

USDA Soy Complex

In the latest monthly report released by the USDA for April, the result continued to exceed market expectations.

The alterations made in soy beans the outlook for medium term would continue to remain bearish. In response to the report prices of beans and oil prices ended lower. While soy meal prices ended tad higher.

The changes in the report include increase in seed usage in US considering the record planting prospects resulting in higher ending stocks by 2.4% with no changes in exports and crush numbers. US Soy meal balance sheet changes include increased exports and lower domestic use. Soybean oil changes include reduced food, feed, and other industrial use, due to uncertainty in bio fuel policy as well as, increased ending stocks.

Consolidated Global B/S (000 tons)			
Soy Bean			
	2015/16	2016/17	Change %
Production	313024	345965	10.5%
Crushing	275442	291948	6.0%
Exports	132239	143304	8.4%
Ending stocks	77126	87412	13.3%
S/C Ratio	28.0%	29.9%	
Soy Meal			
Production	216133	228786	5.9%
Consumption	214340	224662	4.8%
Ending stock	11706	12021	2.7%
S/C Ratio	5.5%	5.4%	
Soy oil			
Production	51623	54555	5.7%
Consumption	52061	53839	3.4%
Ending stock	3577	3709	3.7%
S/C Ratio	6.87%	6.89%	

Though the ending stocks in US were higher month on month, it was lower than market expectations. Meanwhile the prices largely responded to revisions in production estimates in South American nations. Brazilian production exceeded the expectations of 110 million tons to 111 million tons and 108 million tons in March. Month on month production estimates in Paraguay has been revised sharply up 10.14% to 10.1 million tons. Argentinean production also exceeded expectations of 55.89 at 56 million tons.

With the sharp revisions in South American production numbers world soy bean production is up by 10.5% yoy. Month on month world exports and crush numbers are also revised up marginally. But the magnitude of increase in supplies could not match the increment of demand and world ending stocks up by 13.3% with increasing SUR at 29.9% from 28.4% during last month. Soy bean prices may continue to exhibit bearish trend in near term due to ongoing harvest pressure from South American nations. The only risk to restrict the prices from going down would be any unforeseen weather event to disturb harvest in Argentina and reluctance in farmer selling which is being seen in Brazil.

With increase in soy bean crush in EU and Brazil, world soy meal production is revised higher month on month. SUR for soy meal is now stable year on year at 5.4%. For 2015-16 global ending stocks for soy oil is revised down by 2.4% month on month due to marginal increase in consumption and reductions in production. The SUR for oil and meal at 6.89% and 5.4% remains at multiyear lows however with record supplies of beans from South American nations there is potential of further upward revision in soy bean crush numbers with supply glut of soy beans along with other oil seeds.

USDA - India

The USDA in its April report has modified Indian soy meal balance sheet. Ending stocks are revised higher amid alterations in exports and domestic consumption numbers. The agency now estimates Indian soy meal exports at 15 lakh tons from initial estimates of 18 lakh tons and domestic consumption is revised up to 54 lakh tons from 52 lakh tons thus resulting in further increase in ending stocks. SUR for the season is now at 6.17% from 4.64% initially. With the increasing magnitude of global soy bean supplies and the recent fall in global prices has certainly reduced Indian soy meal export parity in global markets. Fresh deals for forward shipments in bulk are not materializing as buyers prefer to the South American meal. EAR has also revised down soy meal export numbers to 17.29 lakh tons from 21.27 lakh tons. Soy meal supplies are in abundance considering record soy bean production. Soy meal prices may not sustain at higher prices and could come down during coming days.



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Latest World Soybean Demand And Supply: USDA						in '000 tons	
Apr 2016/17							
	2012/13	2013/14	2014/15	2015/16	Mar 2016/17	Apr 2016/17	%Change Y/y
Top Five Producing Countries							
United States	82791	91389	106878	106857	117208	117208	9.7%
Brazil	82000	86700	97200	96500	108000	111000	15.0%
Argentina	49300	53400	61400	56800	55500	56000	-1.4%
China	13011	11951	12154	11785	12900	12900	9.5%
India	12186	9477	8711	7125	11500	11500	61.4%
Total	268474	282510	319595	313024	340788	345965	10.5%
Top Five Importing Countries							
China	59865	70364	78350	83230	87000	88000	5.7%
European Union	12538	13293	13914	15006	13800	14600	-2.7%
Mexico	3409	3842	3819	4126	4200	4200	1.8%
Japan	2830	2894	3004	3186	3100	3200	0.4%
Thailand	1867	1798	2411	2798	2800	2850	1.9%
Total	97192	113068	124361	133400	138249	140049	5.0%
Top Five Exporting Countries							
Brazil	41904	46829	50612	54383	61000	61900	13.8%
United States	36129	44594	50143	52688	55112	55111	4.6%
Argentina	7738	7842	10573	9920	9000	9000	-9.3%
Paraguay	5518	4900	4488	5310	5400	6200	16.8%
Canada	3470	3469	3854	4258	4400	4400	3.3%
Total	100797	112777	126218	132239	141105	143304	8.4%
Top Five Crushing Countries							
China	64950	68850	74500	81300	86500	86500	6.4%
United States	45967	47192	50975	51335	52798	52798	2.8%
Argentina	33611	36173	40017	43230	45300	45300	4.8%
Brazil	35235	36861	40435	39901	41000	41500	4.0%
European Union	12500	13400	14000	15200	14700	15300	0.7%
Total	231382	242798	264069	275442	291548	291948	6.0%
Top Five Countries High Ending Stocks							
Argentina	19472	25271	31916	31950	29700	30400	-4.9%
Brazil	15355	15820	18925	18050	20800	22600	25.2%
China	12348	13848	17009	16910	15560	16560	-2.1%
United States	3825	2504	5188	5354	11843	12124	126.4%
India	1210	600	200	234	1300	1300	455.6%
Other	3143	3602	4293	4628	3618	4428	-4.3%
Total	55353	61645	77531	77126	82821	87412	13.3%
Select Countries Stock To Use Ratio							
USA	5%	3%	5%	5%	11%	11%	
China	19%	20%	23%	21%	18%	19%	
Brazil	20%	19%	21%	19%	20%	22%	
Argentina	47%	57%	63%	60%	55%	56%	
World	23.9%	25.4%	29.4%	28.0%	28.4%	29.9%	



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Latest World Soyoil Demand And Supply: USDA						in '000 tons	
Apr 2016/17							
	2012/13	2013/14	2014/15	2015/16	Mar 2016/17	Apr 2016/17	%Change Y/y
Top Five Producing Countries							
China	11626	12335	13347	14569	15501	15501	6.4%
United States	8990	9131	9706	9956	10233	10233	2.8%
Argentina	6364	6785	7687	8433	8725	8750	3.8%
Brazil	6760	7070	7760	7660	7850	7960	3.9%
European Union	2375	2546	2660	2888	2793	2907	0.7%
Total	43275	45238	49196	51623	54470	54555	5.7%
Top Five Importing Countries							
India	1081	1804	2815	4269	3800	3800	-11.0%
China	1409	1353	773	586	620	620	5.8%
Iran	543	551	421	299	300	300	0.3%
Algeria	575	629	631	734	700	700	-4.6%
Bangladesh	400	442	508	639	600	600	-6.1%
Total	8500	9254	10035	11631	11088	11027	-5.2%
Top Five Exporting Countries							
Argentina	4244	4087	5094	5697	5650	5550	-2.6%
Brazil	1251	1378	1510	1550	1450	1450	-6.5%
United States	981	852	914	1016	1021	1021	0.5%
European Union	1011	766	1010	915	950	900	-1.6%
Paraguay	558	650	690	682	710	730	7.0%
Total	9359	9438	11093	11690	11736	11611	-0.7%
Top Five Domestic consumption Countries							
China	12545	13650	14200	15300	16000	16000	4.6%
United States	8522	8576	8600	9147	9322	9163	0.2%
Brazil	5534	5705	6265	6265	6420	6530	4.2%
India	3000	3300	4100	5300	5500	5500	3.8%
Argentina	2245	2844	2401	2831	2965	3100	9.5%
Total	42642	45336	47876	52061	53870	53839	3.4%
		6.3%	5.6%	8.7%	3.5%	3.4%	
Top Five Ending stock Countries							
United States	751	529	841	765	804	962	25.8%
China	1021	965	778	537	548	548	2.0%
India	351	420	521	531	451	451	-15.1%
Argentina	288	151	365	270	435	370	37.0%
Other	1284	1361	1187	1182	1251	1046	-11.5%
Total	4094	3812	4074	3577	3801	3709	3.7%
Select countries S/C ratio							
China	6.0%	3.9%	5.9%	5.0%	5.0%	6.0%	
United States	10.7%	10.2%	8.2%	5.3%	5.3%	5.4%	
Argentina	5.4%	6.1%	7.0%	6.2%	5.2%	5.2%	
World	9.6%	8.4%	8.5%	6.9%	7.1%	6.9%	

Latest World Soymeal Demand And Supply: USDA						in '000 tons	
Apr 2016/17							
	2012/13	2013/14	2014/15	2015/16	Mar 2016/17	Apr 2016/17	%Change Y/y
Top Five Producing Countries							
China	51440	54531	59004	64390	68508	68508	6.4%
United States	36174	36909	40880	40525	41378	41355	2.0%
Argentina	26089	27892	30928	33211	34780	34800	4.8%
Brazil	27310	28540	31300	30880	31720	32120	4.0%
European Union	9875	10586	11060	12008	11613	12087	0.7%
Total	181818	190283	207982	216133	228449	228786	5.9%
Top Five Importing Countries							
European Union	16941	18137	19623	19208	20250	19500	1.5%
Vietnam	2981	3344	4502	5090	5200	5150	1.2%
Indonesia	3367	3983	3844	4275	4600	4600	7.6%
Thailand	2874	2665	3068	2433	3000	3000	23.3%
Philippines	1968	2335	2204	2617	2650	2650	1.3%
Total	53825	57944	60875	62059	64431	63637	2.5%
Top Five Exporting Countries							
Argentina	23667	24972	28575	30325	32400	32000	5.5%
Brazil	13242	13948	14390	15407	15200	15200	-1.3%
United States	10111	10504	11891	10853	10523	10795	-0.5%
Paraguay	2149	2504	2530	2450	2710	2710	10.6%
China	1365	2017	1595	1909	1900	1600	-16.2%
Total	58521	60716	64463	65351	68286	67446	3.2%
Top Five Domestic consumption Countries							
China	50091	52534	57467	62505	66638	66938	7.1%
European Union	26242	28442	29892	31142	31542	31442	1.0%
United States	26307	26775	29282	30035	31117	30845	2.7%
Brazil	14800	15100	15700	16200	16750	16850	4.0%
Mexico	4250	4575	5100	5775	6060	6060	4.9%
Total	177674	186815	201743	214340	225071	224662	4.8%
Top Five Ending stock Countries							
Argentina	3253	4073	4025	4231	3825	4231	0.0%
Brazil	2966	2484	3712	3010	2800	3100	3.0%
India	332	407	553	119	326	426	258.0%
Vietnam	93	162	448	532	300	420	-21.1%
Philippines	49	251	180	414	338	401	-3.1%
Total	9858	10554	13205	11706	11170	12021	2.7%
Select countries S/C ratio							
Brazil	11%	9%	12%	10%	9%	10%	
Argentina	14%	16%	14%	14%	12%	13%	
World	5.55%	5.65%	6.55%	5.46%	4.96%	5.35%	

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