



SOYBEANS



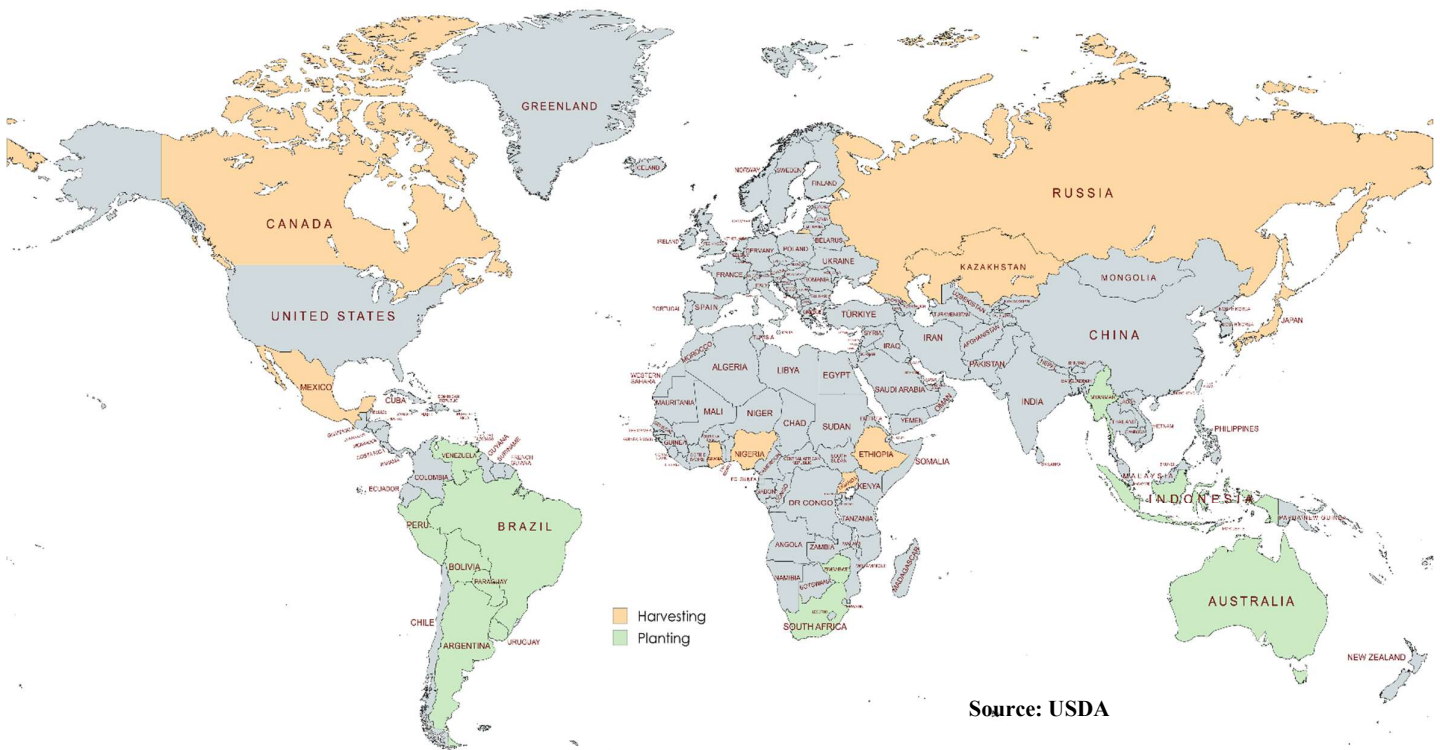
NOVEMBER 2024
Grain Market Outlook

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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.

1. World soybean production



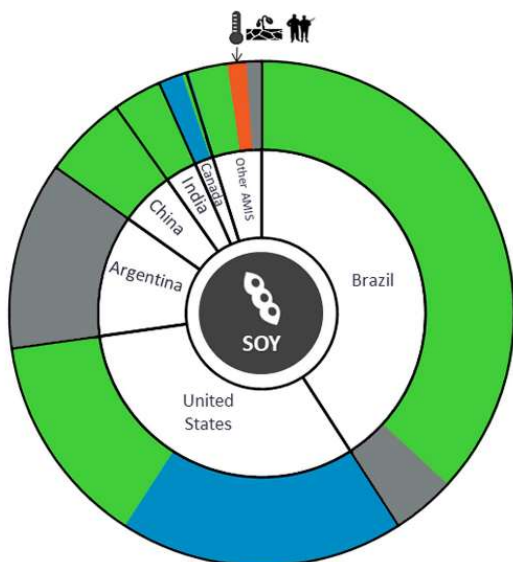
1.1. Global crop production conditions

In the **Northern Hemisphere**, the harvesting process is underway, with exceptional conditions in the United States, while conditions in Russia and Ukraine is poor. In the **Southern Hemisphere**, the planting process is underway.

Comments on El Niño: The El Niño Oscillation (ENSO) conditions have been present since June 2024. La Niña conditions are likely to develop during the next several months. The CPC/IRI predicts there is a 71 to 75 percent chance of La Niña from October 2024 to February 2025.

¹International Research Institute for Climate and Society

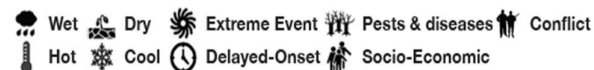




Conditions



Drivers



Conditions as of 28 October, 2024
Source: Geoglam

United States: The harvesting process is wrapping up faster than the averages due to exceptional conditions, which could support yields.

China: The harvest process is wrapping up as well with generally favourable conditions.

Ukraine: Harvesting is nearing completion with low yields in the central, eastern and southern areas. This is due to extremely hot and dry weather throughout the season.

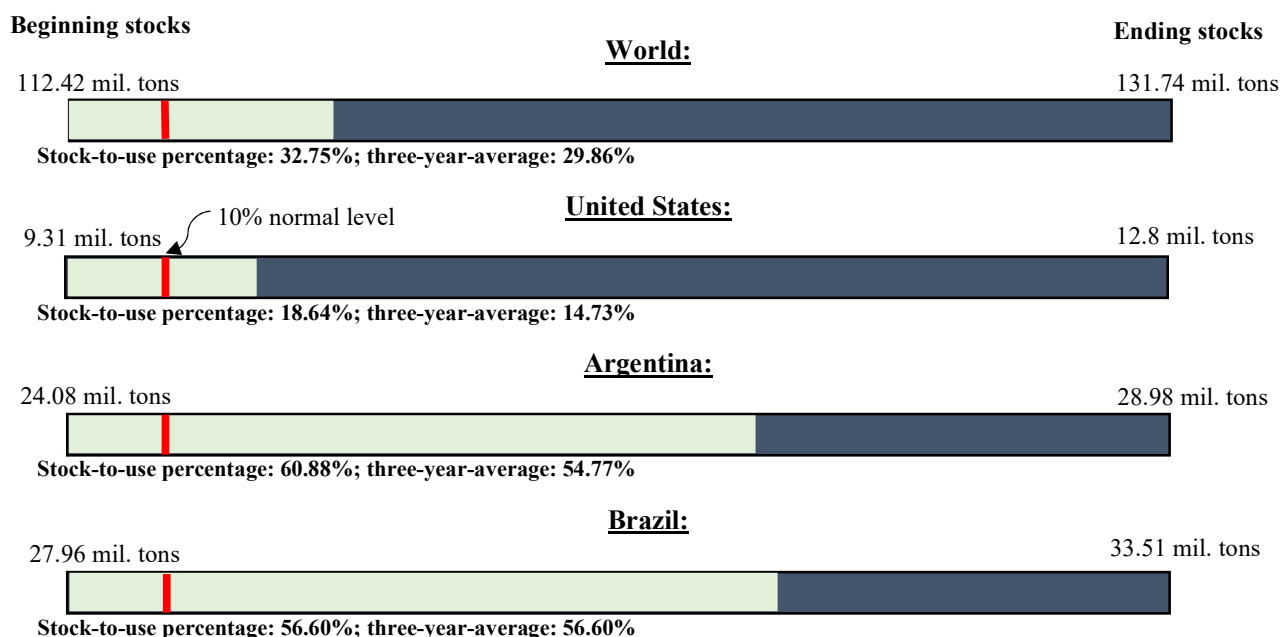
India: The conditions remain favourable as harvesting continues. There is also an increase in area planted for this season as well as the long-term average.

Canada: Ontario yields are above average, while Saskatchewan yields are wrapping up with below average yields.

Brazil: Planting continues as rainfall picks up in the Central-West, south and Southeast regions.

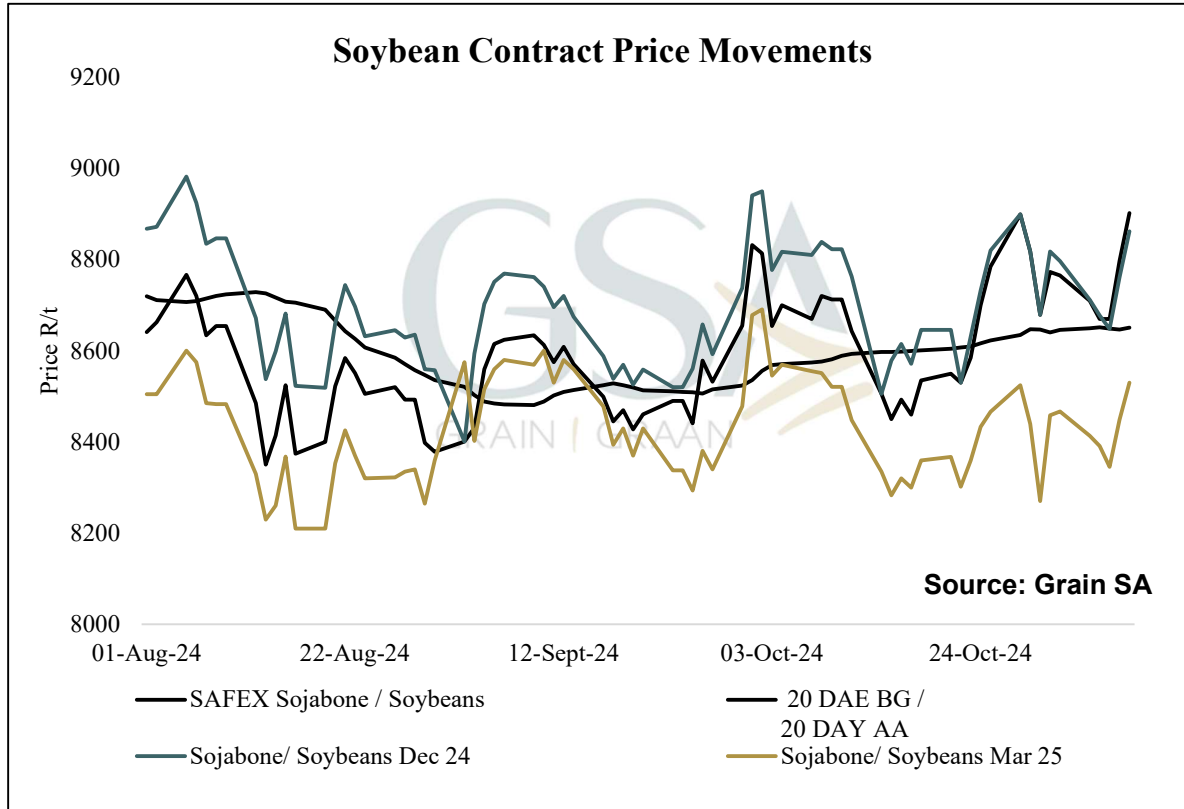
2. Supply and demand Estimates

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



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.

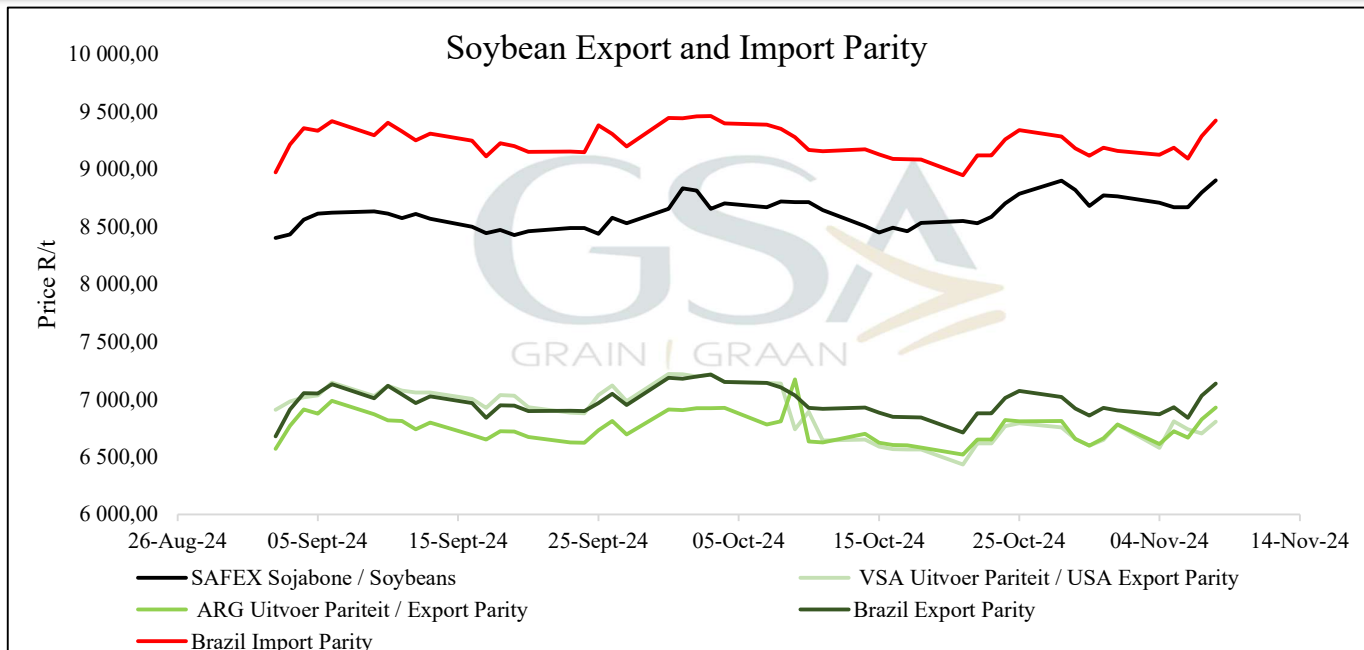
3. Monthly contract price movements



Comments on market movements for soybean contracts:

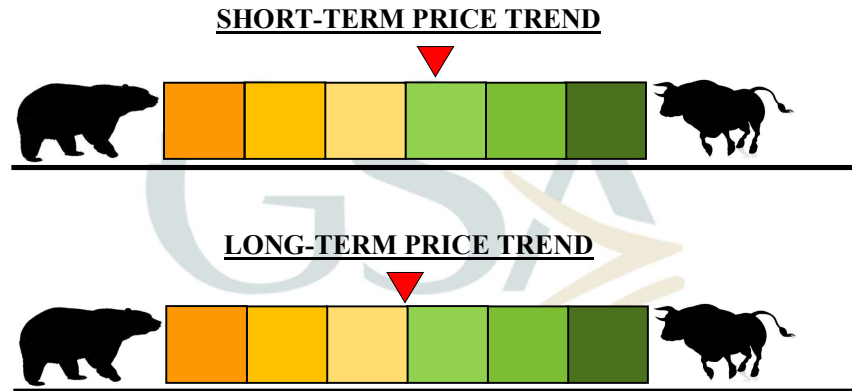
Generally, soybean prices continued to trade with a sideways, trend since the end of August. Contracts for the new season indicates a major price change. The March contract currently trades well below the Dec '24 contract as well as the Spot Contract.

3.1 Import and export parity prices



4. Final thoughts

In the Northern hemisphere harvesting is well underway as planting for the next growing season has picked up in the Southern Hemisphere. The outcome of the US election could spur increased Chinese soyabean purchasing, as well as support the soyabean oil market. Favourable planting conditions in South America could also weight on price direction in the long term. Looking at the future, increasing global ending stocks could weigh on global soybean prices.



Bearish factors:

- Crop conditions in the US suggest to be the best in the past four seasons.
- Egypt and Saudi Arabia saw a significant decline in soyabean imports in the first eight months of the 2023/24 season.
- Brazil is estimated to produce a record crop in the 2024/25 season. A 6% increase, compared to the previous season, is suggested by the USDA.

Bullish factors:

- Local prices remain supported by severe drought earlier in the season.
- Donald Trump mentioned he would raise tariffs on US imports of Chinese goods by at least 60%, which sparked speculation of a renewed trade war with China. However, raising tariffs on Chinese imports could reduce the competitiveness of used cooking oil from China (the largest origin), which competes with soyabean oil as a biofuel feedstock.

Grain SA's estimates for South Africa's supply and demand can be found at:

https://www.grainsa.co.za/upload/report_files/Oilseeds-SnD_Oct-2024.pdf

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Best regards,

Grain SA economy team

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