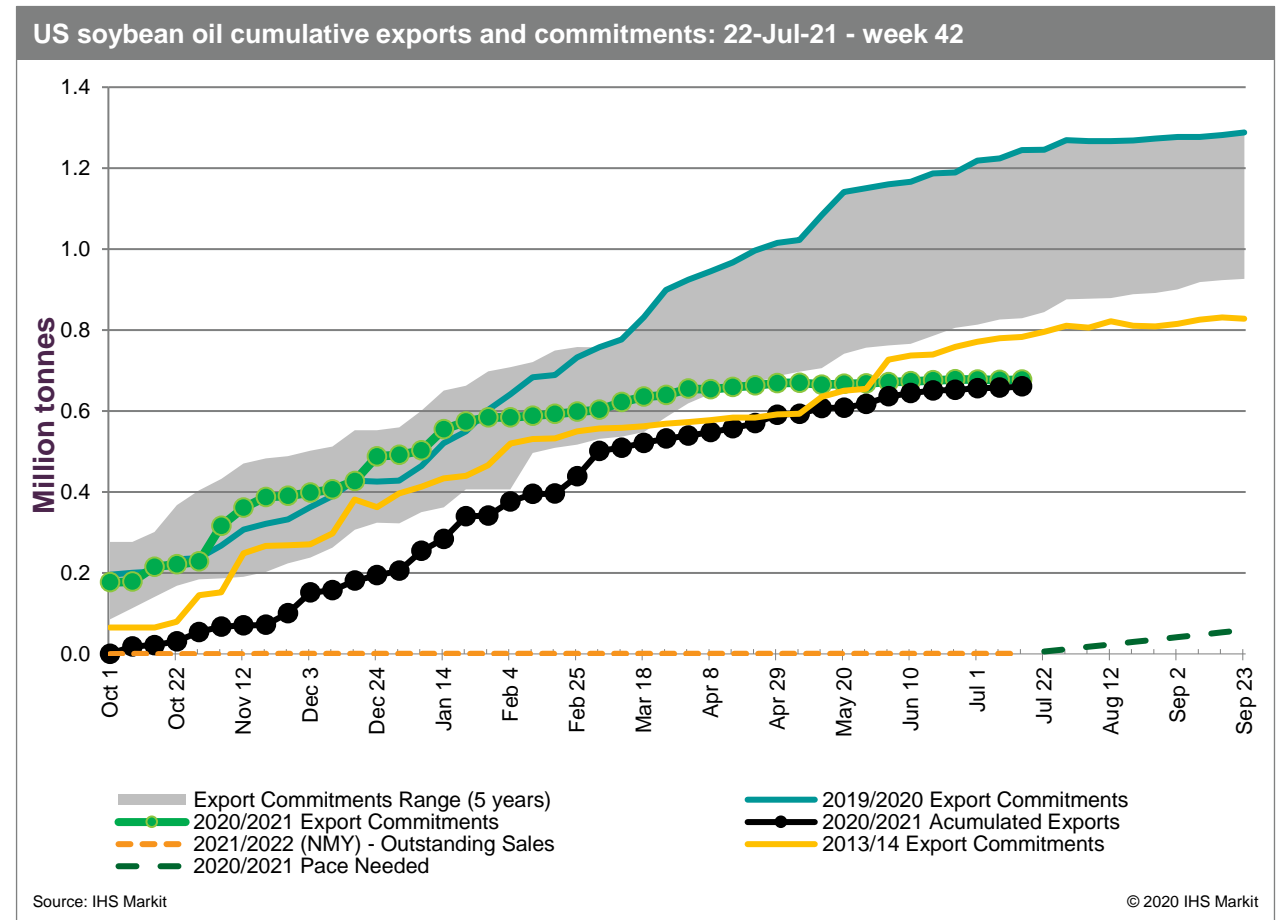
- US soybean export sales for the 2021/22 marketing year totaled 176,267 tonnes.
- This result was at the low end of the 100,000- to 450,000-tonne range of market expectations. Top destinations were unknown destinations at 97,000 tonnes and Mexico and at 67,367 tonnes.



# Soybean oil US exports highlights

## US soybean oil market

- SBO exports commitments have been decreasing since the last months of 2020, as it is shown US exports are continue decreasing.
- The export commitment range of the last 5 years is not longer covered by the current trend. This essentially caused by US internal biofuel needs.



# Soybean Oil Balance Tables for US and Argentina

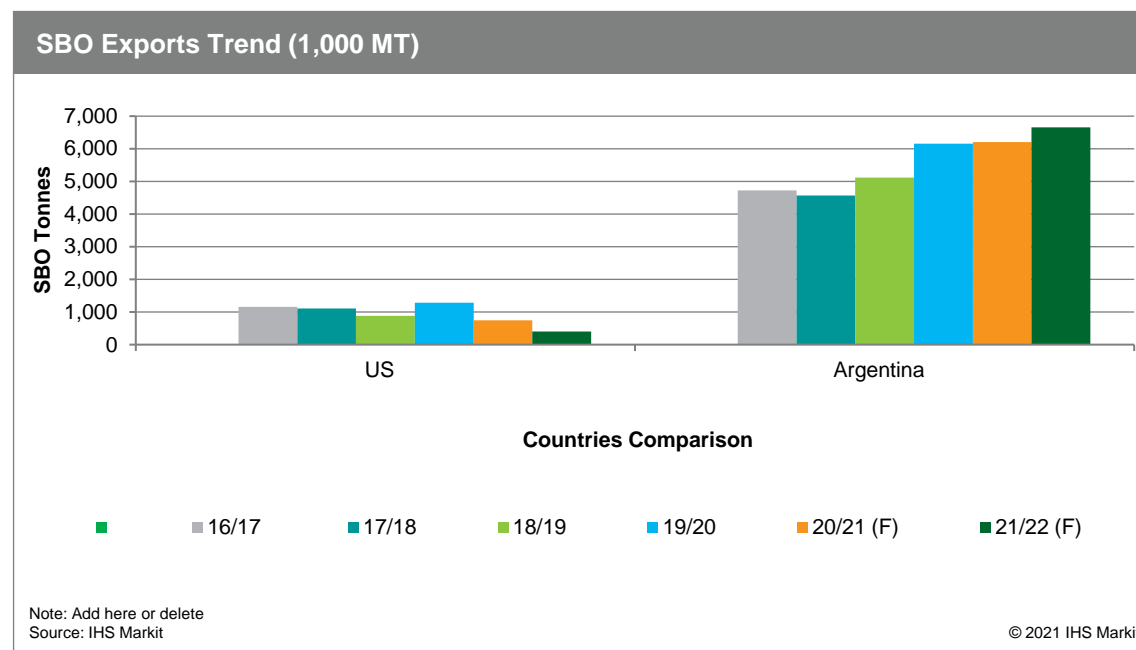
US Soybean Oil Supply and Demand (1,000 MT)						
	16/17	17/18	18/19	19/20	20/21 (F)	21/22 (F)
Carryin (Oct 1)	765	776	905	805	841	759
Production	10,035	10,783	10,975	11,300	11,394	11,740
Imports	145	152	180	145	113	159
<b>Total Supply</b>	10,945	11,711	12,060	12,250	12,348	12,658
Domestic Use	9,009	9,698	10,375	10,121	10,841	11,612
Biodiesel	2,812	3,236	3,567	3,564	4,037	4,853
Non-Biodiesel	6,197	6,462	6,808	6,558	6,804	6,759
Exports	1,159	1,108	880	1,288	748	408
<b>Total Use</b>	10,169	10,806	11,255	11,409	10,841	11,612
<b>Carryout (Sep 30)</b>	776	905	805	841	759	637

(F) = IHS Markit Forecast

\*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
<b>Total Supply</b>	8,182	7,505	8,211	7,917	8,377	9,139
Food use	180	511	507	517	505	580
Biodiesel	2,972	2,258	2,274	1,023	1,472	1,624
Exports	4,721	4,566	5,113	6,150	6,200	6,650
<b>Total Use</b>	7,872	7,335	7,894	7,690	8,222	8,854
<b>Carryout (Mar 31)</b>	310	170	316	227	155	285

(F) = IHS Markit Forecast



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
<b>Total</b>	<b>879</b>	<b>1,287</b>	<b>748</b>	<b>437</b>

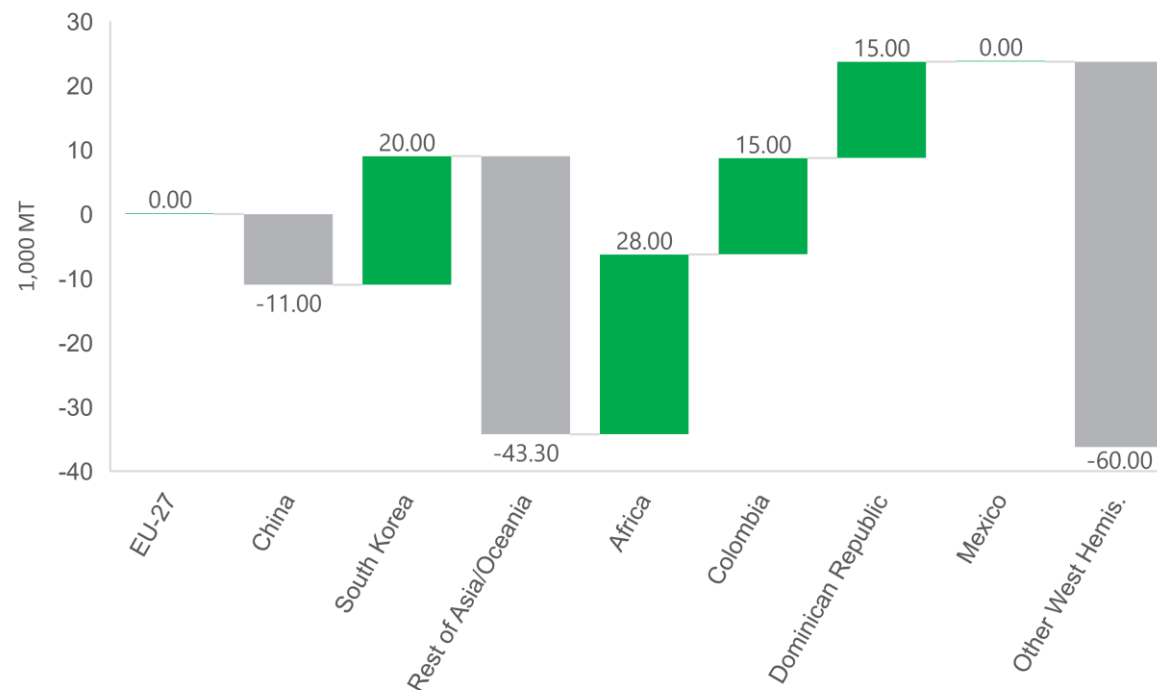
(F) = IHS Markit Forecast

## 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
<b>Total</b>	<b>106,614</b>	<b>148,708</b>	<b>116,115</b>	<b>70,677</b>	<b>58,790</b>	<b>32,307</b>

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





# Argentina: Soybean Oil Exports Update

## Argentina Annual Soybean Oil Exports

	(1,000 MT)			
	18/19	19/20	20/21	21/22 (F)
EU-27	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
<b>Total</b>	<b>5,233</b>	<b>5,377</b>	<b>6,245</b>	<b>6,362</b>

(F) = IHS Markit Forecast

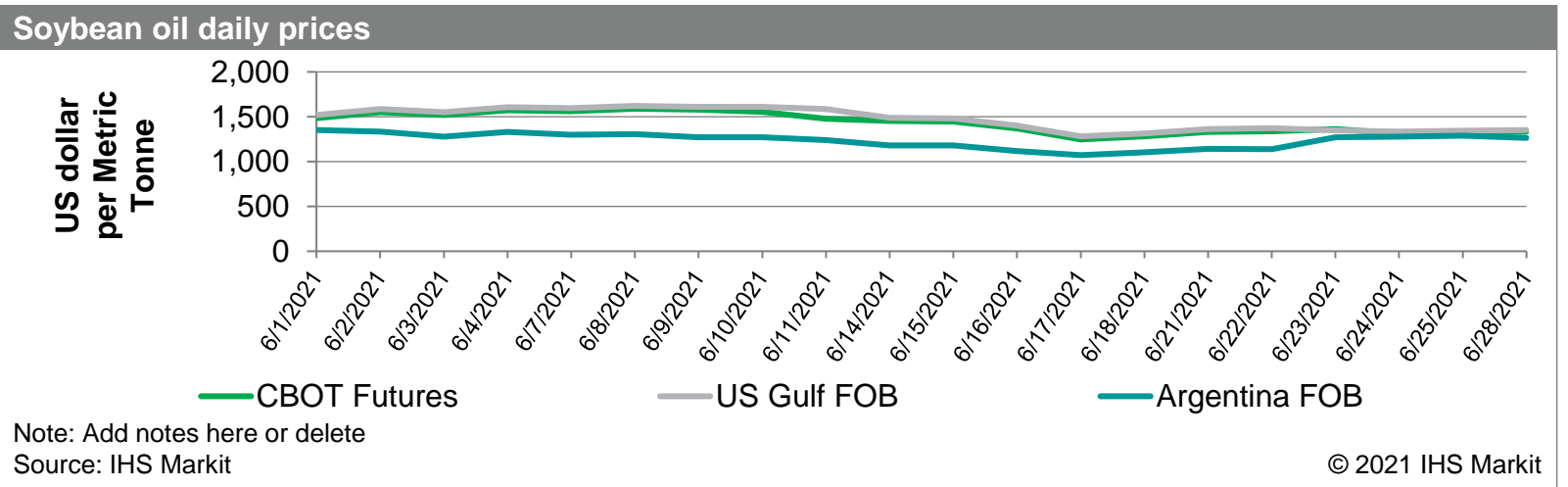
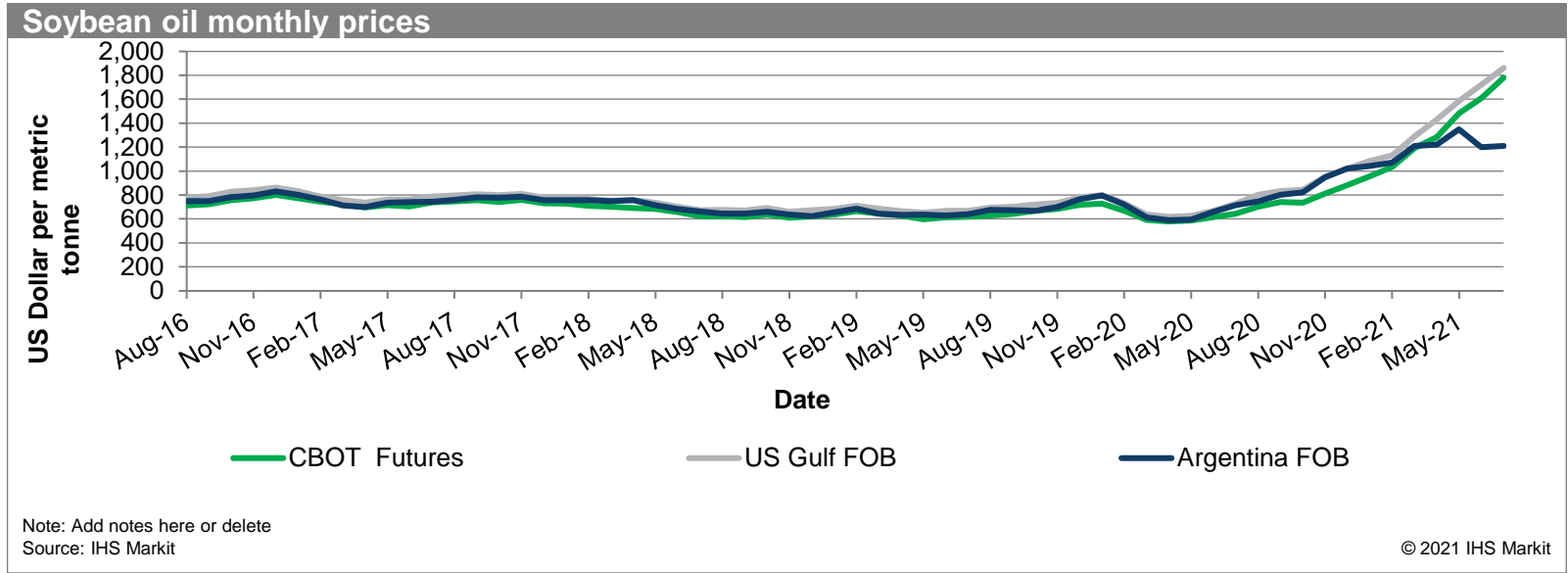
## Argentina Monthly Soybean Oil Exports

	(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
<b>Total</b>	<b>136</b>	<b>662</b>	<b>455</b>	<b>496</b>	<b>637</b>

## 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)	ARAMON	ETF	27-Jul	30,000	SBO	VITERRA	IRAN
SAN LORENZO	RENOVA (NORTH BERTH)	FSL LONDON	ETA RAM	30-Jul	16,000	SBO	MERA INTL	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	NORD MAJESTIC	ETR ZTE	30-Jul	15,000	SBO	VITERRA	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	ALPINE MARINA	ETA REC	3-Aug	15,000	SBO	BUNGE	CHINA
SAN LORENZO	RENOVA (NORTH BERTH)	RICH RAINBOW	ETA REC	3-Aug	20,000	SBO	VITERRA	INDIA
SAN LORENZO	RENOVA (NORTH BERTH)	RICH RAINBOW	ETA REC	3-Aug	10,000	SBO	VITERRA	BANGLADESH
SAN LORENZO	DREYFUS TIMBUES	STI ESLES II	ETA REC	1-Aug	11,000	SBO	LDC	MOROCCO
SAN LORENZO	MINERA ALUMBRERA	NORD MAJESTIC	ETR ZTE	30-Jul	15,000	SBO (P)		INDIA
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO	NAVIG8 SPARK	AT ROADS		19,500	SBO	CARGILL	PERU
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO	BIRDIE TRADER	ETA REC	28-Jul	18,000	SBO	CARGILL	PERU
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO	NAVIG8 TOURMALINE	ETR SNIC	28-Jul	29,000	SBO	BUNGE	INDIA
SAN LORENZO	ARAUCO ARGENTINA (EX ALTO	CELSIUS MALAGA	ETA REC	30-Jul	10,300	SBO	BUNGE	COLOMBIA
SAN LORENZO	EL TRANSITO	ARDMORE EXPLORER	ETA REC	1-Aug	13,500	SBO (P)	ADM AGRO	EGYPT
SAN LORENZO	DEMPA	PROTEUS	AT COFCO		7,000	SBO	COFCO	EGYPT
SAN LORENZO	NOURYON (EX AKZO NOBEL)	BIRDIE TRADER	ETA REC	28-Jul	5,000	SBO	CARGILL	PERU
SAN LORENZO	VICENTIN	CELSIUS MALAGA	ETA REC	30-Jul	5,000	SBO	BUNGE	PERU
SAN LORENZO	VICENTIN	ARDMORE EXPLORER	ETA REC	1-Aug	15,000	SBO	ADM AGRO	EGYPT
SAN LORENZO	SAN BENITO	SILVER ELLIE	ETA REC	5-Aug	25,000	SBO	BUNGE	INDIA
ROSARIO	CARGILL VILLA GOBERNADOR	LARGO EVOLUTION	ETF	27-Jul	21,960	SBO	CARGILL	INDIA
ROSARIO	CARGILL VILLA GOBERNADOR GALVEZ	PETREL	ETA REC	11-Aug	10,000	SBO	CARGILL	DOMINICAN REP
ROSARIO	CARGILL VILLA GOBERNADOR	PETREL	ETA REC	11-Aug	3,500	SBO	CARGILL	VENEZUELA
ROSARIO	CARGILL VILLA GOBERNADOR	PETREL	ETA REC	11-Aug	3,000	SBO	CARGILL	MEXICO
ROSARIO	CARGILL VILLA GOBERNADOR	BOUCHEM LUXEMBOURG	ETA REC	16-Aug	15,000	SBO	CARGILL	PERU

Source: Agencia Maritima Nabsa S.A.  
Prior Dates July 30, 2021.

\*REC-Recalada Pilot Station, AT CZONE (At Common Zone- La Plata Roads), AT ROADS (At Port Terminal Corresponding Roads), ETA (Estimated Time of Arrival), ETF (Estimated time to Finalize Operations)

## Soybean Oil Lineup Data – US

Origin Port	Destination Port	Ultimate Country	Vessel Name	Cargo	Shipper	Carrier	Date
NEW YORK	JEDDAH	SAUDI ARABIA	CMA CGM IVANHOE	SBO	GULF AMERICAN LINES	OCEAN NETWORK EXPRESS	6/17/2021
OAKLAND	BUSAN	REPUBLIC OF KOREA	GEORG MAERSK	SBO	ADAMS VEGETABLE OILS	MEDITERRANEAN SHIPPING COMPANY	6/18/2021
NEW YORK	SHUWAIKH	KUWAIT	MSC PARIS	SBO	GULF AMERICAN LINES	MEDITERRANEAN SHIPPING COMPANY	6/14/2021
NEW YORK	HAKATA	JAPAN	ONE HAWK	SBO	TRANSCONTAINER USA	OCEAN NETWORK EXPRESS	6/18/2021
NEW YORK	SOHAR	OMAN	MSC PARIS	SBO	GULF AMERICAN LINES	MEDITERRANEAN SHIPPING COMPANY	6/14/2021
MIAMI	BANJUL	THE GAMBIA	OOCL EUROPE	SBO	EVEREST RE GROUP	CMA-CGM	6/18/2021
NORFOLK	TOKYO	JAPAN	HUMEN BRIDGE	SBO	ARCHER DANIELS MIDLAND	HAPAG LLOYD	6/17/2021
NEW YORK	JEBEL ALI	UNITED ARAB EMIRATES	MSC PARIS	SBO	GULF AMERICAN LINES	MEDITERRANEAN SHIPPING COMPANY	6/14/2021
JACKSONVILLE	PNT LISAS	TRINIDAD AND TOBAGO	ZIM ROTTERDAM	SBO	BRAID LOGISTICS	ZIM CONTAINER	6/28/2021
PT EVERGLADES	COLON	PANAMA	SPIRIT OF HAMBURG	SBO	NEXT LOGISTICS	HAPAG LLOYD	6/16/2021
NEW YORK	SOHAR	OMAN	MSC PARIS	SBO	GULF AMERICAN LINES	MEDITERRANEAN SHIPPING COMPANY	6/14/2021
JACKSONVILLE	PNT LISAS	TRINIDAD AND TOBAGO	KOTA PAHLAWAN	SBO	BRAID LOGISTICS	ZIM CONTAINER	6/16/2021
NEW YORK	JEDDAH	SAUDI ARABIA	CMA CGM IVANHOE	SBO	GULF AMERICAN LINES	OCEAN NETWORK EXPRESS	6/17/2021
NEW YORK	SHUWAIKH	KUWAIT	ONE HOUSTON	SBO	GULF AMERICAN LINE	OCEAN NETWORK EXPRESS	6/25/2021
NEW YORK	JEDDAH	SAUDI ARABIA	CMA CGM IVANHOE	SBO	GULF AMERICAN LINES	OCEAN NETWORK EXPRESS	6/17/2021
NEW YORK	BAHRAIN	BAHRAIN	MSC VALENCIA	SBO	GULF AMERICAN LINES	MEDITERRANEAN SHIPPING COMPANY	6/21/2021
NEW YORK	SOHAR	OMAN	MSC VALENCIA	SBO	GULF AMERICAN LINES	MEDITERRANEAN SHIPPING COMPANY	6/21/2021

Source: IHS Markit's PIERS

Questions  
+1 901 766 4669  
Juan.Sacoto@ihsmarkit.com

## IHS Markit Customer Care

CustomerCare@ihsmarkit.com

Americas: +1 800 IHS CARE (+1 800 447 2273)

Europe, Middle East, and Africa: +44 (0) 1344 328 300

Asia and the Pacific Rim: +604 291 3600

---

### Disclaimer

The information contained in this presentation is confidential. Any unauthorized use, disclosure, reproduction, or dissemination, in full or in part, in any media or by any means, without the prior written permission of IHS Markit or any of its affiliates ("IHS Markit") is strictly prohibited. IHS Markit owns all IHS Markit logos and trade names contained in this presentation that are subject to license. Opinions, statements, estimates, and projections in this presentation (including other media) are solely those of the individual author(s) at the time of writing and do not necessarily reflect the opinions of IHS Markit. Neither IHS Markit nor the author(s) has any obligation to update this presentation in the event that any content, opinion, statement, estimate, or projection (collectively, "information") changes or subsequently becomes inaccurate. IHS Markit makes no warranty, expressed or implied, as to the accuracy, completeness, or timeliness of any information in this presentation, and shall not in any way be liable to any recipient for any inaccuracies or omissions. Without limiting the foregoing, IHS Markit shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with any information provided, or any course of action determined by it or any third party, whether or not based on any information provided. The inclusion of a link to an external website by IHS Markit should not be understood to be an endorsement of that website or the site's owners (or their products/services). IHS Markit is not responsible for either the content or output of external websites. Copyright © 2019, IHS Markit®. All rights reserved and all intellectual property rights are retained by IHS Markit.



IHS Markit®