



Soybean Sector Issues

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USDA Ag Outlook Forum

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Agenda

- Renewable Diesel
- Acreage
- International



Biomass based diesels (BBD's)

Biodiesel

Created through transesterification, a process that reacts a fat or oil with a small amount of alcohol to produce a diesel like fuel.

ESTABLISHED

Renewable Diesel

Produced through hydrotreating, a process like a traditional oil refinery operation. Creates a fuel that meets the same standards as petroleum-based diesel.

ESTABLISHING

Sustainable Aviation Fuel

Produced from a wide variety of raw material and processes, including from sugars, fats and waste gases. Primary commercial production utilizes the renewable diesel process.

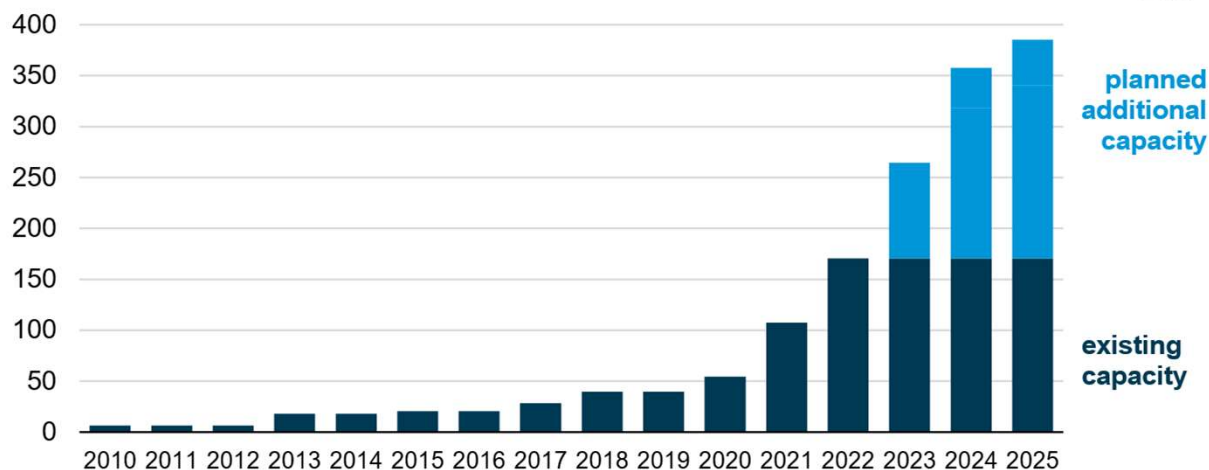
ASPIRATIONAL

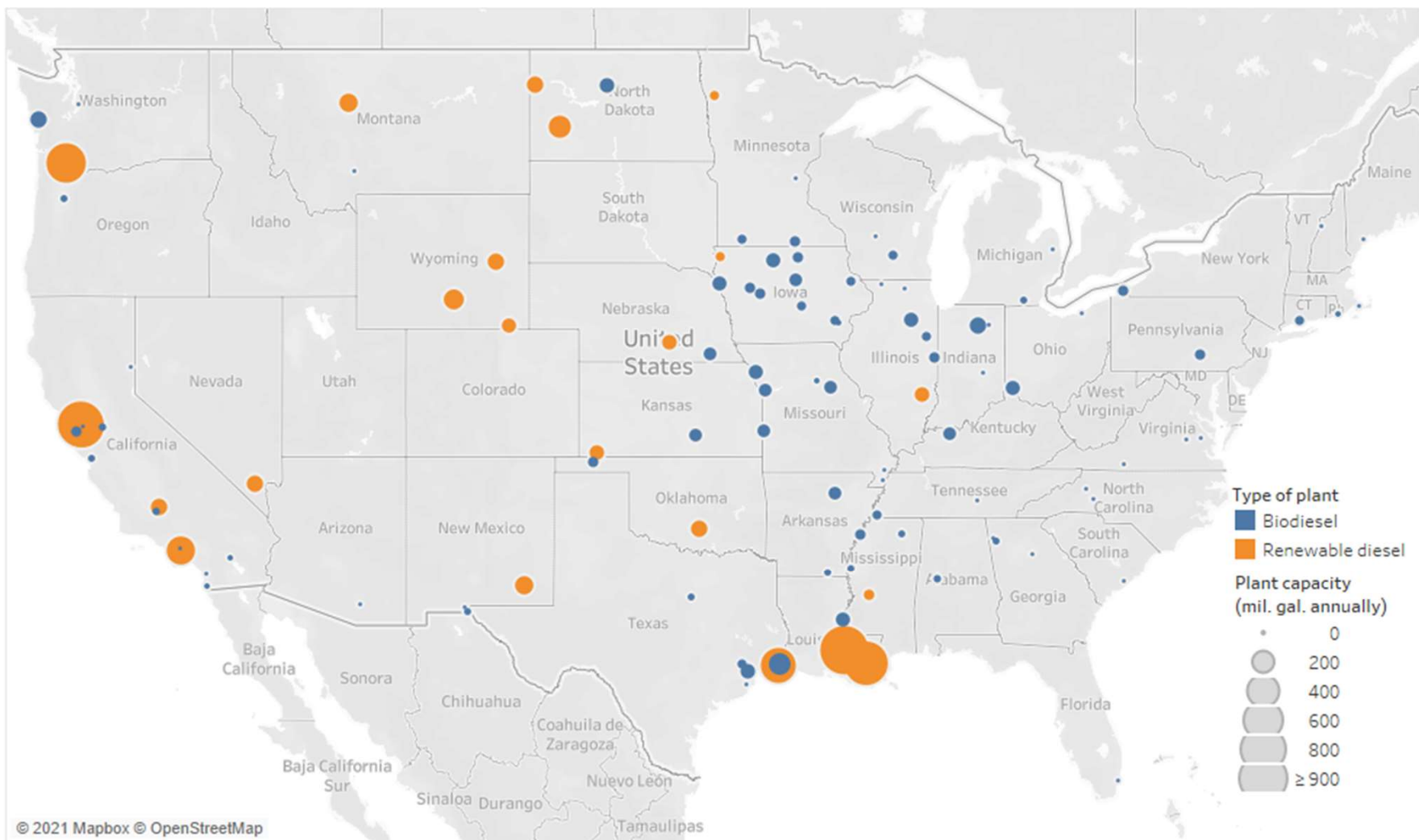
Source: Clean Fuels Alliance America



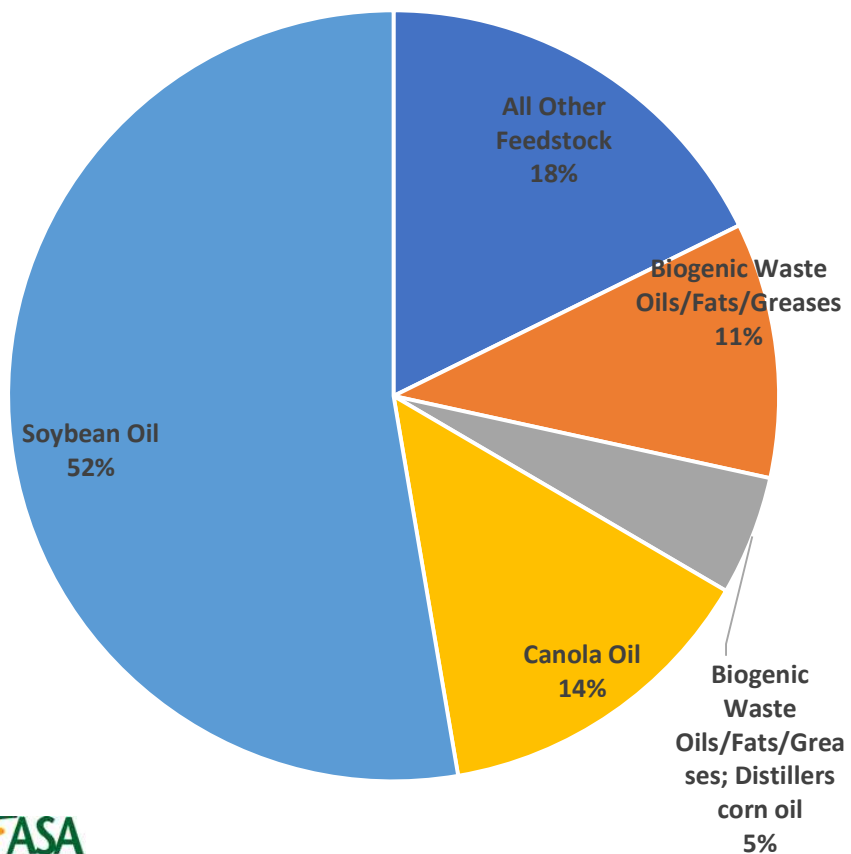
Renewable Diesel is Driving Soy Demand

Annual existing and expected U.S. renewable diesel production capacity (2010–2025)
thousand barrels per day

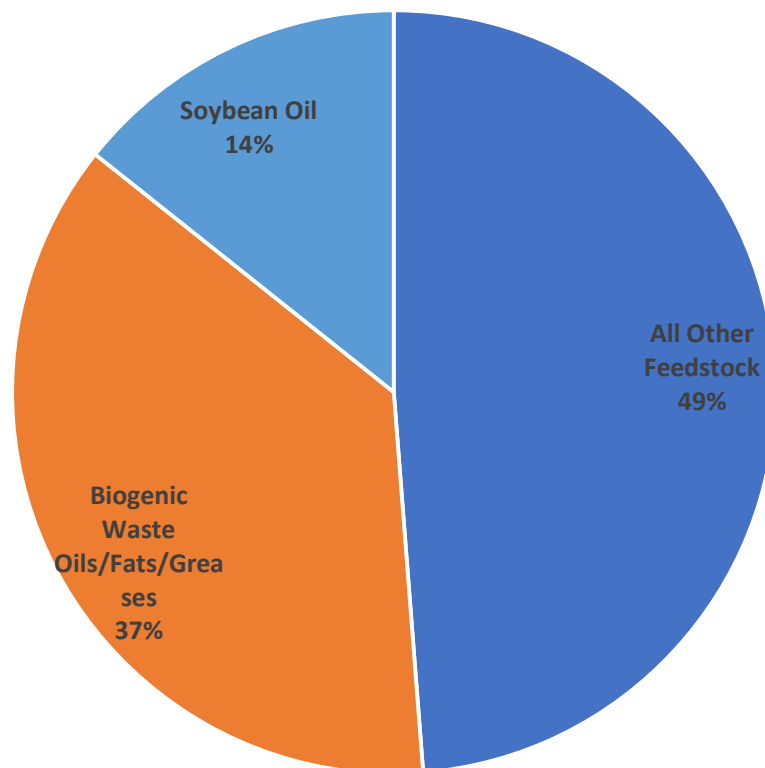




Biodiesel Feedstocks for 2022

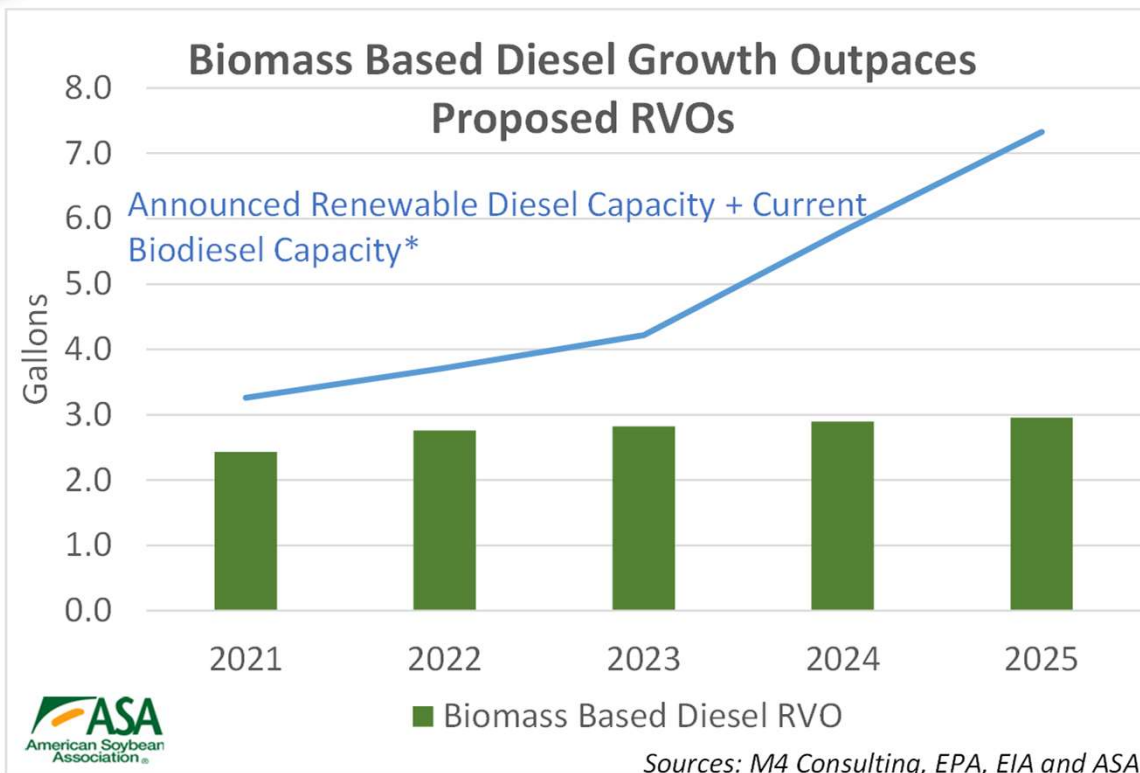


Renewable Diesel Feedstocks for 2022

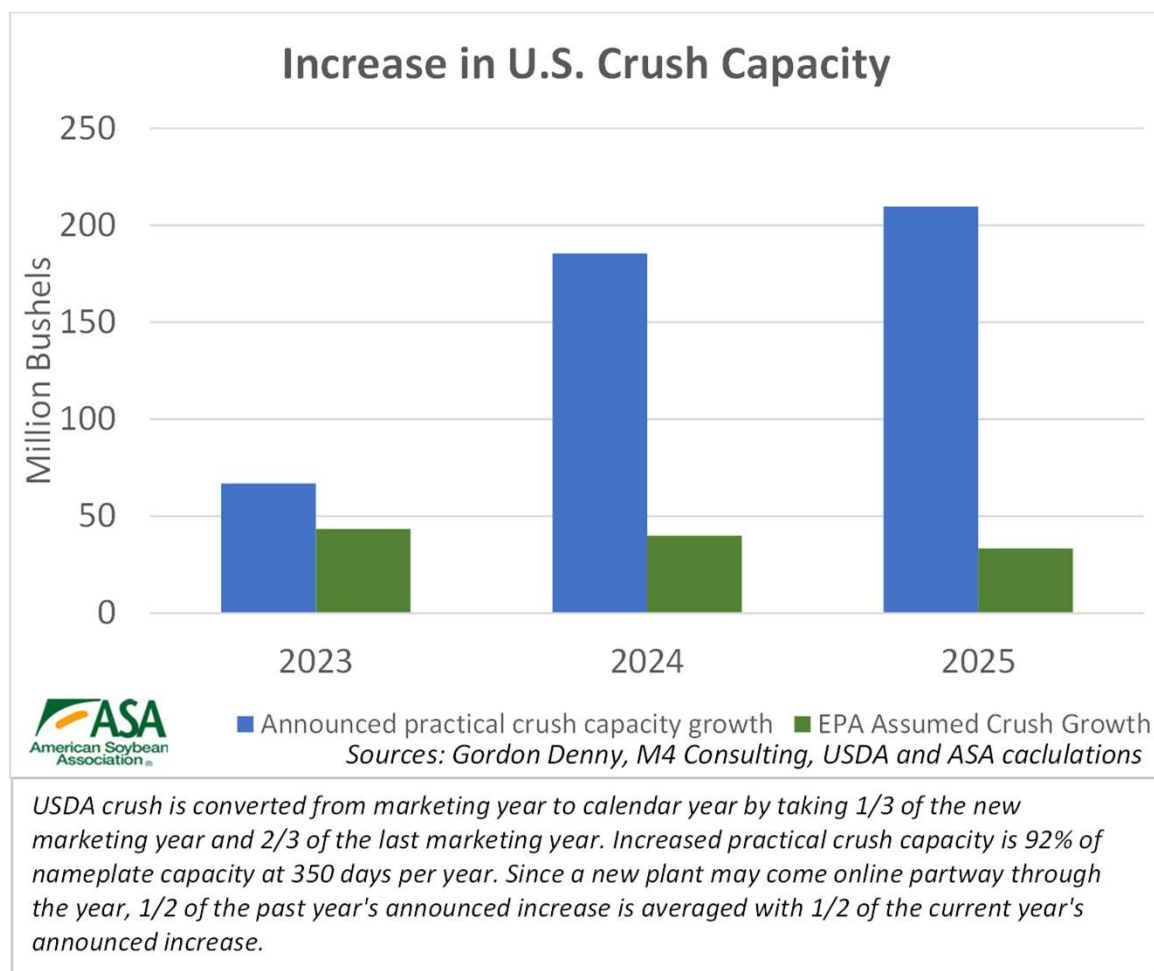


Source: EPA EMTS and ASA Calculations

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* Biodiesel capacity for 2021 is based on actual December capacity for the prior year. For 2023, the biodiesel capacity numbers are based upon the latest data (September 2022). The capacity for 2023 through 2025 is held at the 2022 levels.





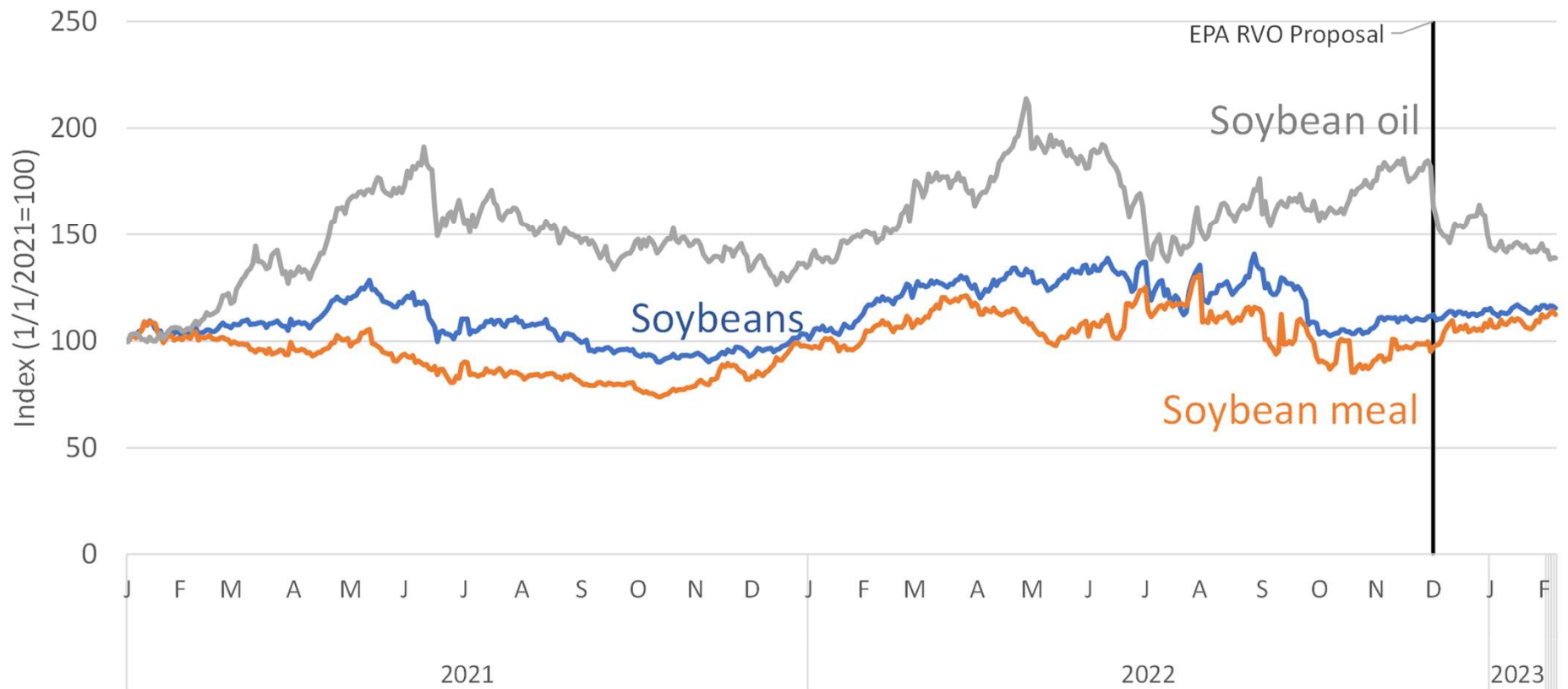
Actual Production?

- Over the next three years, the expanded crush capacity announced by companies would increase soybean oil supplies by about 5.5 billion pounds. This translates into about 700 million gallons of renewable diesel, far above the EPA's three-year growth in the RVO of only about 200 million gallons.
- EPA estimated the expected growth in BBD from feedstocks other than soy and projects 180 million gallons of growth between 2022 and 2025 in BBD produced from them. This is almost the same level as the RVO increase for the category but doesn't even include canola oil for renewable diesel.

Central Illinois Soybean Crushing Margin



Index of Soybean and Product Prices



Oil Value Share of Soybean Crush





Economics Favor Corn Acreage

	2022	2023
Crop ins. projected price ¹		
Soybeans	\$14.33	\$13.74
Corn	\$5.90	\$5.95
Ratio	2.43	2.31
Illinois urea price per ton ²	\$897.33	\$655.00

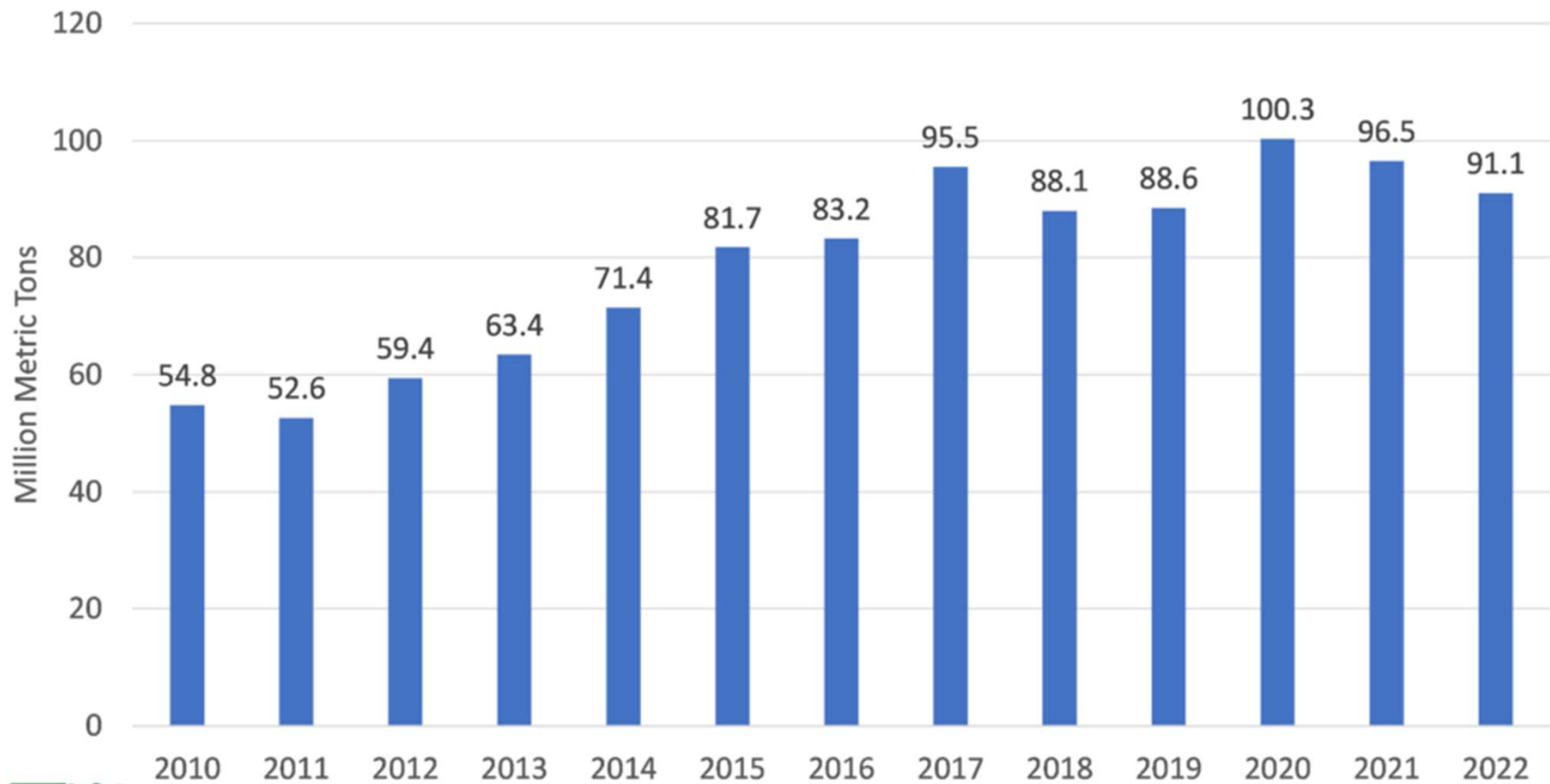
¹Prices are for Illinois. Prices for 2023 are as of 2/20/2023

²Prices for 2022 are for 2/10/2022 and for 2023 are as of 2/9/2023.

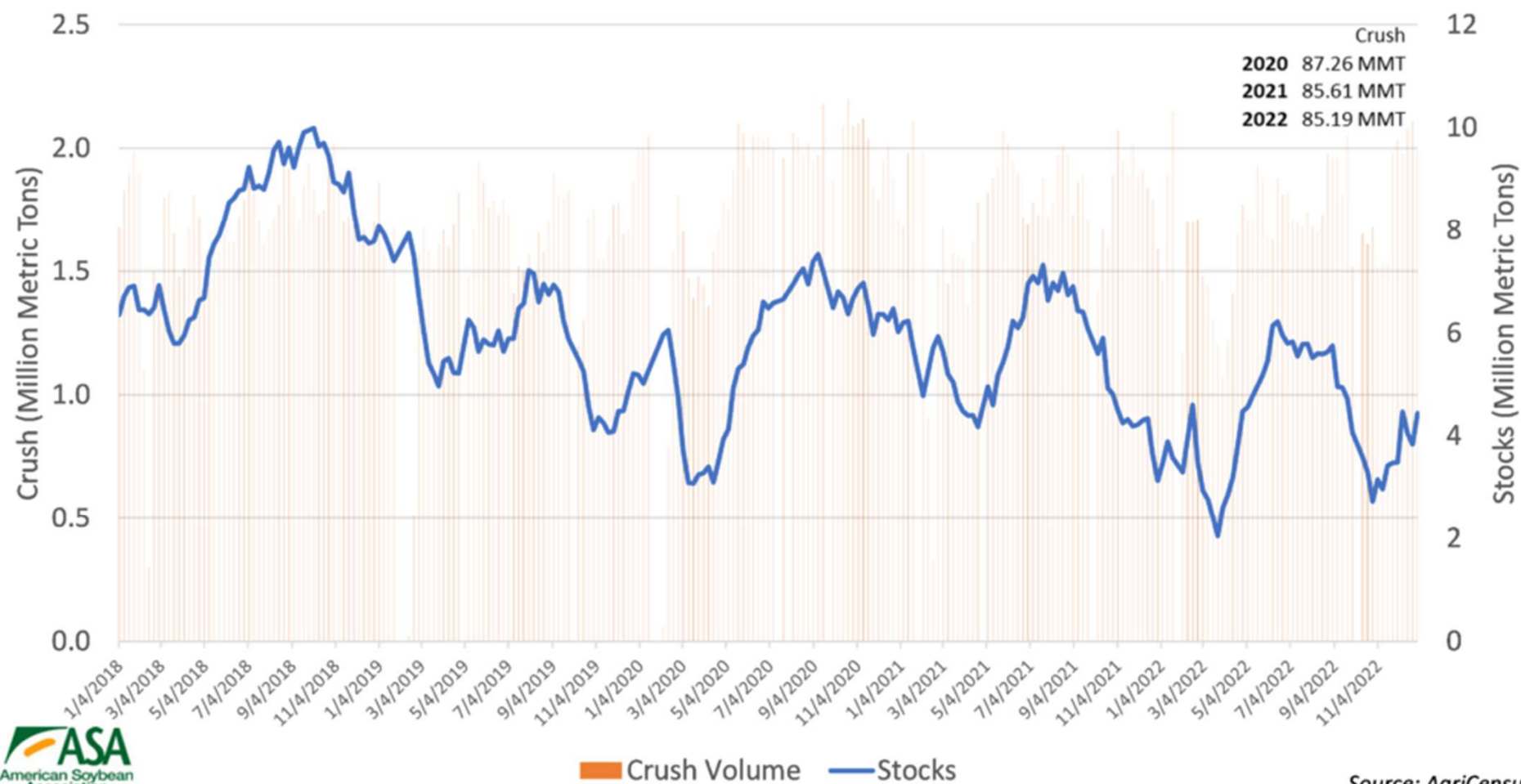
Soybean and Corn Planting Intentions and Projected Prices



China Soybean Imports



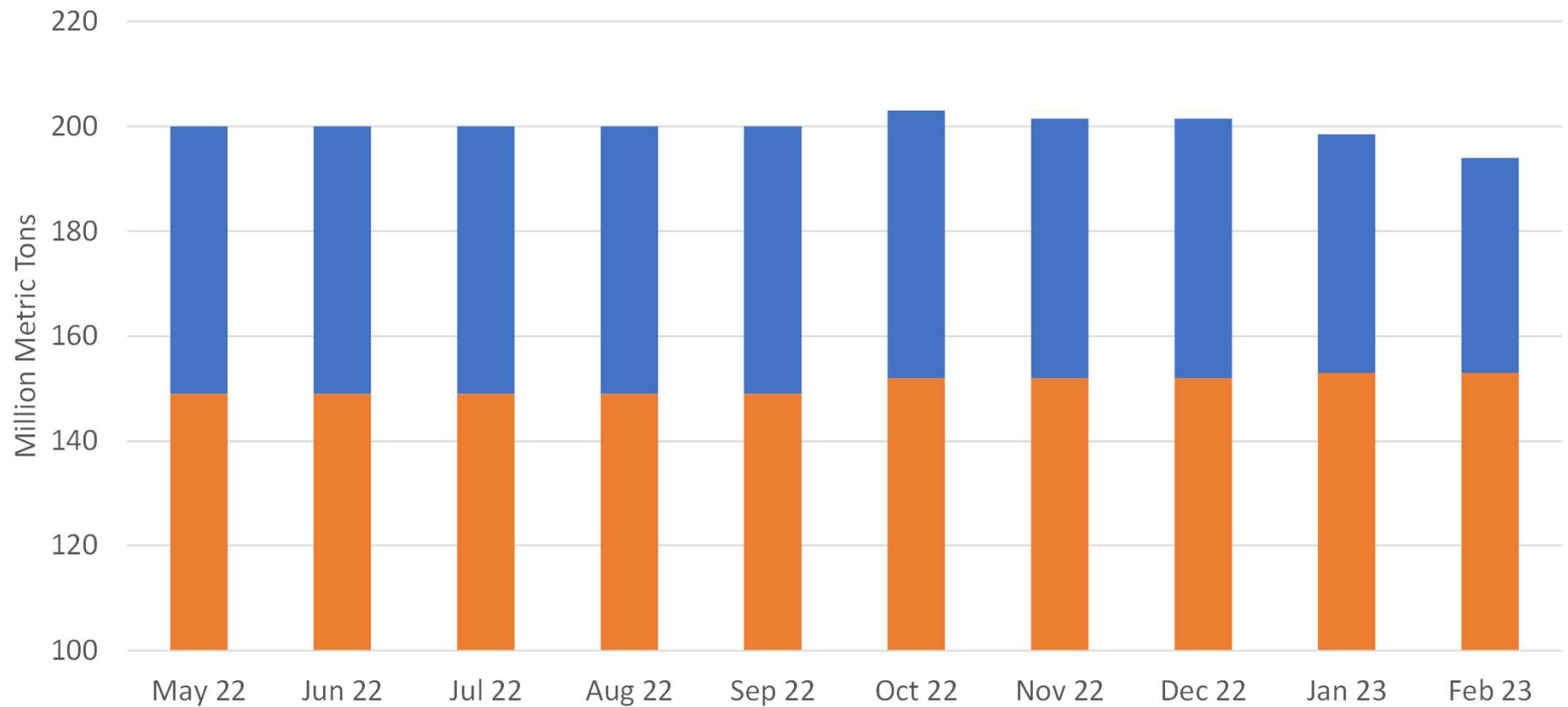
China Soybean Crush and Stocks



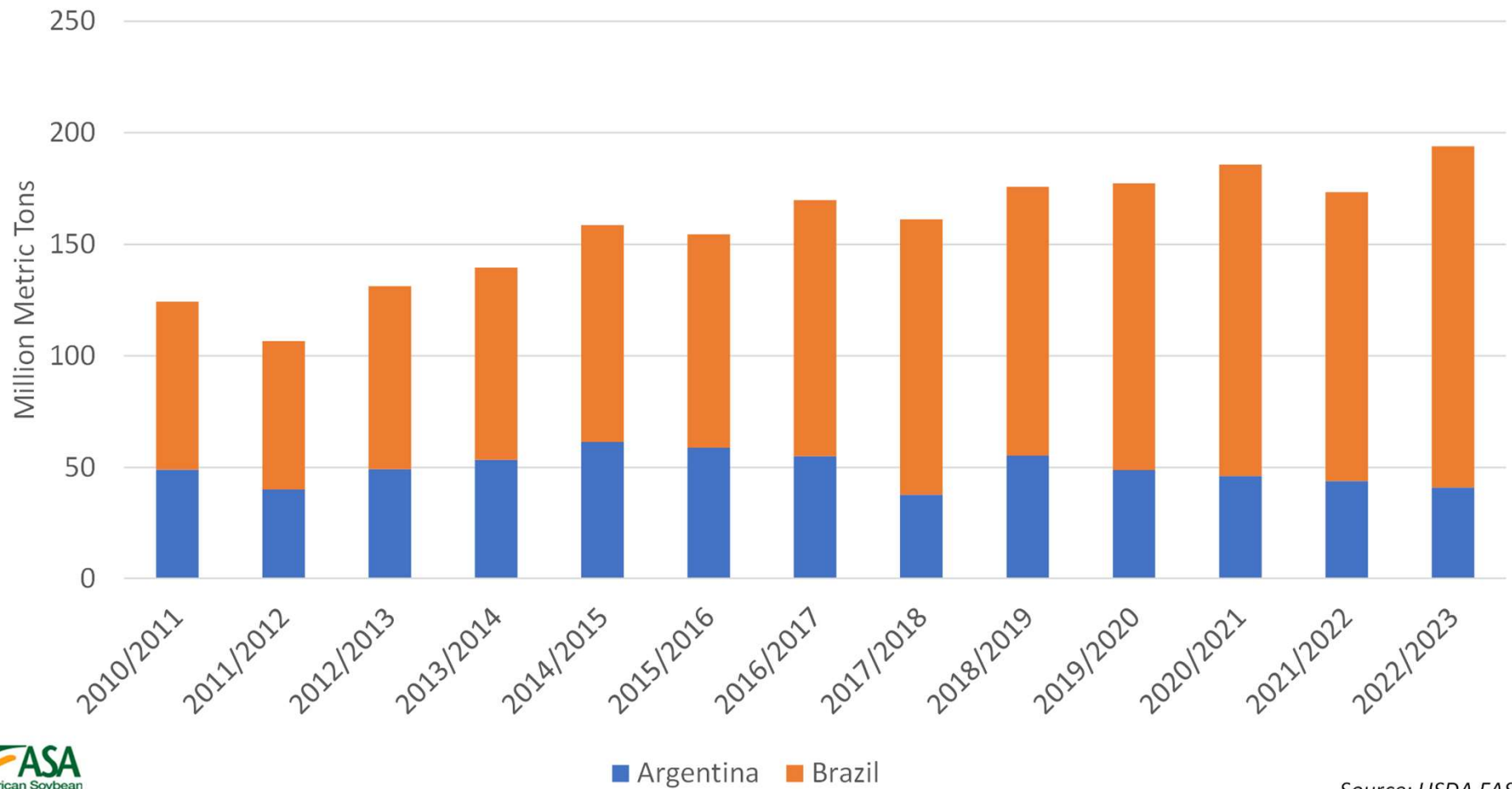
Official China Data Shows Large YOY Growth in Pork Production



Declining South American Production



South American Soybean Production






Summary

- June RVO's will determine much of the domestic growth in U.S. soybean demand for the next three years
- China's hog situation remains uncertain
- Brazil's large crop weighs on world markets

Thank you!

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