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GAIN Report
Global Agricultural Information Network

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Uruguay

Oilseeds and Products Annual

2010

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Report Highlights:
Post forecasts 2010/11 soybean planted area to reach 900,000 hectares, with production set at 1.62 million tons. 2009/10 crop production is expected to reach 1.6 million tons on 800,000 hectares. Post estimates 2008/09 soybean crush at 40,000 tons, while 2009/10 and 2010/11 soybean crush is expected to increase to 50,000 tons. Post expects soybean exports to reach 1.55 million tons in 2010/11 and 1.6 million tons for the current marketing year due to higher production than previous years. Despite increased demand for biodiesel, Post does not expect large increases in use of soybean oil as feedstock. A small-scale joint project between the national fuel administration (ANCAP) and the private sector is expected to increase use of sunflower and rapeseed oils for biodiesel in the next few years.

Commodities:
Oilseed, Soybean
Oil, Soybean
Meal, Soybean
Oilseed, Sunflowerseed
Oil, Sunflowerseed
Meal, Sunflowerseed

Production:
Post forecasts 2010/11 soybean planted area to reach 900,000 hectares. Assuming average yields of 1.8 tons per hectare, Post forecasts production to reach 1.62 million tons. Yields will likely fall next year due to higher than normal yields this year caused by abundant rains.

Reports indicate that the 2009/10 soy crop fared well due to good rains throughout the growing season. Total production is forecast to reach 1.6 million tons from a harvested area of 800,000 hectares. Overall yields for this campaign will likely average around 2 tons per hectare due to the plentiful moisture throughout the crop cycle. Contacts report that high pest and fungal pressures – particularly soybean rust – were encountered due to the humid conditions this year. Pesticide applications were increased and significant losses have been avoided. Many lots were planted in January due to excess rains in November-December 2009. As such, weather (rain and temperature) through April could have a negative impact on harvest activities and yields for those late planted lots. If they occur, frost conditions could reduce yields on the later crops.

Sunflower production in 2010/11 is expected to reach 32,000 tons, up from an expected 23,000 in 2009/10 due to higher area and higher yields. The 2009/10 crop has suffered yield limitations due to excess rains during the growing season. Additionally, planted area intentions for the current crop fell short of earlier forecasts due to low prices. Producers also indicate that pests – particularly doves – are a problem that discourages sunflower production in Uruguay. Doves can sometimes cut yields by 50 percent in some lots if sunflowers are not harvested before flocks ravage fields.

Consumption:
Domestic demand for soybeans continues to be primarily driven by protein meal for the feed industry. Although consumption has been relatively stable, recent increases have come from the dairy and beef industries. Increased concentration of cattle on feed lots, as pasture land has been converted to crop production, has also contributed to the increase.

Increased interest in biofuels will cause only a very small increase in demand for soybean oil because biodiesel in Uruguay predominantly uses beef tallow as feedstock. However, a small-scale joint project between the national fuel administration (ANCAP) and the private sector is expected to increase use of sunflower and rapeseed oils for biodiesel production in the next few years by up to 20,000 tons. As part of the project, ANCAP built two small modular biodiesel plants that were put into production in late 2009 and they are encouraging production of sunflowers and rapeseed for feedstock. Mixture mandates require that diesel be blended with 2 percent biodiesel until 2012. Afterwards, the required ratio increases to 5 percent. Post estimates industrial use of soybean oil (for biodiesel production) to reach

2,000 tons in 2009 and 3,000 tons in 2010 to comply with the mandate. Use of sunflower oil for biodiesel production is expected to reach 2,000 and 4,000 tons for 2009 and 2010, respectively.

All soybean (oil and meal) production is consumed domestically. Uruguay is a net importer of soybean oils and meals. Post contacts indicate that total crushing capacity (soybean and sunflowerseed) has risen to around 150,000 tons annually (100,000 previously), due to expanded capacity by the private sector, most of which will be used for the biodiesel project mentioned above. Post contacts indicate that the additional demand for biodiesel will not cause increased imports of crude soy oil. Exports of oils and meals are not expected to grow as those products are consumed domestically. Uruguayan crushing facilities cannot easily compete with neighboring Argentina due the economy of scale of Argentina's crushing industry, combined with its differential export tax structure that benefits its domestic processing sector. As such, incentives have heavily favored exports of raw soybeans.

Post estimates 2008/09 soybean crush at 40,000 tons. 2009/10 and 2010/11 soybean crush is expected to increase to 50,000 tons, mainly due to the biodiesel mandate and aforementioned project.

Post forecasts 2009/10 oil and meal consumption at 24,000 and 145,000 tons, respectively. For 2010/11, soybean oil consumption is forecast at 38,000 tons, while meal consumption is forecast to reach 130,000 tons.

Trade:

Uruguayan soybean production continues to be destined predominantly for the export market. Post expects 2010/11 soybean exports to fall to 1.55 million tons from the 2009/10 estimate of 1.6 million tons. The slight decrease is expected due to tighter beginning stock levels for next year. Exports are expected to be strong due to high production for 2009/10 which will likely draw stocks lower than previous years. Post expects imports of meal to decrease for 2009/10 and 2010/11 due to increased crushing levels that will offset lower import volumes. Imports of soybean oil, mainly used for food use, will likely remain stable. Practically all of Uruguay's soybean exports leave through the Nueva Palmira trade zone located on the Uruguay River in western Uruguay.

Trans-shipment of Paraguayan soybeans through Uruguay has increased due to April 2009 changes in Argentina's import regime for soybeans. Paraguayan beans no longer benefit from incentives to supply Argentina's enormous crushing industry in Rosario. Paraguayan soybeans now largely go through Nueva Palmira before shipping to other international destinations. The trade data in PSD tables excludes these trans-shipments.

Post forecasts 2009/10 soybean exports at 1.6 million tons due to higher production than the previous year. Post estimates soybean imports for 2008/09, 2009/10, and 2010/11 at 25, 20, and 15 thousand tons, respectively, based on current trade data and expected import needs.

Soybean oil imports are relatively small, estimated at around 15 to 18 thousand tons per year. Imports are mainly used for food use. Post estimates soybean meal imports for 2009/10 and 2010/11 to decrease from the previous year due to increased crush.

Production, Supply and Demand Data Statistics:

Statistical Tables

Oilseed, Soybean Uruguay	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Apr 2009			Market Year Begin: Apr 2010			Market Year Begin: Apr 2011		
	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data
Area Planted	580	575	650	800	650	800			900
Area Harvested	580	575	650	800	650	800			900
Beginning Stocks	14	25	14	30	90	105			60
Production	1,030	1,000	1,170	1,600	1,300	1,600			1,620
MY Imports	0	48	25	0	30	20			15
MY Imp. from U.S.	0	0	0	0	0	0			0
MY Imp. from EU	0	0	0	0	0	0			0
Total Supply	1,044	1,073	1,209	1,630	1,420	1,725			1,695
MY Exports	975	930	1,050	1,550	1,230	1,600			1,550
MY Exp. to EU	150	0	150	200	0	0			0
Crush	25	40	40	25	100	50			50
Food Use Dom. Cons.	0	0	0	0	0	0			0
Feed Waste Dom. Cons.	14	13	14	15	15	15			15
Total Dom. Cons.	39	53	54	40	115	65			65
Ending Stocks	30	90	105	40	75	60			80
Total Distribution	1,044	1,073	1,209	1,630	1,420	1,725			1,695
CY Imports	10	50	25	10	20	20			20
CY Imp. from U.S.	0	0	0	0	0	0			0
CY Exports	1,150	800	1,050	1,550	1,000	1,600			1,550
CY Exp. to U.S.	0	0	0	0	0	0			0
TS=TD			0			0			0

(Units of measure in thousand hectares and thousand metric tons)

Oil, Soybean Uruguay	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Apr 2009			Market Year Begin: Apr 2010			Market Year Begin: Apr 2011		
	USDA	Old Post	New Post	USDA	Old Post	New Post	USDA	Old Post	New Post
	Official	Data	Data	Official	Data	Data	Official	Data	Data
Crush	25	40	40	25	100	50			50
Extr. Rate, 999.9999	0.	0.	0.2	0.	0.	0.2			0.2
Beginning Stocks	0	0	0	0	0	1			4
Production	5	8	8	5	20	10			10
MY Imports	17	23	17	17	18	17			15
MY Imp. from U.S.	0	0	0	0	0	0			0
MY Imp. from EU	0	0	0	0	0	0			0
Total Supply	22	31	25	22	38	28			29
MY Exports	0	0	0	0	0	0			0
MY Exp. to EU	0	0	0	0	0	0			0
Industrial Dom. Cons.	0	9	2	0	16	2			3
Food Use Dom. Cons.	22	22	22	22	22	22			23
Feed Waste Dom. Cons.	0	0	0	0	0	0			0
Total Dom. Cons.	22	31	24	22	38	24			26
Ending Stocks	0	0	1	0	0	4			3
Total Distribution	22	31	25	22	38	28			29
CY Imports	17	17	17	17	16	17			15
CY Imp. from U.S.	0	0	0	0	0	0			0
CY Exports	0	0	0	0	0	0			0
CY Exp. to U.S.	0	0	0	0	0	0			0
TS=TD			0			0			0

(Units of measure in thousand metric tons)

Meal, Soybean Uruguay	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Apr 2009			Market Year Begin: Apr 2010			Market Year Begin: Apr 2011		
	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data
Crush	25	40	40	25	100	50			50
Extr. Rate, 999.9999	1.	1.	0.8	1.	1.	0.8			0.8
Beginning Stocks	0	0	0	0	0	12			7
Production	20	32	32	20	80	40			40
MY Imports	125	83	125	135	50	100			100
MY Imp. from U.S.	0	0	0	0	0	0			0
MY Imp. from EU	0	0	0	0	0	0			0
Total Supply	145	115	157	155	130	152			147
MY Exports	0	0	0	0	0	0			0
MY Exp. to EU	0	0	0	0	0	0			0
Industrial Dom. Cons.	0	0	0	0	0	0			0
Food Use Dom. Cons.	0	0	0	0	0	0			0
Feed Waste Dom. Cons.	145	115	145	155	130	145			145
Total Dom. Cons.	145	115	145	155	130	145			145
Ending Stocks	0	0	12	0	0	7			2
Total Distribution	145	115	157	155	130	152			147
CY Imports	130	0	0	135	0	0			0
CY Imp. from U.S.	0	0	0	0	0	0			0
CY Exports	0	0	0	0	0	0			0
CY Exp. to U.S.	0	0	0	0	0	0			0
SME	145	115	145	155	130	145			145
TS=TD			0			0			0

(Units of measure in thousand metric tons)

Oilseed, Sunflowerseed Uruguay	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Mar 2009			Market Year Begin: Jun 2009			Market Year Begin: Mar 2011		
	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data
Area Planted	55		55	20		15			20
Area Harvested	55		55	20		15			20
Beginning Stocks	0		0	0		3			0
Production	51		51	46		23			32
MY Imports	5		2	2		5			5
MY Imp. from U.S.	0		0	0		0			0
MY Imp. from EU	0		0	0		0			0
Total Supply	56		53	48		31			37
MY Exports	24		24	20		6			8
MY Exp. to EU	1		1	1		1			1
Crush	26		26	23		20			23
Food Use Dom. Cons.	0		0	0		0			0
Feed Waste Dom. Cons.	6		6	5		5			6
Total Dom. Cons.	32		32	28		25			29
Ending Stocks	0		3	0		0			0
Total Distribution	56		59	48		31			37
CY Imports	5		2	5		5			5
CY Imp. from U.S.	0		0	0		0			0
CY Exports	25		25	20		6			5
CY Exp. to U.S.	0		0	0		0			0
TS=TD			6			0			0

(Units of measure in thousand hectares and thousand metric tons)

Oil, Sunflowerseed Uruguay	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Mar 2009			Market Year Begin: Jun 2009			Market Year Begin: Mar 2011		
	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data
Crush	26		26	23		20			23
Extr. Rate, 999.9999	0.		0.3846	0.		0.4			0.3913
Beginning Stocks	0		0	0		0			0
Production	10		10	9		8			9
MY Imports	1		1	1		2			3
MY Imp. from U.S.	0		0	0		0			0
MY Imp. from EU	0		0	0		0			0
Total Supply	11		11	10		10			12
MY Exports	2		2	2		0			0
MY Exp. to EU	0		0	0		0			0
Industrial Dom. Cons.	0		0	0		2			4
Food Use Dom. Cons.	9		9	8		8			8
Feed Waste Dom. Cons.	0		0	0		0			0
Total Dom. Cons.	9		9	8		10			12
Ending Stocks	0		0	0		0			0
Total Distribution	11		11	10		10			12
CY Imports	1		1	1		1			1
CY Imp. from U.S.	0		0	0		0			0
CY Exports	2		2	2		2			2
CY Exp. to U.S.	0		0	0		0			0
TS=TD			0			0			0

(Units of measure in thousand metric tons)

Meal, Sunflowerseed Uruguay	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Mar 2009			Market Year Begin: Mar 2010			Market Year Begin: Mar 2011		
	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data	USDA Official	Old Post Data	New Post Data
Crush	26		26	23		20			23
Extr. Rate, 999.9999	0.		0.3846	0.		0.35			0.3913
Beginning Stocks	0		0	0		0			0
Production	10		10	9		7			9
MY Imports	100		100	100		100			100
MY Imp. from U.S.	0		0	0		0			0
MY Imp. from EU	0		0	0		0			0
Total Supply	110		110	109		107			109
MY Exports	0		0	0		0			0
MY Exp. to EU	0		0	0		0			0
Industrial Dom. Cons.	0		0	0		0			0
Food Use Dom. Cons.	0		0	0		0			0
Feed Waste Dom. Cons.	110		110	109		107			109
Total Dom. Cons.	110		110	109		107			109
Ending Stocks	0		0	0		0			0
Total Distribution	110		110	109		107			109
CY Imports	106		106	90		90			100
CY Imp. from U.S.	0		0	0		0			0
CY Exports	0		0	0		0			0
CY Exp. to U.S.	0		0	0		0			0
SME	104		104	103		101			103
TS=TD			0			0			0

(Units of measure in thousand metric tons)