

# SOYBEANS



**MARCH 2025**  
**Grain Market Outlook**

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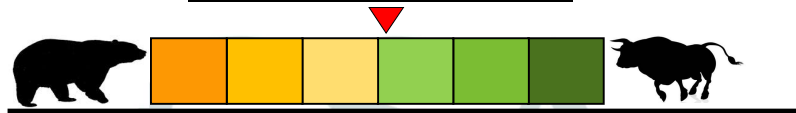
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This report was compiled by the applied economics team of Grain SA. If you would like any further information, or to be added to the monthly contact list, please feel free to contact Heleen ([heleen@grainsa.co.za](mailto:heleen@grainsa.co.za)) or Strelza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

## 1. Bearish and bullish factors

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 adopted 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.

### SHORT-TERM PRICE TREND



### LONG-TERM PRICE TREND



#### Bearish factors:

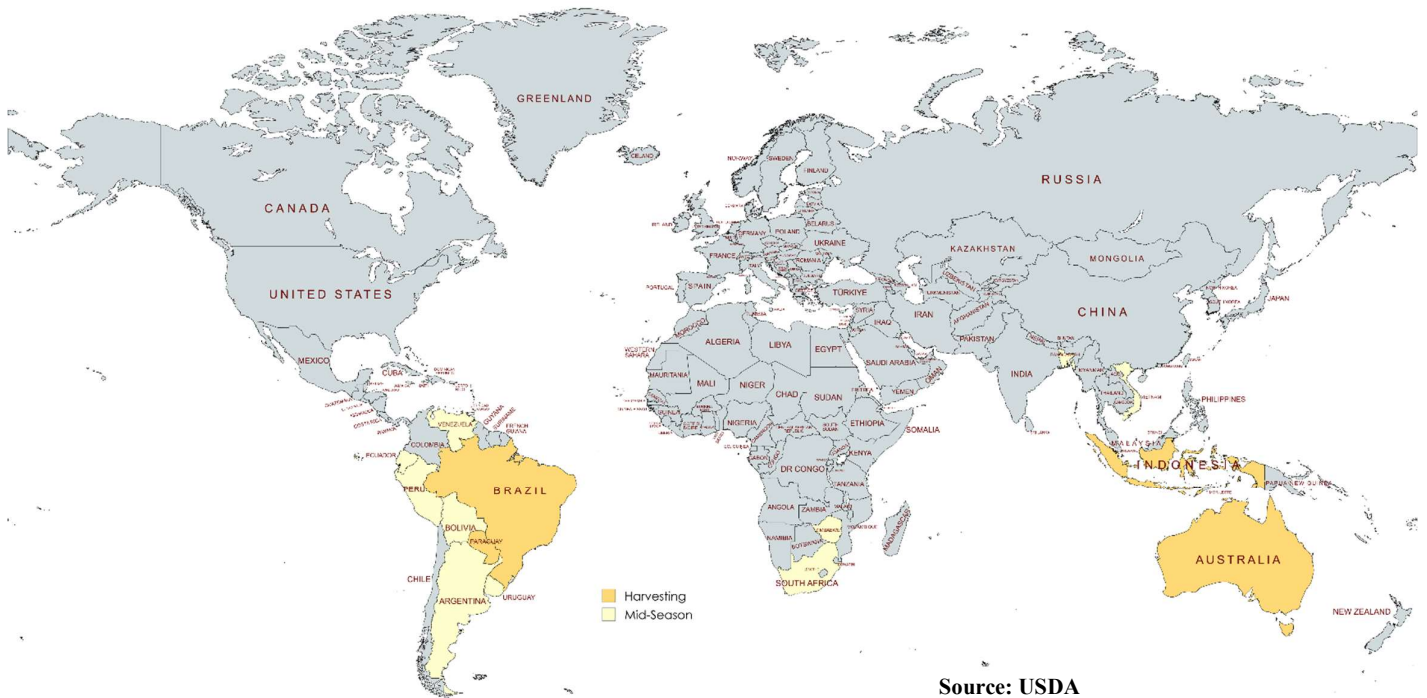
- Brazil is heading for another record-breaking crop this season. Favourable weather conditions coupled with an increased planted area could lead to exceptional yields, applying pressure on markets.
- In South Africa the first production estimate for soybeans indicated a possible increased production of almost 477 000 tons. This will mean that South Africa will become a net exporter in the next season. Even though near month contracts still trade close to import parity, further month contracts trade approximately R870/t lower, closer to export parity.

#### Bullish factors:

- Hot and dry conditions in Argentina and Brazil could offer some short term support to global prices.



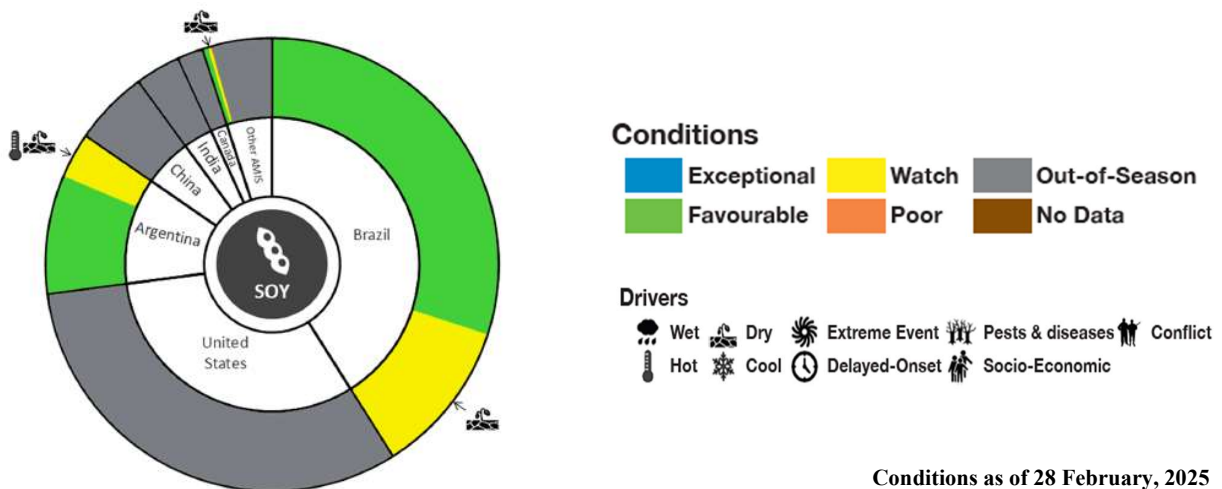
## 2. World soybean production



### 2.1. Global crop production conditions

In the southern hemisphere, conditions are mixed in Argentina, southern Brazil and South Africa due to recent hot and dry weather.

According to the CPI/IRI transition to ENSO-neutral is likely during March-May 2025 (66% chance) and neutral ENSO conditions are most likely through November 2025.



**Brazil:** Total area planted is more than the previous year. Yields can be affected by little rainfall in the Southern Region. Harvest is conducted under generally favourable conditions.

**Argentina:** Conditions improved for the early-planted and late-planted crops due to recent rainfall. However, the northern and southern provinces are still experiencing dryness.

**South Africa:** Late start to the rainy season and a dry period from min-January to early February caused mixed conditions. Rainfall in March is critical for yields.



# 3. Supply and demand Estimates

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



Stock-to-use percentage: 29.67%; three-year-average: 28.84%



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



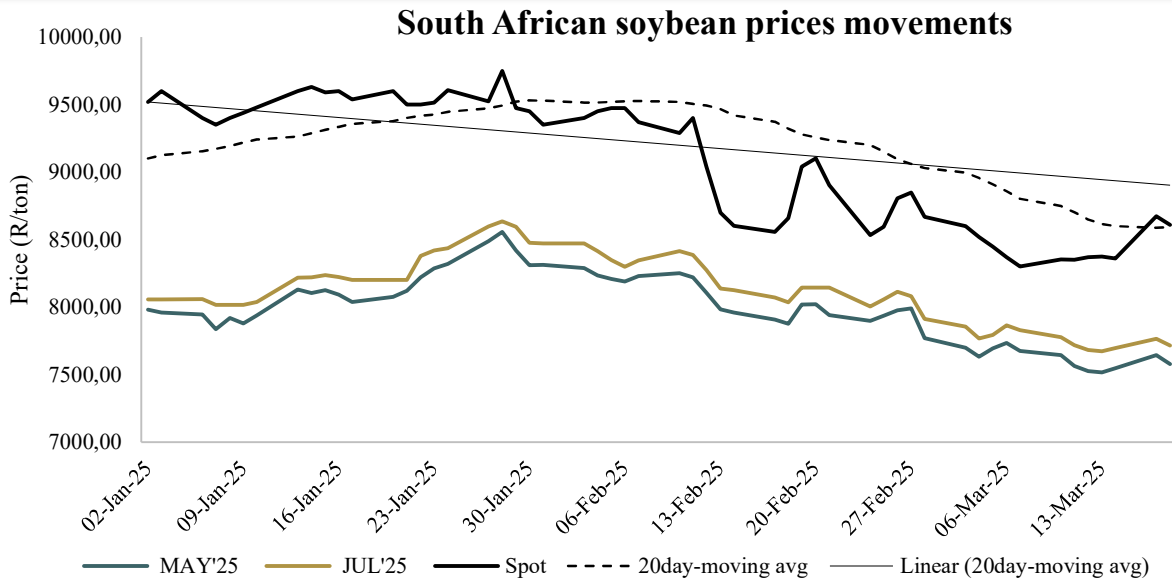
Stock-to-use percentage: 50.30%; three-year-average: 50.55%



Stock-to-use percentage: 52.45%; three-year-average: 54.86%

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.

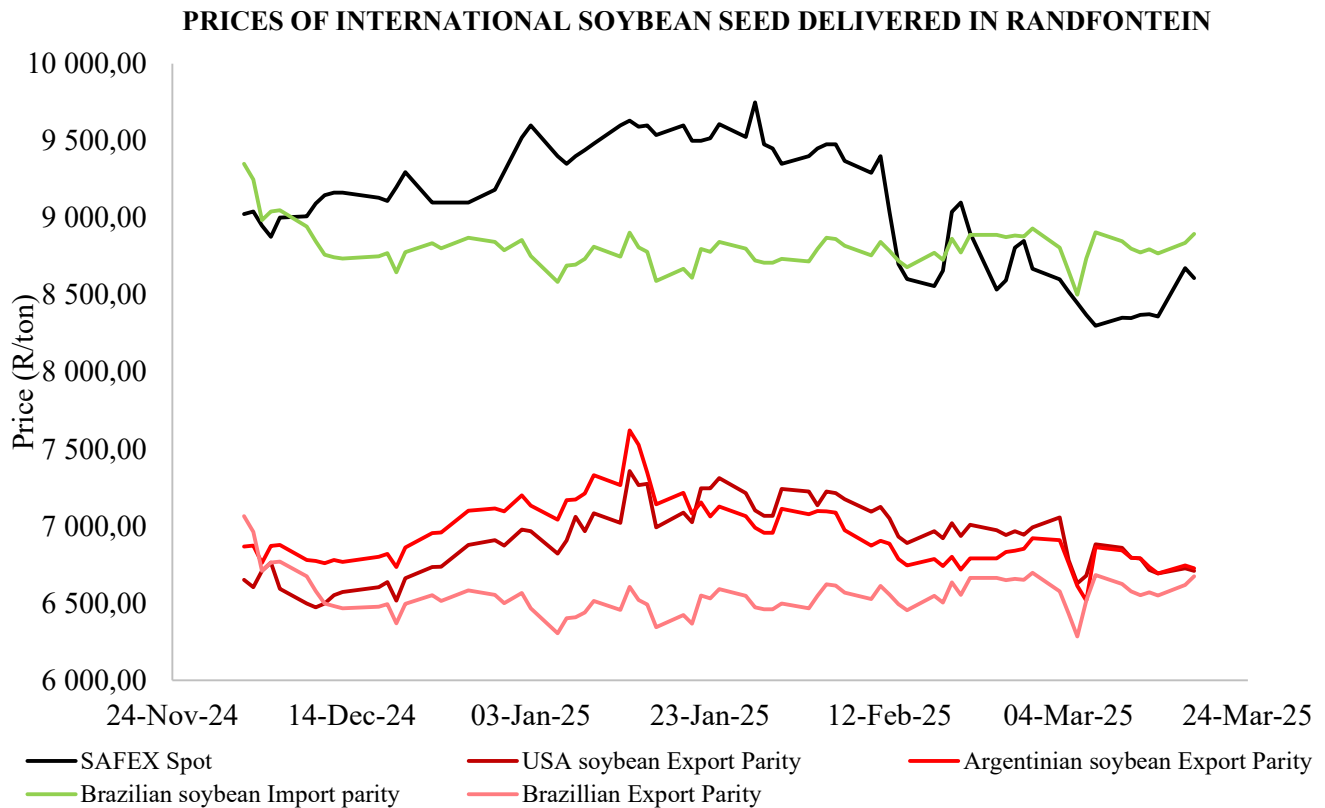
# 4. Monthly contract price movements



### 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. This indicates a downward market sentiment for contract prices.

## 4.1 Import and export parity prices



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Best regards,

Grain SA economy team

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

