



# SOYBEAN MARKET REPORT

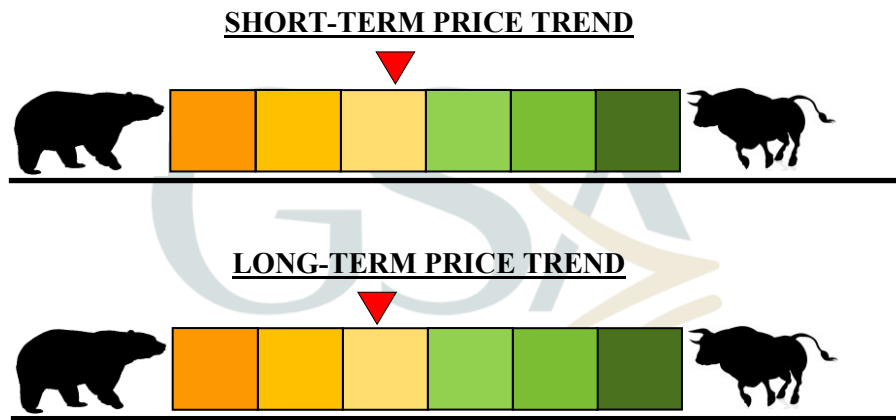
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# International Markets

## Bearish and Bullish Factors



### **Bearish factors (price-negative)**

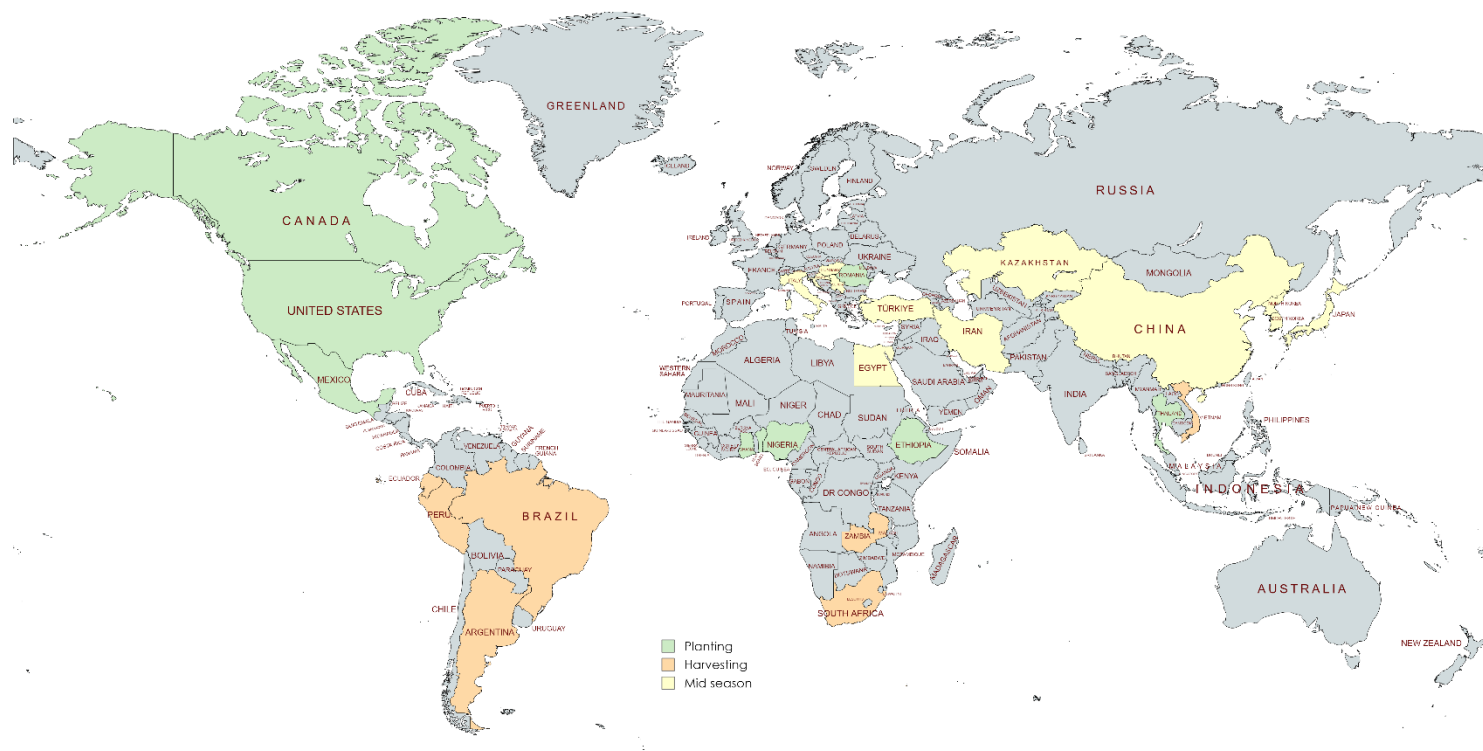
- US Futures lower due to less supply risk in the Middle East.
- Record Brazilian harvest maintains supply pressure.
- U.S. export share near multi-year lows.
- The crude oil price decline is weighing on soybean oil demand.
- An increase in the total supply in South Africa puts further pressure on the slow export program.

### **Bullish factors (price-supportive)**

- Soybean acreage report increase confirms producer confidence in profitability for the crop.
- Record crush demand driven by biofuel mandates.
- The Midwest heat dome is threatening crop development in the US and could support prices.
- Slightly tighter global ending stocks could provide some support.



## International Production



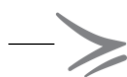
### Comments on El Niño:

El Niño is confirmed for the second half of 2026, with super El Niño warnings issued for Southern Africa. This means drier-than-normal conditions can persist through the winter and spring. A super El Niño can mean severe droughts and stressed maize, wheat and pasture systems.

### Crop Conditions Commentary

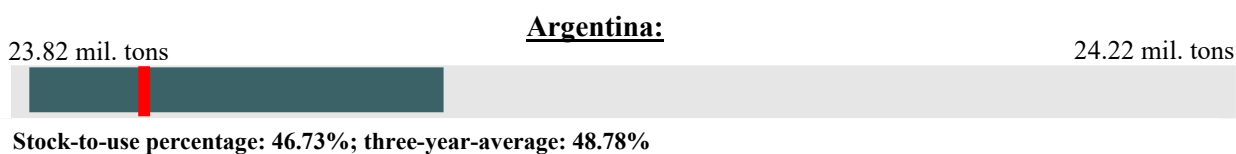
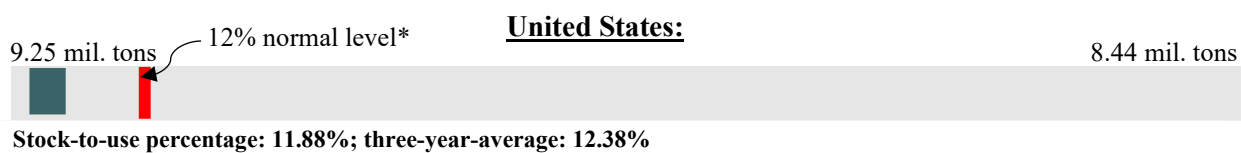
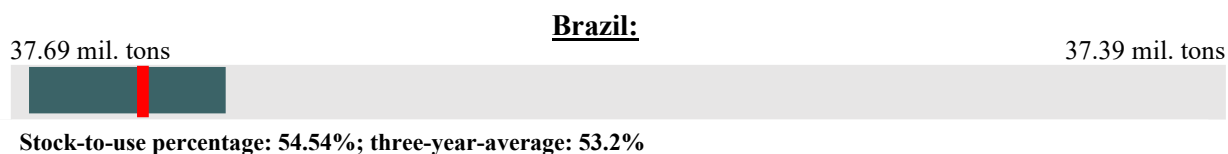
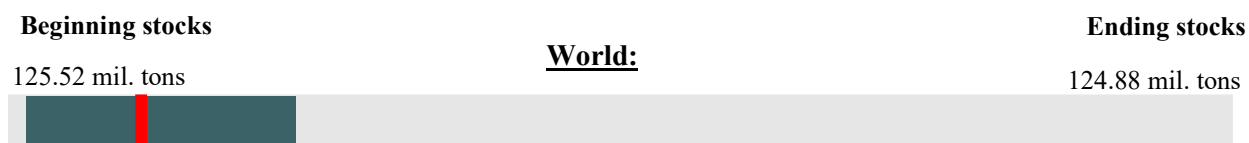
#### Country / Region    Current situation

United States	Planting is progressing rapidly under favourable conditions.
Brazil	Southern regions are wrapping up their harvest after a season of favourable conditions.
Argentina	Good yields are expected as the harvest progresses for both the early crop and the late-planted crop.
China	Planting is continuing under favourable conditions.
South Africa	Harvest is concluding with above-average yields nationwide and an increase in sown area compared to last year and the five-year average.
Ukraine	Planting is continuing under reasonable conditions except for drier weather in the western regions of the country.

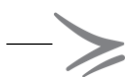


## Supply and Demand (WASDE)

### World Agricultural Supply and Demand (WASDE) June2026 Overview

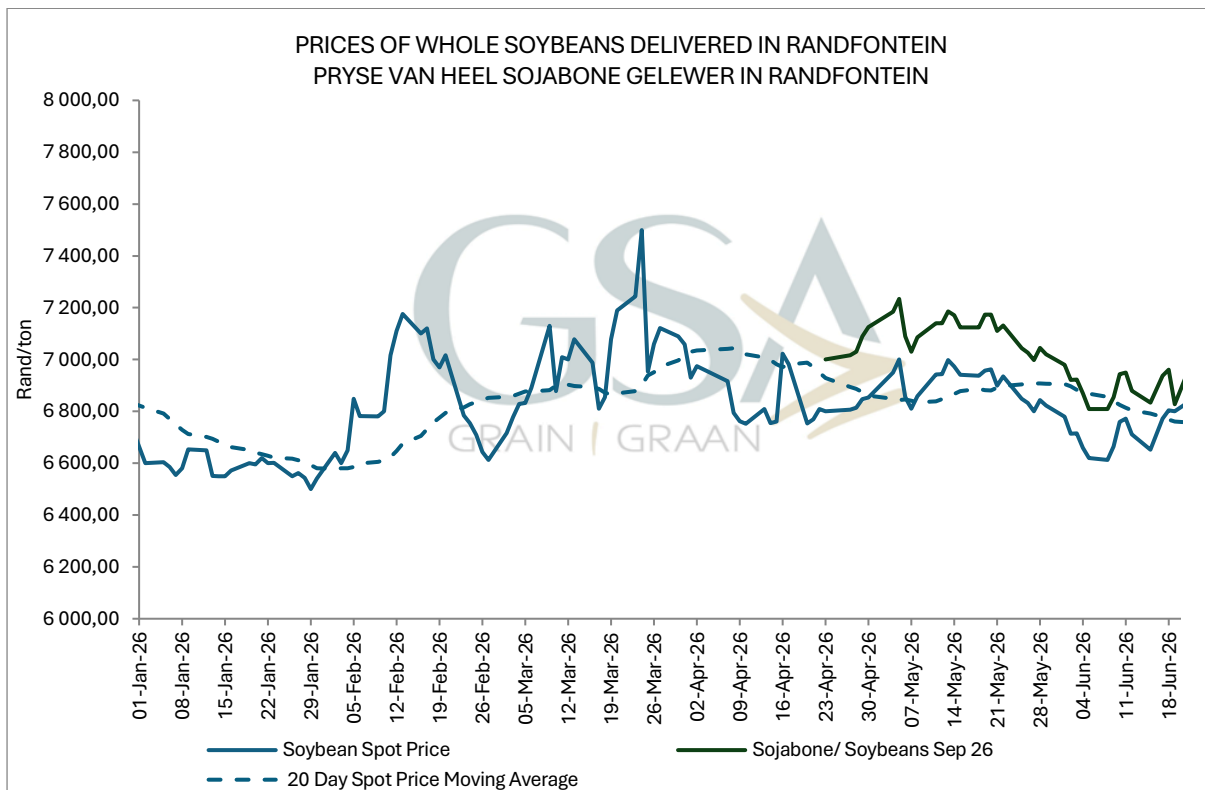


\*Below the normal stock-to-use level, prices tend to react sharply in the market environment. By comparing current-year stock-to-use percentages to the norm, an indication of the direction of price trends can be inferred.



# Local Market

## Price Movements



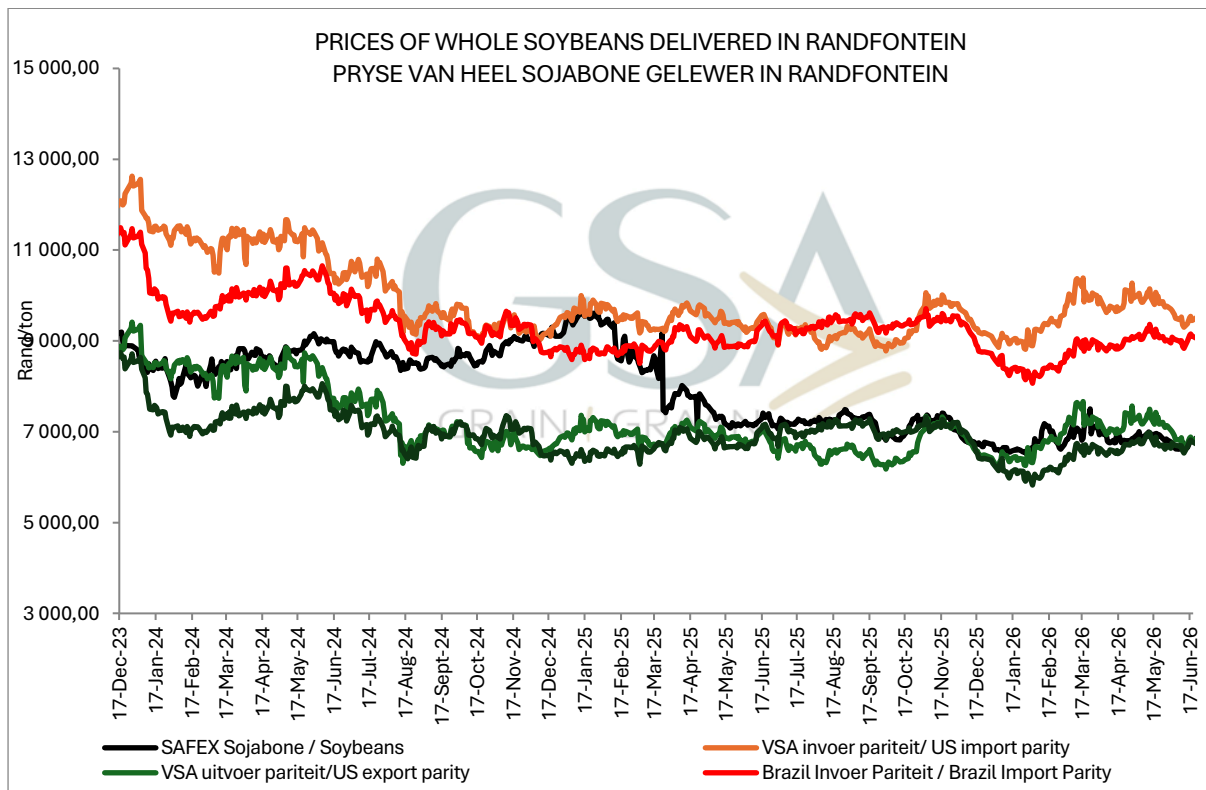
Soybean prices are currently experiencing harvest pressure and are trading at export parity. This is due to the relatively stable local demand figures, increased supply from high carry-over stocks, and the nearly completed harvest. Deep-sea exports are expected to increase, rising to 150,000 tonnes from around 200 tonnes in the previous season. In May, 71,310 tonnes of soybeans were exported, with cross-border exports reaching 61,182 tonnes.

Total commercial supply is expected to be higher than the previous season at 2.7 million tonnes, allowing more soybeans to be booked for export markets.



# International vs Local Markets

## Parity Prices



The international soybean market is navigating a more nuanced balance than that of maize, with genuinely competing forces of roughly equal weight. On the bearish side, the structural story is dominated by South American supply: Brazil's record 2025/26 crop of 177–180 million tons continues to flood global markets, with export shipments forecast above 114 million tons, while Argentina's crop was revised upward to 50 million tons in the June WASDE. U.S. export competitiveness has collapsed to a 13-year low, capturing just 23% of global trade as China, the world's dominant soybean buyer, has structurally redirected 73.6% of its purchases toward Brazil in response to U.S. tariffs. A stronger dollar, falling crude oil prices pulling soybean oil lower from its three-year highs, and the unwinding of the Middle East geopolitical risk premium have together dragged November soybean futures back from their May peak, an 8% retreat in four weeks.

On the bullish side, the demand story is exceptionally strong and structurally driven rather than cyclical. The EPA's record-high Renewable Volume Obligations for 2026 and 2027 have locked in domestic U.S. crush demand at a record 2.75 billion bushels for 2026/27, with soybean oil for biomass-based diesel set to become the largest single category of soybean oil use. This biofuel demand floor is proving resilient even as energy prices ease, providing a structural price support that did not exist in previous cycles. U.S. farmers have responded by increasing soybean plantings by up 5% from last year, confirming confidence in the demand outlook. Meanwhile, June 1 U.S. soybean stocks came in at 1.06 billion bushels, up just 5% from last year and below some trade expectations, while the Midwest heat dome building into early July poses a genuine yield risk for the developing U.S. crop.



## Implications for South African Import and Export Parity

With South Africa moving into a clear surplus position this season, export parity again becomes the dominant domestic pricing anchor.

The current international price environment creates a mixed picture for this export parity calculation. The pullback in CBOT soybean futures directly compresses the dollar-denominated export netback. However, the rand's weakness against the dollar partially offsets this in rand terms. At current levels, the rand-per-ton export parity price for soybeans remains reasonably supportive relative to recent seasons but is sensitive to any further strengthening of the dollar or additional softening in CBOT futures.

The Brazilian supply overhang is the most significant bearish risk to South African export parity, specifically. Brazil is simultaneously South Africa's main competitor for regional soybean export markets and the primary driver of global benchmark price weakness. With Brazilian exporters shipping record volumes at highly competitive prices, South African soybeans face meaningful competition for market share, which could compress the achievable netback prices below theoretical export parity levels.

The most significant upside risk to both import and export parity remains the U.S. weather situation developing into July. Soybean yield determination occurs primarily during August pod-setting, meaning the current Midwest heat dome could tighten the U.S. balance sheet materially and drive CBOT futures back toward the \$12/bushel level, lifting rand-equivalent parity prices and improving returns for South African producers and exporters alike. Conversely, a benign U.S. growing season combined with continued Brazilian export dominance and a stronger rand would be the most bearish scenario for South African soybean prices in the second half of 2026.

