

State of U.S. Soybean Crushing Industry & U.S. Soybean Meal Export Outlook

2019 S.E. Asia U.S. Agricultural Cooperators Conference

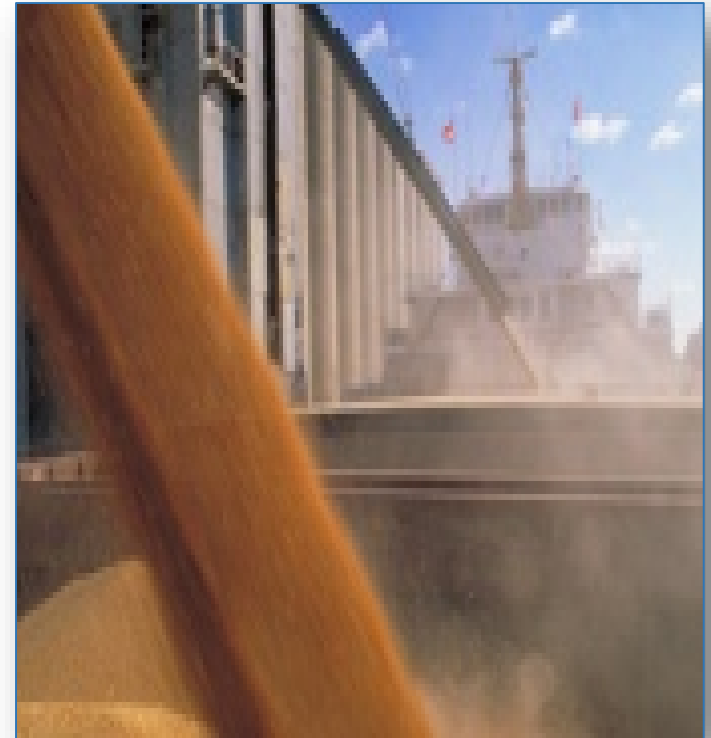
**Thomas Hammer, President
National Oilseed Processors Association
Singapore
August 7-8, 2019**



Unlocking the Power of the Seed

Objectives

- Who We Are
- The “*New NOPA*”
- U.S. Soy Crush Industry
- S.E. Asia Market for Soybean Meal
- U.S. Soy Advantages
- U.S. SBM Export Outlook
- Questions & Comments

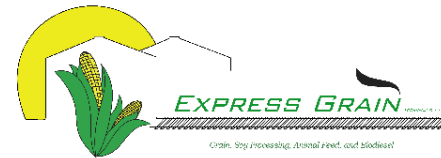




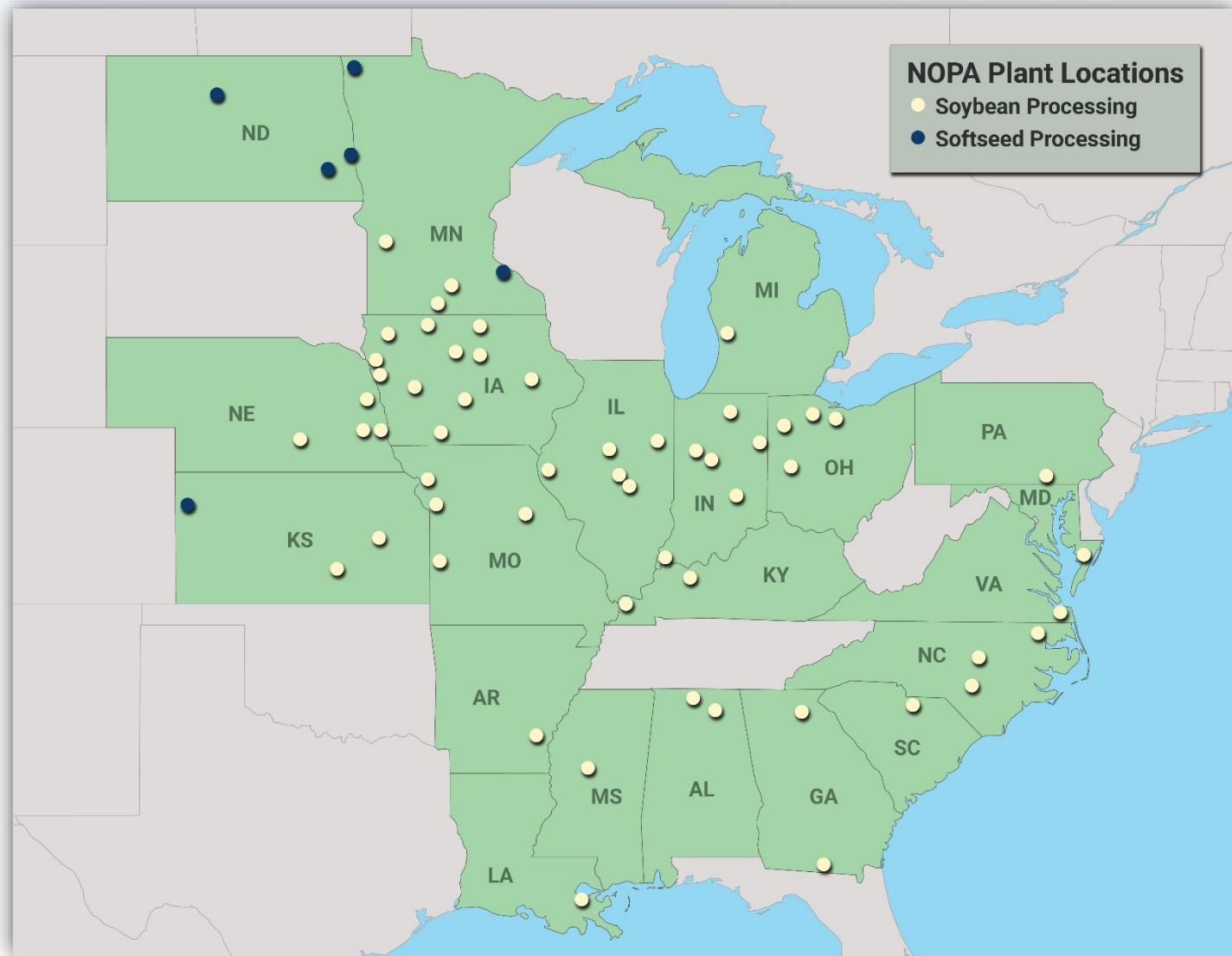
About NOPA

- Founded in 1930, the National Oilseed Processors Association is a national trade organization representing the U.S. soybean, canola, flaxseed, safflower seed and sunflower seed crushing industries.
- Our members include 13 companies that operate a total of 65 solvent extraction plants across 21 states and produce meal and oil used in human food, animal feed, fuel and industrial applications.
- Collectively, our members process 95 percent of all soybeans in the United States.

NOPA Members



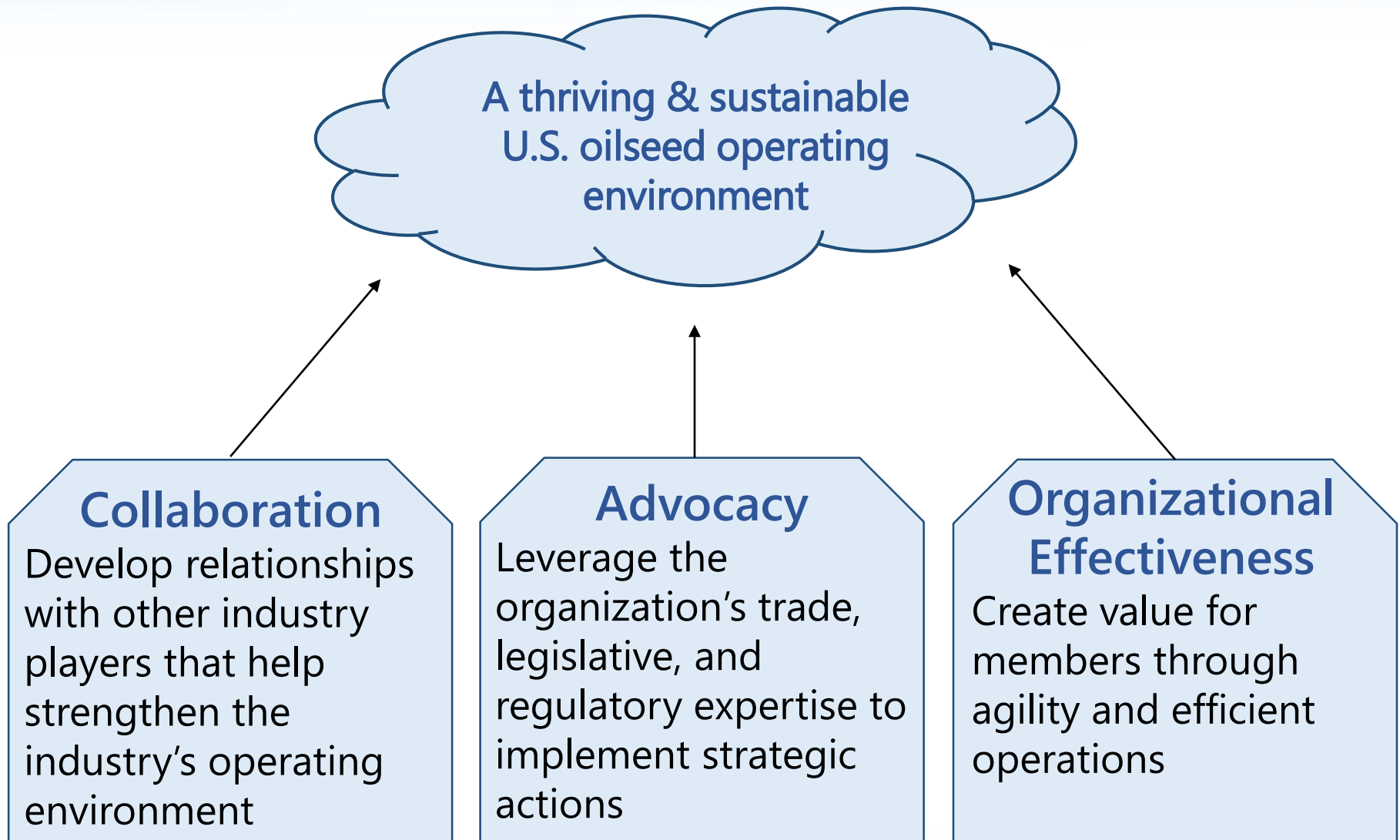
Member Operations



OUR PROMISE

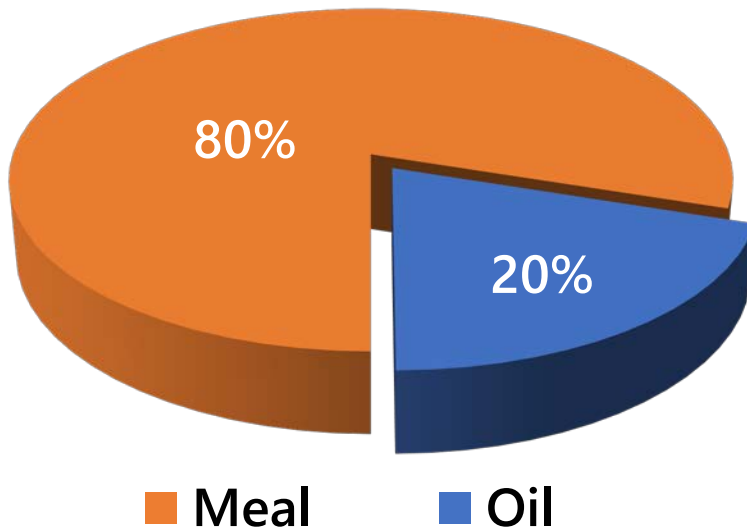
*Cultivating a thriving
operating environment for
the U.S. oilseed industry
through advocacy and
strategic collaborations*

Our Model for Success



NOPA Members Produce Food, Feed & Fuel

Soybean Components



Soybean Products

Meal:

97% feed (*poultry & livestock*)
3% food products (*i.e. protein alternatives & soy milk*)

Oil:

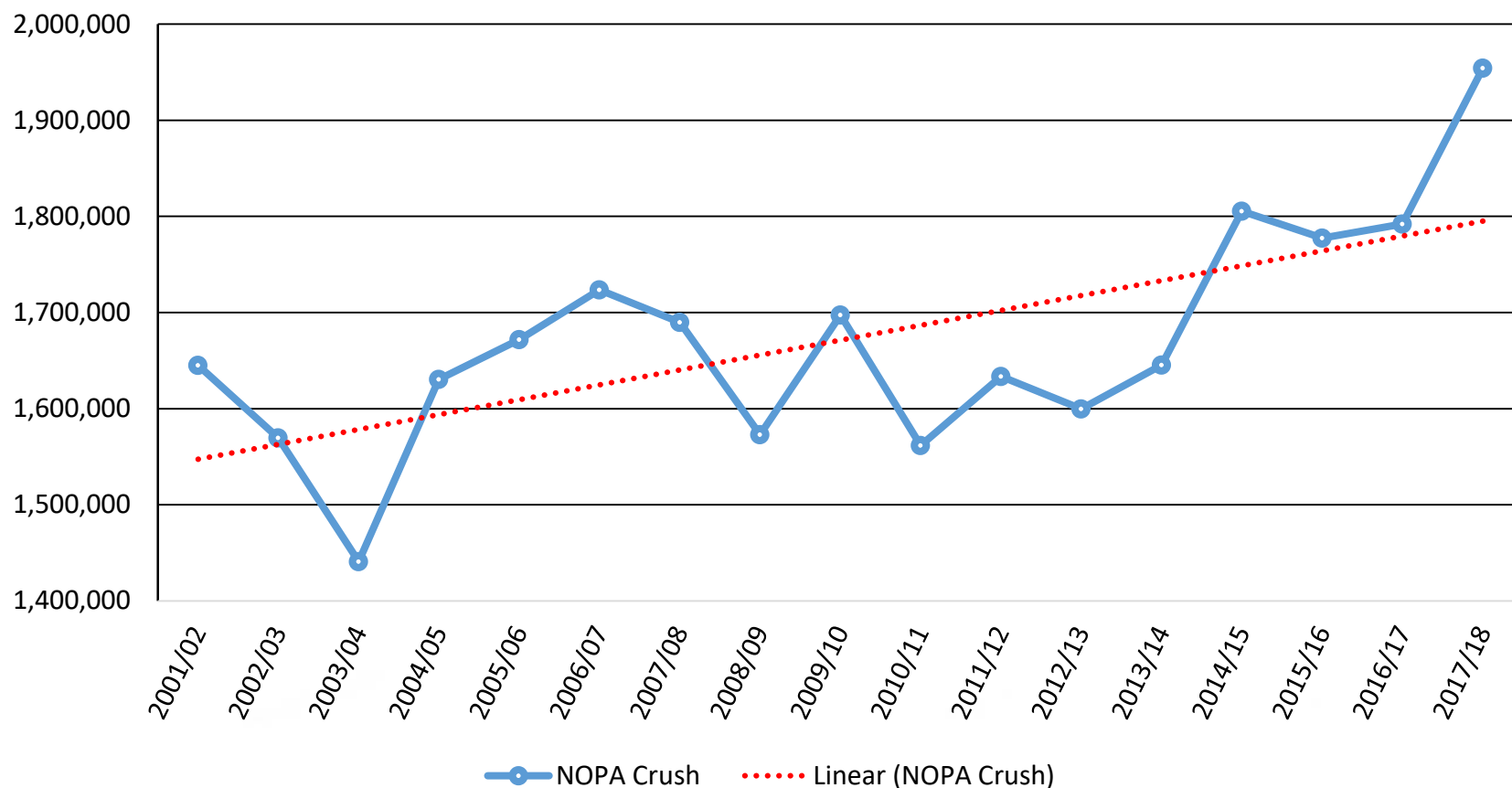
68% food processing (*e.g. for baking and frying; vegetable oil; as ingredients in salad dressing & margarine*)
25% fuel (*biodiesel, bioheat oil*)
7% industrial (*paints, plastics, cleaners*)

Source: United Soybean Board

NOPA Members' Annual Soybean Crush

Marketing Years: 2001/02 – 2017/18 (000 BU)

NOPA Annual Soybean Crush (October- September)

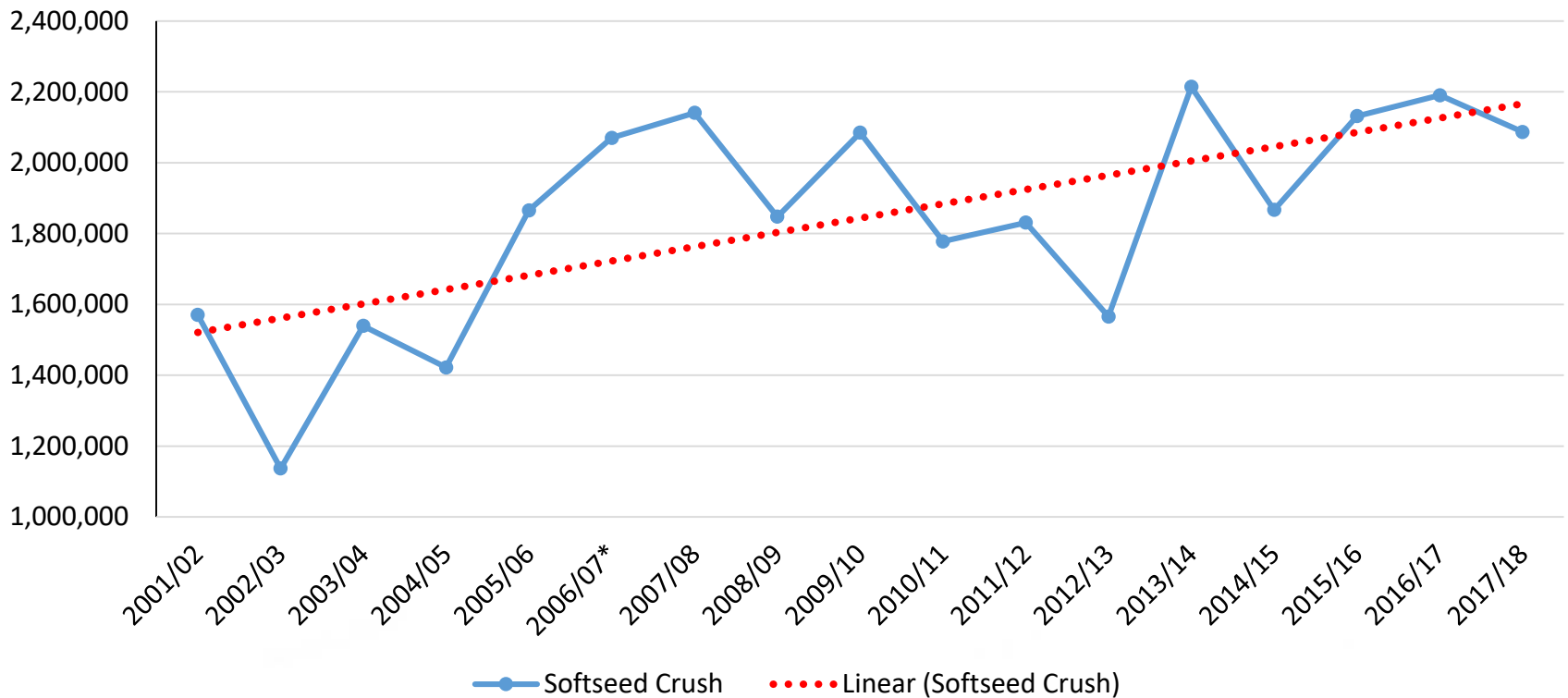


NOPA Members' Annual Softseed Crush

Marketing Year: 2001/02 – 2017/18 (M/T)

Canola, Flaxseed, Safflower & Sunflower Seeds

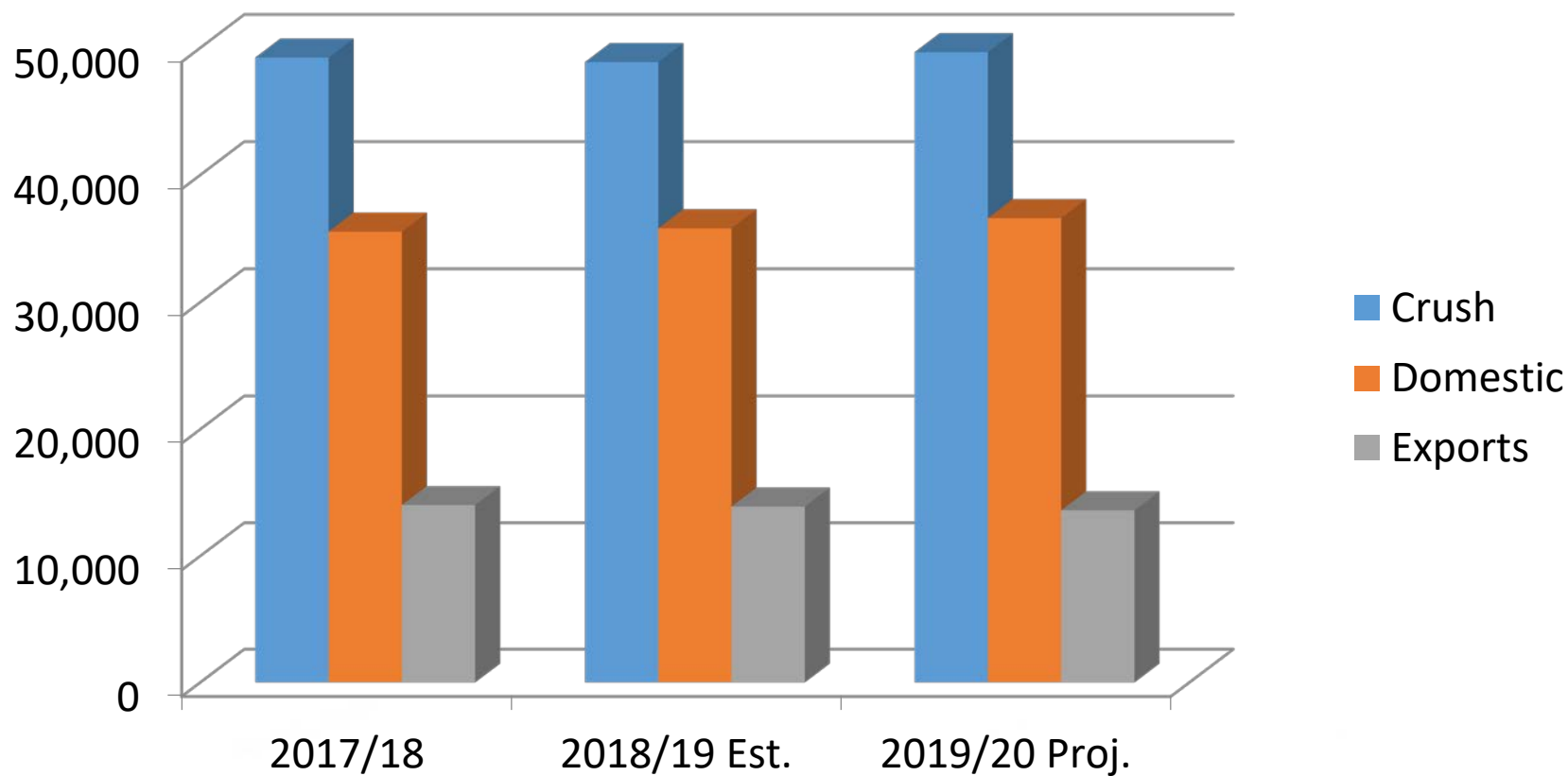
NOPA Annual Softseed Crush (October - September)



* Estimated Fourth Quarter for 2006/07

U.S. Soymeal: Crush & Disappearance

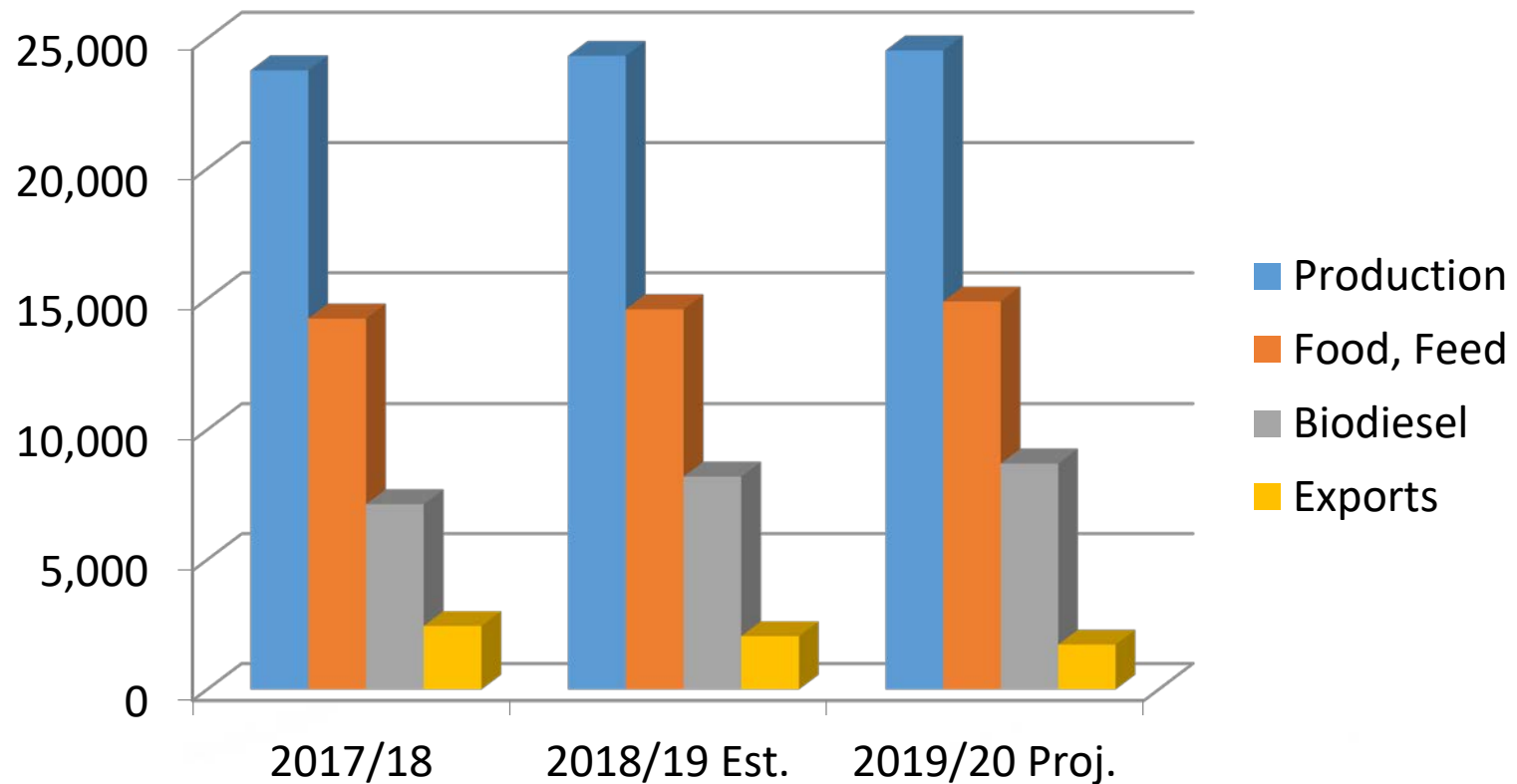
(1,000 short tons)



Source: USDA/WASDE July 2018

U.S. Soybean Oil: Production & Disappearance

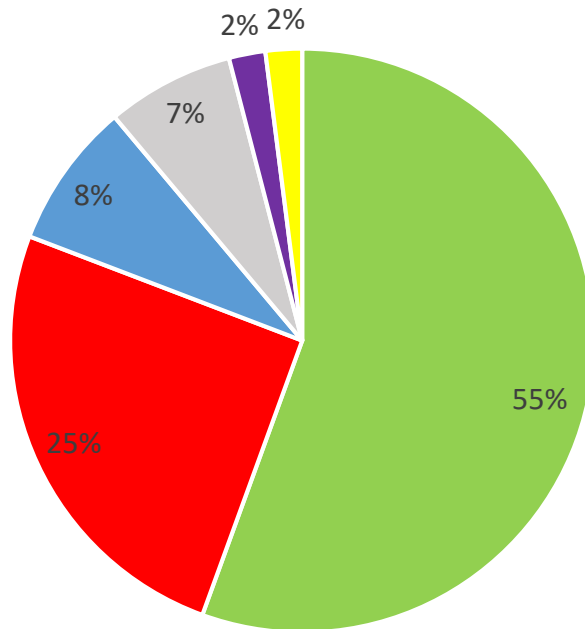
(million pounds)



Source: USDA/WASDE July 2019

U.S. Soymeal Usage by Livestock

(2018)



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

POULTRY	18.0 Million Metric Tons
SWINE	8.2 Million Metric Tons
BEEF	2.7 Million Metric Tons
DAIRY	2.3 Million Metric Tons
PET FOOD	0.7 Million Metric Ton
OTHER FEED	0.7 Million Metric Tons
TOTAL	32.6 Million Metric Tons

Source: Based on industry estimates, USB 2008 soymeal market study, USDA, NASS – ASA Soystats 2019

NOPA Members'

Annual Soybean Meal Exports

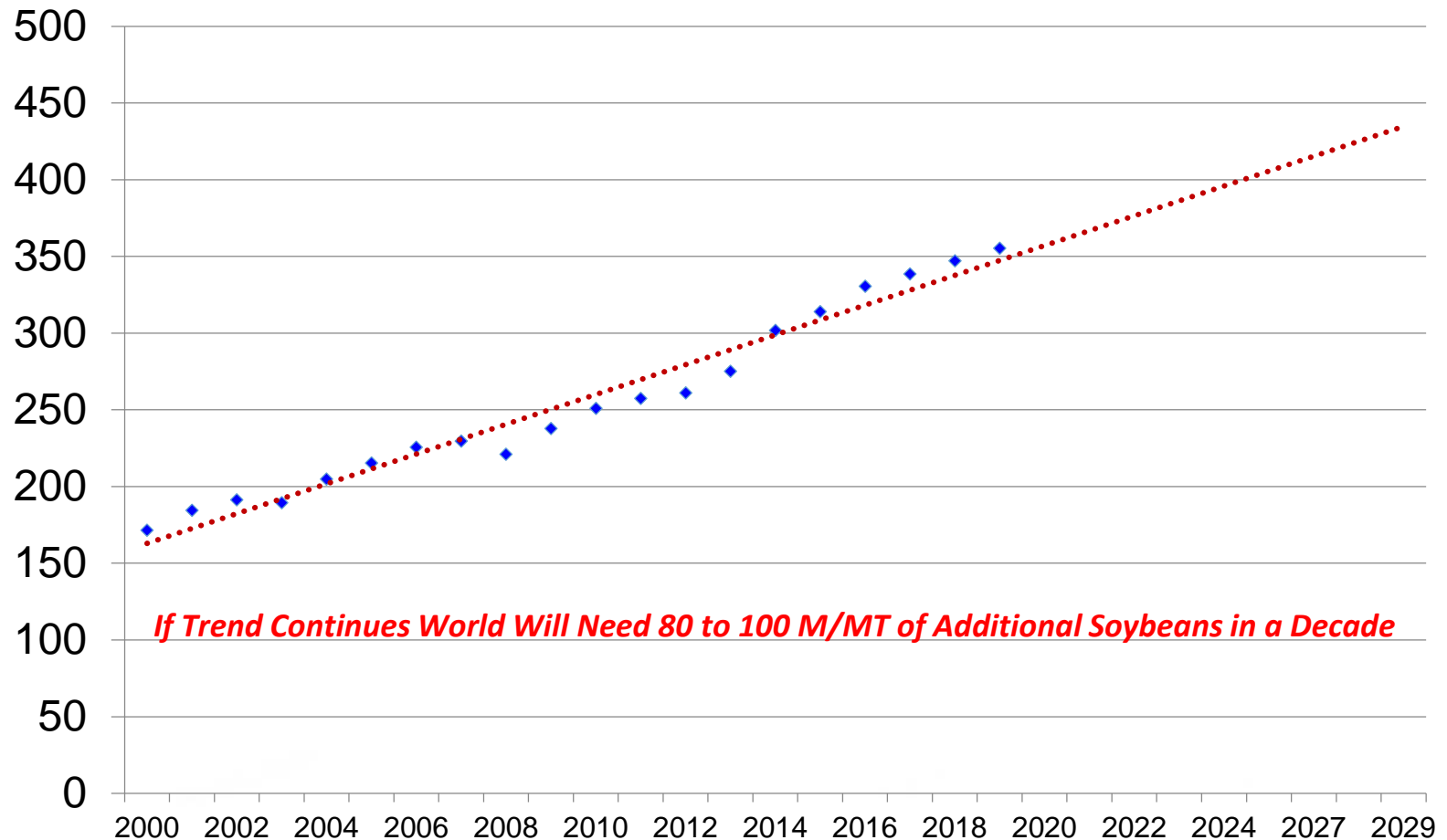
Market Years: 2001/02-2017/18 (M/T)

NOPA Annual Soybean Meal Exports (October-September)



Global Soybean Consumption

2000/01 – 2019/20 & Trend to 2029/30 (M/MT)



Source: John C. Baize & Associates

Top 10 Export Markets for U.S. Soybean Meal

January – December 2018

(Value in Thousands)

Export Markets	2018 Rank	Value	Quantity (M/T)
Philippines	1	\$887,675	2,164,098
Mexico	2	\$671,423	1,765,982
Columbia	3	\$477,604	1,221,918
Canada	4	\$353,385	978,148
Vietnam	5	\$303,840	760,814
Morocco	6	\$205,014	525,912
Dominican Republic	7	\$188,635	494,367
Guatemala	8	\$169,620	430,008
Japan	9	\$147,223	330,632
Spain	10	\$135,940	354,736
TOTAL EXPORT TOP TEN	-	\$3,540,359	9,026,615
TOTAL EXPORT ALL COUNTRIES	-	\$5,121,587	12,935,534

Source: USDA/FAS-3/152019

Top 10 Export Markets for U.S. Soybean Oil

January – December 2018

(Value in Thousands)

Export Markets	2017 Rank	Value	Quantity (M/T)
South Korea	1	\$213,740	287,809
Mexico	2	\$128,740	149,565
Dominican Republic	3	\$106,977	142,684
Columbia	4	\$99,983	128,684
Peru	5	\$69,645	93,051
Guatemala	6	\$56,973	75,475
Venezuela	7	\$35,452	48,857
Canada	8	\$24,224	21,802
Jamaica	9	\$20,809	27,013
Nicaragua	10	\$12,182	15,737
TOTAL EXPORT TOP TEN	-	\$768,960	990,376
TOTAL EXPORT ALL COUNTRIES	-	\$883,451	1,116,679

S.E. Asia's Protein Demand Soars

- S.E. Asia expanding population and increasing incomes, urbanization, and retail sectors contribute to rising meat consumption and growing imports of feedstuffs, including soybean meal.
- Over the next decade, the region is projected to become fastest growing importer of soybean meal for livestock feed and surpass the European Union as the largest importer by 2022.
- Increasing poultry and pork consumption and production are driving the rise in soybean meal imports, along with the region's limited capacity to crush whole soybeans.

Source: USDA/ERS, Southeast Asia's Growing Meat Demand and its Implications for Feedstuffs Demand, April 01, 2019

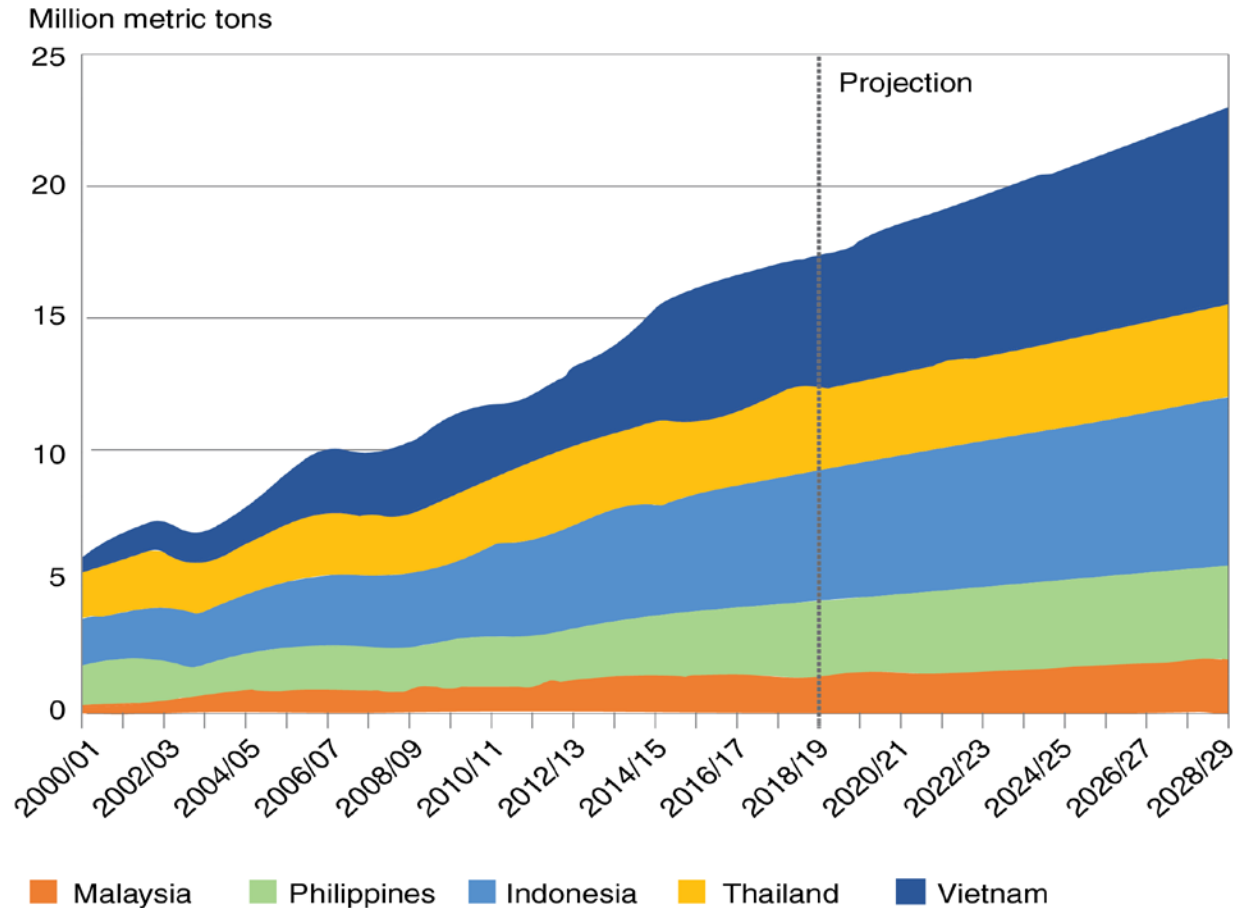
S.E. Asia's Soybean Meal Imports...

- More than tripled from 2000-2018
- Projected to account for 43% of increase in world soybean meal trade by 2028
- Projected to account for almost one-third of the global soybean meal import market share by 2028



Source: USDA/ERS, Southeast Asia's Growing Meat Demand and its Implications for Feedstuffs Demand, April 01, 2019

Southeast Asia's protein demand soars – Soybean meal imports



Note: 2019 through 2028 data are projections.

Source: USDA, Office of the Chief Economist, USDA Agricultural Projections to 2028

Source: USDA/ERS, Southeast Asia's Growing Meat Demand and its Implications for Feedstuffs Demand, April 01, 2019

U.S. Soybean Meal Exports - Key Markets in S.E. Asia

[Million Metric Tons]

COUNTRY	TOTAL IMPORTS 2017/18	IMPORTS FROM U.S.	U.S. MARKET SHARE	MARKET ASSESSMENT
VIETNAM*	4.800	0.641	13.0%	GROWING
INDONESIA*	4.400	0.232	5.5%	GROWING
THAILAND*	3.191	0.507	18.2%	GROWING
PHILLIPINES*	2.750	2.152	80.8%	GROWING
MALAYSIA**	1.525	0.032	2.1%	GROWING

Source: *USSEC: Market Snapshots, February 2019

** U.S. Census Export Data

U.S. Soy Advantages

- ☐ Exceptional Composition
- ☐ Unapparelled Nutritional Bundle
- ☐ Reliable Supply
- ☐ Consistent Delivery
- ☐ Transportation Advantages
- ☐ Assurance of Product Quality
- ☐ Confidence in Claims Process
- ☐ Sustainable U.S. Soy (SUSS) Certification
- ☐ **USSEC supports our global purchasers by providing on-the-ground trade servicing and day-to-day technical support**

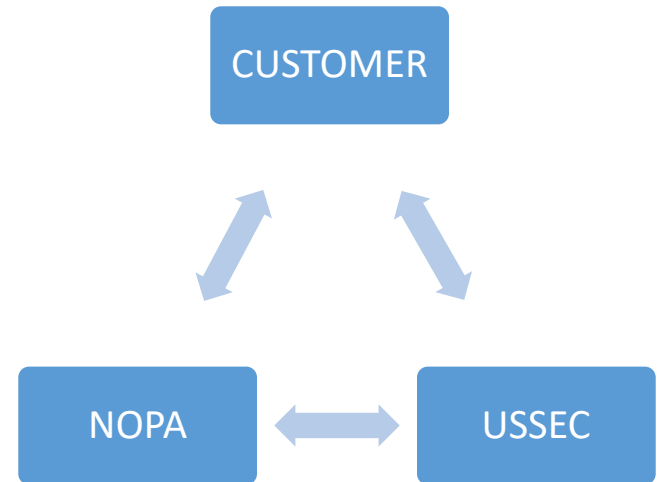


Factors Influencing U.S. Soybean Meal Exports

- China, China, China...
- Trade Agreements – USMCA, Japan, European Union, etc.
- 1st & 2nd Rounds of USDA Trade Mitigation Programs (USSEC)
- Record U.S. soybean carry-out this year
- Size, quality & timing of the U.S. Soybean Crop
- African Swine Fever – China, Vietnam, Cambodia,??
 - Keep U.S. free from ASF
 - U.S. exports of meat/poultry products to fill voids
- Additional crush capacity in U.S.
- Developments in Argentina & Brazil
- U.S. Political Landscape leading up to 2020
- **Never been more significant, unpredictable & uncontrollable factors impacting global soybean markets than today!**

USSEC Provides World Class Services to the Customers of U.S. Soy

- NOPA members export soybean meal and soybean oil to our global customers.
- USSEC ,our trusted partner, through its international network of 120 expert associates provides our global customers with technical services and trade-servicing support to further enhance the value of our soy products.
- NOPA is engaged in many robust collaborative projects with USSEC.



Questions or Comments...



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