

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 5/20/2010
GAIN Report Number: AS1017

Australia

Post: Canberra

Soybean Meal Imports Down - US Share Up

Report Categories:

Grain and Feed

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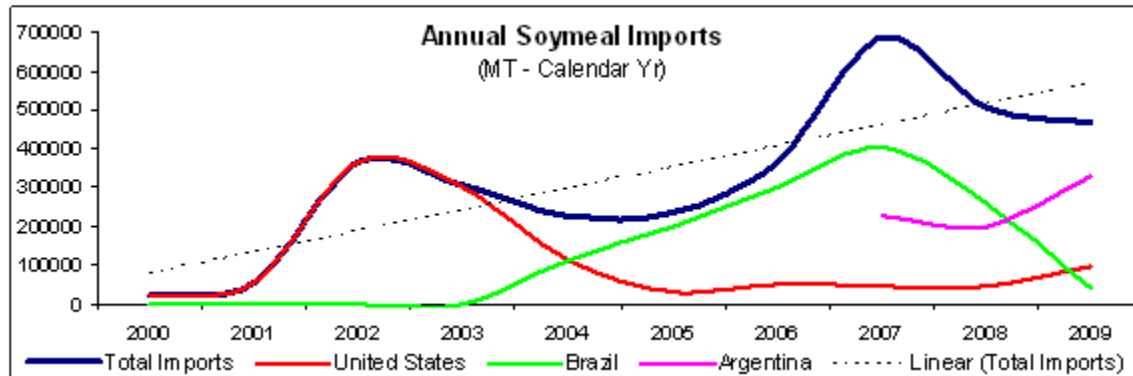
Mike Darby, Agricultural Specialist

Report Highlights:

Improved seasonal conditions and increased grain inventories in Australia have seen soybean meal imports decrease steadily throughout CY 2009. The good news is, according to official World Trade Atlas data, U.S. soybean meal appears to have increased in volume to the point where the U.S. has recently been the sole supplier of soybean meal to Australia.

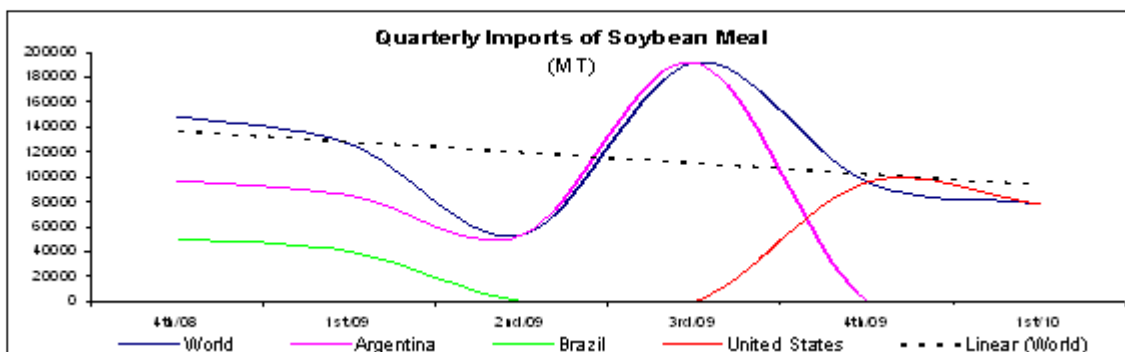
General Information:

Improved seasonal conditions and increased grain inventories in Australia have seen soybean meal imports decrease steadily throughout CY 2009. Post expects the downward trend to continue in CY 2010, with the first quarter showing further decreases.



Source: World Trade Atlas data

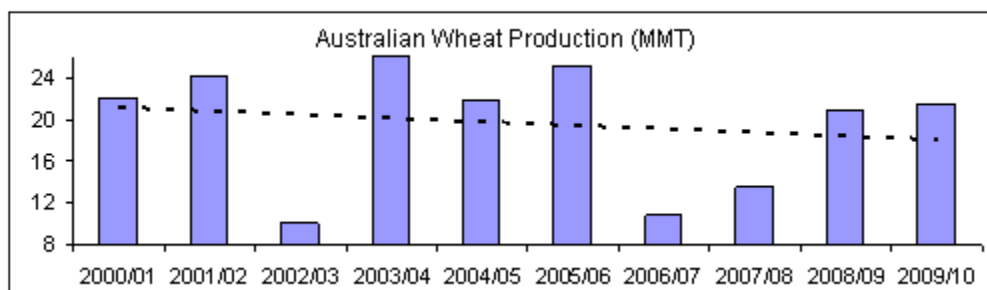
The good news is, according to official World Trade Atlas data, U.S. soybean meal appears to have increased in volume to the point where the U.S. has recently been the sole supplier of soybean meal to Australia, completely displacing Argentina and Brazil. This story supports recent reports of booming soybean meal exports from the U.S. to Asian and Oceania more generally.



Source: World

Trade Atlas data

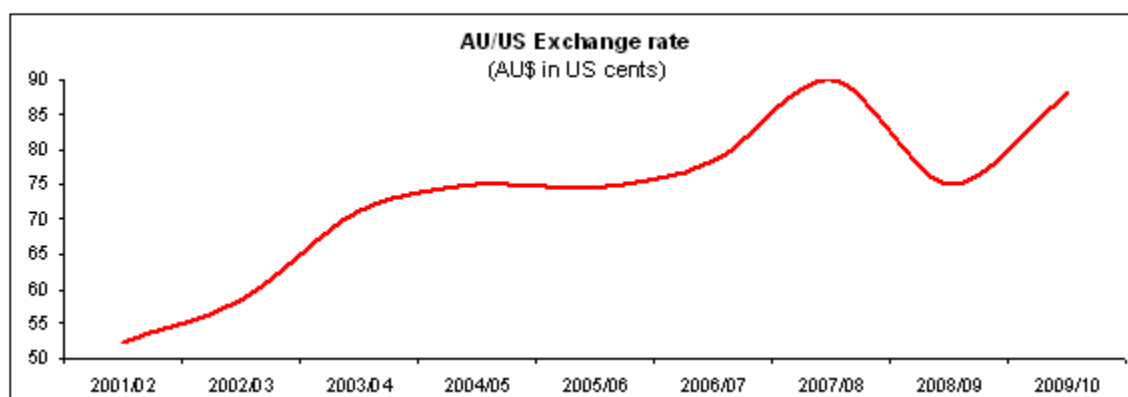
Industry sources suggest currency price fluctuations are likely driving changes in supply patterns for imported soybean meal in Australia. Historic data shows sources of soybean meal varying between Brazil, Argentina and the U.S. Brazil has typically been the largest supplier of soybean meal while the US has been the more traditional supplier, predating Brazil. Argentina is a relatively new supplier of soybean meal only entering the market in CY 2007.



Source: ABARE data

Soybean meal imports have typically been for use in stock feed, particularly for intensive livestock rations. Dairy, pork and poultry industries are the main consumers of imported soybean meal. Australia currently feeds around 1.6 million dairy cattle and around 2.3 million pigs.

Australian livestock industries, are currently suffering from the affects of a stronger Australian dollar which has depressed export prices. Australia relies on export markets to sell around two thirds of its total agricultural production. A high dollar improves the attractiveness of imported feedstuffs but constrains export returns.



Source: ABARE data

Going forward, Post expects continued downward pressure on total Australian soybean imports. Greatly improved climatic conditions, following long running and severe drought, has seen local feed grain production and inventories rise sharply. Wheat and barley production are both forecast at above average levels for CY 2010/11 and this is likely to see inventories rise further. Sources of supply for imports are expected to remain contingent upon currency prices as well as seasonal supply variations.

Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:
<http://www.fas.usda.gov/scripts/AttacheRep/default.asp>.

Title of Report	Date
Australian Pulse Crop to Increase in 2010/11	05/17/10
Ag DownUnder	05/14/10
Dairy and Products Semi Annual	05/14/10
Beef Grading Agreement Opens Way for Increased Beef Exports to Chile	05/05/10
Sugar Annual 2010	04/15/10
Cotton and Products Annual	03/29/10
Grain and Feed Annual	03/16/10
Wine Annual 2010	03/01/10
Livestock and Products Semi-annual 2010	03/01/10
Government announces Ag Research Initiative to Increase Productivity & Cut Carbon Emissions by 50 percent	02/18/10
Australian Container exports rise	02/02/10