### Soybeans:
The US soybean market found support last week and traded stronger for the week. The support in the US market can largely be attributed to the expectations of larger Chinese soybean purchases as well as possible cold damage to the crops already planted. China is currently buying a lot of soybeans from South America and expectations are that South American soybean exports will remain above average during May and June. This will reduce soybean supplies in South America and will therefore require China to buy more US soybeans in the second half of the year. South American soybean exports were 69% higher in April than last season’s exports in April, most of which were from Brazil. Average exports from Brazil caused the Brazilian soybean stocks to drop to a 4-year low in early May. Soybean processing in Brazil takes place at a slower pace with the crushing margins there being under pressure due to the increased exports of soybeans. Soybean oil and meal prices in Brazil also came under pressure, which further put pressure on Brazil’s crushing margins. In the international market for vegetable oils, the share of soybean oil increased sharply with the soybean oil becoming more price competitive in the international context. Argentine soybean oil exports reached a 5-year high during April and were significantly more than the previous year’s exports at the same time of year. Local: The local soybean market traded mixed on Friday with the May contract coming under pressure and closing lower, while the rest of the contracts found support and traded stronger for the day. The local soybean market traded for delivery in May 2020, R6 / ton lower for the day to close at R6 633 / ton.

### Sunflower Seeds:
The international sunflower seed market has found good support lately and has traded stronger. The support in the international sunflower seed complex can be largely attributed to the above-normal high sunflower oil exports from Ukraine. The processing of sunflower seeds in Ukraine was exceptionally high for the year to date and this put the available stocks under pressure. The export restrictions announced by Russia also contributed to support in the international market. As a result, Turkey is now much more dependent on sunflower oil imports from Ukraine and sunflower seeds from Argentina. Local: The local sunflower seed market came under pressure on Friday and closed lower for the day in most of the contract months currently listed. The sunflower seed market for delivery in May traded R63 / ton lower for the day to close at R5 867 / ton.

### Canola:
In Canada, the canola area planted is expected to be fairly low this season and is estimated at between 600 000 and 800 000 acres. This will limit the canola production recovery in Canada with the limited area expected. However, production conditions do not look bad at the moment and should be positive for yield expectations. In Australia, canola production is expected to recover well for the season and is estimated at about 3.1 million tonnes. This will make Australia a more prominent player in the international canola export market. Local: The local canola area for the season is estimated at 72 000 hectares. It is 000 hectares less than last season’s area planted.

### Groundnuts:
In the USA, groundnut plantings occur at a slower rate than normal. According to the latest US Department of Agriculture’s weekly production progress report, 14% of groundnuts for the season have already been planted. This is lower than the previous season’s 18% completion and the 5-year average rate of 16% completed at the same time of year. Local: The local groundnut production for the season is estimated at 62 470 tons.

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### Grain SA's Oilseed Market Commentary

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For any queries, please contact: Luan van der Walt, Email: luan@grainsa.co.za

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Everything has been done to ensure the accuracy of this information, however Grain SA takes no responsibility for any losses or damage incurred due to the usage of this information.