



## Weekly Outlook: Export Outlook for Soybeans

Todd Hubbs

Department of Agricultural and Consumer Economics  
University of Illinois

March 19, 2018

*farmdoc daily* (8):48

---

Recommended citation format: Hubbs, T. "Weekly Outlook: Export Outlook for Soybeans" *farmdoc daily* (8):48, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, March 19, 2018.

Permalink: <http://farmdocdaily.illinois.edu/2018/03/export-outlook-soybeans.html>

---

Recent adjustments to soybean export projections raise concerns about increased ending stocks this marketing year. Export projections for soybeans put forth by the USDA reflected recent market information associated with export pace and foreign export potential. Despite drought conditions in Argentina, the prospect for a continued weakening of exports exists. Soybean export pace needs to pick up to avert a scenario leading to growing ending stocks during the remainder of the marketing year.

USDA projections for the marketing year soybean exports decreased 35 million bushels to 2.065 billion bushels in the March WASDE report. The reduction is the fourth consecutive month of soybean exports decreasing and signals the potential for further weakening in the months ahead. Projected soybean exports began the marketing year at 2.250 billion bushels last September and currently sit 185 million bushels lower. Census Bureau export estimates through January place soybean exports at 1.298 billion bushels. Census Bureau export totals came in 30.5 million bushels larger than cumulative marketing year export inspections over the same period. As of March 15, cumulative export inspections for the current marketing year totaled 1.478 billion bushels. If the same difference in export pace through the current period is maintained, total soybean exports equal 1.509 billion bushels. For the rest of the current marketing year, 556 million bushels of soybean exports are required to meet the USDA projection. Over the last ten marketing years, soybean export totals from March through August averaged 367 million bushels. The largest total, associated with the short crop in South America, occurred in the 2016-17 marketing year and came in at 519 million bushels. Exports need to eclipse the level seen in the South American drought year to meet current projections from the USDA.

Lower soybean exports to China through the first half of the marketing year drive the weaker than expected export demand performance. Using Census Bureau export estimates, U.S. soybean exports to China through January totaled 867 million bushels, 209 million bushels behind last year's pace and 9.7 percent below the three previous marketing year average over the same period. While China is the dominant market for soybean exports, Mexico, Thailand, Indonesia, the Netherlands, and Japan constitutes 16 percent of this year's soybean export through January. In a similar manner to Chinese export weakness, soybean exports to Japan, the Netherlands, and Indonesia lag last year's pace by 19, 25, and 7.7 percent respectively through January. Alternatively, Mexico and Thailand exceeded last year's pace by 7.7 and 3.7 percent.

---

We request all readers, electronic media and others follow our citation guidelines when re-posting articles from farmdoc daily. Guidelines are available [here](#). The farmdoc daily website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).

Looking forward, total outstanding sales through March 8 for the current marketing year totaled 353 million bushels. Outstanding sales to China, Mexico, Indonesia, and Thailand all exceed sales totals from the same time last year. Currently, total outstanding sales come in 28 million bushels above last year. Mexico leads the way at 19 million bushels above last year's level. Additionally, outstanding sales to countries outside of the top six markets mentioned above exceed last year's level by 31 million bushels. The positive signs in export sales come with a note of caution due to the potential for trade disruptions and cancellations. Current data suggest soybean exports could reach the recently lowered USDA projection. Soybean exports typically begin a sharp seasonal decline in April. Due to this decline, a comparison of the needed rate to the average rate to date is not useful. Soybean exports for the rest of the marketing must strengthen considerably. The ability to attain the current projection hinges on the size of the current crop in South America and U.S. competitiveness in export markets.

The Brazilian soybean production forecast increased for the fourth straight month to 4.15 billion bushels. The expected increase in soybean production levels led to a 55 million bushel increase in the forecast for Brazilian soybean exports, up to 2.59 billion bushels. Forecasts of Argentine soybean production reflect the current dry conditions and currently sit at 1.73 billion bushels for the 2018 crop year, down 257 million bushels. The potential for an additional 250 million bushel decline in Argentinian production is a distinct possibility. Soybean export projections for Argentina fell 62 million bushels to 250 million bushels and continued reductions in production would lower this number. USDA forecasts 2.84 billion bushels of soybeans exports from Brazil and Argentina over the marketing year, up from last year's 2.59 billion bushels. Stronger South American exports would continue to place downward pressure on U.S. soybean exports in 2018 despite the weather issues in Argentina.

Recent data on soybean export pace indicate stronger weekly sales that offer hope for meeting the USDA projection. The size of the 2018 crop in South America and the competitiveness of U.S. export prices remain essential to determining U.S. export possibilities for the remainder of the marketing year. Additionally, the March 29 Prospective Plantings report holds the potential for an increased acreage allotment in soybeans during 2018. Soybean export pace needs to pick up to avert a scenario leading to ending stocks growth in conjunction with increased production prospects in 2018.

**YouTube Video:** Discussion and graphs associated with this article at <https://youtu.be/J-QcglJlI9U>.