

# SOYBEANS



APRIL 2025

## Grain Market Outlook

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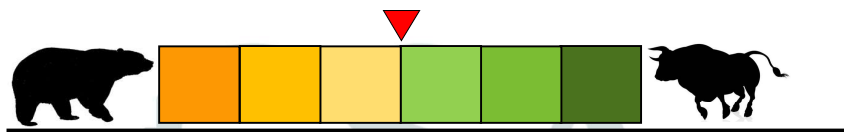
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This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen ([heleen@grainsa.co.za](mailto:heleen@grainsa.co.za)) or Strelza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

## 1. Bearish and bullish factors

Soybeans may just be the crop that will be the greatest affected by the sudden change in tariff structures. Together with trade uncertainty, global soybean is set to increase again in 2025, continuing the increase in global ending stocks.

### SHORT-TERM PRICE TREND



### LONG-TERM PRICE TREND



#### Bearish factors:

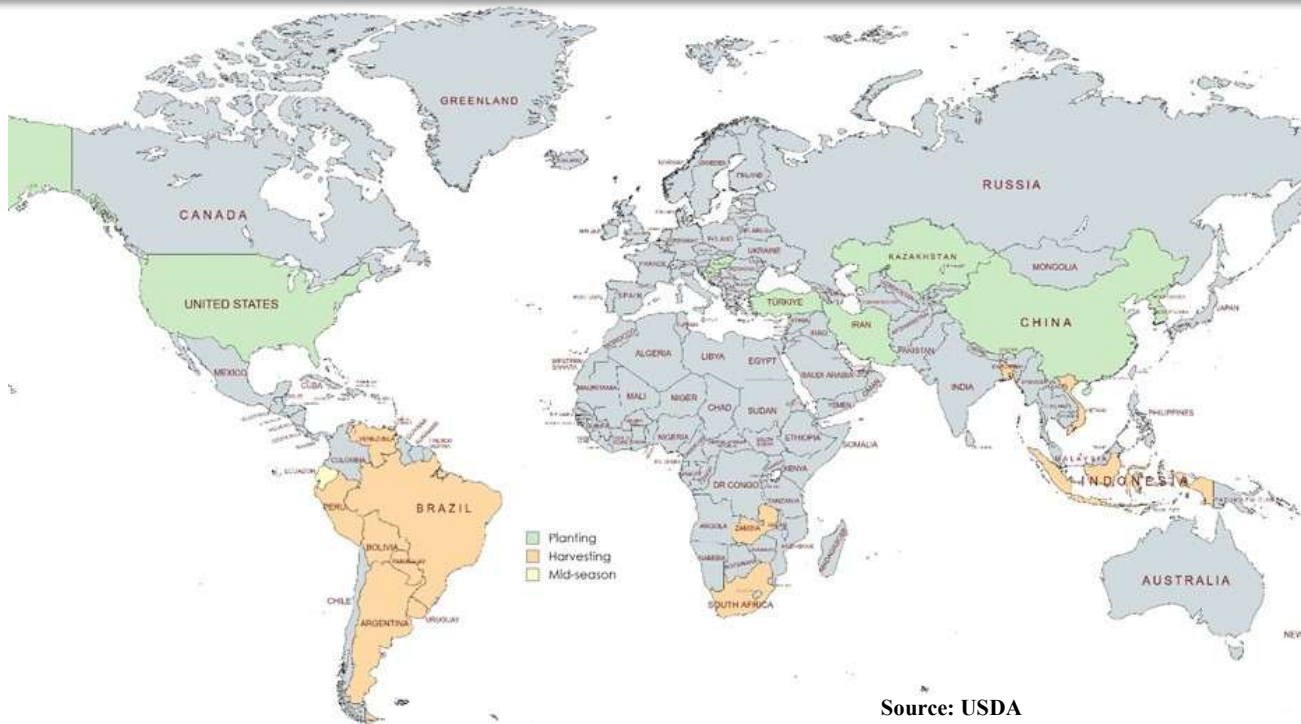
- In the April WASDE report global supply was adjusted upwards. Even though demand is also expected to increase, global ending stocks still continue to rise. If this trend continues, global soybean prices could be under pressure.
- Total US soybean commitments and accumulated exports were up 14% and 12%, respectively, from the same time in 2023-24.
- Paraguay is estimated to increase soybean production by 12,4% in the 2025/26 season.
- The US is currently busy planting the 2025 crop. As of April 20<sup>th</sup> soybean plantings were slightly ahead of the five-year average as well as the previous season.

#### Bullish factors:

- Trade and tariff uncertainty could offer some support to global prices.



## 2. World soybean production

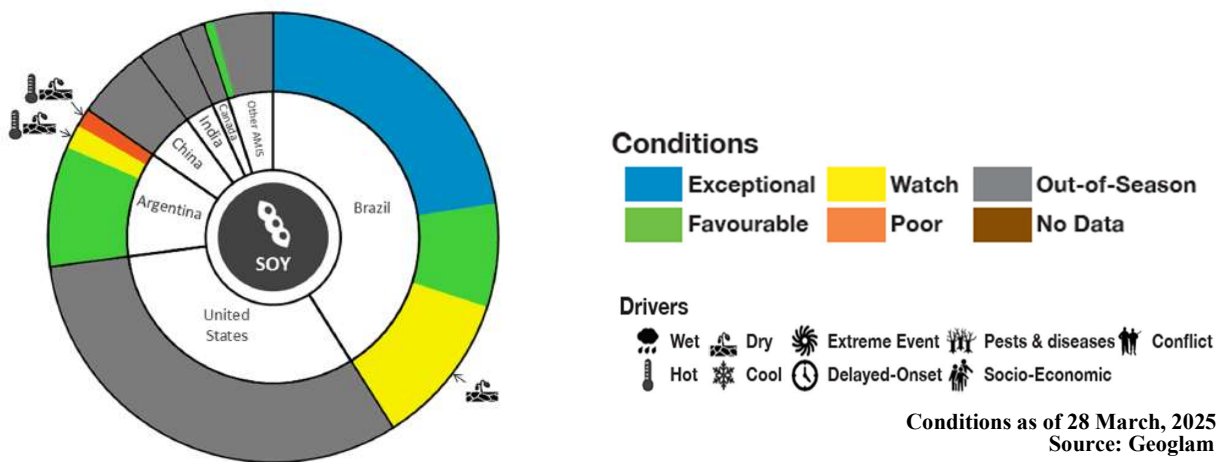


### 2.1. Global crop production conditions

In the southern hemisphere, harvesting is taking place under mostly favourable conditions. Argentina's crop conditions have improved due to rainfall.

**Comments on El Niño:** The El Niño Oscillation (ENSO) have been in a La Niña phase since late March. Forecasts currently estimate a 65% chance of ENSO-neutral conditions until October 2025, according to the IRI<sup>1</sup>.

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



**Brazil:** Harvesting is taking place under exceptional conditions, except in the south. Lack of rainfall and high temperatures caused conditions to be mixed in the south.

**Argentina:** Both early-planted and late-planted crops are negatively affected in the Northwest and Northern regions due to dryness and high temperatures. However, the central region was positively affected by rain during late February and early March.

**South Africa:** Crop development was supported by rainfall and improved conditions.



## 3. Supply and demand Estimates

### 3.1. World Agricultural Supply and Demand (WASDE) APRIL 2024/2025 overview



Stock-to-use percentage: 29.82%; three-year-average: 28.89%



Stock-to-use percentage: 14.81%; three-year-average: 13.46%



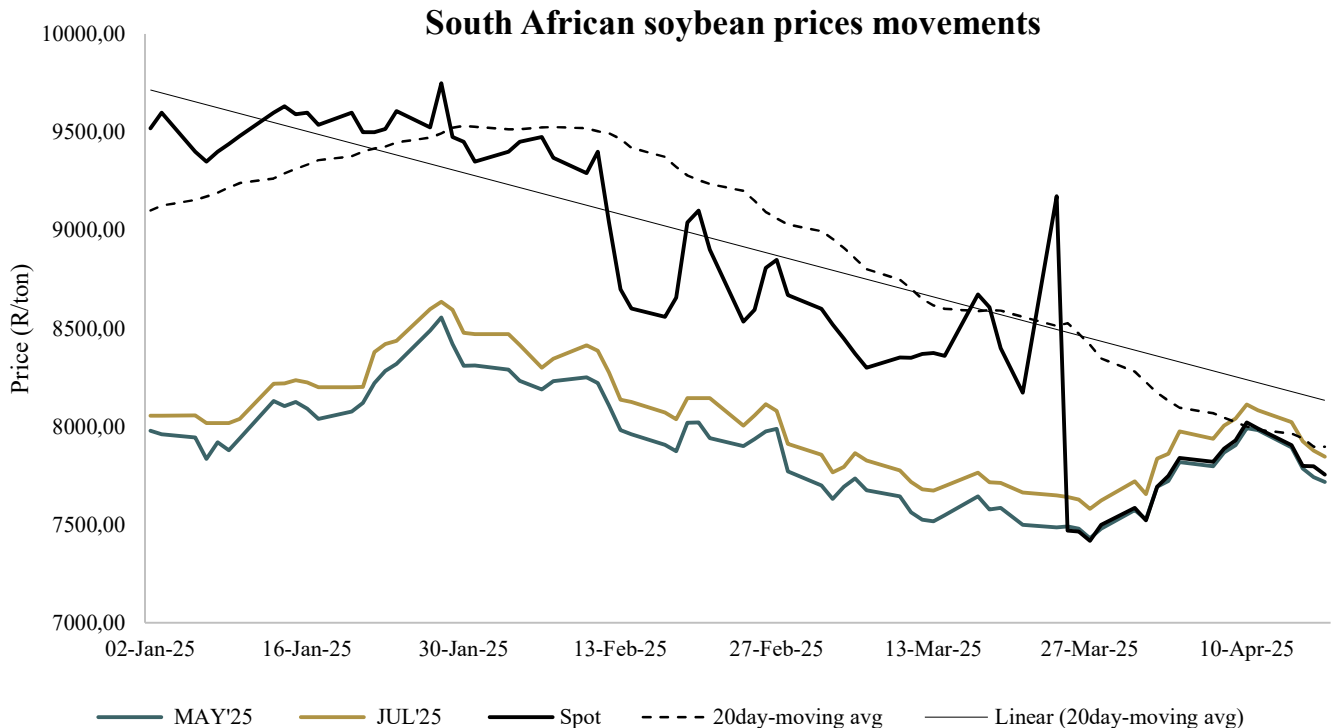
Stock-to-use percentage: 49.28%; three-year-average: 50.21%



Stock-to-use percentage: 52.88%; three-year-average: 55%

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.

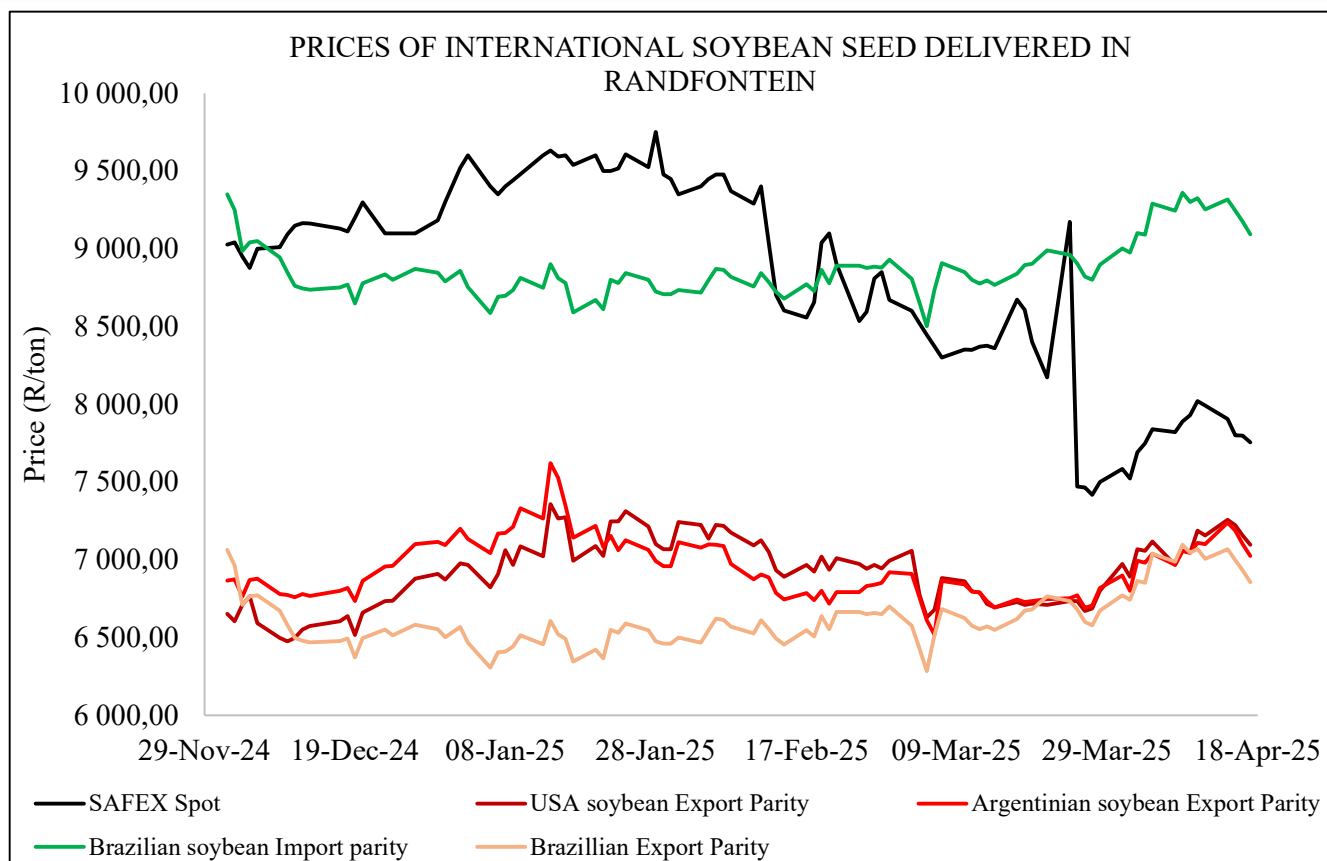
## 4. Monthly contract price movements



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

Soybean prices started to trade downward since end January / start of February all the way into March. The near month contracts are still trading well above future months, including May and July, until contact-closing at the end of March. This resulted in a major price drop.

## **4.1 Import and export parity prices**



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Best regards,

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