

# *State of U.S. Soybean Crushing Industry* AG Supply Chain Asia 2018

Thomas Hammer, President  
National Oilseed Processors Association  
Surabaya, Indonesia  
March 20-22, 2018



Unlocking the Power of the Seed

# NOPA Members

- 13 NOPA member companies
- Account for approximately 95% of U.S. soybean crush
- Operate 64 processing plants in 21 states, including 58 that process soybeans
- Crush 1.8 billion bushels, comprising over 42% of U.S. soybean farmers' production in 2016/17

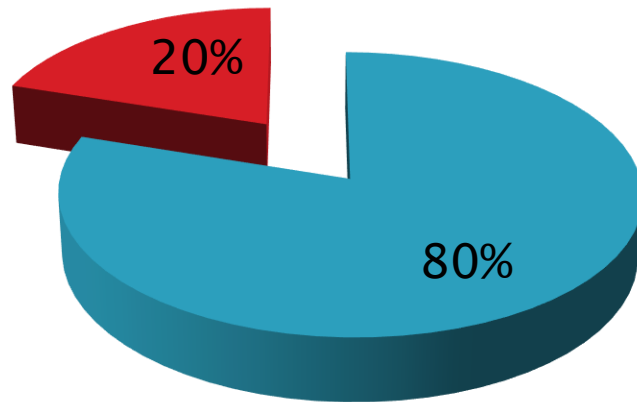


# NOPA Membership

- Ag Processing Inc.
- Archer Daniels Midland Company
- Bunge North America
- Cargill, Inc.
- CHS Inc.
- Consolidated Grain and Barge Company
- Express Grain Terminal
- Incobrasa Industries, Ltd.
- Louis Dreyfus Companies
- Owensboro Grain Company, LLC
- Perdue Grain & Oilseed, LLC
- Riceland Foods, Inc.
- Zeeland Farm Soya

# NOPA's Members Produce: Food, Feed & Fuel

Soybean  
Components



■ Meal ■ Oil

## Soybean Meal:

97% used to feed poultry & livestock

3% used in food products like protein alternatives & soy milk

## Soybean Oil:

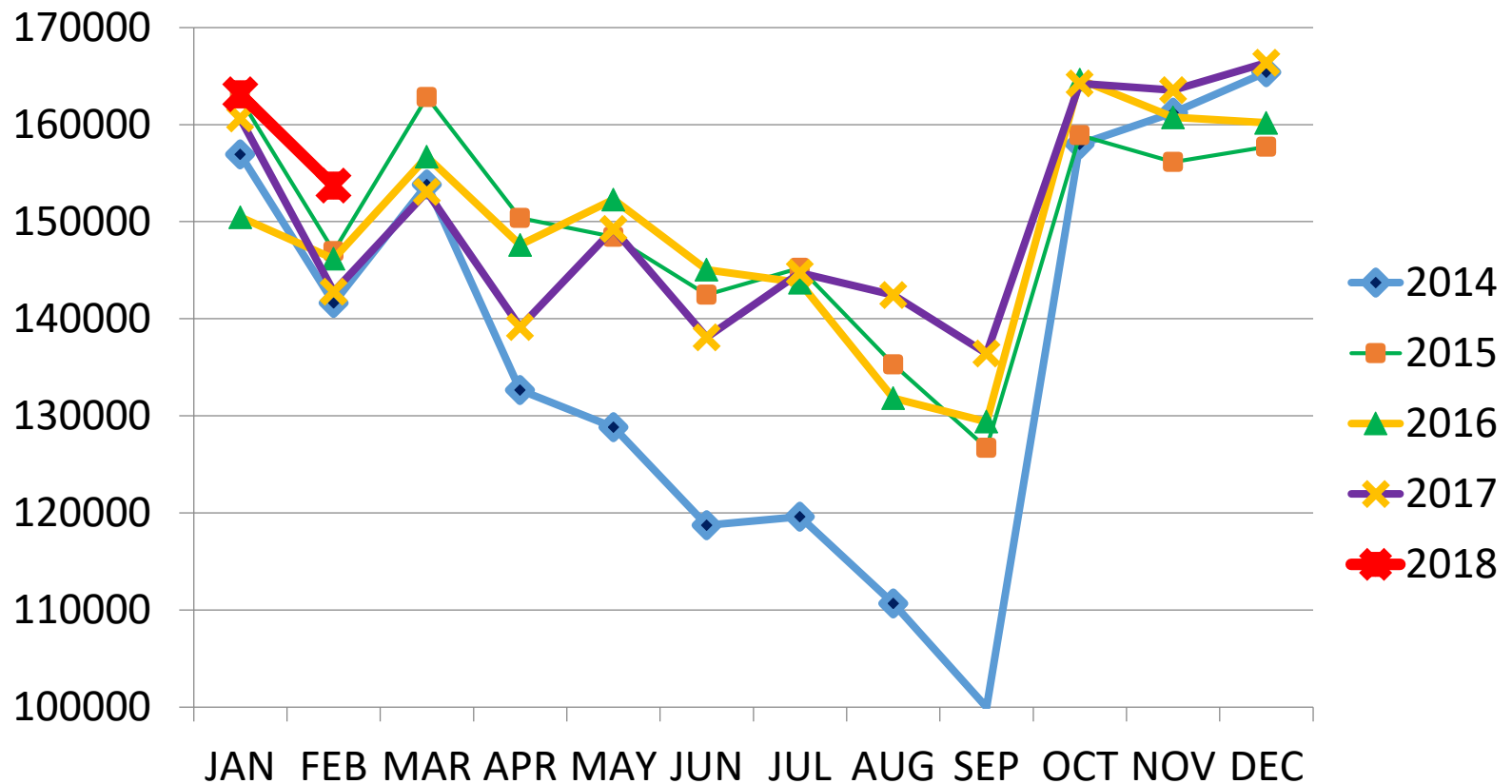
68% used for frying and baking food; as a vegetable oil and as an ingredient in foods like salad dressings & margarines

25% used for biodiesel and bioheat

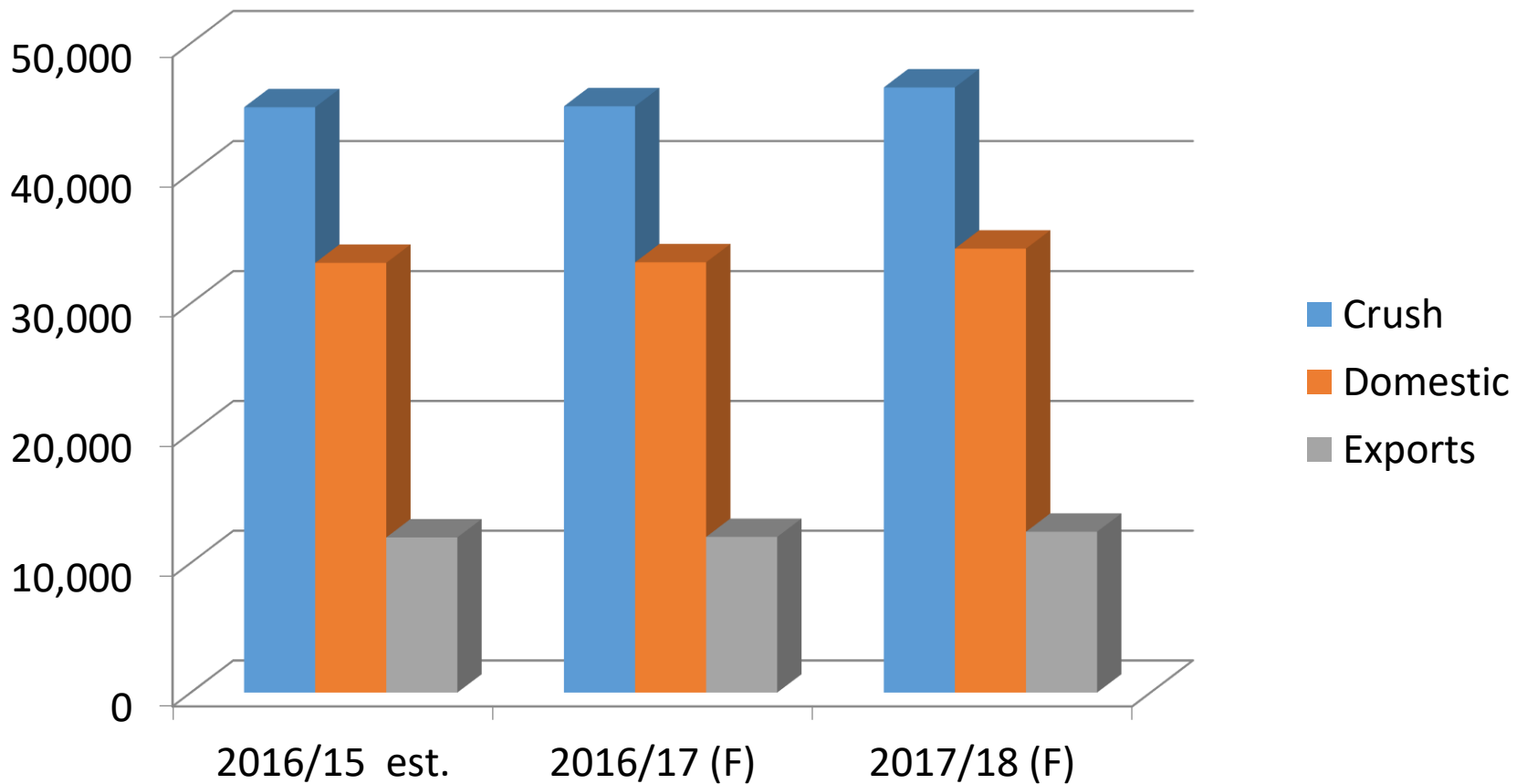
7% is converted into industrial use like paints, plastics and cleaners

*Source: United Soybean Board*

# NOPA Soybean Crush CY2014-2018 (000Bu.)



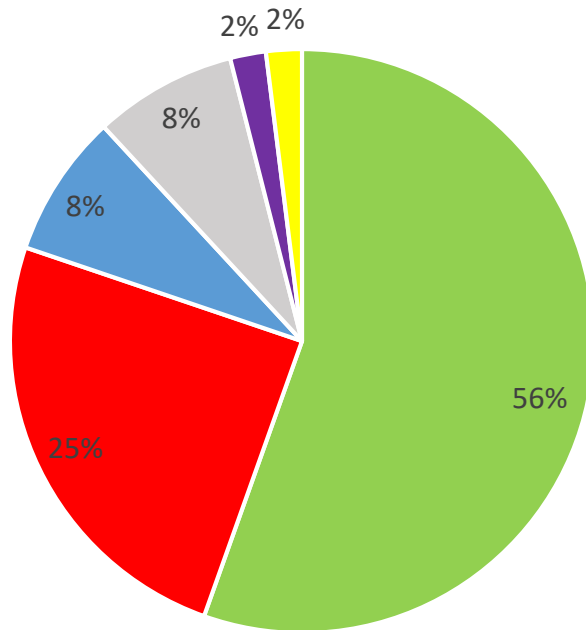
# U.S. Soymeal: Crush & Disappearance (1,000 short tons)



Source: USDA/World Outlook Board 10/27/2017

# U.S. Soymeal Usage by Livestock

(FY2016)

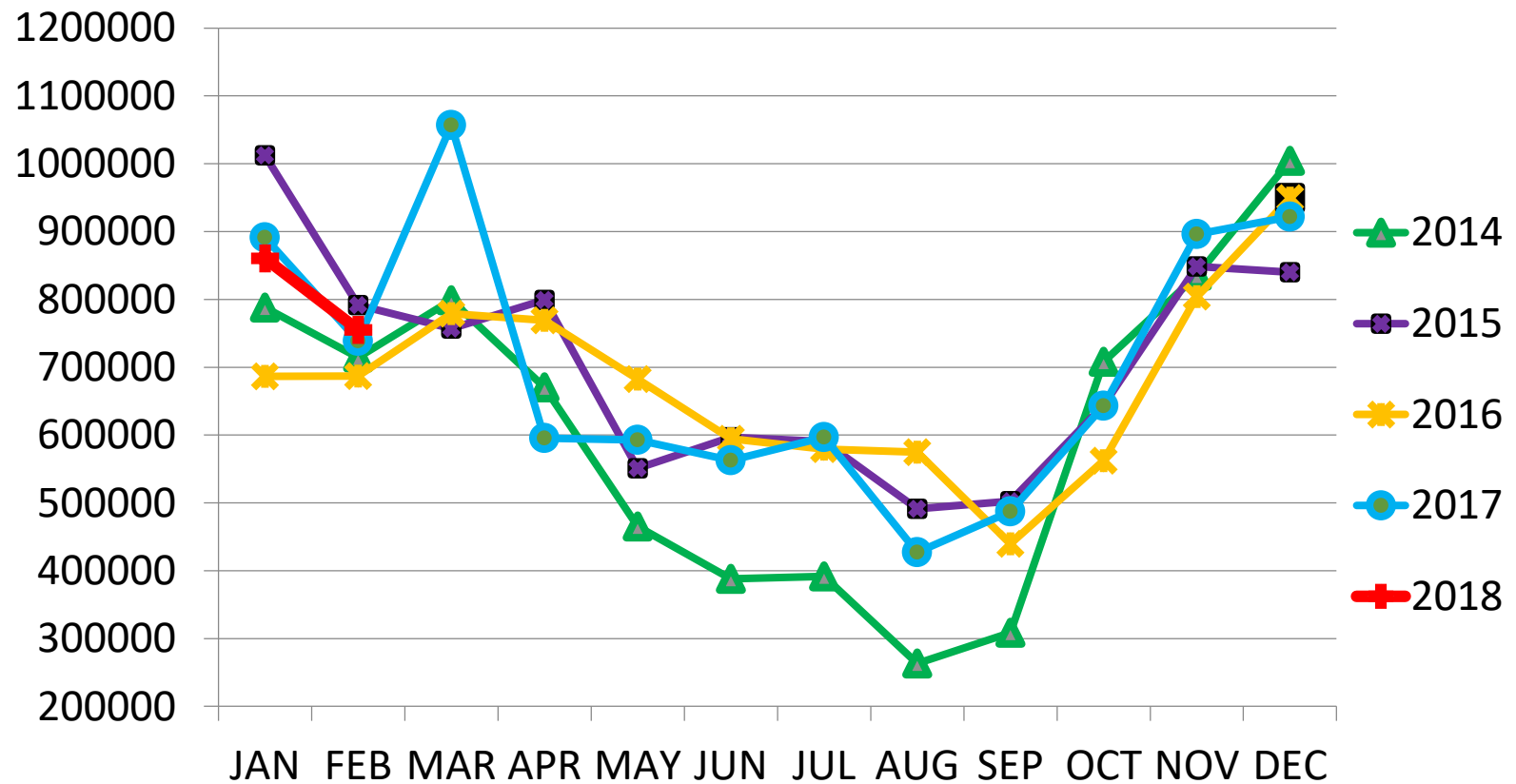


■ Poultry ■ Swine ■ Beef ■ Dairy ■ Petfood ■ Other Feed

POULTRY	17.4 Million Metric Tons
SWINE	7.7 Million Metric Tons
BEEF	2.4 Million Metric Tons
DAIRY	2.3 Million Metric Tons
PET FOOD	0.7 Million Metric Ton
OTHER FEED	0.7 Million Metric Tons
TOTAL	31.2 Million Metric Tons

Source: Based on industry estimates, USB 2008 soymeal market study, USDA, NASS – Soystats 2017

# NOPA Soybean Meal Exports CY2014- 2018(M/T)





## TOP 10 U.S. SOY MEAL EXPORT PARTNERS

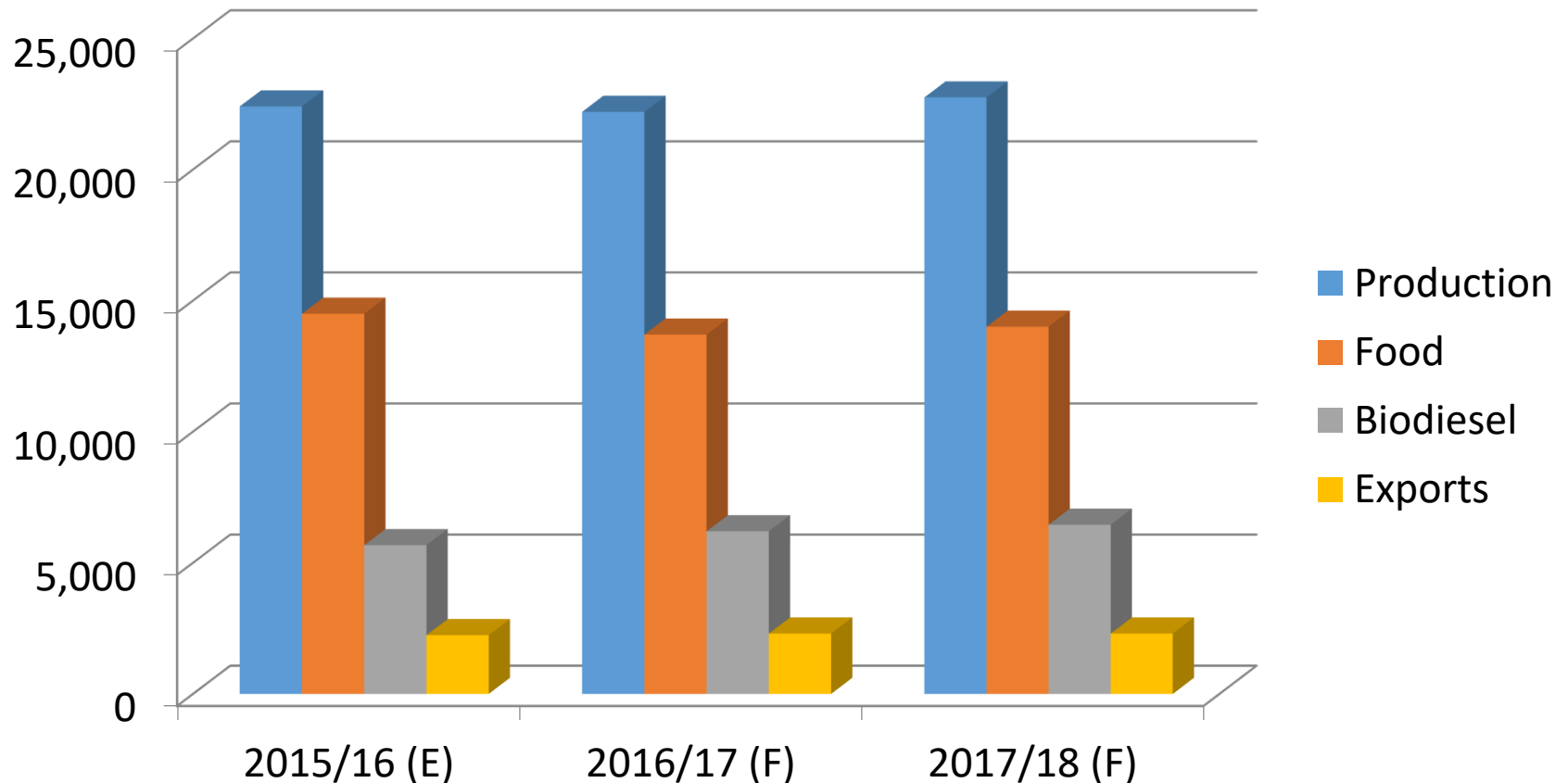
In Million Metric Tons – Marketing Year: Oct 2016 – Sept 2017



**US SOY**

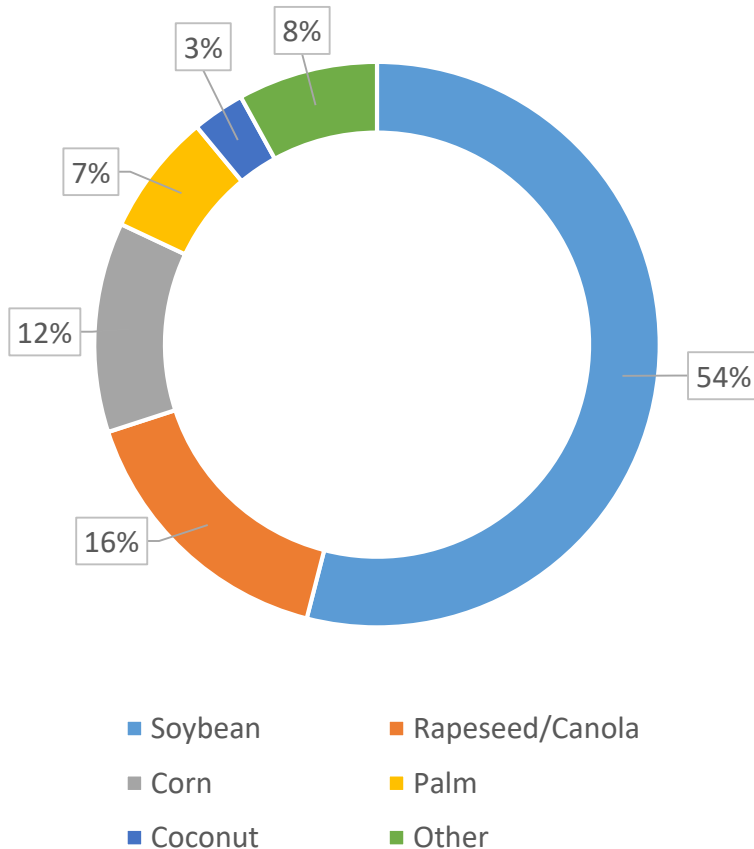
SOURCE: USDA, NASS Crop Production, Global Ag Trade System

# U.S. Soy Oil: Production & Disappearance (*Million pounds*)



Source: USDA/World Agricultural Outlook Board 10/27/2017

# U.S. Vegetable Oil Consumption (2016)



Feedstock	Million M/T
Soybean	9.3
Rapeseed/Canola	2.7
Corn	2.1
Palm	1.2
Coconut	0.5
Other*	1.3
<b>Total</b>	<b>17.1</b>

\* Other includes: palm kernel, peanut, sunflower, safflower and others

Source: USDA/ERS

## TOP 10 U.S. SOYBEAN OIL EXPORT PARTNERS

In Million Metro Tons – Marketing Year: Oct 2016 – Sept 2017



**US SOY**

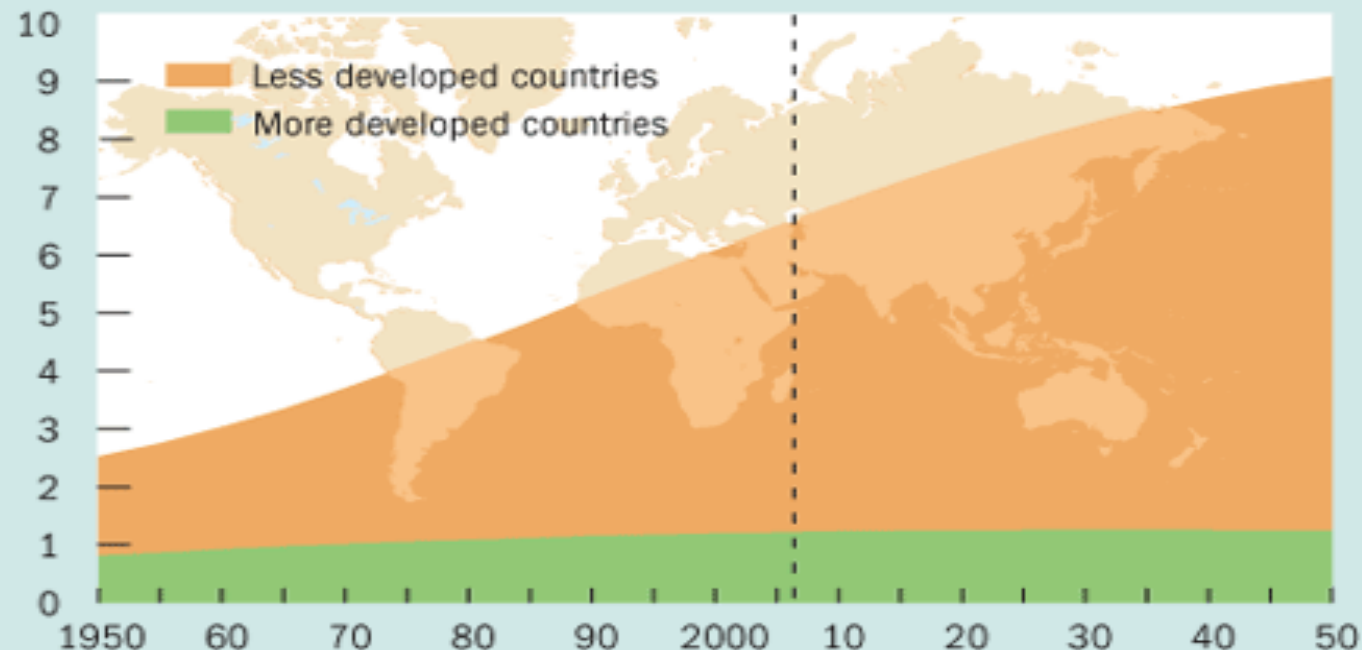
SOURCE: USDA, NASS Crop Production, Global Ag Trade System



# Global Population Trends Very Promising for the Protein Business

**The world's population is expected to reach 9.1 billion by 2050, with virtually all population growth occurring in less developed countries.**

(population, billions)



# But... Growth of World's Middle Class is Real Economic Generator



# U.S. Soybean Crush Capacity Is Expanding To Meet Increasing Global Demand

## ▶ **Perdue Agribusiness:**

- Location: Bainbridge, PA
- Completed                      Opened Sept. 25, 2017

## ▶ **Ag Processing Inc:**

- Location: Aberdeen, SD
- Expected Completion: Fall of 2019

# U.S. Soybean Crush Capacity Is Expanding To Meet Increasing Global Demand (cont.)

## ▶ **Zeeland Farm Services:**

- Location: Ithaca, MI
- Expected Completion: Late 2018 or 2019

## ▶ **Minnesota Soybean Processors:**

- Location: Spiritwood, ND
- Expected Completion: Late summer 2019



# S.E. Asia is Excellent Market for U.S.

- S.E. Asia has a combined GDP of \$2.4 trillion, and is the 3rd fastest growing major Asian economy after China and India.
- With its young, growing middle class, dynamic economic growth and consumer confidence, S.E. Asia continues to be an increasingly important market for U.S. Soy.
- S.E. Asia's growing purchasing power & close trade ties with the U.S. - point to stronger U.S. - S.E. Asia soy trade partnership in the future.

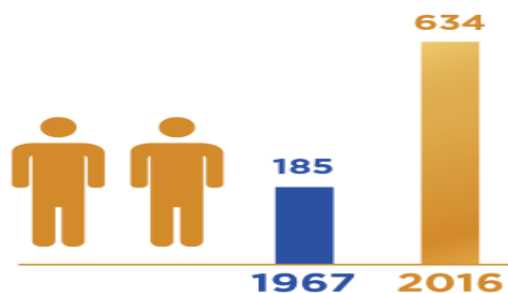


Source: US-ASEAN Business Council

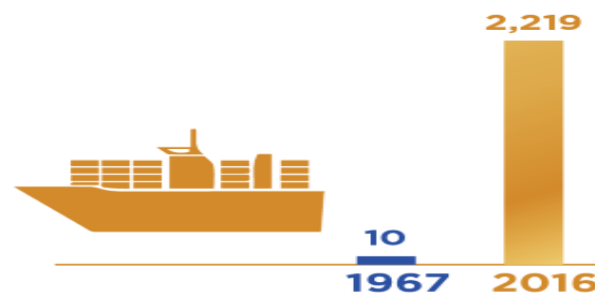
# 50 YEARS OF ASEAN

— at a Glance —

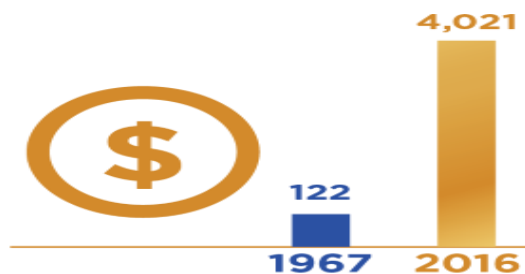
## Population (in million)



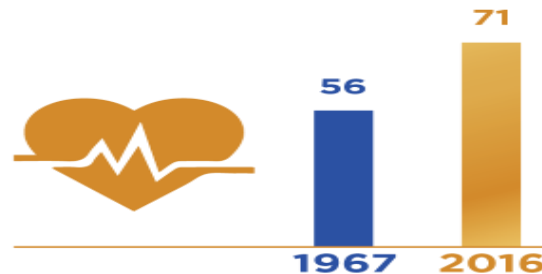
## Trade (in US\$ billion)



## GDP per capita (in US\$)



## Life expectancy (in years)



Source: ASEAN Secretariat

# NOPA Considers “Dynamics of Change”

- Consumer perceptions
- Regulatory excess & volatility
- Political polarization & trade barriers
- The oilseed value chain alignment
- Innovations in farm practices & proteins
- Infrastructure & transportation

# U.S. Soybean Processors Work Hard to Protect & Promote Our Global Supply Chains!

- U.S. soybeans, meal & oil are the **most sustainable** in the world.
- U.S. laws & regulations governing farmers, grain handlers, processors & exporters are the **most rigorous** in the world.
- US soy & soy products are the **best overall value** for our global customers.



# USSEC's Staff are the U.S. Soy Value Chain's Boots on the Ground

- ▶ NOPA members export soybean meal and soybean oil to our global customers.
- ▶ NOPA has a dynamic partnership with USSEC.
- ▶ USSEC is our trusted partner, providing our global customers with support, technical services and market access support through a network of six regions in more than 70 countries and nearly 120 USSEC associates.



# Questions or Comments...



# Contact Information:

## **National Oilseed Processors Association**

1300 L Street, NW

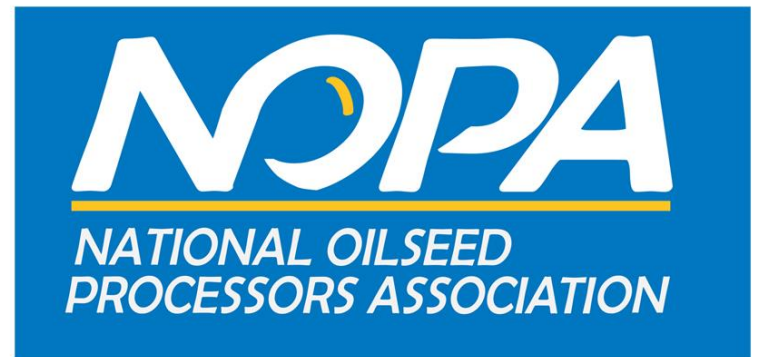
Suite 1020

Washington, DC 20005

USA

Phone: 202.864-4366

Website: [www.nopa.org](http://www.nopa.org)



Unlocking the Power of the Seed