

# SOYBEANS



AUGUST 2025

## Grain Market Outlook

### Table of contents:

1. Bearish and bullish factors.....1
2. World soybean production.....2
3. Supply and demand estimates.....3
4. Monthly contract price movements.....3
- 4.1 Import and export parity prices.....4

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 the team at [economist@grainsa.co.za](mailto:economist@grainsa.co.za)

## 1. Bearish And Bullish Factors

In the global market the Northern Hemisphere is all the focus. The harvesting process is set to commence in September, bringing new stock to the already well-supplied market. Crop conditions during the final development stages will be a crucial watchpoint the next few weeks.

### SHORT-TERM PRICE TREND



### LONG-TERM PRICE TREND



#### Bearish factors:

- **Heavy South American Supplies:** Argentina's 2024/25 soybean harvest is around 50.3 Mt, and Brazil's output is also strong, leading to expectations of increased global soybean production. This rise, coupled with steady crush rates, is forecasted to boost U.S. ending stocks to a multiyear high of 126.1 Mt, putting downward pressure on prices.
- **Large Ending Stocks/Oversupply:** Both U.S. and global soybean inventories are set to increase. The USDA cut U.S. export forecasts and raised ending stocks due to expected heavy harvests. In China, weak feed demand has resulted in a soymeal glut, further limiting soybean demand and price increases.
- **Strong U.S. Yield Outlook:** Favourable weather suggests high U.S. soybean production, with USDA estimating around 118 Mt. A record fall harvest is anticipated, which could pressure prices unless there is a significant surge in international demand.

#### Bullish factors:

- **Renewed China Demand:** On Aug. 11, President Trump urged China to “quadruple” soybean purchases and agreed to a 90-day tariff truce.
- **Strong Chinese Imports:** China imported a record 11.67 million tonnes of soybeans in July (+18.5% y/y), driven by Brazilian supplies and precautionary buying amid U.S. trade tensions.
- **U.S. Crush and meal demand:** The USDA raised U.S. soybean crush for 2025/26 to a record due to higher soy-oil use for biofuel. The June crush was at a record pace, tightening soybean meal availability and supporting prices.
- **Export Inspections:** U.S. soybean export inspections remained strong through early August, indicating solid demand from Mexico and other buyers and supporting market prices.



## 2. World Soybean Production



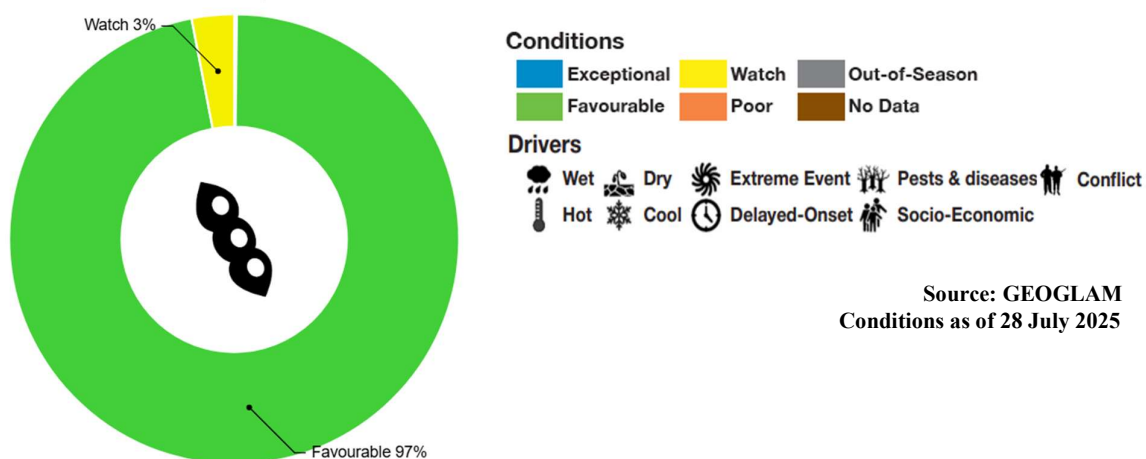
### A. Global crop production conditions

In the Northern Hemisphere, crops are busy developing under mostly favourable conditions. In the Southern Hemisphere planting is mostly wrapped up.

### B. Comments on El Niño

The status of the El Niño–Southern Oscillation (ENSO) is neutral. Forecasts from most international models (6 out of 8) indicate that neutral ENSO conditions are likely to persist until at least January 2026, while 2 models suggest borderline La Niña levels could emerge during the southern spring and early summer. The relatively large spread in model projections signals higher-than-usual uncertainty in the outlook. This suggests that while neutral conditions dominate for now, the potential for La Niña development later in 2025 cannot be ruled out. In addition, the Indian Ocean Dipole (IOD) is currently neutral.

### C. Crop Conditions Commentary



<b>China:</b>	Crop development is underway in China with generally favourable conditions. Conditions are especially favourable in the North-East region.
<b>United States</b>	In the US the soybean crop is developing under favourable conditions as pot-setting continues. The percentage of the 2025 crop that is rated as good-to-excellent is above the rating for the past three seasons.
<b>Canada</b>	The 2025 soybean crop is currently developing in Canada, with conditions favourable in the Southern region. In the South-East region dry conditions is rising some concern.
<b>Ukraine</b>	Conditions in Ukraine is concerning with hot and dry conditions persisting. In the Western regions conditions are more favourable. However, conditions should be watched as the season progresses.
<b>EU</b>	As the crop develops in the EU, conditions range from excellent to concerning. Dry conditions is persistent in Hungary, Czechia and Romania. Excellent conditions is experienced in the Southern parts of France.
<b>India</b>	Conditions in India is favourable as the 2025 crop develops.

### 3. Supply And Demand Estimates

#### 3.1. World Agricultural Supply and Demand (WASDE) AUGUST 2025/2026 overview



Stock-to-use percentage: 29.38%; three-year-average: 30.00%



Stock-to-use percentage: 10.95%; three-year-average: 13.02%



Stock-to-use percentage: 48.79%; three-year-average: 51.19%



Stock-to-use percentage: 59.33%; three-year-average: 56.50%

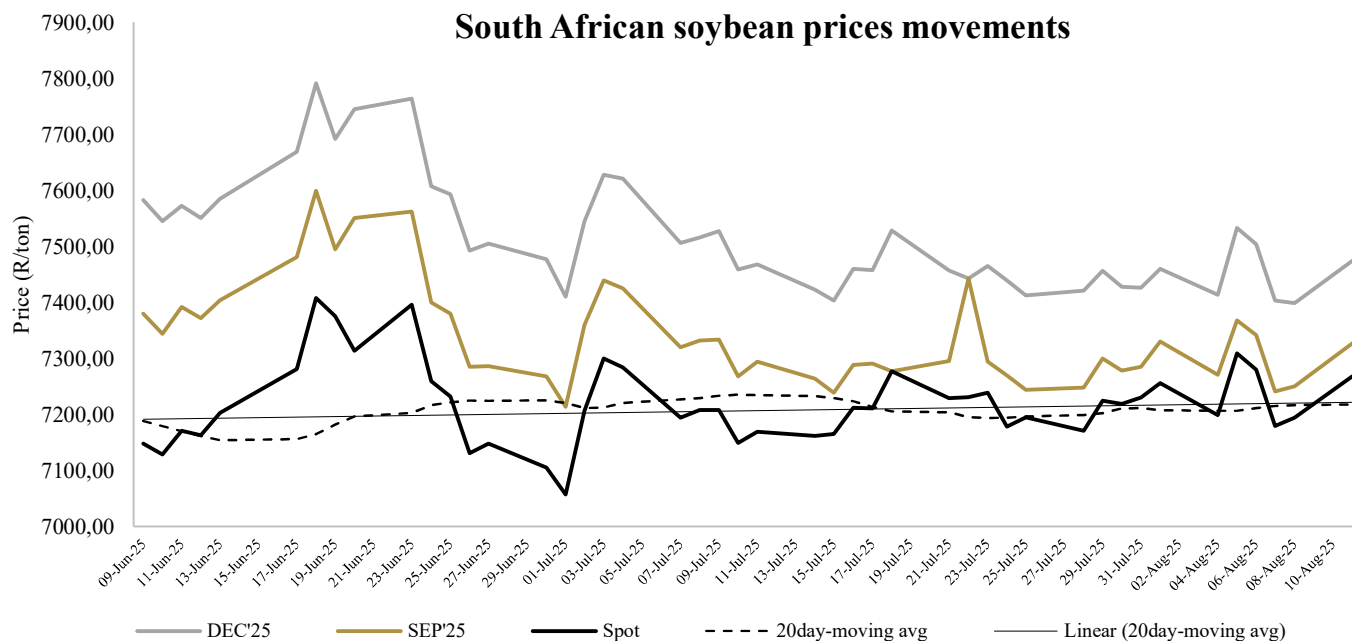
Below the normal stock-to-use level prices tend to react sharply in the market environment. By comparing current year stock-to-use percentages to the norm, an indication can be concluded regarding the direction of price trends.

### 4. Monthly contract price movements

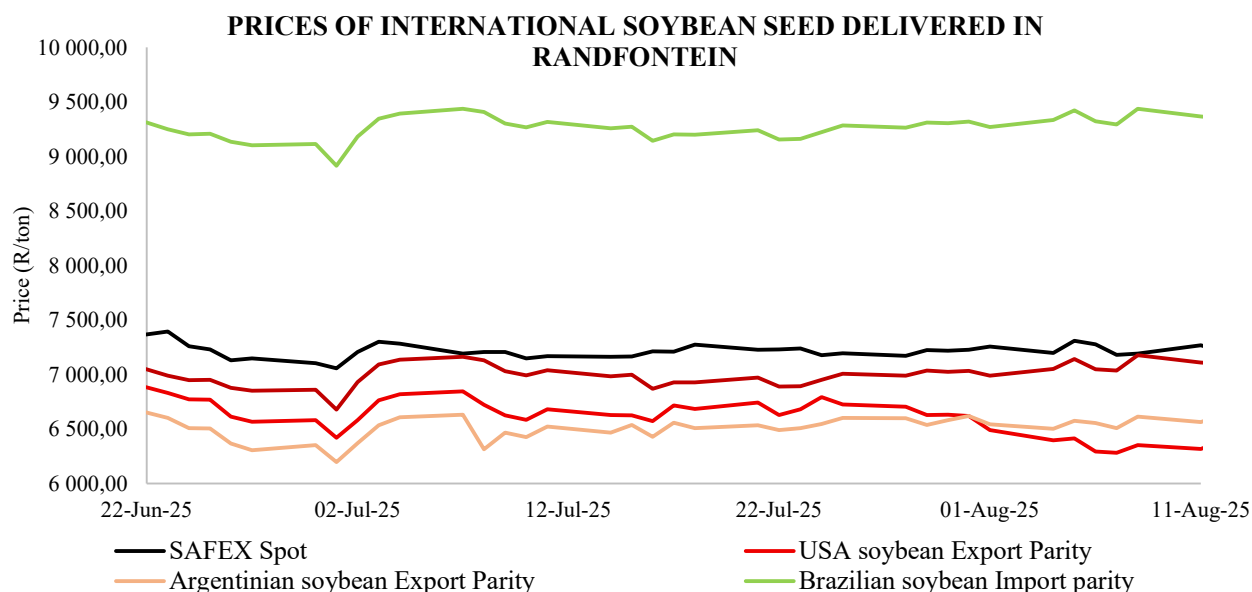
#### Comments on market movements for soybean contracts:

Local soybean prices have traded with a very slight upward trend since the start of June. Future contracts, like September and December 2025, are trading slightly above the spot prices. However, local prices remain close to export parity.





## 4.1 Import and Export Parity Prices



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 the team at [economist@grainsa.co.za](mailto:economist@grainsa.co.za).

Best regards,

Grain SA economy team

Second floor | Alenti Office Park | Lynnwood Road | Pretoria East

