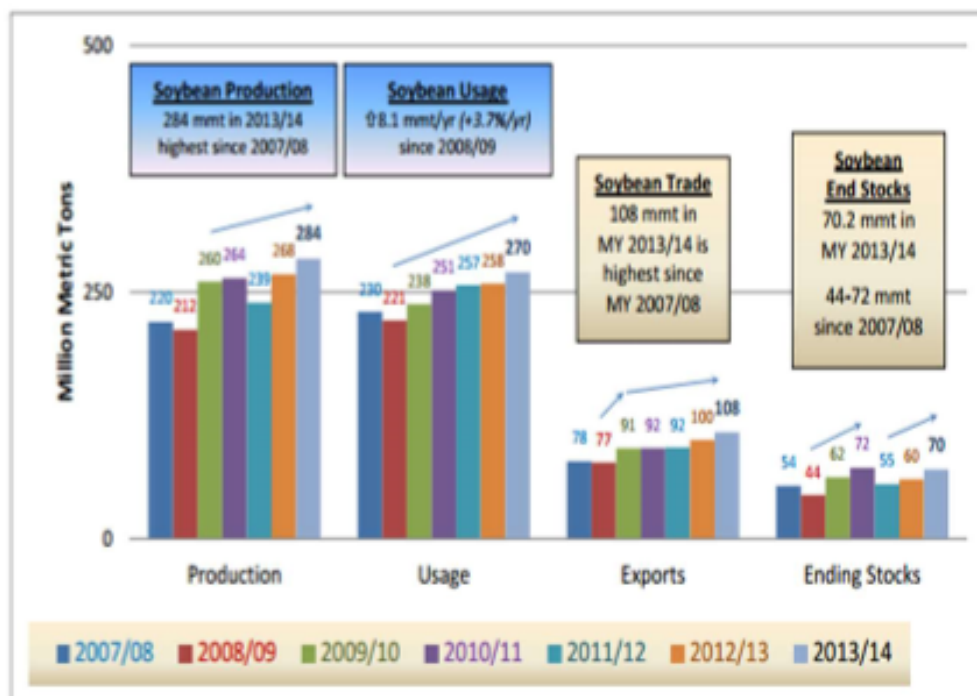


Soybean outlook 2014

Global soybean production is projected at 284 million MT, up by 16 million MT from last year production. Brazil soybean crop projection is raised 1.0 million tons to a record 89.0 million. The November report noted an increase in the production of U.S. soybeans up to 89 million MT despite a decline in harvested acres. On the world stage, production is relatively high in comparison to recent years.

While the U.S. plays a significant role in global production, other significant producers include Brazil and Argentina. These three largest soybean producing countries are all anticipating larger production numbers for marketing year 2013/14 than in 2012/13. The world stocks-use ratio for the 2013/14 marketing year is projected at 26 percent. This again is a steady increase from 21.5 percent to 23.3 percent in the two previous years.

Though, inventory levels in India are on lower side, the anticipation of strong production from the world's largest producers and ample supply could lead to a retreat in soybean prices in 2014.



Disclaimer: The views above expressed are purely based on personal opinion and may differ from future market trends. Any query regarding the commodity updated in this mail or any other Agri Commodity can be reported to us via mail at the given contact details.



Opinion

The expectation of strong world production may be enough to outpace China's demand.

From a marketing standpoint, all eyes will continue to be focused on China. Their purchases of U.S. soybeans have far exceeded expectations. The USDA-ERS indicates commitments to China are already at 98 percent of the total sales to that country in 2012/13. Still, several market situations may indicate a more bearish soybean outlook. Supply has trended higher with ending stocks above average. Plantings in South America are underway and early weather appears to be cooperating. Also a factor will be the recent pullback in U.S. corn prices. This may lead to a larger number of acres being planted to soybeans that have been in corn.