



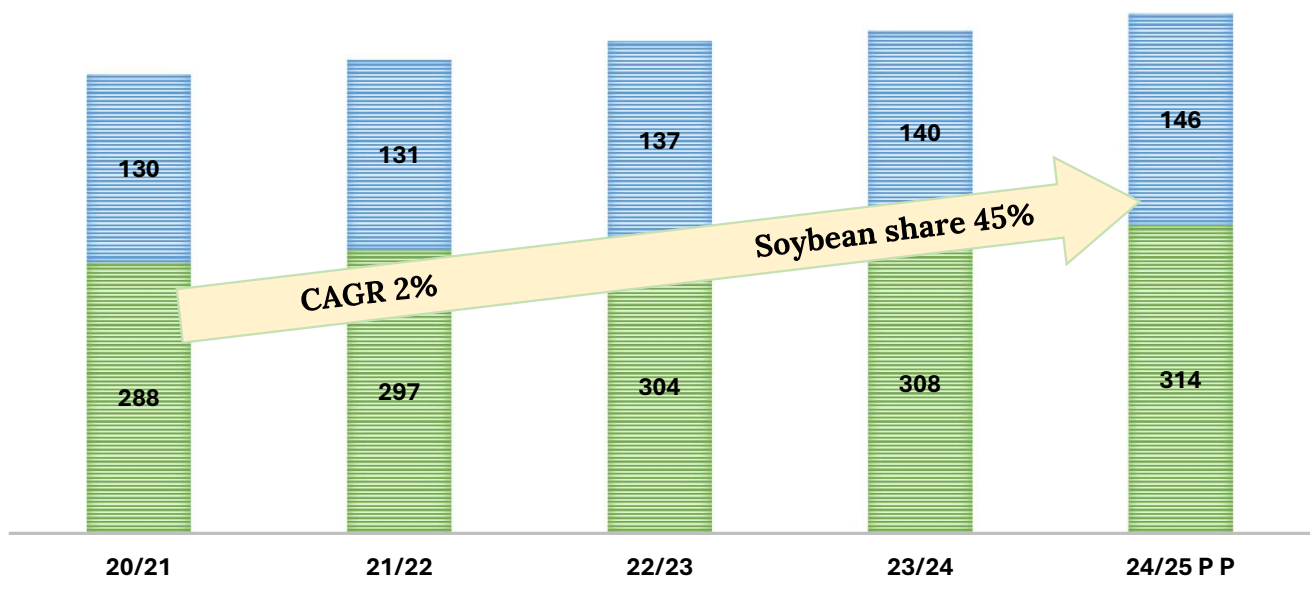
# Global & India : S&D of Soybean & Soy oil

SOPA Conclave 13-14<sup>th</sup> Oct 24

# Global Oilseeds - Acreage

### GLOBAL OILSEED ACREAGE (MLN HECT)

All Oilseeds Soybean



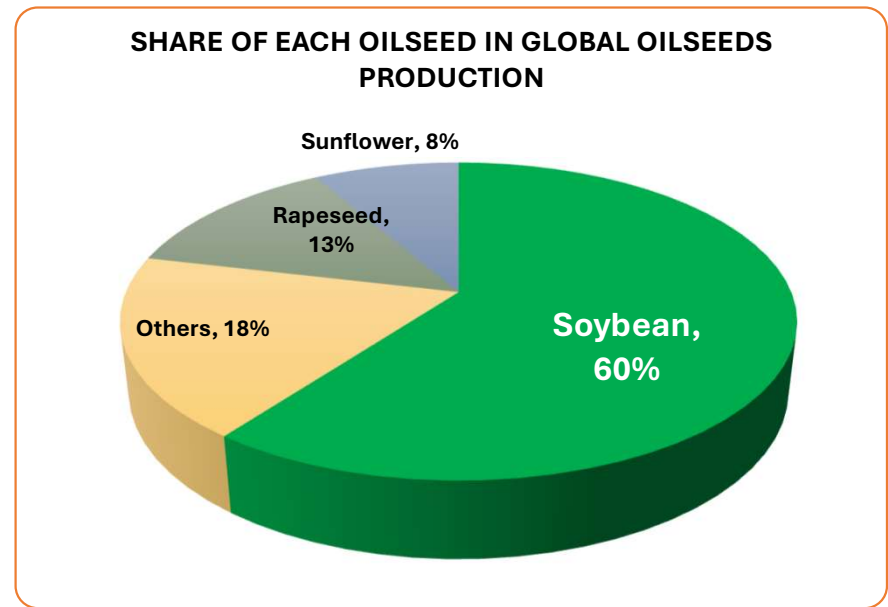
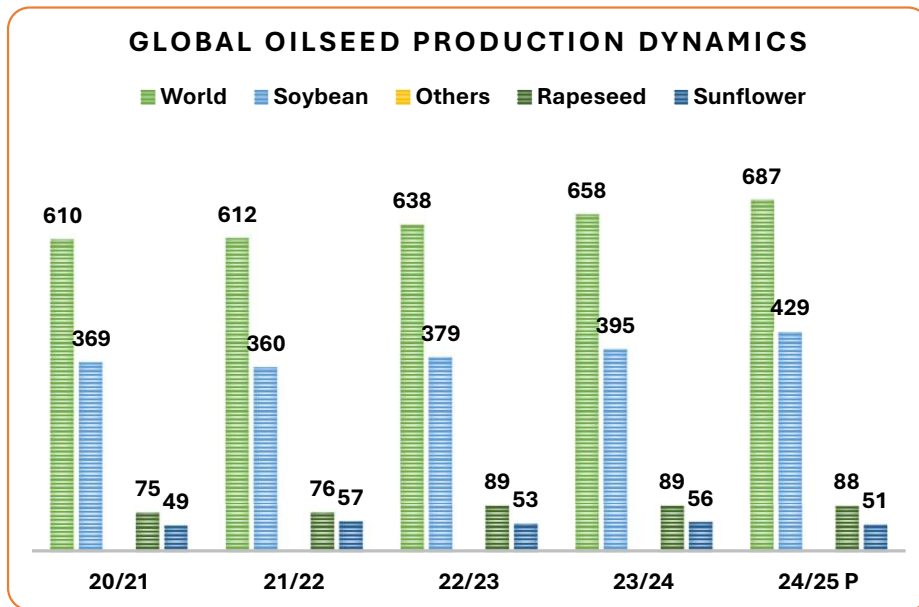
Source: USDA, IEA, GL Research

# Oilseeds Production : BEAN The Saviour

Soybean & Rapeseed production is growing at a CAGR of 2-3%

Other Oilseeds reporting growth of 1-2%.

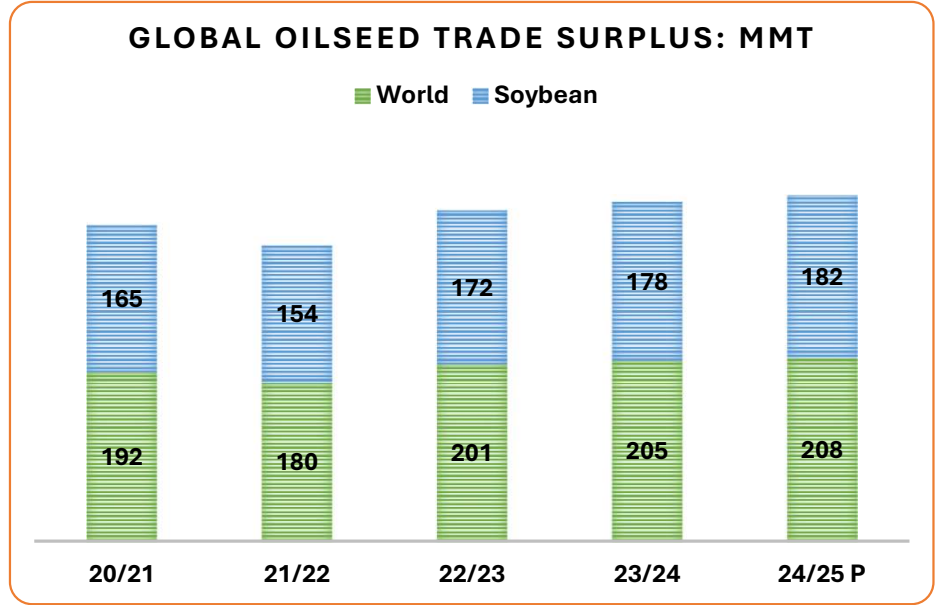
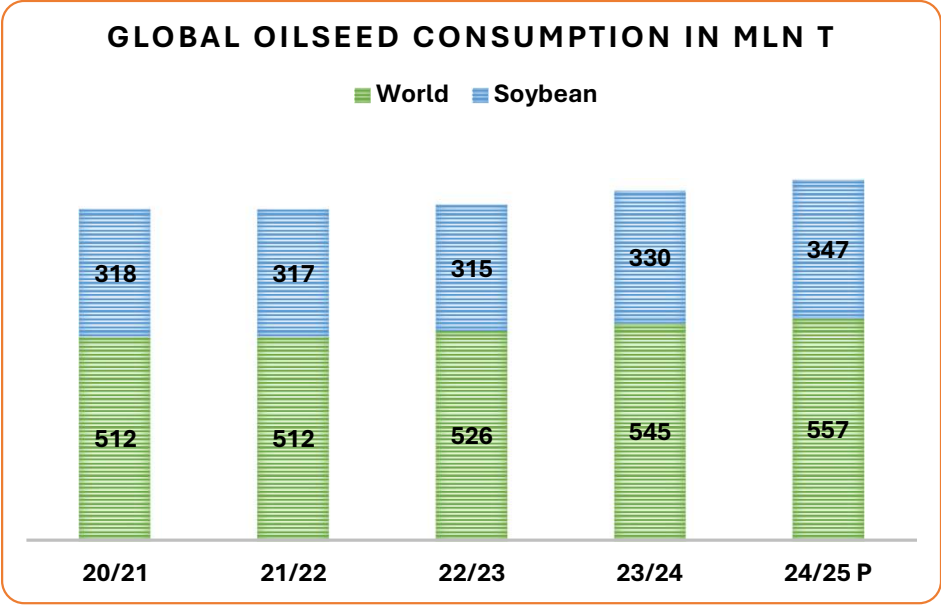
Global Oilseed demand being taken care by Soybean and Rapeseed collectively.



World Oilseed Prod YoY increase +29 MMT  
Soybean YoY increase +34 MMT

Soybean remains the top Contributor with 60% share in Global oilseeds production.

# Oilseeds – Consumption & Trade Surplus



**Soybean with 62% share in Global Consumption leads its way as compared to other oilseeds**

**World Oilseed YoY consumption increasing : +12 MMT  
Soybean consumption increase YoY : +17 MMT**

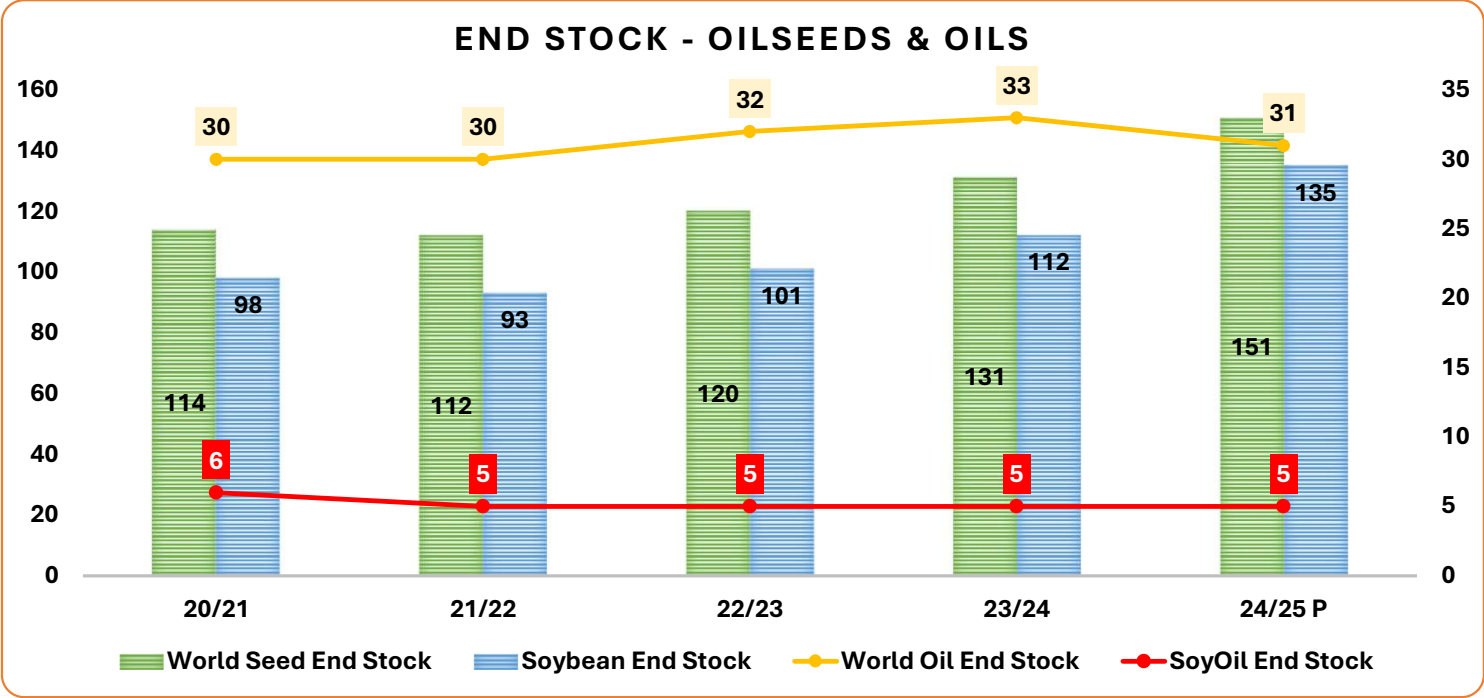
**Soybean - 86% of Global Oilseeds Surplus**

**World oilseed surplus YoY increase +3 MMT  
Soybean YoY surplus +4 MMT**



Source: USDA, IEA, GL Research

# Global Oilseeds & Oils End Stock



World Oilseed End stock increasing by +20

Unlike, Soybean production and consumption share being too high @ 60%, the oil share is just \_\_\_\_\_ %

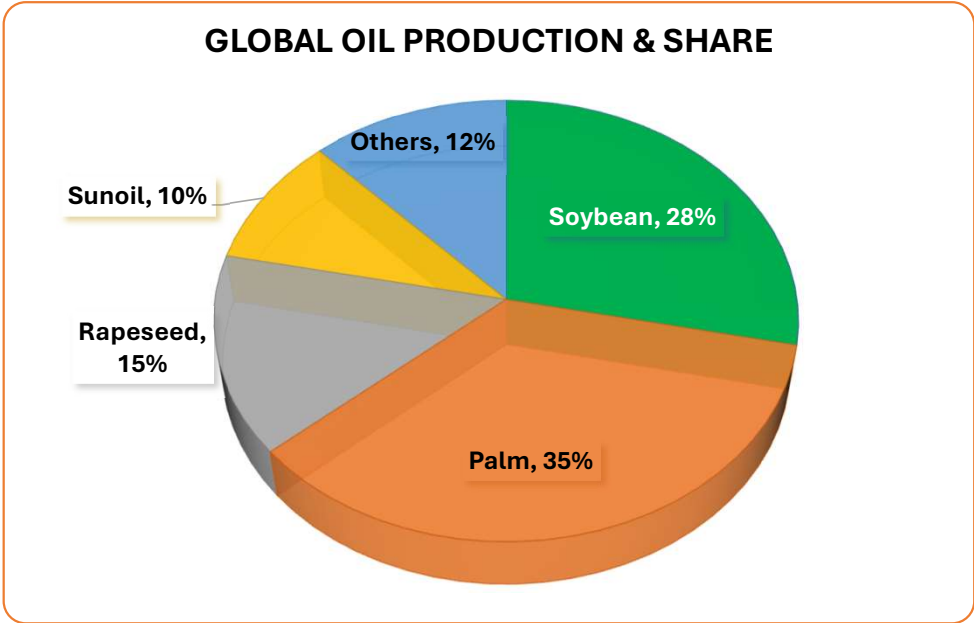
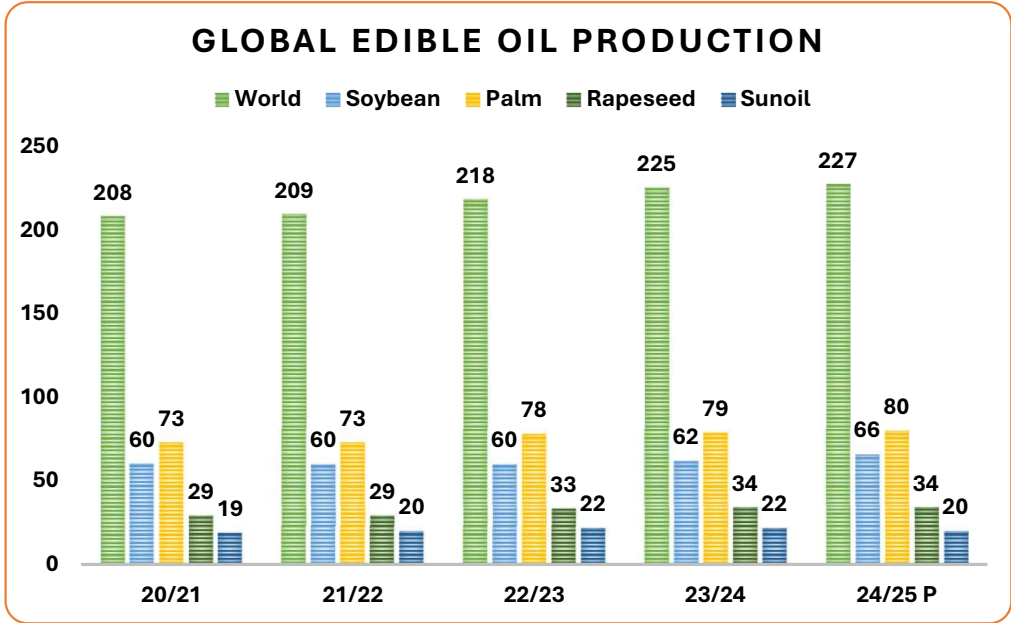
It is because BEAN have just 18% oil content and is largely a MEAL oilseed

World Oils End Stock declining by 2 MMT, even though the production of oilseed and consumption is increasing, the oil demand is not being met by Bean production growth



Source: USDA, IEA, GL Research

# Global Edible Oils Production & Bean Share



World Edible Oil Production change = +2

Soy Oil YoY production change : +4 MMT  
 Sun Oil YoY production change : -2 MMT

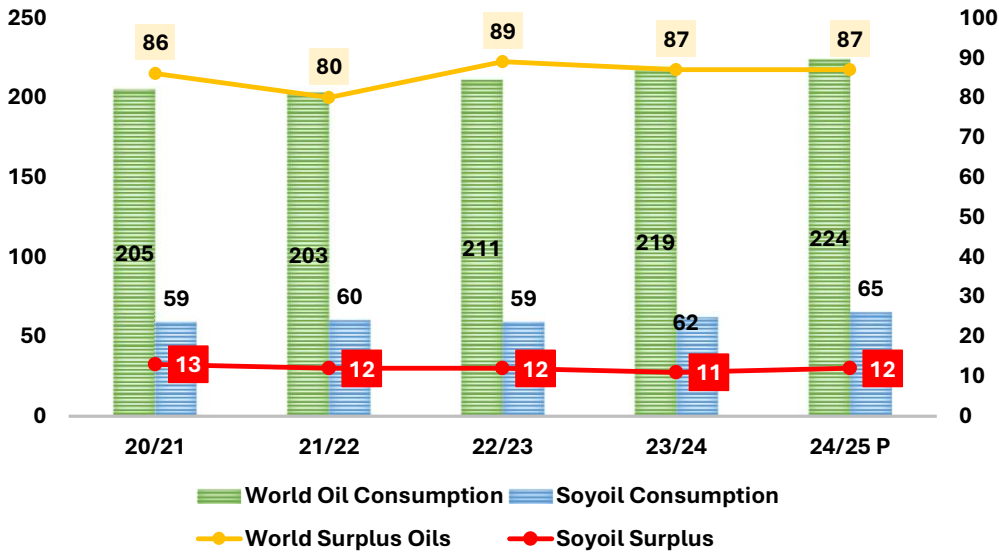
Soy oil Share in Global Oil Production is 28%. Palm oil surely leads with 35% share. Soy Oil growth has been impressive but fails to cope up with the rising edible oil demand, relying on other oils to fill the gap.



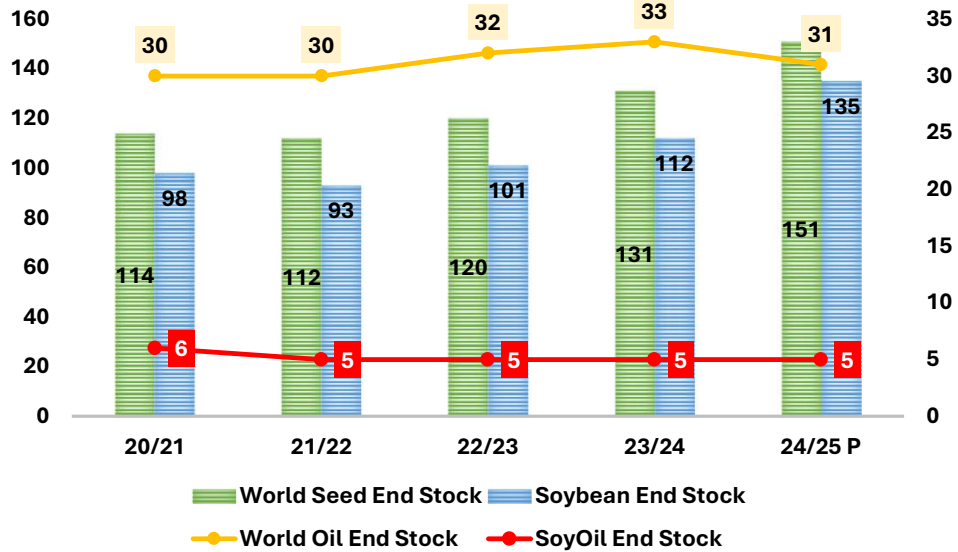
Source: USDA, IEA, GL Research

# Global Edible Oils : Consumption, Trade & Stock

**GLOBAL OIL CONSUMPTION & SURPLUS**



**END STOCK - OILSEEDS & OILS**



World Oil Consumption increasing by +5 MMT, whereas the World oil trade remains unchanged

Soy Oil on the other hand playing major role in overall Oil consumption, increasing by 3 MMT, 60% of the total Global oil consumption increase and soy oil trade also increasing by 1 MMT from last year

World Oilseed End stock increasing by 20 MMT and Soybean stocks up 25 MMT, whereas Global edible oil stocks reducing by 2 MMT and Soy Oil stocks closing at same levels as last yr.



Source: USDA, IEA, GL Research

# BIODIESEL – THE NEW GOON OR A NEW SUPERHERO



**HERO DURING SURPLUSES  
AND LOWER COMMODITY  
PRICES**



**VILLAIN DURING REDUCED  
SUPPLIES AND HIGH  
COMMODITY PRICE**



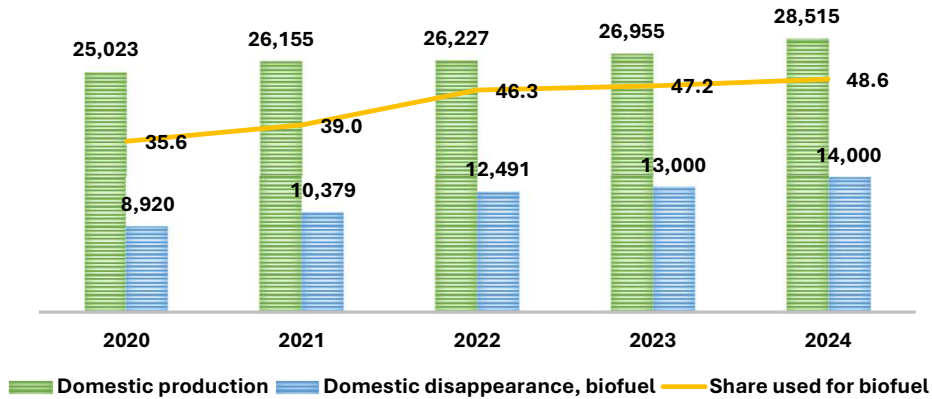


# Food vs Fuel – Veg Oil in Biodiesel

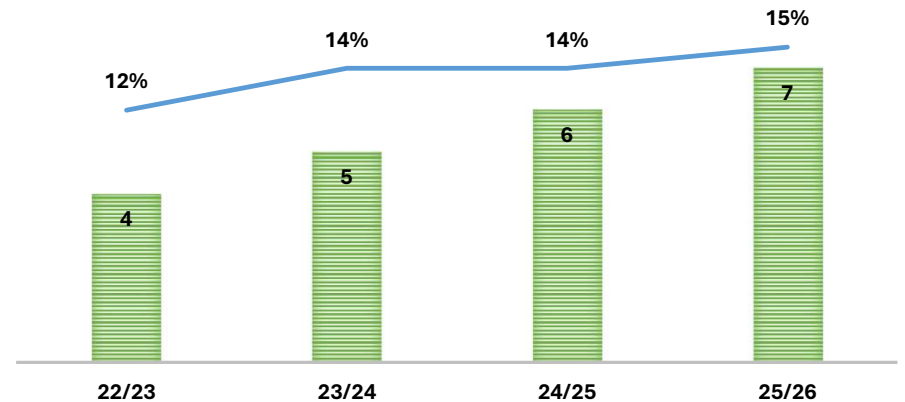
THE JOURNEY OF OILSEED IS NOT CONFINED FROM SEED TO FRYING PAN, BUT FROM SEED TO FRYING PAN AND FUEL TANK



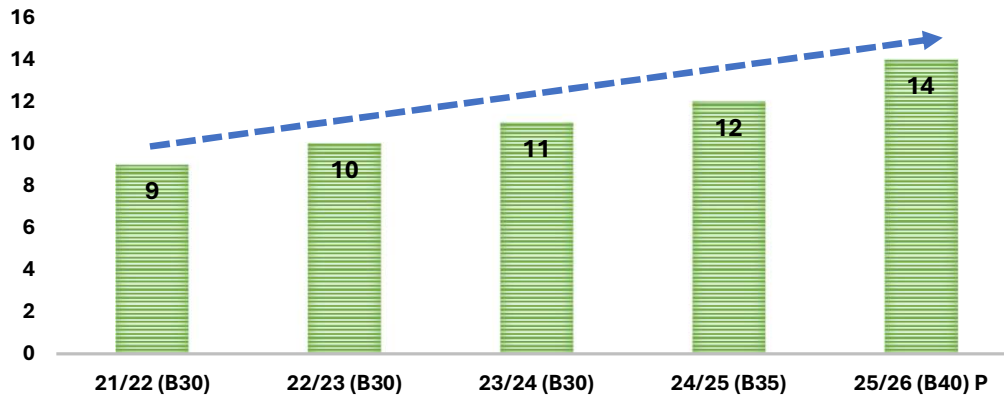
USA - SBO USAGE IN BIODIESEL



BRAZIL - SBO IN FUEL CONSUMPTION



INDONESIA PALM OIL IN BIODIESEL MMT



Approx 25%+ of world Veg oil production is going for Biodiesel production, changing the dynamics of the commodity from Food to now an Energy Source.

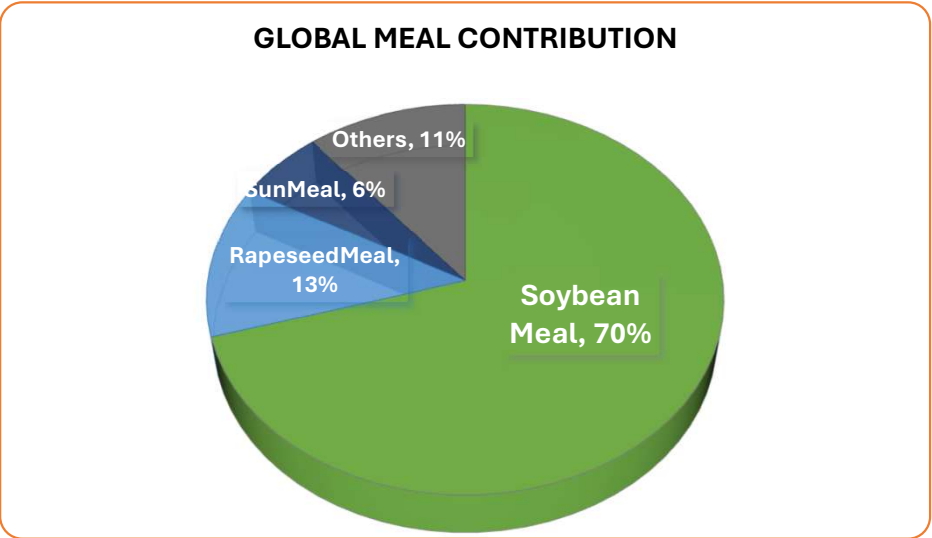
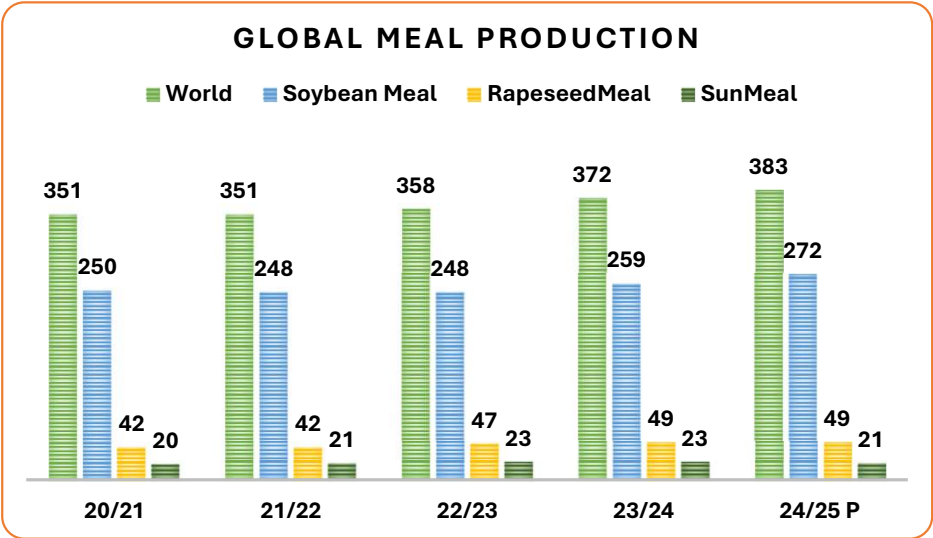
Fossil fuel reeling under \$100 per barrel mark; thanks to the rising competition from Biofuels

Major Players Indonesia, Brazil and USA with other countries in line to follow.

The Scope of diversion of Edible oils for Biodiesel shall expand and will be the major driver for Demand and Price setting than Food Consumption Demand

Source: USDA, IEA, GL Research

# Global All Meal Production & Bean Share



*World Meal Production expected to increase by 11 MMT from last year.*

*Soymeal will increase by 13 MMT.*

*Reduction in Sun Meal production by 2 MMT*

*Soy is the Real BAAP of all meals.*

*Share in Global Meal Production is 70% and has been dominating the area since long and does not look like its supremacy will be challenged anytime soon*

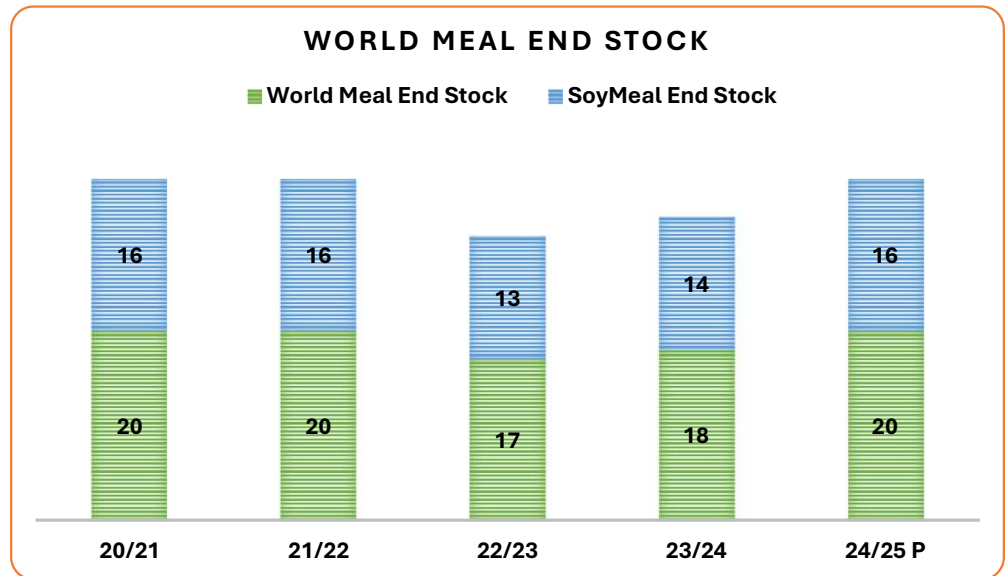
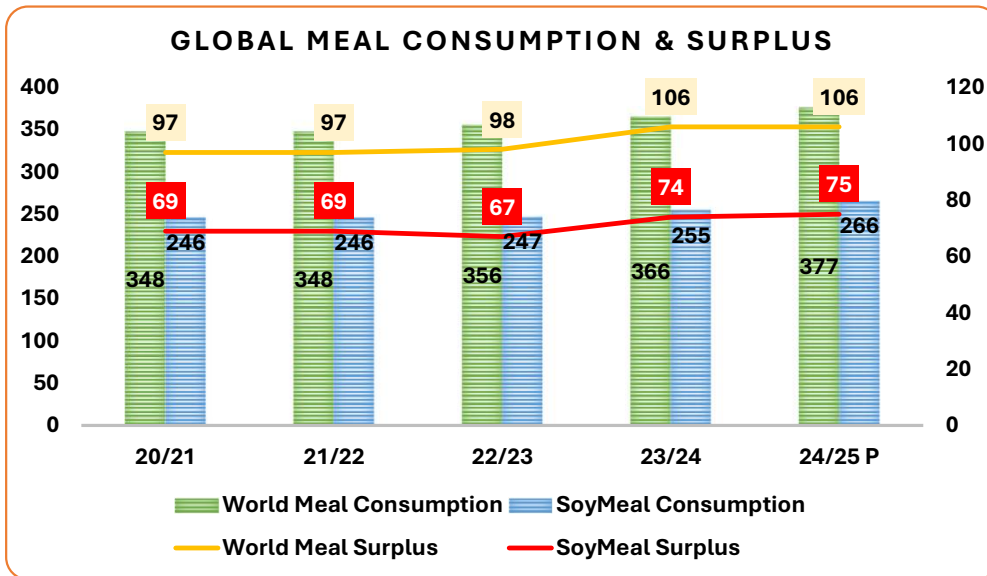
*BUT, The world need an outlet for Meal,*

**WORLD NEED INCREMENTAL SOYMEAL OUTLET TO PROMOTE CRUSHING ELSE OIL SHARE WILL HAVE TO COMPENSATE FOR THE LOSS IN VALUE OF MEAL TO PROMOTE CRUSHING**

Source: USDA, IEA, GL Research



# Global Meal Consumption, Trade & End Stocks



*World Soy Meal Consumption increasing by 11 MMT from last year.*

*Soymeal Consumption is matching the growth of total meal consumption 1:1*

*World Meal Trade Surplus Incremental = 0  
Soymeal trade surplus Incremental = +1*

*World End Stock increase from last year +2 MMT*

*Soymeal End stock increase from last year +2 MMT*



# Summary – Incremental SND (Bean THE SAVIOR)



Summary - Incremental Supply & Demand (MMT)			
2024/25		World	SoyComplex
Oilseeds	Production	+29	+34
	Consumption	+12	+17
	Trade Surplus	+3	+4
	End Stocks	+20	+25
Oils	Production	+2	+4
	Consumption	+5	+3
	Trade Surplus	0	+1
	End Stocks	-2	0
Meal	Production	+11	+13
	Consumption	+11	+11
	Trade Surplus	0	+1
	End Stocks	+2	+2

*Soybean end stocks higher by 25 MMT, whereas Global oilseeds stocks up 20 MMT only.*

*The World needs an outlet for Soy Meal.*

*Meal will have to discount itself to make way for the higher crush to balance any Incremental Oil demand*

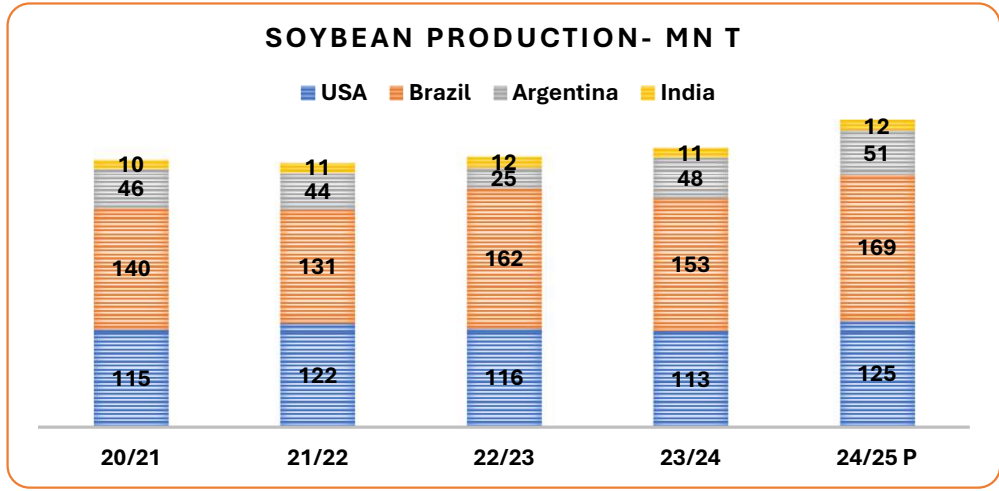
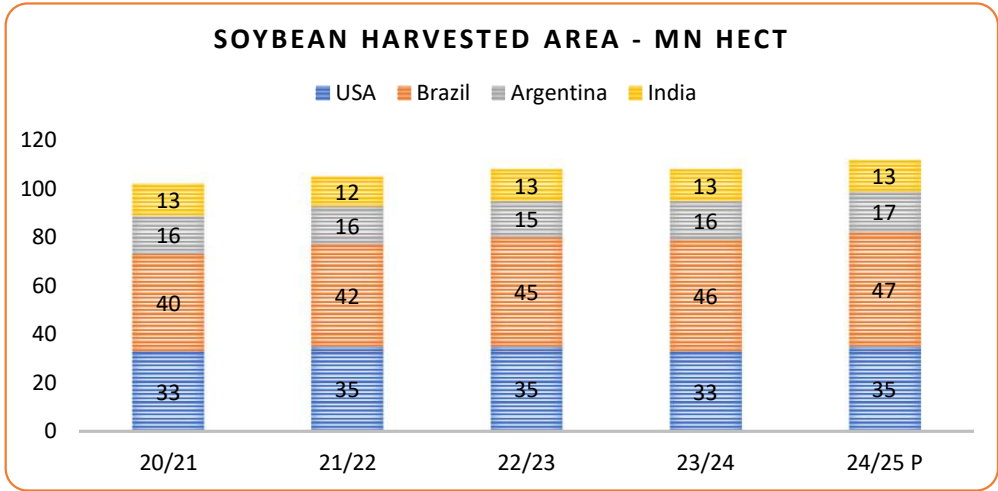
*24/25 South American Crop will be extremely crucial in context of La Nina worries*

*Can OIL SHARE rise to a level that it fills the meal contribution gap ??  
Can SOYBEAN become an OILSEED from a MEAL SEED ???*



Source: USDA, IEA, GL Research

# Global Oilseeds - APY



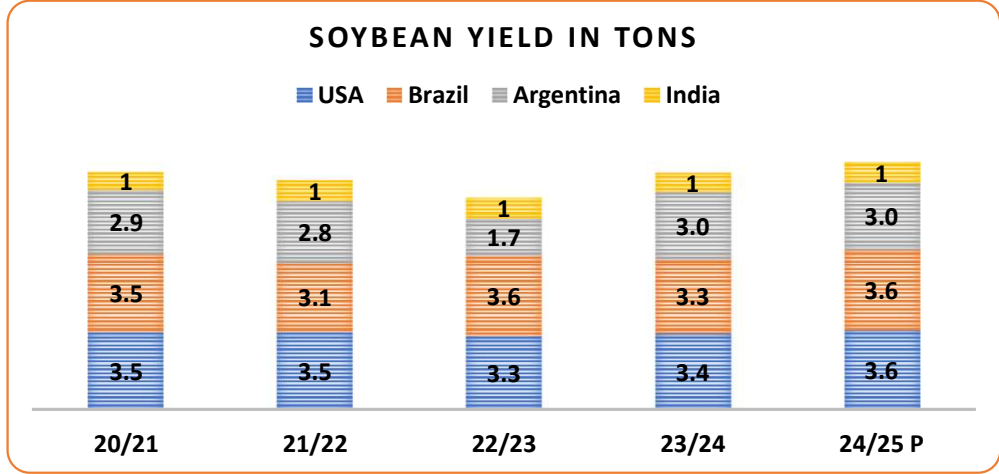
*Brazil top performer : Area growth of 3% CAGR & Production 4% CAGR. Yield improvement contributing to higher production growth than Area increment in Brazil.*

*From Top 3 producers Acreage increasing by 4 Mn ha whereas Production increase expected to be +30 MMT*

*Weather is a Red flag though! (always a final decider)*

*India is an insignificant player in production & yield but not in Acreage.*

*Indian Yield is 1 : 3+ times vs Key players. Major focus required in Yield increase but then challenge shall be MEAL outlet again.*



Source: USDA, IEA, GL Research

# Soybean Complex – Key Producers Dynamics

	<b>Soybean</b>				<b>Soy Oil</b>				<b>Soy Meal</b>		
	Fig in MMT	23/24	24/25		Fig in MMT	23/24	24/25		Fig in MMT	23/24	24/25
<b>USA</b>	<b>Production</b>	113	125		<b>Production</b>	13	13		<b>Production</b>	49	52
	<b>Dom.Use</b>	62	66		<b>Dom.Use</b>	12	13		<b>Dom.Use</b>	35	36
	<b>Exports</b>	46	50		<b>End Stock</b>	0.7	0.8		<b>Exports</b>	15	16
	<b>End Stock</b>	9	15								
		23/24	24/25			23/24	24/25			23/24	24/25
<b>Brazil</b>	<b>Production</b>	153	169		<b>Production</b>	11	11		<b>Production</b>	42	42
	<b>Dom.Use</b>	54	54		<b>Dom.Use</b>	9	10		<b>Dom.Use</b>	20	21
	<b>Exports</b>	105	105		<b>Exports</b>	1	1		<b>Exports</b>	22	21
	<b>End Stock</b>	28	34		<b>End Stock</b>	0.8	0.7		<b>End Stock</b>	2	2
		23/24	24/25			23/24	24/25			23/24	24/25
<b>Argentina</b>	<b>Production</b>	48	51		<b>Production</b>	7	8		<b>Production</b>	28	31
	<b>Dom.Use</b>	36	40		<b>Dom.Use</b>	2	2		<b>Dom.Use</b>	3	4
	<b>Exports</b>	5	5		<b>Exports</b>	5	6		<b>Exports</b>	24	27
	<b>End Stock</b>	24	29		<b>End Stock</b>	0.2	0.3		<b>End Stock</b>	2	2



# Soybean Complex – Dragon Nation Dynamics

China	23/24	24/25	Change
<b>Bean Prod</b>	21	21	0
<b>Imports</b>	112	109	-3
<b>Use</b>	99	103	4
<b>End Stock</b>	43	46	3
<b>Oil Production</b>	18	18	0
<b>Imports</b>	0.4	0.4	0
<b>Use</b>	18	19	1
<b>End Stock</b>	0.8	0.7	-0.1
<b>Meal Production</b>	78	82	4
<b>Use</b>	77	81	4
<b>End stock</b>	0.8	0.9	0.1



# Indian Kharif Crop 24/25 Dynamics



## 2024-25 PRELIMINARY ESTIMATES

INDIAN CROPS	AREA (MN HA)	% CHNG FROM LY	HVTD AREA	YIELD (KG/HA)	% CHNG FROM LY	PRODUCTION	% CHNG FROM LY	POTENTIAL OIL PROD	% CHNG FROM LY
Soybean	12.7	1%	12.3	980	2%	12.1	0%	1.8	6%
Cotton	11.3	-9%	11.1	450	0%	5.0	-10%	1.1	-7%
G'Nut	4.8	9%	4.6	1700	2%	7.9	8%	0.8	9%
<b>TOTAL</b>	<b>28.8</b>		<b>28.1</b>			<b>25.0</b>		<b>3.7</b>	

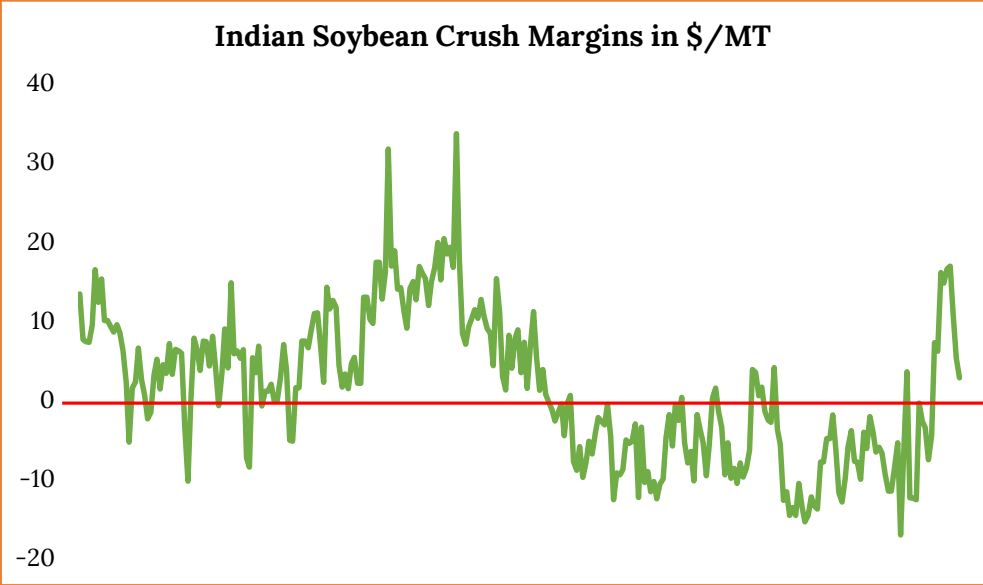


Source: GOI, GL Research

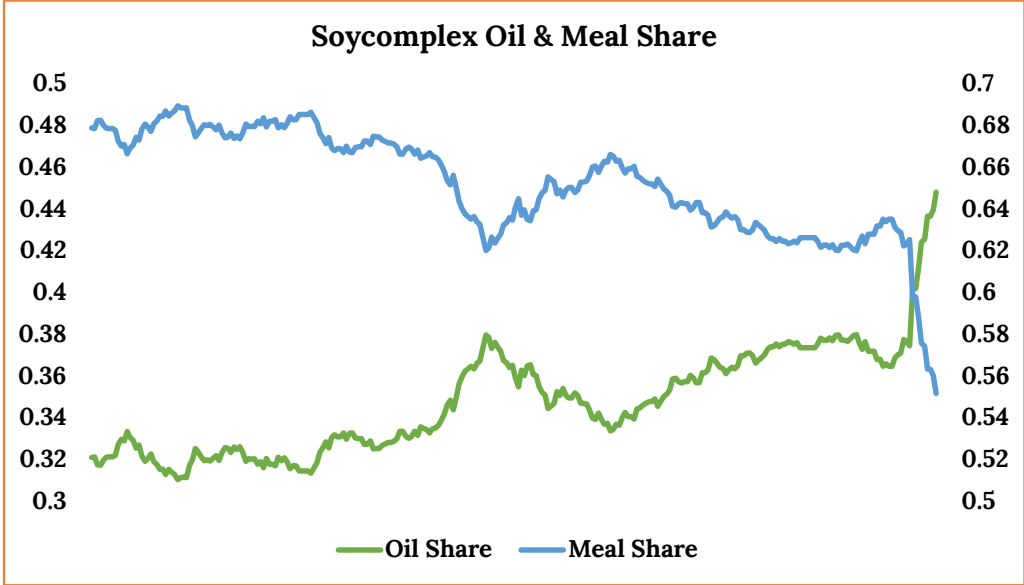


# Indian Bean Crush Margins & Oil/Meal Share

Indian Soybean Crush Margins in \$/MT

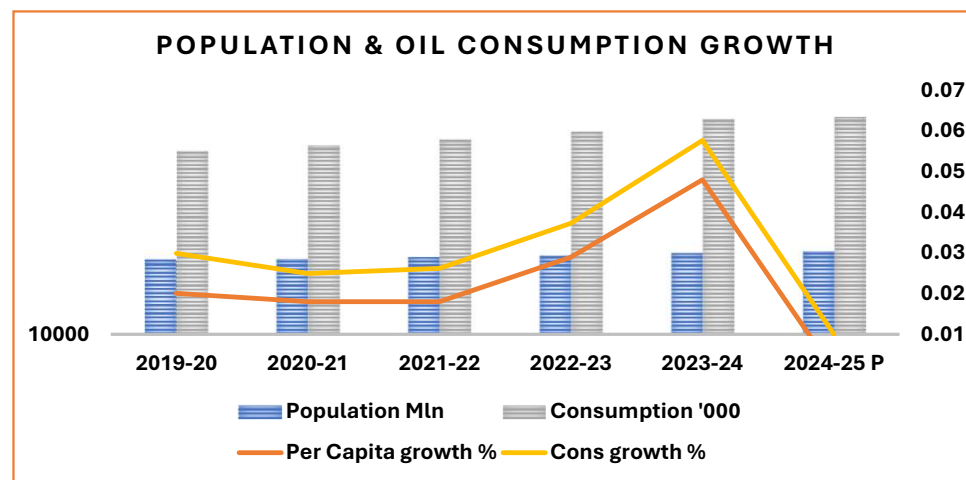


Soycomplex Oil & Meal Share



# Indian Veg Oil Imports & Prices

India Veg Oil Imports - MMT		
Oct - Sept	23/24	24/25 (P)
Palm Oil	8.9	8 - 8.5
Soy Oil	3.2	4 - 4.3
Sun Oil	3.4	2.6 - 3
<b>TOTAL</b>	<b>15.5</b>	<b>14.9 - 15.8</b>



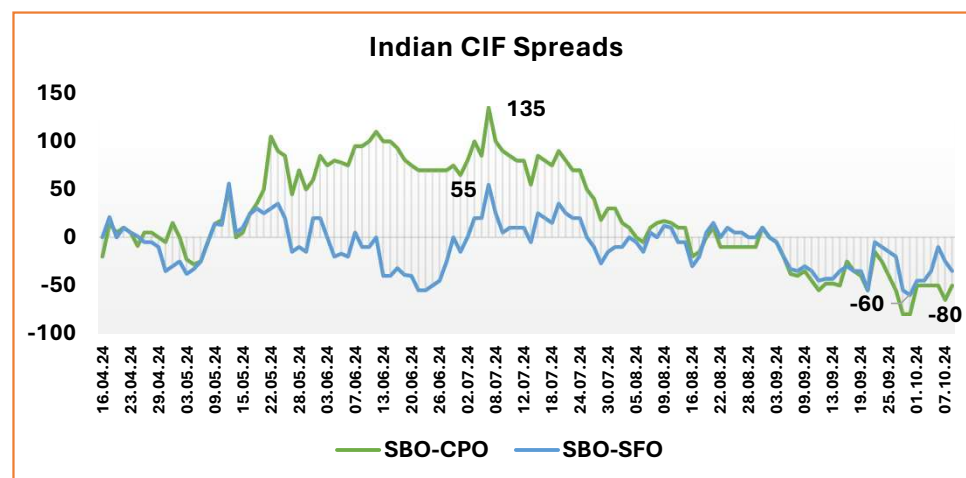
*Era of Cheaper Vegoils seems over, due to Food vs Fuel Duel*

*Most commodities are not food items any more, they are ENERGY BARS*

*Imports most likely will be lower than last year due to higher prices which may lead to DEMAND RATIONING*

*Cheap SBO has been a Saviour for Consumption*

*BOPO/BOSO Spreads are negative*



# Indian Soybean Complex SND



<b>Soybean (MMT)</b>	23/24	24/25	% Chng
Productin	11	12	9%
Sowing	1	1	0%
Direct/Organic	1.5	1.5	0%
Imports	0.07	0.05	-29%
Balance	8.57	9.55	11%
C/in	2.52	1.64	-35%
SUPPLY	11.09	11.19	1%
Crush	9.45	10	6%
C/Out	1.64	1.19	-27%

<b>Soyoil (KMT)</b>	23/24	24/25	% Chng
C/In	415	157	-62%
Production	1701	1800	6%
Imports	3191	4250	33%
SUPPLY	5307	6207	17%
Consumption	5150	5700	11%
C/Out	157	507	223%

<b>Soymeal (KMT)</b>	23/24	24/25	% Chng
C/in	338	529	57%
Production	7749	8200	6%
Imports	42	0	
SUPPLY	8129	8729	7%
Consumption	7600	7925	4%
C/Out	529	804	52%

*Assuming Crush to be better on Margins. Erosion in Crush Margins shall change the Crush numbers*

**FLAGS:**

- GOVT PROCUREMENT AT MSP or
- EXPORT INCENTIVES ON MEAL.

**BOTH CAN CHANGE THE CRUSH OUTLOOK, FORMER TOWARDS LOWER SIDE AND LATTER FOR HIGHER AND FRONT-LOADED CRUSH**

*Price Spreads in Oil will continue to favour Soy Oil imports. Biodiesel plans and its implementation in Indonesia shall drive the Palm vs Soft Oils spreads. Aggressive implementation of Biodiesel Mandates in South-East region will favour higher Soft Oil, esp Soy Oil imports into India*

*Meal Exports, though a red flag due to Iran/Bangladesh but we are optimistic (2.6 MMT Exports),*

*Else will have to carry bean burden*

*DDGS is a red flag for domestic consumption*

# ***In Conclusion...***



- *Ample Supply of Soybean and Other Oilseeds Globally*
- *Bean oil is THE SAVIOR this year concerning Palm & Sunoil dynamics*
- *Fossil Oil – Geopolitics might impact supplies , else supply is sufficient*
- *La Nina – Dry SAM and Flooding in SEA. Negative for production of Soft oils and Palm oil*
- *Biodiesel Mandates – Implementation a big DEMAND BOOST*
- *SAM production*
- *Indian Demand, if we do not slow down*
- *China slowdown*
- *Argi Farmer selling*
- *Oilseed Mission (NMEO) to boost oilseed APY*



Bean supply is **HIGHER**

Meal a **BURDEN**

&

Oil on a **TIGHTER ROPE**



## THANK YOU

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KN Rahiman 9755097351

[www.glagroresearch.com](http://www.glagroresearch.com)