



# SOYBEANS



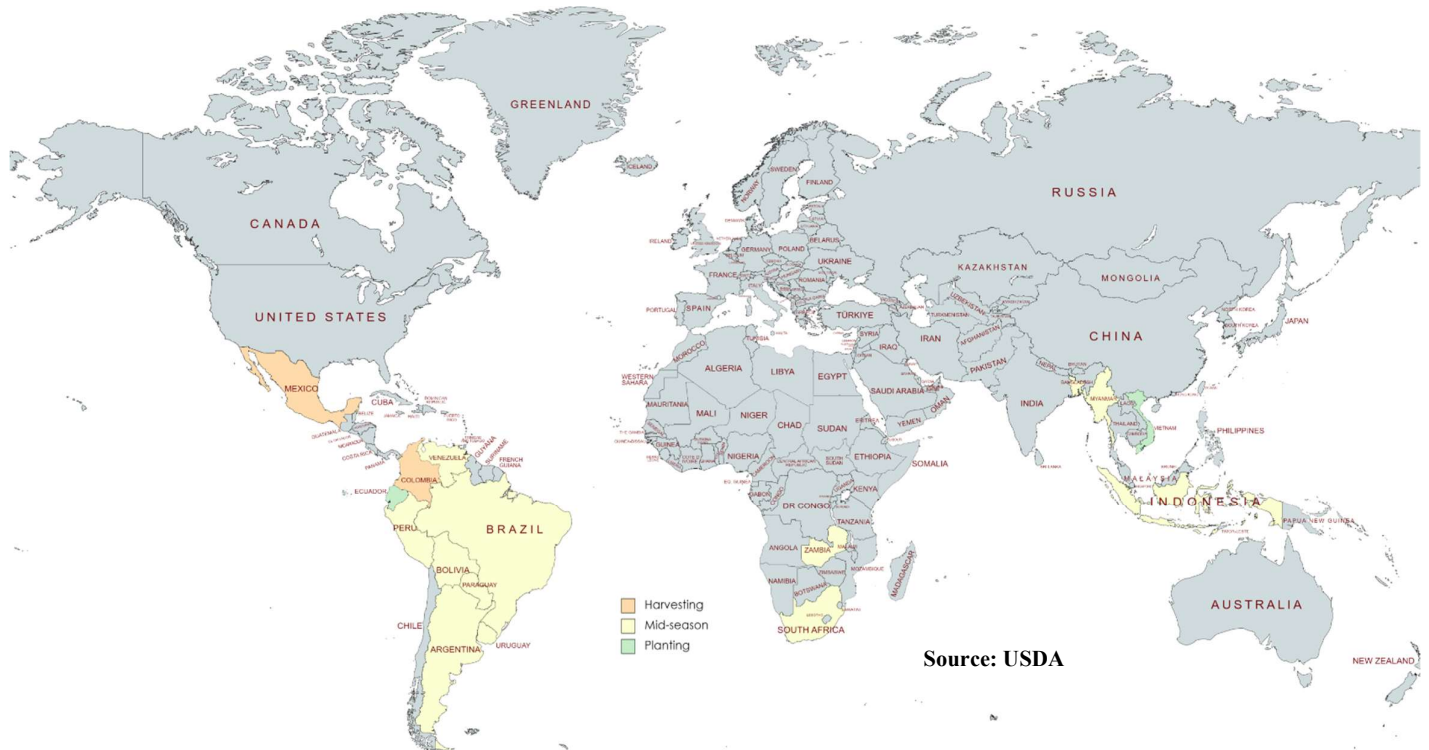
**JANUARY 2025**  
**Grain Market Outlook**

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This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen Viljoen at [heleen@grainsa.co.za](mailto:heleen@grainsa.co.za).

## 1. World soybean production



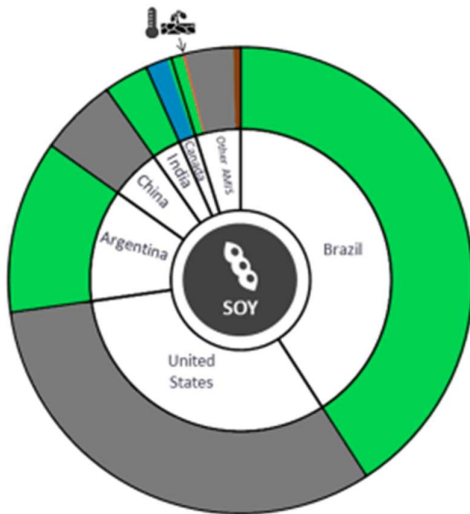
### 1.1. Global crop production conditions

In the **Northern Hemisphere**, the harvesting process is mostly wrapped up. Some areas in the US has experienced exceptional conditions this season. In the **Southern Hemisphere**, the planting process is underway.

**Comments on El Niño:** The likeliness of La Niña conditions have slightly decreased. The CPC/IRI forecasts a 59% per cent chance of La Niña from November to January 2025. If La Niña does develop, it is expected to be weak and short-lived, with a return to ENSO-neutral conditions likely by December and February 2025.

<sup>1</sup>International Research Institute for Climate and Society





### Conditions



### Drivers



Conditions as of 28 November, 2024  
Source: Geoglam

**Brazil:** Due to good rainfall and soil moisture levels, the planting process and crop development are progressing under favourable conditions.

**Argentina:** Planting of the early-planted crop is about halfway complete, good soil moisture conditions is supporting early crop development.

**India:** Conditions are favourable as the harvesting process wraps up.

**Canada:** Harvest is wrapping up with above-average yields in major producing provinces of Ontario and Manitoba.

## 2. Supply and demand Estimates

### 2.1. World Agricultural Supply and Demand (WASDE) JANUARY 2024/2025 overview

#### Beginning stocks

#### World:

#### Ending stocks

112.38 mil. tons

128.37 mil. tons



Stock-to-use percentage: 31.65%; three-year-average: 29.5%

#### United States:

9.32 mil. tons

10.34 mil. tons



Stock-to-use percentage: 15.05%; three-year-average: 13.54%

#### Argentina:

24.05 mil. tons

28.95 mil. tons

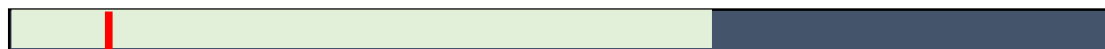


Stock-to-use percentage: 59.63%; three-year-average: 53.66%

#### Brazil:

27.97 mil. tons

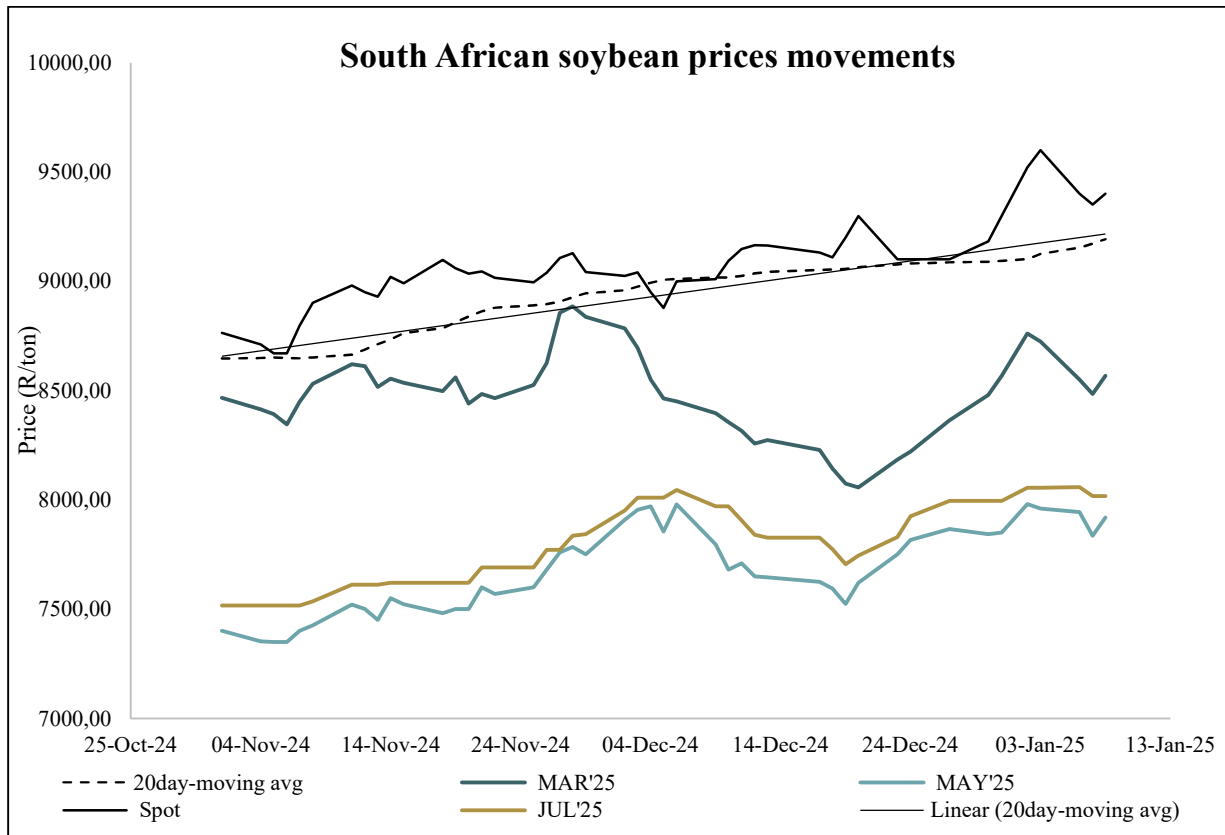
32.52 mil. tons



Stock-to-use percentage: 55.03%; three-year-average: 55.72%

Below the normal stock-to-use level prices tend to react sharply in the market environment. By comparing current year stock-to-use percentages to the norm, an indication can be concluded regarding the direction of price trends.

### 3. Monthly contract price movements

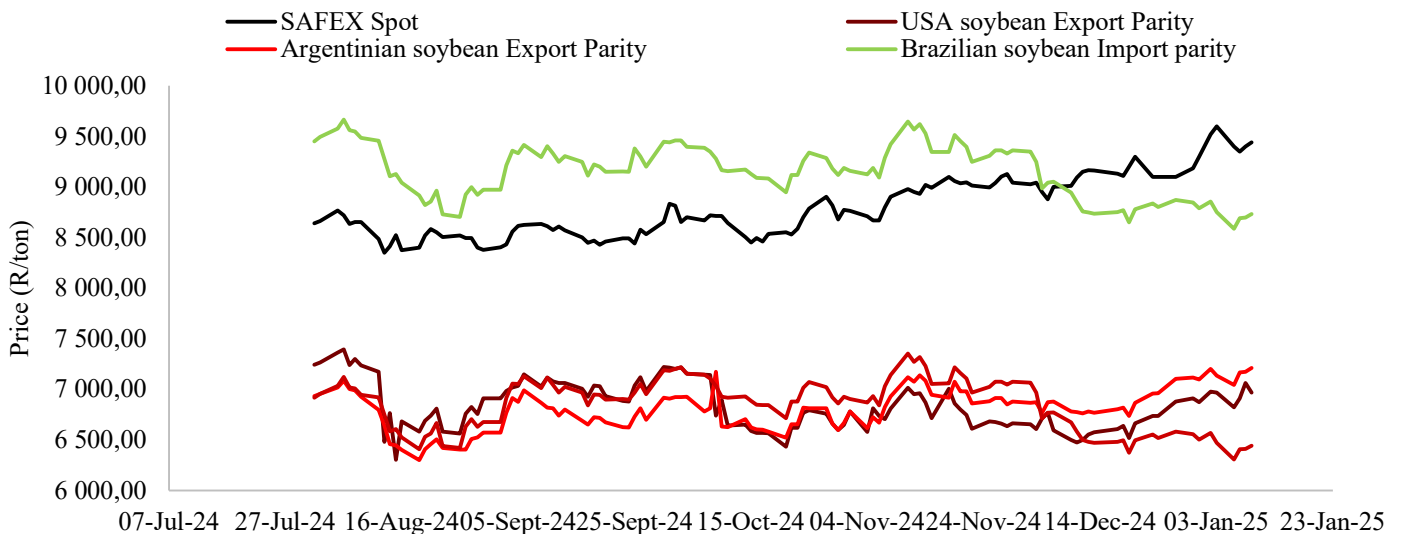


#### Comments on market movements for soybean contracts:

Generally, soybean prices continued to trade with a strong upward trend since the start of November. Contracts for the new season indicates a major price change. The March contract currently trades well below the Jan'25 contract as well as the Spot Contract.

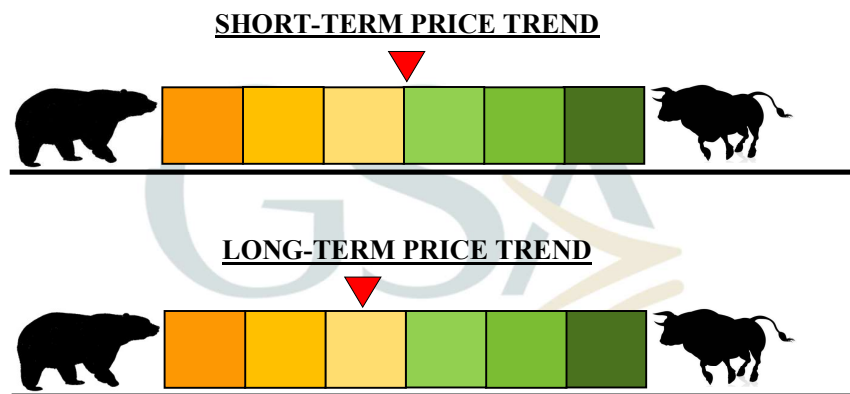
### 3.1 Import and export parity prices

#### PRICES OF INTERNATIONAL SOYBEAN SEED DELIVERED IN RANDFONTEIN



## 4. Final thoughts

One of the major global discussions revolves around the impact that tariff changes between the US and China could have on global soybean dynamics. Since the previous tariff implementation of the Trump Administration in 2019, market dynamics have adapted to Brazil becoming the largest soybean exporter to China. In this regard it is important to keep two things in mind: Brazil is set for another record breaking production season, and China is sitting on a record stockpile of soybeans. This evokes the thought: to what extent will US tariffs impact the market?



### **Bearish factors:**

- Brazil is heading for another record breaking crop this season. Favourable weather conditions coupled with an increased planted area could lead to exceptional yields, applying pressure on markets.
- Global soybean production is estimated to increase by 5,99% in the 2024-25 season, largely bought on by increases in Brazil.

### **Bullish factors:**

- In South Africa fear and uncertainty surrounding soybean supply keeps prices close to import parity.
- Soyabean markets find some short-term support from the US crushing pace, wider vegetable oils complex and weather worries in Argentina.
- In the January WASDE report global, and US, production was estimated significantly lower. This led to global ending stocks also seeing a reduction.

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Best regards,

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