

Global importers demand more soya beans: a US perspective

By the United Soybean Board

Demand for product is vital in any business and soya beans are no exception. Despite trade disputes dominating the headlines in the United States (US), the international soya bean market is surging ahead. In fact, since 1990, global demand for soya beans has risen by 241%. In the same time frame, demand for corn and wheat rose by 130% and 37%, respectively.

Growing demand worldwide

"Globally, demand for soya beans is growing at a rate of 514 million bushels (± 14 million tons) a year," says John Baize, economic consultant at the US Soybean Export Council (USSEC). "That is roughly the equivalent of the soya bean production of Iowa that is needed each year to meet increasing demand."

Increased demand means increased supply. In 2000, global soya bean production stood at just under 6.5 billion bushels (± 177 million tons). The United States Department of Agriculture (USDA) estimates that the 2018/19 production season will yield nearly 13.6 billion bushels (± 370 million tons).

Soya bean exports rise

"There are only so many soya beans in the world," Baize says. "Thanks to checkoff dollars funding marketing and education programmes across the globe, importers in new markets that may not have considered US soya beans might now consider them, due to China purchasing much more from South America."

Looking specifically at the value of US soya bean exports, that number has risen from \$6.8 billion (± 90.4 billion) in 2000 to more than \$28.5 billion (± 379 billion) last year. According to USDA data, the US is projected to be the largest soya bean-producing country this year, followed

by Brazil and Argentina. In total, the US exports 64.8% of soya bean production as soya beans, soya meal and oil.

China is a huge soya bean importer but demand for US soya beans exists worldwide. "Brazil's soya beans have a premium due to increased buying from China. Because of this, US soya beans are seeing an increase in practically every other market in the world," Baize says.

"This year, different markets will see the quality of US soya and this may continue in future, resulting in a much more diversified market – a scenario that could benefit US soya bean producers in future.

Southeast Asia and the Middle East

"We're seeing spectacular demand in Egypt, Pakistan, Bangladesh and Southeast Asia," Baize adds. Pakistan increased soya bean imports from just over 20 million bushels (± 544 320 tons) in 2014 to 85 million bushels ($\pm 2,31$ million tons) in 2018. Bangladesh's imports have risen from 20 million bushels in 2013 to more than 42 million bushels ($\pm 1,14$ million tons) in 2018.

"Countries with private sector importers such as Iran are increasing its US soya bean imports as well, which is likely due to less supply from South America," Baize says. One important market is India, a country that was a net exporter of soya beans only five years ago. However, India's domestic demand for soya beans is currently around four times more than its exports.

"Soon India will probably be the most populous country in the world and domestic consumption of soya beans is rising fast," Baize says. "Checkoff marketing programmes have been promoting the use of US soya beans to India's poultry and fish sectors to show the advantages of using soya meal in feed."

In a dynamic global marketplace, relationships remain key to building trust in US soya beans. "Being there to work with

customers is a vital function USSEC performs on behalf of US soya bean farmers," Baize says. "Importers are looking for information and USSEC can often provide data that's not available to importers in many countries such as Indonesia, Myanmar and Burma."

Commodity checkoff programme

Checkoff marketing efforts also make foreign importers aware of how they can add value to their businesses by buying US soya beans through the US Soy Sustainability Assurance Protocol (SSAP). The SSAP designation allows in-country purchasers to know that the US soya beans they are buying have been produced through sustainable production practices.

"Importers are partial to US producers' use of sustainable practices such as no-till and cover crops," Baize says. "Thanks to less energy being used in transporting US soya beans via an efficient barge and rail system, importers also like to source US soya beans to reduce pollution – this is especially important in markets such as Europe and Japan, as well as Colombia where import companies want to build a brand name and a public image."

The changing global marketplace makes the brand reputation of US soya beans pivotal. As an additional way to build trust, USSEC hosts buyer conferences that importers can attend to learn about importing best practices as well as the benefits of using US soya beans.

"It is important to note that when USSEC hosts conferences or speakers, they're not selling anything," Baize concludes. "By providing helpful, informative information your checkoff dollars effectively build the brand of US soya beans that will lead to greater demand." 🌱

This article was originally published on the United Soybean Board's website, www.unitedsoybean.org.