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Report Name: Oilseeds and Products Update

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Report Highlights:

Due to uncertainty regarding policy on imported soybeans, the 2022/23 soybean import forecast is reduced from 2.5 to 2.2 million tons. Due to the lower expected soybean imports, 2022/23 crush and soybean meal output is reduced accordingly. Reflecting continued decline in consumer purchasing power due to record level inflation, the forecast for 2022/23 palm oil imports is also reduced.

Soybeans

Due uncertainty regarding policy on imports of genetically engineered (GE) commodities for food, feed, and processing (FFP), the 2022/23 import forecast for soybeans is reduced to 2.2 million tons.

Beginning in late October, Pakistan's regulatory authorities stopped allowing soybean imports, unless the importers obtain an import license from the Ministry of Climate Change (MOCC). MOCC has not issued any licenses for GE soybean imports for FFP. Consequently, as of end November, about 130,000 tons of soybeans were detained in Port Qasim near Karachi, and another 70,000-ton vessel was holding outside the port, awaiting a resolution on import approval. In addition, another 300,000 tons of U.S. soybeans have been sold but not yet shipped, and additional vessels of GE soybeans from other origins are in transit. As of this writing, it remains uncertain if/when authorities will resume allowing soybean imports.

The stoppage is already reverberating downstream. Crushers report extremely low soybean stocks, leading to a shortage of soybean meal (SBM). Feed compounders, meanwhile, report a spike in SBM prices, and rapidly declining poultry feed stocks. The shortage of poultry feed in the market, combined with higher prices, is causing some broiler producers to defer restocking their houses until confidence is restored in poultry feed availability. If the impasse on soybean imports continues, a drawdown in layer numbers is also expected. As a result of the aforementioned factors, the forecast for 2022/23 crush and meal production is reduced.

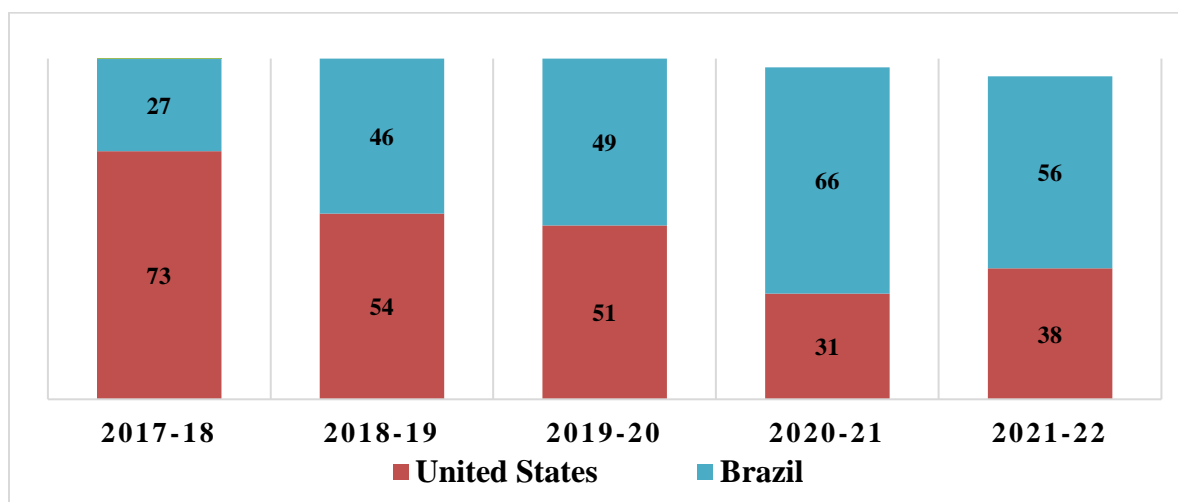
Table 1. Soybean, Production, Supply and Distribution

Oilseed, Soybean Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Pakistan						
Area Planted (1000 HA)	2	2	2	2	2	2
Area Harvested (1000 HA)	1	1	2	2	2	2
Beginning Stocks (1000 MT)	180	180	30	30	14	14
Production (1000 MT)	1	1	1	1	1	1
MY Imports (1000 MT)	2,419	2,419	1,932	2,000	2,500	2,200
MY Imp. from U.S. (1000 MT)	746	746	850	800	800	800
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2,600	26,00	1,963	20,31	2,515	2,215
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2,550	2,550	1,932	2,000	2,300	2,100
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	20	20	17	17	21	21
Total Dom. Cons. (1000 MT)	2,570	2,570	1,949	2,017	2,321	2,121
Ending Stocks (1000 MT)	30	30	14	14	194	94
Total Distribution (1000 MT)	2,600	2,600	1,963	2,031	2,515	2,215

Soybean Trade

U.S. market share rebounded slightly in 2021/22.

Figure 1: Percentage Share of Soybean import from United States and Brazil



Palm Oil

Due to overall food inflation eroding consumer purchasing power, the forecast for 2022/23 palm oil imports is reduced to 3.2 million tons. Although international palm oil prices have decreased in recent months, the lower prices are taking some time to be fully transferred to consumers.

The 2021/22 import estimate is reduced to reflect marketing year trade data. Indonesia's halt in exports last May/June and the lag time in resuming shipments reduced imports. Pakistan's fluctuating currency further exacerbated the decline in palm oil imports.

Table 2: Palm Oil Production, Supply and Demand:

Oil, Palm Market Year Begins Pakistan	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks	384	384	336	336	141	191
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	3,500	3,500	3,200	3,000	3,600	3,200
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3,884	3,884	3,536	3,336	37,41	3,391
MY Exports (1000 MT)	3	3	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	70	70	70	70	70	70
Food Use Dom. Cons. (1000 MT)	3,400	3,400	3,275	3,000	3,450	3,140
Feed Waste Dom. Cons. (1000 MT)	75	75	50	75	75	75
Total Dom. Cons. (1000 MT)	3,545	3,545	3,395	3,145	3,595	3,285
Ending Stocks (1000 MT)	336	336	141	191	146	106
Total Distribution (1000 MT)	3,884	3,884	3,536	3,336	3,741	3,391

Table 3: Soybean Oil Production, Supply and Demand: (1000 MT)

Oil, Soybean Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,550	2,550	1,932	2,000	2,300	2,100
Extr. Rate, 999.9999 (%)	0.185	0.185	0.185	0.185	0.185	0.185
Beginning Stocks	24	24	37	37	14	96
Production	473	473	358	370	427	390
MY Imports	40	40	129	70	100	0
MY Imp. from U.S.	0	0	0	10	0	0
Total Supply	537	537	524	477	541	486
Industrial Dom. Cons.	10	10	10	10	10	10
Food Use Dom. Cons.	490	490	500	371	500	390
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	500	500	510	381	510	400
Ending Stocks	37	37	14	96	31	86
Total Distribution	537	537	524	477	541	486

Table 4: Soybean Oil Imports (MT):

Month	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Oct	43,052	14,492	7,772	14,954	2,262	1,872	2,370
Nov	23,701	4,044	4,868	10,180	9,064	126	14,200
Dec	22,120	922	19,509	10,950	1,725	4	2,500
Jan	26,652	61	4,560	851	4,581	10	7,807
Feb	25,089	122	2,261	12,307	1,708		12,649
Mar	16,466	12,450	4,243	16,100	383	--	17,854
Apr	11,006	8,085	12,211	15,275	1,041	13,300	27,056
May	21,516	28,654	5,937	14,193	611	--	32,621
June	11,423	9,756	13,387	26,332	16,722	21,811	1,935
July	19,570	55,389	6,319	19,561	24,525	10,110	4,564
Aug	15,459	23,768	7,158	13,764	18,925	3,902	27,670
Sept	20,936	21,937	16,309	12,902	27,309	4,090	3,552
Total	256,990	179,180	104,534	167,369	108,796	63,975	154,778

Source: Pakistan Bureau of Statistics and Trade Data Monitor LLC

Table 5: Soybean Meal Supply and Demand (1000, MT):

Meal, Soybean Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,550	2,550	1,932	2,000	2,300	2,100
Extr. Rate, 999.9999 (%)	0.778	0.778	0.779	0.779	0.778	0.778
Beginning Stocks	57	57	59	59	18	43
Production	1,986	1,986	1,505	1,558	1,791	1,634
MY Imports	3	3	1	1	3	3
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,046	2,046	1,565	1,618	1,812	1,680
MY Exports	5	5	15	15	4	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,982	1,982	1,532	1,560	1,700	1,580
Total Dom. Cons.	1,982	1,982	1,532	1,560	1,700	1,580
Ending Stocks	59	59	18	43	108	100
Total Distribution	2,046	2,046	1,565	1,618	1,812	1,680

Attachments:

No Attachments