USSEC
U.S. SOYBEAN EXPORT COUNCIL

MARKET SNAPSHOTS

JULY 2017

U.S. SOY for a growing world

SOUTHEAST ASIA

U.S. SOYBEAN EXPORT COUNCIL

SUPPLY / DEMAND BASICS

- U.S. Soybeans, soy meal, and soy oil export value into SE Asia in 2016 was about $1.96 Billion, $1.04 Billion, and $665,000 respectively (FAS-GATS)
- Global per capita meat consumption remains low compared with levels in higher-income countries—Southeast Asia's projected annual growth rate for meat consumption is between 2 to 3 percent through 2025/26.
- Four countries ranked within the top 20 global broiler producers
- Three countries ranked within the top 5 and another three countries ranked within the top 15 in global aquaculture production
- Vietnam and Philippines ranked #6 and #8 in global pork production
- Actual imports for U.S. soybeans and soybean meal into S.E. Asia for MY 2016 is 3.63 MMT and 2.70 MMT, a 49% and 17.5% share of the market respectively. A 257 Million BU market for U.S. Soy (FAS), an increase of 5.7 Million BU from previous season
- Feed production = 68 MMT in 2015-2016 (Alltech). This includes Australia (8.6 MMT), New Zealand (1 MMT) and Myanmar (1 MMT).

REGION OVERVIEW

- Total population 645M – Increasing to 692M by 2025 (ADB)
- Population growth rate between 0.8-1% annually – over 6M added to population annually.
- Half of ASEAN's population was below 28.8 years of age in 2014, compared to 40.8 in China and 42.1 in the European Union. This demographic will yield an abundant labour pool and comparatively low wages.
- ASEAN has the third-largest labour force in the world.
- S.E. Asia has about 9 per cent of the world's population and covers a land area of 4.46 million square kilometres (3 percent of the world's total land area). The seas covered by ASEAN are about three times larger than its land area. Limited arable land but good potential for aquaculture.
- Wide mix of cultures and religions, but relatively stable socially and politically.

TRADE / COMMERCIAL OVERVIEW

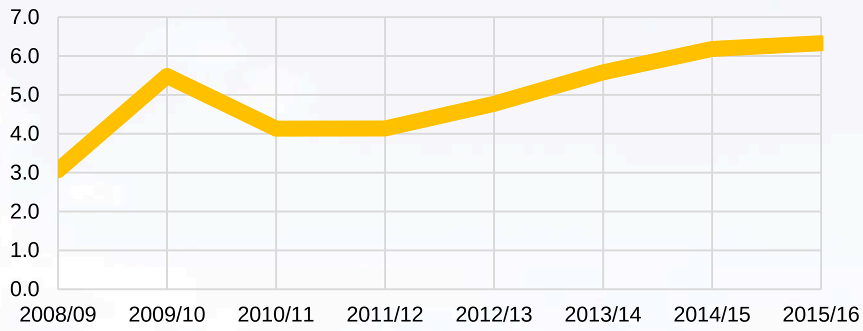
- n 2015, ASEAN's total trade stood at US$2.3 trillion, accounting for 7.6% share of the world's total trade; and placed fourth after China (13.8%), USA (13.6%) and Germany (8.0%). In 2015, ASEAN was the fourth biggest recipient of FDI in the world, after USA (21.6%), Hong Kong (9.9%) and China (7.7%).
- Growing economies with about 4.5-5.0% annual average growth ~ expected to continue to grow faster than the global economy (OECD)
- Wealth distribution that is currently observed in South East Asia (SEA) will continue and by 2020 the middle class population will more than double to 400 million. (AC Nielsen)
- Dynamic growth and an expanding middle class are making Southeast Asian consumers among the most confident in the world when it comes to their economic prospects.

POLICY AND/OR COMMERCIAL ISSUES

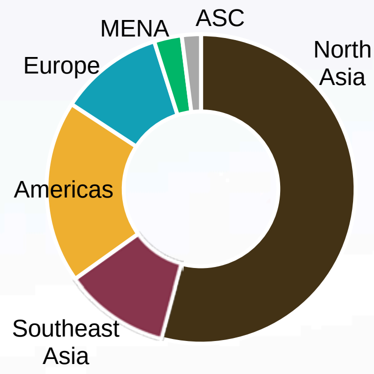
- The Regional Comprehensive Economic Partnership (RCEP), a mega-regional economic agreement being negotiated between the 10 ASEAN (Association of South-East Asian Nations) governments and their six FTA partners: Australia, China, India, Japan, New Zealand and South Korea (2012) gained prominence as a viable replacement to the Trans-Pacific Partnership (TPP) but recent speculation are indicating preference for TPP due to complications with RCEP.
- The Indonesia government "took over" corn importation late 2015 to protect farmers and boost domestic production. Now they are "controlling" wheat imports to encourage animal-feed mills to use domestic corn. As a result of this scenario and higher prices, imports of soybeans have increased to produce full-fat soybean meal which favours U.S. soybeans as feedstock.

SOUTHEAST ASIA

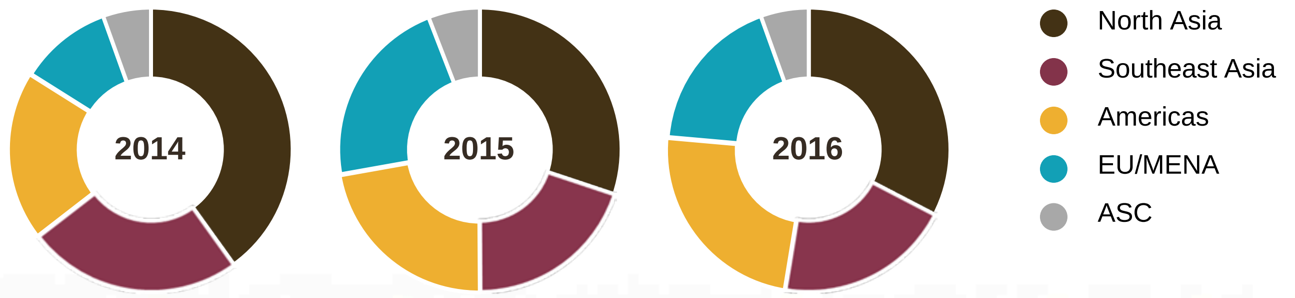
IMPORTS FROM U.S. (MMT)



U.S. EXPORTS BY REGION 2015-2016



USSEC BUDGET ALLOCATION



U.S. SOY PROJECTED IMPORTS (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	6.910	7.419	3.722	4.254	57.3%	Growing
Soymeal	16.073	16.450	2.744	2.803	17.0%	Growing
Soyoil	0.360	0.394	0.001	0.001	0.3%	Stable
TOTAL	23.343	24.263	6.467	7.058	29.1%	

SOUTHEAST ASIA

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Regional Buyers Conferences	These 'buyers conferences' are an important step in building U.S. soy preference and fortifying USSEC's relationship with the industry. The 2017 Grain Transportation Conference (GTC) was attended by over 230 participants from across the region and beyond. 12 nationalities representing around 100 companies attended the event. This is the largest industry participation to date. USSEC plans to continue to generate even greater interest and build this conference as another Buyers Conference. USSEC will be organizing its first SE Asia Ag Leadership Summit in Auckland NZ September 2017. This event took over the annual SE Asia U.S. Agricultural Co-operators Conference this year. The new conference will bring together the 'Captains' of the industry to discuss trade concerns/issue, gain strategic insights and information.	GTC 2017 - Based on written evaluations submitted, over 1.1 million metric tons of U.S. agricultural products were traded or negotiated at this year's event. About 600,000 metric tons of U.S. soybeans and soybean meal were reportedly transacted or equivalent to about 25 million bushels of soybeans. In addition, over half a million metric ton of U.S. Corn, DDGs and Wheat were also transacted at the conference. SEALS 2017 – The Southeast Asia Agricultural Leadership Summit continues to receive good interest from the industry and to date have received sponsorships and support from over 20 companies and organizations.
	Soy Supply Workshops	USSEC has conducted 3 workshops in the major cities of Jakarta, Surabaya, and Bangkok in May and June, 2017 to promote U.S. Soy. The 'Agribusiness Series' is a bespoke program designed by USSEC to create a platform for USSEC to bring across the benefits and advantages of U.S. soybeans and soybean meal to a select audience. Promotion of the U.S. SSAP certification is a prime objective and selling point for U.S. soy. In total, about 200 industry members participated in the workshops.	The U.S. Soy Supply workshops was well received in all the locations as importers and end-users appreciate the market outlook and technical presentations provided by USSEC and USSEC's invited guest speakers. Among our guest presenters were Tom Hammer, Gordon Denny, Frayne Olson, our Grower Leader Tim Thomas. All of whom contributed to the success of the events.
	SE Asia Trade Teams to the U.S. (Food and Feed)	The preparation for the 10th S.E. Asia Trade and Soy Food Missions to attend the 5th USSEC Global Soy Trade Exchange in the U.S. is almost complete. We are expecting over 50 executives representing 45 companies from Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.	In the 2016 mission, more than 350,000 metric tons of U.S. agricultural products with an estimated value of US$125 million were negotiated and traded by the team members during the mission. Over 300,000 metric tons (11 million bushels) of soybean equivalent were transacted on the trip.
Technical Servicing	Aquaculture Feeding Demonstrations and technical teams	The Southeast Asia Industrial Marine Fish Aquaculture Industry Support project focused on knowledge and technology transfer to the Southeast Asian marine fish aquaculture industry. Three separate activities targeted three separate parts of the marine fish aquaculture complex including (1) Hatchery support, (2) Feeding demonstration in polar circle style marine cages, and (3) Marine fish industry study tour to Malta to showcase and compare systems.	As a major region for aquaculture production, these activities have built a growing demand for soy optimized feeds using U.S. soymeal. The soybean meal market for aquaculture is about 2mts.

SOUTHEAST ASIA

VIETNAM

USSEC U.S. SOYBEAN EXPORT COUNCIL

SUPPLY / DEMAND BASICS

- Total feed production in Vietnam in 2016 was estimated at 14.75 million metric tons with primary sectors being swine, poultry and aqua. (Alltech)
- Commercial feed production has more than doubled since 2005 and is expected to double again by 2020.
- Vietnam ranks 17th in global feed production, up two places since 2013, 4th in global pork production and 3rd in global aquaculture production.
- Total imports for U.S. soybeans into Vietnam in MY 2016 is 712TMT and for soybean meal *300TMT, a 53% and 6% share of the market respectively ~ 39.94 Million BU market for U.S. Soy.
- Vietnam has three soybean crushing companies, two based in the North (1,500mts/day capacity), and another in the South (over 3,000mts/day capacity)

COUNTRY OVERVIEW

- Led by a communist government, Vietnam is relatively open and market driven.
- Population 94M. About 45% of the general population is between 25-54 years old (CIA Factbook 2016)
- The middle and affluent class (MAC) in Vietnam will double in size between 2014 and 2020, from 12 million to 33 million. MAC consumers, whose income is from VND15 million (U.S.$714) or more a month, are also spreading out to other provinces and cities. (BCG Dec 2013)
- Overall, Vietnam is quick to adopt new technologies and management systems and generally have 'open door' policies towards foreign investment.

TRADE / COMMERCIAL OVERVIEW

- In Southeast Asia, Vietnam ranks as the 35th largest economy globally with more than $546 Billion dollars (PPP) est. in 2015.
- Vietnam is a signatory in the Trans-Pacific Partnership (TPP) together with 11 other Asia-Pacific partners. Two-way trade between Vietnam and U.S. has grown since then from about $1 Billion (2001) to $26 Billion last year. (USTR)
- Vietnam is currently the 44th largest goods trading partner - U.S. imports from Vietnam were $34.89 billion, exports $6.37 billion in 2015. The U.S. goods trade deficit with Vietnam was $28.53 billion. (USTR)
- Vietnam is expected to have the fastest-growing economy of the six major ASEAN countries in 2016, with real GDP growth projected to improve to a nine-year high of 6.8%, from an estimated 6.6% in 2015. (The Economist)

POLICY AND/OR COMMERCIAL ISSUES

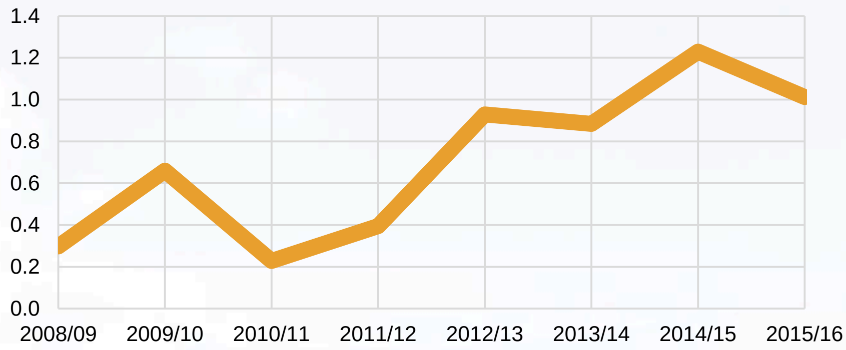
- Vietnam has notified the WTO of its proposed Circular to label GMO foods at the retail level. The circular would require "All package foods containing genetically modified organisms and products of genetically modified organisms at a rate higher than 5% of each component has to be labelled".
- Implementation of Vietnam's Biotech Food and Feed Regulation came into effect in March 2016.
- Biotechnology acceptance is usually not a major issue but the government will on occasion raise GM concerns with regards to food safety. Importers and consumers are mainly indifferent.

SOUTHEAST ASIA

VIETNAM

USSEC U.S. SOYBEAN EXPORT COUNCIL

IMPORTS FROM U.S. (MMT)



U.S. SOY IMPORTS (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	1.707	1.350	0.534	0.841	62.3%	Growing
Soymeal	4.502	4.750	0.350	0.159	3.3%	Growing
Soyoil	0.098	0.120	0.000	0.000	0.0%	Stable
TOTAL	6.307	6.220	0.884	1.000	16.1%	

KEY PROJECTS

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Trade Servicing	Regional buyers conferences	Encompasses both the annual Grain Transportation and U.S. Agricultural Co-operators' Conference Series	Cuts across different soy utilization areas by bringing buyers and sellers together resulting in actual sales of U.S. soy
	U.S. Soy Supply Workshops	Practical workshops designed for specific audiences. To educate buyers on risk management as well as to promote U.S. soy as the product of choice	Importers and end-users appreciates these services as one of the valued added services and benefits of buying U.S. soy
	Southeast Asia Trade teams to the U.S. - Feed and Food groups	Bring over a team of food and feed ingredient importers for a mission to meet with U.S. exporters and to appreciate the intrinsic and extrinsic benefits of buying U.S. soy	Cuts across different soy utilization areas by bringing buyers and sellers together resulting in actual sales of U.S. soy
Technical Servicing	Animal nutrition, feed formulation, and quality control workshops	Conducted by our in-country technical consultants to industry groups to show the difference that using U.S. soy makes to their animal performance and profit margins	Importers and end-users appreciates these services and training as one of the valued added services and benefits of buying U.S. soy
	Aquaculture feed demonstrations and technical teams	Provide technical information and practical training on aquaculture production to stakeholders from grass root level upwards.	Importers and end-users appreciates these services as one of the benefits of buying U.S. soy. They also learn that buying quality ingredients reduces cost and increase profit margins
	Leveraging through sponsorships	Working with third party organizers of agricultural events to spread the message on the benefits of buying/using good quality feed ingredients, i.e. US soy	Spreading the U.S. quality message via third party technical events has proved to be an effective strategy in promoting U.S. soy

SOUTHEAST ASIA

INDONESIA

USSEC U.S. SOYBEAN EXPORT COUNCIL

SUPPLY / DEMAND BASICS

- Total feed production in Indonesia in 2016 was estimated at 17.33 million metric tons – 15th largest producer globally. (Alltech).
- 80% of this feed is consumed by the poultry sector, a result of the dominant Muslim population.
- Indonesia is currently the world's 4th largest customer for U.S. soybeans. Most of which are used in the production of the traditional staple soy food Tempeh. Over 95% of the soybeans imported goes towards the production of Tempeh.
- There is no soybean crushing industry in Indonesia due to competition from palm oil. The country imports about 3.5-4 MMT of soybean meal for its livestock industry.
- Indonesia is among the top 10 broiler and top 10 aquaculture producers globally.
- Total imports for U.S. soybeans into Indonesia in MY 2016 is 2.03MMT and for soybean meal 1,600MT*, a 90% and less than 1% share of the market respectively ~ 75 Million Bu market for U.S. Soy.

COUNTRY OVERVIEW

- Indonesia is the world's 4th largest country by population ~ 256 million, and has the world's largest Islamic population. (CIA Factbook)
- More than 28 million Indonesians currently live below or at the poverty line set at 200,262 rupiahs per month ($22). (World Bank)
- Indonesia's economy is growing rapidly and there are currently about 74 million middle-class and affluent consumers (MAC) in Indonesia. This number is expected to double by 2020. (BCG Mar 2013).

TRADE / COMMERCIAL OVERVIEW

- In Southeast Asia, Indonesia ranks as the 8th largest economy globally with more than $2.840 Trillion (PPP) est. in 2015.
- Indonesia continues to post significant economic growth. The country's gross national income per capita has steadily risen from $2,200 in the year 2000 to $3,580 in 2013 (World Bank).
- Indonesia is currently the 28th largest goods trading partner with the U.S. at $28.0 Billion in total (two ways) goods trade during 2013. Goods exports totalled $9.1 Billion; Goods imports totalled $18.9 Billion. (USTR)
- U.S. exports of agricultural products to Indonesia totalled $2.8 Billion in 2013, the 8th largest U.S. Ag export market. Leading categories include: soybeans ($988 million), feeds and fodders (excluding pet food) ($331 million), dairy products ($316 million), and wheat ($214 million). (USTR)
- Indonesia is the world's largest producer and exporter of palm oil worldwide ~ 32.3MMT (est. 2015).

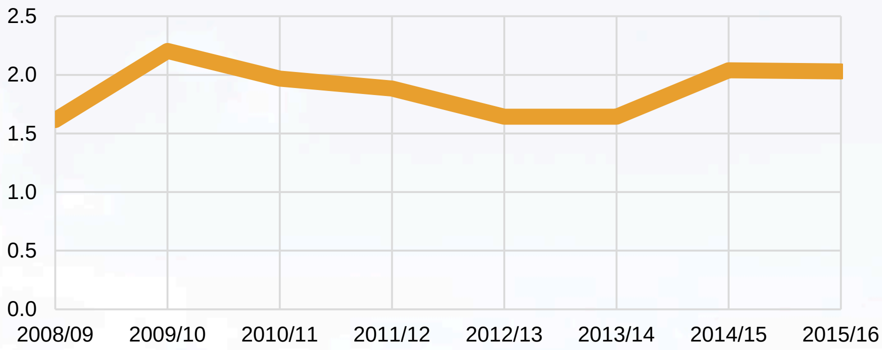
POLICY AND/OR COMMERCIAL ISSUES

- There continues to be pressure on the government to regulate the importation of soybeans. This is of concern especially with a President that wants the country to be self sufficient in food supply.
- Biotechnology acceptance is usually not a major issue but the government will on occasion raise GM concerns with regards to food safety. Importers and consumers are mainly indifferent.
- Sustainability is a major issue for Indonesian palm producers. This has the potential to translate favorably for U.S. soy.

SOUTHEAST ASIA

INDONESIA

IMPORTS FROM U.S. (MMT)



U.S. SOY IMPORTS (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	2.075	2.250	1.876	2.028	90.13%	Stable
Soymeal	4.175	4.275	0.094	0.002	0.05%	Stable
Soyoil	0.025	0.023	0.000278	0.000220	0.95%	Flat
TOTAL	6.275	6.548	2.039	2.030	31.01%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Regional buyers conferences	Encompasses both the annual Grain Transportation and U.S. Agricultural Co-operators' Conference Series	Cuts across different soy utilization areas by bringing buyers and sellers together resulting in actual sales of U.S. soy
	U.S. Soy Supply Workshops	Practical workshops designed for specific audiences. To educate buyers on risk management as well as to promote U.S. soy as the product of choice	Importers and end-users appreciates these services as one of the valued added services and benefits of buying U.S. soy
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SOUTHEAST ASIA

THAILAND

USSEC U.S. SOYBEAN EXPORT COUNCIL

SUPPLY / DEMAND BASICS

- Total feed production in Thailand in 2016 was estimated at 17.92 million metric tons, ranked 14th largest globally (Alltech), with primary sectors being swine, poultry and aqua.
- The largest crusher, Thai Vegetable Oil (TVO), accounts for more than 50% of the total capacity and supplies about 40% of the total soybean meal consumed in the country.
- Thailand ranks among the top 10 global broiler producers and is a major exporter of poultry products to EU and North Asia.
- Thailand among the top 10 largest aquaculture producer in the world and the largest producer of shrimp in Southeast Asia.
- Thailand has the largest and most sophisticated soy food and beverage industry in Southeast Asia. It is estimated that per capita consumption of soy beverages in Thailand is about 12 liters per year (Tetrapak 2014), ranking it 2nd in the world.
- Total imports for U.S. soybeans into Thailand in MY 2016 is 424TMT and for soybean meal 611TMT, a 15% and 25% share of the market respectively ~ 43 Million Bu market for U.S. Soy.

COUNTRY OVERVIEW

- Thailand's population in 2015 stands at 68M (CIA Factbook).
- The World Bank upgraded Thailand's income categorization from a lower-middle income economy to an upper-middle income economy in 2011. Poverty has declined substantially over the last 30 years from 67% in 1986 to 11% in 2014 as incomes have risen. (World Bank)
- Despite facing a number of political challenges, Thailand has made great progress in social and economic issues. Sustained economic growth and impressive poverty reduction. (World Bank)

TRADE / COMMERCIAL OVERVIEW

- In Southeast Asia, Thailand ranks as the 22nd largest economy globally with more than $1.031 Trillion dollars (PPP) est. 2015.
- Thailand is currently the 24th largest goods trading partner with the U.S. at $36.5 billion in total (two ways) goods trade during 2015. Goods exports totalled $10.3 billion; Goods imports totalled $26.2 billion. (USTR)
- U.S. exports of agricultural products to Thailand totalled $1.4 billion in 2013, the 20th largest U.S. Ag export market. Leading categories include: soybeans ($213 million), cotton ($185 million), wheat ($159 million), prepared food ($109 million), and feeds and fodders ($105 million). (USTR)
- Economic growth is expected to decline moderately in 2016 due to high household debt and restrained exports - slowing to 2% in 2016 from 2.5% in 2015. (World Bank)
- Thailand has one of the most sophisticated agricultural industry in S.E. Asia.

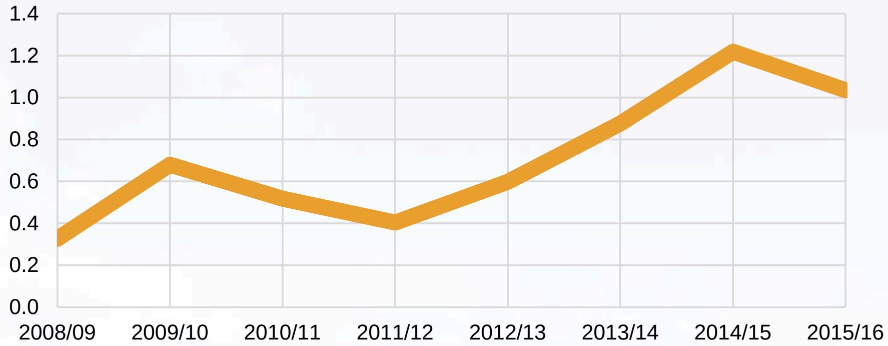
POLICY AND/OR COMMERCIAL ISSUES

- There is a caretaker government in place at the moment, appointed by the Military who took power in May 2014, with fresh elections marked for 2017.
- Biotechnology acceptance is a moderate issue but primarily as a result of the restrictions placed on the country by their exports markets (e.g. poultry, soy beverage, etc.).

SOUTHEAST ASIA

THAILAND

IMPORTS FROM U.S. (MMT)



U.S. SOY IMPORTS (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	2.411	2.798	0.518	0.424	15.15%	Growing
Soymeal	3.017	2.433	0.700	0.611	25.11%	Growing
Soyoil	0.005	0.004	0	0	0.00%	N/A
TOTAL	5.433	5.235	1.218	1.035	19.77%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Regional buyers conferences	Encompasses both the annual Grain Transportation and U.S. Agricultural Co-operators' Conference Series	Cuts across different soy utilization areas by bringing buyers and sellers together resulting in actual sales of U.S. soy
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USSEC U.S. SOYBEAN EXPORT COUNCIL

SOUTHEAST ASIA

PHILIPPINES

SUPPLY / DEMAND BASICS

- Ranked 21st globally (Alltech), total feed production in the Philippines in 2016 was estimated at 12.78 million metric tons with primary sectors being swine, poultry and aqua.
- The market for soybeans is small compared to other S.E. Asian countries. Only one soybean crushing company currently operating, but producing meal for own use from 100% US soybeans and selling finished feeds.
- The Philippines is the world's largest customer for U.S. soybean meal outside of North America, with ~1.98 MMT in export sales as of FY 2016, roughly 78% share of market vs 65% in FY 2015.
- Much of the meal is consumed is in swine feeds, which composes just over half of total feed production. This is followed by poultry (~34%) and aqua (~13%).
- Philippines is ranked #6 in global pork production.
- Total imports for U.S. soybeans into the Philippines in MY 2016 is 135TMT and for soybean meal 1.98MMT, a 75% and 78% share of the market respectively ~ 95 Million BU market for U.S. Soy.

COUNTRY OVERVIEW

- Philippines' population in 2015 stands at 101M (CIA Factbook).
- Strong GDP growth is projected for 2015 and 2016 based on buoyant private consumption, a solid outlook for investment and exports, and recovery in government expenditure. GDP is projected to increase by 6.4% in 2015 and 6.3% in 2016. (ADB)
- GDP growth in the Philippines is expected to remain strong in 2016 with higher investments and consumption. Growth forecast for the Philippines is revised up to 6.4% in 2016 and 6.2% in 2017.

TRADE / COMMERCIAL OVERVIEW

- In Southeast Asia, Philippines ranks as the 29th largest economy globally with $745 Billion dollars (PPP) est. 2015.
- The Philippines has an excellent relationship with the U.S. for economic, socio-political, and historical reasons.
- The Philippines is currently the 33th largest goods trading partner with the U.S. ~ $16.7 Billion in total (two ways) goods trade during 2015. (US Census Bureau)
- U.S. exports of agricultural products to the Philippines totalled $2.5 Billion in 2013, the 9th largest U.S. Ag export market. (USTR)
- The Philippines is one of the most dynamic emerging markets in the East Asia region, with sound economic fundamentals and a competitive workforce that is globally recognized.

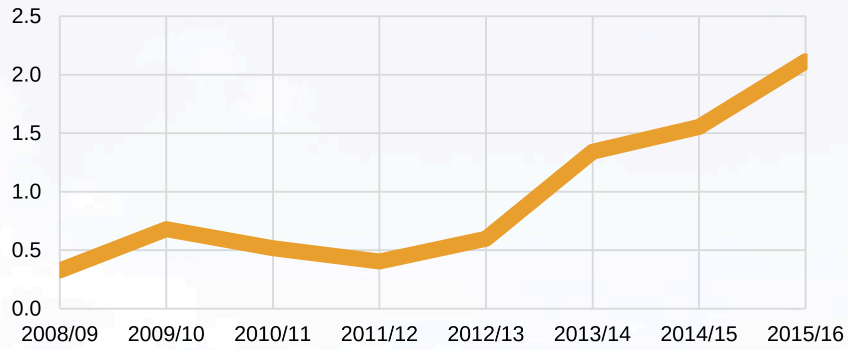
POLICY AND/OR COMMERCIAL ISSUES

- Biotechnology acceptance is usually a moderate issue. However, as the presence of environmental groups (e.g. Greenpeace) is more pronounced in the Philippines compared with the rest of ASEAN, there are occasional 'flare-ups' on GM issues.

SOUTHEAST ASIA

PHILIPPINES

IMPORTS FROM U.S. (MMT)



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Soybeans	0.130	0.180	0.108	0.135	75.00%	Stable
Soymeal	2.200	2.550	1.445	1.979	77.61%	Growing
Soyoil	0.042	0.043	0.001	0.001	2.33%	N/A
TOTAL	2.372	2.773	1.554	2.115	76.27%	

KEY PROJECTS

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	U.S. Soy Supply Workshops	Practical workshops designed for specific audiences. To educate buyers on risk management as well as to promote U.S. soy as the product of choice	Importers and end-users appreciates these services as one of the valued added services and benefits of buying U.S. soy
	Southeast Asia Trade teams to the U.S. - Feed and Food groups	Bring over a team of food and feed ingredient importers for a mission to meet with U.S. exporters and to appreciate the intrinsic and extrinsic benefits of buying U.S. soy	Cuts across different soy utilization areas by bringing buyers and sellers together resulting in actual sales of U.S. soy
Technical Servicing	Animal nutrition, feed formulation, and quality control workshops	Conducted by our in-country technical consultants to industry groups to show the difference that using U.S. soy makes to their animal performance and profit margins	Importers and end-users appreciates these services and training as one of the valued added services and benefits of buying U.S. soy
	Aquaculture feed demonstrations and technical teams	Provide technical information and practical training on aquaculture production to stakeholders from grass root level upwards.	Importers and end-users appreciates these services as one of the benefits of buying U.S. soy. They also learn that buying quality ingredients reduces cost and increase profit margins
	Leveraging through sponsorships	Working with third party organizers of agricultural events to spread the message on the benefits of buying/using good quality feed ingredients, i.e. US soy	Spreading the U.S. quality message via third party technical events has proved to be an effective strategy in promoting U.S. soy

NORTH ASIA

SUPPLY / DEMAND BASICS

- Accounts for 68% of U.S. soybean exports.
- Growing soybean and meal market in China.
- Crush in Korea & Taiwan stable.
- Soybean crush in Japan rebounding on poor canola crush margins and better SBM prices.
- Soy food consumption increasing in China.
- Soy food consumption in Japan, Korea & Taiwan stable.

REGION OVERVIEW

- 1.55 billion soy consumers.
- At $1.56 trillion, GDP is equal to that of U.S.
- Regional GDP growing but slowing.
- China is largest soy market but very competitive.
- Japan, Taiwan and Korea's soy consumption is static, but U.S. market share is still strong.

TRADE / COMMERCIAL OVERVIEW

- Growth in soy consumption in China is slowing but still significant growth opportunity.
- Taiwan continues to be a strong destination for containerized soybeans.
- Korea is an opportunity for food grade soybeans and high oleic soybean oil after 2017.
- Japan's resurgent crush is positively impacting U.S. exports, up 24% from same time last year.

POLICY AND/OR COMMERCIAL ISSUES

- GMOs
  - Current approval process in China is dysfunctional,
  - Taiwan enacted mandatory labeling law that included SBO. The government is considering policies to eliminate all GMO soy ingredients in food products.
  - Japanese industry unwilling to test consumer acceptance.
  - Korea could introduce labeling requirements for SBO.
- Due to increased bilateral tensions, Chinese government (MOA) reluctant to collaborate with U.S. soy industry.
- U.S. soy industry needs to be vigilant on MRL and other grading & quality issues.

SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	85.129	90.343	33.708	34.583	38.3%	Growing
Soymeal	3.519	3.916	0.261	0.187	4.8%	Growing
Soy Oil	1.160	0.962	0.061	0.154	16.0%	Declining
TOTAL	89.808	95.221	34.030	34.924	36.7%	

USSEC
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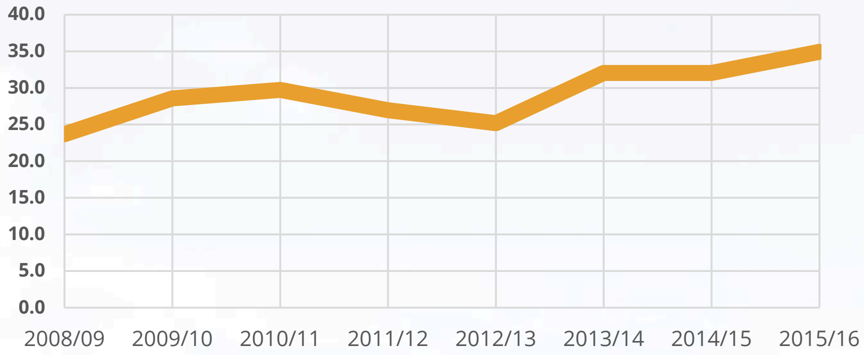
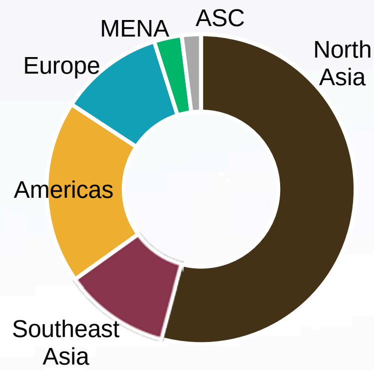
NORTH ASIA

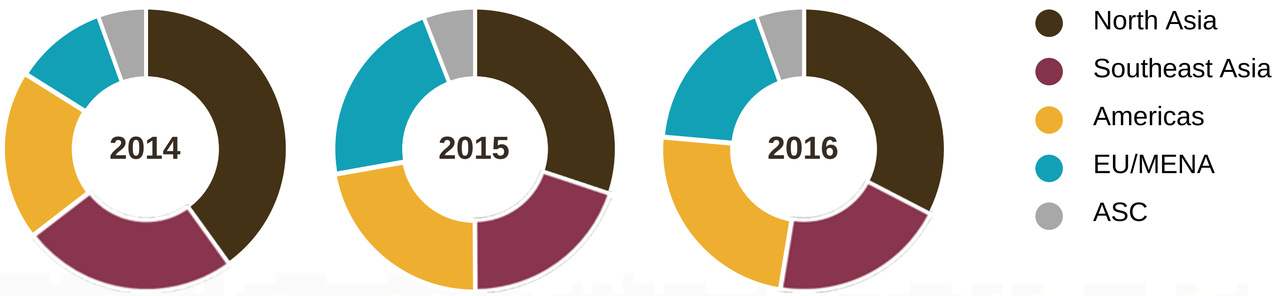
IMPORTS FROM U.S. (MMT)



U.S. EXPORTS BY REGION 2015-2016



USSEC BUDGET ALLOCATION



KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Conferences Outlook Conferences Multi-Cooperator Conferences	Annual in each market place Based around meat/poultry/grain trade	Brings entire soy value chain together. Reinforces U.S. ag commitment to China.
	Joint Industry Roundtables Risk Management Training	Brings together largest importers of U.S. soybeans with feed processors	Creates environment where largest processors of U.S soy interact with downstream demand.
Technical Servicing	Technical trade teams & conferences targeting feed/animal/aqua industries	Technical trade teams & conferences targeting feed/animal/aqua industries	Sustains and creates demand for SBM from largest processors of U.S. soy.
	Sampling and reporting on results for Amino Acid Content	Sample competition and U.S. soy and SBM at the start of each marketing year	Differentiates U.S. in the market place.

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NORTH ASIA

CHINA

SUPPLY / DEMAND BASICS

- China is the 4th largest producer of soybeans in the world
    - China is increasing its soybean production
    - Production currently > 13 MMT; all non-GMO soybeans
    - +90% goes for soy food production
    - China's goal is to increase soybean production to between 18-20 MMT by 2020
    - This will reduce growth in volume of imports.
    - Future per annum soybean import growth projected between 1-3 MMT
- China's soybean consumption per annum 92 MMT
    - Projected 2017 imports 83 MMT
    - All imported SBs are crushed to produce SBM for feed industry
    - Increases in SB imports will be driven by increases in demand for SBM from feed industry
- World's second largest importer of crude vegetable oils

COUNTRY OVERVIEW

- 1.349 billion soy consumers.
- GDP $12.26 trillion.
- Per capita Income $9100. Grew 8% per year in last two years.
- Official 2015 growth rate declared 6.5%, however this is widely disputed, key is economy is still growing albeit at the "new normal" slower rate of growth.
- Rapidly urbanization population
    - 55% of population urban. Urbanization increases animal protein consumption.
    - China per capita consumption of meat 59 kg, U.S. per capita 85 kg—room for feed and SBM consumption to grow.

TRADE / COMMERCIAL OVERVIEW

- Huge, modern crush industry
    - 150 MMT capacity.
    - Utilization only 60%.
    - 70% of crush capacity owned by Chinese so not dominated by ABCDs
- Weak crush margins do not curtail Chinese production and imports
    - Poultry feed demand under immense pressure from food safety scandals.
    - Pork industry profitability returning after large culling of herd, means reduced feed production in 2016
- Feed industry growing and consolidating; expected growth 5% per annum over next 20 years. Animal production rapidly moving to CAFO operations.
- Soy food consumption growing. Increased 100% over last 20 years

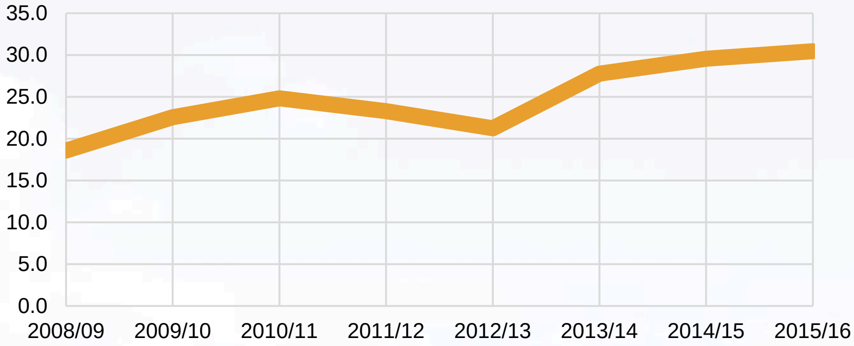
POLICY AND/OR COMMERCIAL ISSUES

- Current GMO approval process in China is dysfunctional and not transparent.. New U.S. specific events approved only through U.S. government intervention.
- Chinese government endorses biotechnology, but certain segments oppose (seen as U.S. plot to destabilize China).
- Issue has become politicized in China and government is grappling with the issue. Citizens don't trust the government, especially when it comes to food safety.
- GMO issue impacting trade with other grains in soybean FM (corn) being tested for GM.
- Delays in off loading vessels and/or longer term warehousing until tests are concluded.
- Unapproved corn events in FM could be used to throttle trade.

NORTH ASIA

CHINA

IMPORTS FROM U.S. (MMT)



SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	78.350	83.230	29.525	30.380	36.5%	Growing
Soymeal	0.058	0.024	0.023	0.016	66.7%	Stable
Soy Oil	0.773	0.586	0.000	0.057	9.7%	Declining
TOTAL	79.181	83.840	29.548	30.453	36.3%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Soy Outlook Conferences Joint SBM Roundtables Crop Quality & Buyers Teams Government Relations	Annual conference U.S. harvest outlook Connect SBM processors with largest end users Buyers to USA to see crop conditions on the ground Improve Chinese policy makers views of U.S. soy	Generate downstream demand for the top 10 largest importers of U.S. soy. Address trade issues as they arise and position U.S. soy as a partner in sustainably meeting China's food security and safety goals.
Technical Servicing	Aquaculture Feed Demand Feed, Swine, Poultry Teams, Conferences &Sponsorship	Expand U.S. soy utilization in aqua feeds Expand U.S. soy utilization in feed industry	Increase utilization of SBM produced from U.S. soy. Differentiate U.S. soy.
Management, Reporting & Evaluation	Beijing & Shanghai representation N Asia regional HQ	Maintain point of contact for Chinese customers.	Long term presence, reputation and credibility in market place.

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NORTH ASIA

TAIWAN

SUPPLY / DEMAND BASICS

- Imports all of its soybean needs
- 2,340,000 MT Imported – U.S. share 51%
    - 1,820,000 MT for Crush (76%)
    - 280,000 MT for Full Fat (12%)
    - 240,000 MT for Soy Foods (10%)
- U.S. 70% of total share of food grade soybeans and Canada 30%
- 60,000 MT non-GMO food grade soybeans

COUNTRY OVERVIEW

- 23 million soy consumers
- GDP $489 billion
- Per capita income $18,300
- 2014 Economic growth rate 2.5%
    - Economic growth increasingly tied to trade and tourism with China
- Flat population growth, but it is not shrinking

TRADE / COMMERCIAL OVERVIEW

- Two major crushing groups, one smaller crusher
    - No other oilseed crushed in Taiwan
- Feed production and is static
    - Animal production sector is struggling to compete with imported meat products
    - Feed industry's growth is taking place offshore (China & S.E. Asia)
- Soy food consumption is static
    - Due to concerns over GM soy foods produced with non-GMO soy has grown to 40% of market
    - U.S. market share in soy food sector is now 70%
    - Non-GMO soybean demand increasing along with Canadian market share.

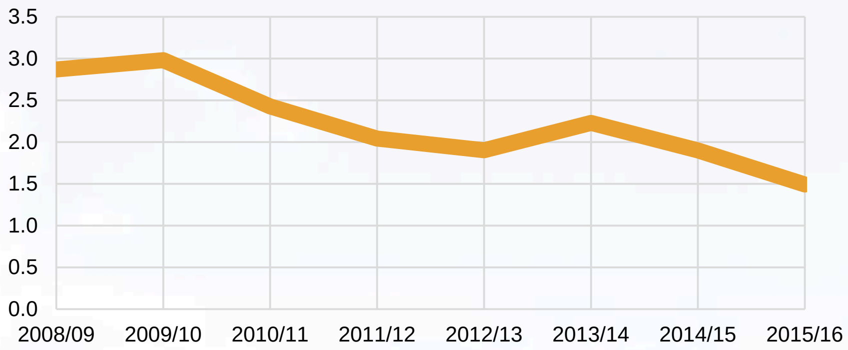
POLICY AND/OR COMMERCIAL ISSUES

- GMO food labeling law implemented January '16. Included labeling of SBO.
- Sets tolerance levels for GM content at 3%
- Impacts all soy products including SBO
- Taiwan politicians have proposed banning all GMO soy ingredients in food products.
- Issues is leading leading to increased non-GMO SB imports from all supplying countries (China, Canada & USA)
- Issue could diminish demand for bulk soybeans delivered in containers from USA
- USA now 70% market share in Taiwan soy foods market
- Three firms have signed SSAP logo use agreement and have added logo to their products.

NORTH ASIA

TAIWAN

IMPORTS FROM U.S. (MMT)



SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	2.520	2.550	1.444	1.466	57.5%	Stable
Soymeal	0.051	0.035	0.024	0.026	74.3%	Stable
Soy Oil	0.005	0.000	0.000	0.000		Stable
TOTAL	2.576	2.585	1.468	1.492	57.7%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Soy Outlook Conferences Key Customer Team SBO Marketing Training Soy Foods Programing	Annual conference U.S. harvest outlook Demonstrate superiority of U.S. supply chain Promote and position U.S. soybeans in soy foods	Maintain high market share for U.S. soy by creating preference for U.S. soy and continued purchases of U.S. soy
Technical Servicing	Comparative analysis of SBM	Conduct tests to compare amino acids of SBM produced from Brazil and U.S. soybeans.	Increase utilization of SBM produced from U.S. soy Differentiate U.S. soy
Management , Reporting & Evaluation	Taiwan representation	Maintain point of contact for Taiwan customers.	Long term presence, reputation and credibility in market place

NORTH ASIA

JAPAN

SUPPLY / DEMAND BASICS

- 2015 Total Soybean Consumption
  - 236 TMT domestic production
  - 2,761,813 MT imported; 1,660,020 MT imported from U.S. (60.6% market share)
- 2015 crush volume
  - 1,910,404 MT
  - 65% U.S. soy crushed; 35% from other origins
  - 2016 crush volume up 24% from previous year
- Soy foods utilization (2015)
  - 350 TMT* U.S. origin food grade soybeans
  - 236 TMT domestic soybeans
  - 367 TMT* other origin food grade soybeans (Canada, China)
  - 2015 U.S. market share increased 6%, now at 54%

COUNTRY OVERVIEW

- 127 million soy consumers; GDP $4.57 trillion; per capita income $45,000
- 2015 economic growth rate 1.2%,
  - Two decades of flat or negative economic growth
- Rapidly aging population; birth rate stable but death rate growing faster
  - Impacts potential growth of consumption of animal protein and vegetable oil

TRADE / COMMERCIAL OVERVIEW

- Consolidated crushing industry
  - Three major crushing companies; 1.9 MMT crushed in 2014
  - Soy crush resurging due to weaker crush margins for canola
  - Soy crush expanded by 10% in 2015, and 24% so far in 2016
- Feed industry growth is flat
  - Due to reduced SB crush, SBM imports increasing
  - U.S. is not gaining market share due to Chinese meal
  - Swine and poultry farms increasing in size, total production of animals is flat
- Soy food consumption is flat
  - Japan is largest market for U.S. IP food grade soybeans
  - Canada is top competitor
  - U.S. share has increased 6% reaching 54% in 2015
  - Trade is indicating Canadian supply is shrinking, offering supply opportunity for U.S. food grade soybeans

POLICY AND/OR COMMERCIAL ISSUES

- Japanese agri-industry opposes Japan's entry into Trans Pacific Partnership (TPP), want to maintain protectionist policies, but it seems that Japan will join TPP and will have to open agriculture markets which would:
  - Eliminate tariffs on vegetable oils which might reduce imports
  - Eliminate tariffs on meat/poultry which might lower SBM demand for feed industry
  - Present new opportunities for high oleic soybean oil and U.S. meat and poultry exports
- U.S. industry has experienced trade disruptions due to detections of chemical residues that exceed Japan's tolerances
- As producers use new herbicide mixes to address glysophate tolerant weeds, need to monitor those chemicals and the maximum residue level (MRL) policies in export markets

NORTH ASIA

JAPAN

IMPORTS FROM U.S. (MMT)

SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	3.004	3.186	2.140	2.282	71.6%	Stable
Soymeal	1.699	1.721	0.198	0.124	7.2%	Growing
Soy Oil	0.006	0.007	0.002	0.003	42.9%	Stable
TOTAL	4.709	4.914	2.340	2.409	49.0%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Soy Outlook Conferences Partnership Team Soy Foods Programing	Annual conference U.S. harvest outlook Exchange views and information with executive management of Japan crush sector Promote and position U.S. food grade soybeans	Maintain high market share for U.S. soy by creating preference for U.S. soy and continued purchases of U.S. soy
Technical Servicing	High Impact SBM Programing for Feed, Poultry & Swine Industries	Conduct conferences, teams and workshops on SBM quality	Increase utilization of SBM produced from U.S. soy
Management, Reporting & Evaluation	Japan representation	Maintain point of contact for Japan customers	Long term presence, reputation and credibility in market place

NORTH ASIA

SOUTH KOREA

SUPPLY / DEMAND BASICS

- 2015 Soy Consumption:
- Soybean
  - A total of 1,117 TMT imported - U.S. 48% share, including 830 TMT imported for crushing -U.S. 41% share and 287 TMT non-GM food-beans imported - U.S. 74% share
  - 154 TMT domestically produced
- Soybean Meal
  - 1,692 TMT imported - U.S. 9% share
  - 814 TMT domestically produced from imported soybeans
- Soybean Oil
  - 287 TMT imported – U.S. 16% share
  - 158 TMT domestically produced from imported soybeans

COUNTRY OVERVIEW

- South Korea has 50 million soy consumers
  - GDP $1.3 trillion; per capita income $23,838
  - 2013 economic growth rate 3.0%
- North Korea has 25 million soy consumers
  - GDP $30 billion; per capita income $1,220

TRADE / COMMERCIAL OVERVIEW

- Crushing Sector - 100% depends on imports for soybeans
  - Domestic crushing covers 26% of the country's SBM demand and 35% of SBO demand
  - Annual domestic soybean crushing in the range from 800 to 950 TMT for the last 5 years
  - U.S. market share in the range from 37 to 53% for the same period
  - Growing competition from South American soybeans
- Feed and Livestock Sector - 19 MMT of compound feed production in 2015
  - Swine is the largest segment, followed by beef cattle, poultry and dairy cattle
  - 2.3 MMT of SBM consumed in 2013, 76% of which was met by imports
  - Market share of U.S. was 9.1% of the Korean SBM imports in 2014
- Food-Soybean Sector - 450 TMT in the annual demand for food-soybeans
  - 64% of the demand met by imports, all being non-GM soybeans
  - Market share of U.S. was 74% of the imported food-soybeans in 2014
  - Korea - U.S. FTA brought an end to the government's monopoly in food-soybean imports

POLICY AND/OR COMMERCIAL ISSUES

- Korea – U.S. FTA
  - 5% duty on RBD SBO is set to phase out by 2016; and crude SBO by 2021
  - Opened market for variety-specific identity preserved soybeans for soy-food processing
  - 2015 TRQ allocation is 25,000 MT for U.S. variety-specific IP soybeans, out of which 95% utilized.
  - Mandatory GMO labeling in place with a 3% threshold
  - Growing voice from consumer groups calling for the expansion of GMO labeling into SBO
- Korea –Canada FTA - Will open market for Canadian variety-specific identity preserved soybeans for soy-food processing
- Differential Export Tax - Argentine DET is functioning like the export subsidy for the country's SBO in the Korean imported SBO market

NORTH ASIA

SOUTH KOREA

IMPORTS FROM U.S. (MMT)

SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	1.246	1.374	0.597	0.455	33.1%	
Soymeal	1.751	2.118	0.005	0.012	0.6%	
Soy Oil	0.257	0.250	0.058	0.000	0.0%	
TOTAL	3.254	3.742	0.660	0.467	12.5%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Soy Outlook Conferences Buyers Teams	Host annual conference U.S. harvest outlook Demonstrate superiority of U.S. supply chain Promote and position U.S. soybeans in soy foods.	Maintain high market share for U.S. soy by creating preference for U.S. soy and continued purchases of U.S. soy
Technical Servicing	U.S. SBM and Food Beans Conferences U.S. Soy in Aqua Feed	Expand U.S. soy utilization in animal feed, human food and aqua industries	Increase utilization of SBM and preference for U.S. soy Differentiate U.S. soy
Management, Reporting & Evaluation	Korea representation	Maintain point of contact for Korean customers.	Long term presence, reputation and credibility in market place

GREATER EUROPE

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SUPPLY / DEMAND BASICS

- World's largest soymeal importer – highly competitive
- Crushers value 2016 US soy crop with high protein & oil content, and consistency which increases crush volume
- Approximately 10% of commercial feed is non-GMO
- Increasing valuation for U.S. meal with feed formulation tables valuing soymeal by origin
- Globally the Europe is the 2nd fastest growth poultry and pork industry by volume over last 5 years

TRADE / COMMERCIAL OVERVIEW

- 6.8 million metric tons of U.S. soy exports in 2016– slight increase from previous year
- Germany-Spain-France-Netherlands-Italy-UK---Portugal-Turkey-Russia (9 countries) import over 175,000 MT of U.S. soy
- Strong East Coast exports to EU
- SSAP approved as "verified" sustainable system through FEFAC (Europe feed associations)
- Imported 2 million tons of SSAP certified soy
- Europe feed industry focusing more on "verified" sustainable systems instead of "certified" to reduce cost and complexity
- EU Commission reviewing SSAP for Renewable Energy Directive (RED) approval – negotiating level of traceability and GHG value

REGION OVERVIEW

- 580 million people
- 27% of the World GDP (U.S. is 23%)
- Flat GDP Growth
- Growing security concerns primarily due to migrant crisis – postponing Turkey programs
- Increasing nationalism among EU member states – Brexit approved, continued discussion in Catalonia/Spain, Scotland
- France/Netherlands election positive results with centralist leaders elected. Germany election later this year

POLICY AND/OR COMMERCIAL ISSUES

- EU 2nd largest biotech ag importer after China
- Sustainability – U.S. competitive advantage
- RTRS struggled with supply – reworking their system – program actually decreased last year
- Glyphosate slow renewal and other chemicals MRLs concerns
- Retailers (especially German) have oversized influence in commercial chain
- FEFAC (EU feed association) sourcing guidelines gaining feed/food industry acceptance
- NGOs driving shits in small but focal shifts in poultry/livestock industry to slow growth, non-gmo feed, plus larger impacts in animal welfare and reduction in anti-biotic use in animal production
- SSAP approved verifiable sustainable by Consumer Goods Forum (retail/food mfg. leaders)
- Russia US soy imports stopped due to biotech and political reasons (480,000 tons last year)

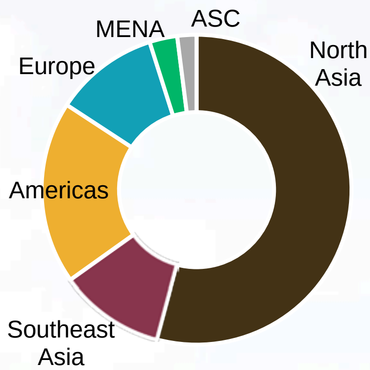
SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	18.119	19.803	5.648	6.588	33.3%	Declining
Soymeal	21.225	21.409	1.176	0.405	1.9%	Growing
Soy Oil	0.274	0.346	0.000	0.001	0.3%	Stable
TOTAL	39.618	41.558	6.824	6.994	16.8%	

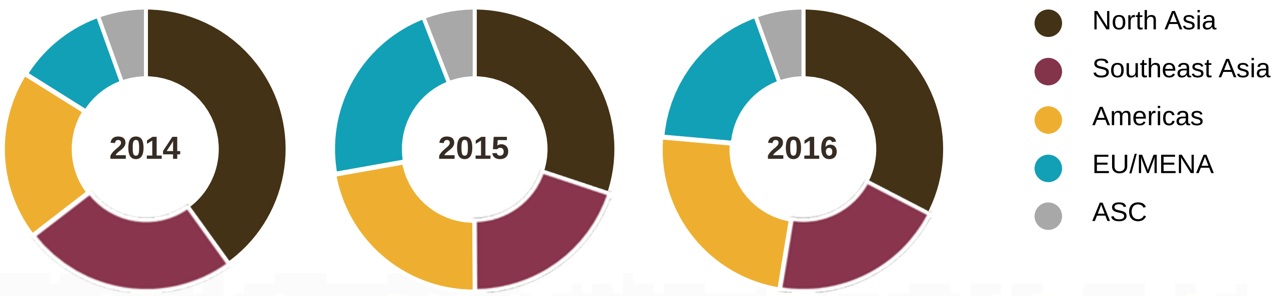
July 2017

GREATER EUROPE

U.S. EXPORTS BY REGION 2015-2016



USSEC BUDGET ALLOCATION



KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Buyers Conferences	One large conference per year	Export commitments and valuable trade partnerships reestablished
	Country Level Buyers Conferences	10 conferences with key buyers	Exposure of U.S. soy to the market place, forum to discuss future needs
	Feed/Poultry Industry meeting support and participation	Participate in local feed and poultry association meetings with technical and market information	Strengthen connection to local country level associations and industry
Technical Servicing	Sampling and reporting on results for Amino Acid Content	Sample competition and U.S. soy and SBM at the start of each marketing year	Determine/underscore and communicate the fundamental differences in AA content and the overall value of that to the buyer
Market Access	Biotech approval and Sustainability	Support import approvals on new biotech events and promote US soy sustainability	US soy seen as sustainable production with organization approvals

U.S. SOYBEAN EXPORT COUNCIL

MENA

SUPPLY / DEMAND BASICS

- Price and cash flow sensitivity
- Crush capacity increasing, especially in Egypt
- Animal ag & infrastructure investments on-going
- Egypt largest importer in region with 700,000 metric tons of US soy
- Tunisia-Morocco-Saudi Arabia-Israel-Iran import over 100,000 MT of U.S. soy
- Iran importing US soy
- Feed/poultry/dairy/aquaculture industry increasing business as region stabilizes

REGION OVERVIEW

- 6% of Global Population - 380 Million
- 4.5% Regional GDP -Wide Geographic Swings
- Challenging Economic Environment(s): Inflationary, lack of Foreign Direct Investment, and Currency Devaluation (Egypt)
- Infrastructure hurdles but investment continues
- Widespread security concerns in region
- Low oil prices impacting economies and several governments income
- Ongoing armed conflicts in several countries

TRADE / COMMERCIAL OVERVIEW

- 1.3 million metric tons of U.S. soy exports
- Regional Crush Investments – Egypt, Saudi Arabia + consideration for Algeria
- Egypt Aquaculture growth (1 MMT)
    - Intensive pond aquaculture opportunity
- Soy extrusion increasing - FFSBM growth
- Regional SBO refining growth
- Strong Saudi poultry and dairy industry (by-pass meal exports)
- Soy trade with several countries such as Syria, Libya or Iran is complicated but continues with both direct and indirect imports

POLICY AND/OR COMMERCIAL ISSUES

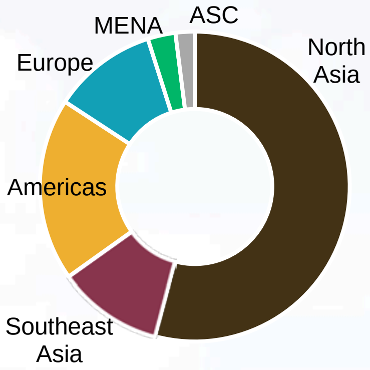
- Poultry disease issues – wet markets common. USSEC supports programs in Egypt and Tunisia
- Resolved Ambrosia seed issue in Egypt market
- Sustainability/biotech issues not prevalent
- Poultry growth remains strong but slightly increasing focus on dairy and aquaculture

SOY IMPORT SITUATION (MMT)

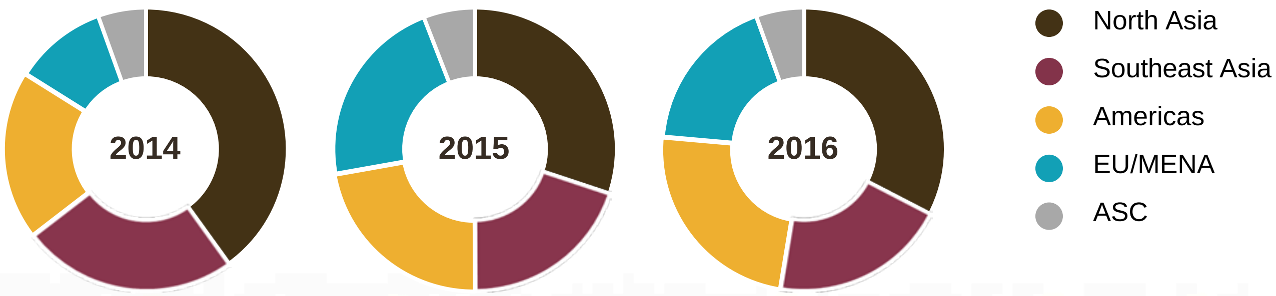
COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	5.162	4.924	1.259	1.193	24.2%	Growing
Soymeal	6.883	8.040	0.622	0.519	6.5%	Growing
Soy Oil	2.139	2.412	0.075	0.163	6.8%	Growing
TOTAL	14.184	15.376	1.956	1.875	12.2%	

MENA

U.S. EXPORTS BY REGION 2015-2016



USSEC BUDGET ALLOCATION



KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Poultry industry	Support growth in primary soy market of poultry industry with focus on US performance advantage and delivery confidence	Increase US soymeal usage with improved feed production and management practices
	Aquaculture	Increase focus on aquaculture industry	Increase US soymeal usage with improved feed production and management practices
	Animal feed growth and logistics development	Commercial growth applications for the region including FFSBM and dairy feed	Intra-regional increase of soy consumption in feed applications/channels
	Capacity building	Support production increases in soy crush and FFSBM processors	Intra-regional increase of soy consumption in feed applications/channels

USSEC U.S. SOYBEAN EXPORT COUNCIL

AMERICAS

SUPPLY / DEMAND BASICS

- Largest U.S. export market for SBM (FY17- 57% of total U.S. Exports), SBO (61% of total U.S. SBO exports), soy ingredients and 3rd largest for SB (8% of total U.S. SB exports).
- Growing soybean, soybean meal and oil markets
- Poultry, Swine and aquaculture consolidating and with expansion efforts, including exports
- Increased meat, poultry meat and egg demand, given economic growth – Production growth
- Increased competition form SAM SB and SBM
- Increased competition from SAM SBO and from canola & palm oils
- Region will continue to be dependent on imports of grains and oil seeds
- Growth opportunities on the soy ingredient and soy food market
- WATCH Colombia – super growth potential of U.S. soy exports

REGION OVERVIEW

- 647 million people in LATAM & CBB
- 8% of the World GDP (U.S. is 23%)
- Projected GDP Growth: 1.8% in 2017; 2.1% in 2018
- Mexico, Colombia & Central America - Key growth markets for U.S.
- Canadian market up in SBM
- ANCOM (other than Colombia) greater threat from GOV disruption and competition from SAM

TRADE / COMMERCIAL OVERVIEW

YEAR-TO DATE 2017 (June)

- Soybean exports to AM up 2% in FY17 vs. FY16.
- SBM exports to AM down 6% in FY17 vs. FY16
- SBO exports to AM equal FY17 vs FY16
- Exports to Mexico; SB up 3%; SBM down 16% and SBO exports to Mexico up 1% FY17 vs FY16
- SB exports for crush to Central America (CAM) down 5% (but 100% U.S.), SBM down 5% and SBO exports up 14% FY17 vs FY16
- SB exports to Caribbean (CBB) up 37%, SBM down 2% and SBO exports up 40% FY17 vs FY16
- SB exports to ANCOM down 18%, SBM exports down 6% and SBO Exports are down 25% FY17 vs FY16 (up 94% in Colombia)

POLICY AND/OR COMMERCIAL ISSUES

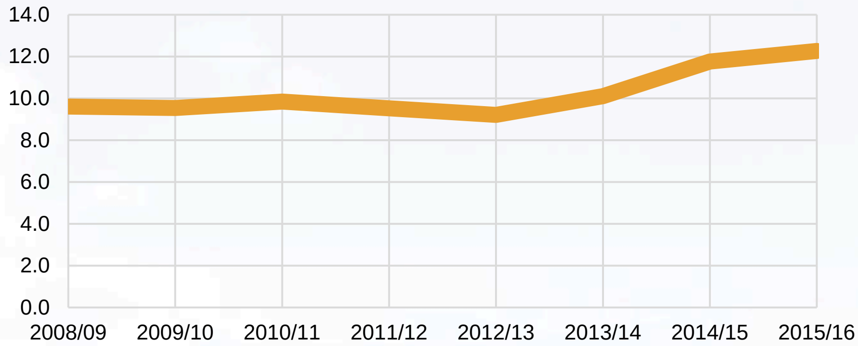
- GM still lingers in Mexico and the region - increasing
- Negative comments about soy in social media continues – even some medical community bloggers
- Sustainability an important differentiation message from the U.S. – most countries care and others don't
- Ecuador: extended the tariff and duty exemption for SBM imports (US included), to DEC 2019 but started to imports SBM from Paraguay and Bolivia
- Mexico: in Q2 & Q3 high volatility in economy and markets resulting from uncertain future of NAFTA; clearer more stable scenario from June and on
- Chemical residues in grains and soy becoming a topic of discussion and potential issue, particularly in Costa Rica

SOY IMPORT SITUATION (MMT)

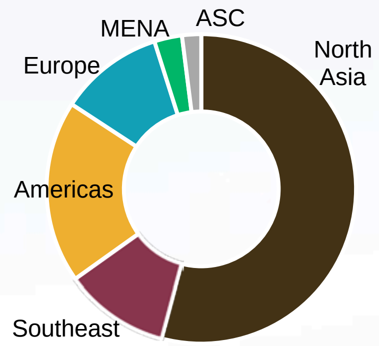
COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	5.660	5.869	4.899	5.102	86.9%	Declining
Soymeal	9.587	9.814	6.108	6.488	66.1%	Growing
Soy Oil	2.000	1.902	0.753	0.675	35.5%	Stable
TOTAL	17.247	17.585	11.760	12.265	69.7%	

AMERICAS

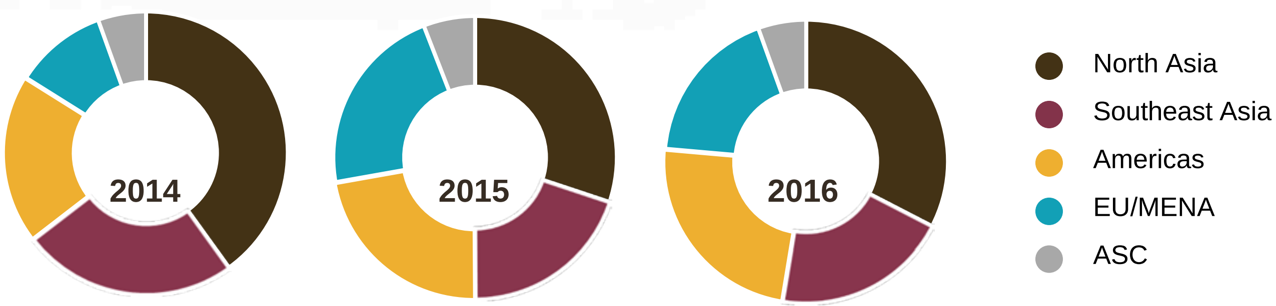
IMPORTS FROM U.S. (MMT)



U.S. EXPORTS BY REGION 2015-2016



USSEC BUDGET



PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Buyers/cooperator's Conference Risk Management	One large conference 18 months Annually with follow up one-on-one meetings	Valuable trade partnerships established Will be proactive on educating industry on valuing U.S. soy and independence from trader decision control
	Industry Conferences and Summit's	Conferences, seminars, workshops or one-on-one advise with key buyers Successful Agri-Business Development and Regional AU Industry Meeting broader communication of US Soy Sustainability and Advantages – Values	Exposure of U.S. soy industry leadership and U.S. soy products values Solid promotion of US Soy communication and industry feedback Support U.S. differentiation; more US Soy Sustainability Certificates issued; interest on 'US Soy Sustainability Seal'
Technical Servicing	Training to feed manufacturers and integrated operations, poultry, aqua and livestock leading producers	Nutrition, feed manufacturing, price & risk management conferences and one-on-one training, certification programs	Bust their economic viability Increase awareness and demand for U.S. soy products Communicate the differences in AA
	Food Industry, HRI and Government and Institutions	Educate and communicate the advantages of U.S. conventional SBO and High Oleic SBO.	Understand latest developments in U.S. SBO and make decisions on the advantages of U.S. SBO.

AMERICAS

MEXICO

SUPPLY / DEMAND BASICS

- Increased local soybean crush to supply growing meal and oil market increasing U.S. SB imports, reducing U.S. Meal and Oil exports
- Aquaculture (shrimp) health issues improving and growing production. Should see SBM demand growth going forward (from U.S. and from U.S. crushed soybeans)
- Increased meat, poultry meat and egg demand due to population and economic growth
- Some competition from SAM SBM and SB
- Large increase in DDG imports in Q2 & Q3 (following tariffs imposed by China)
- Increased competition from other oils (palm and canola)
- Mexico will continue to be dependent on imports of grains (30%) and oil seeds (>90%)
- Growing demand for soy foods and soy in foods

COUNTRY OVERVIEW

- 138 million people
- 1.98% of the World GDP (U.S. is 16.7%)
- Average GDP Growth of 2.3% in 2016; est. at 1.5 to 2.5% for 2017
- Mexico is a key growth market, with SAM challenging U.S., specially now with ongoing negotiations to expand trade agreements with BRZ and ARG and upcoming NAFTA revision. Negotiation of FTA with European Union (UE) going at a faster pace

TRADE / COMMERCIAL OVERVIEW

YEAR-TO DATE 2017 (June)

- SB exports to Mexico up 3% FY17 vs FY16
- SBM exports to Mexico down 16% FY17 vs FY16
- SBO exports to Mexico up 1% in FY17 vs FY16
- Increased competition against U.S. SBO from other oils (transfats, understanding value of U.S. SBO)

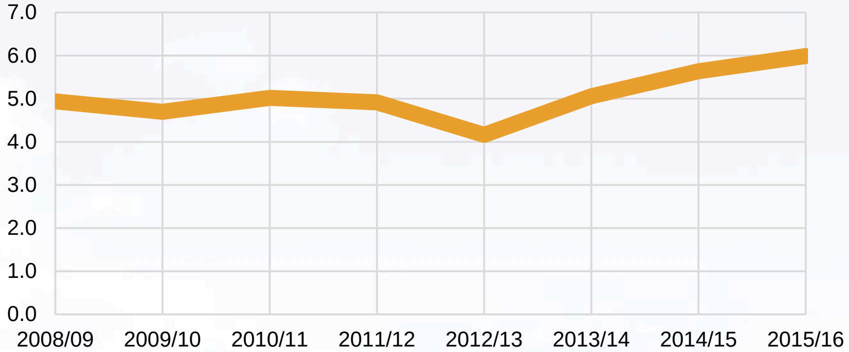
POLICY AND/OR COMMERCIAL ISSUES

- GM has become more of an issue (political) in Mexico in some regions
- Social media increased negative comments about soy
- Sustainability of U.S. soy becoming more of a competitive advantage to U.S.
- Zero tolerance" on soil presence on shipment to Mexico still meaning challenges; authorities implementing a 'pilot' procedure to help major importers
- Through Jan-May 17 Mexico suffered from uncertainty on the future of NAFTA: high FX volatility, weakened financial indicators. Implied major exposure of industry to SAM grains and oilseeds. From June on a clearer more stable scenario as official announcements made by the U.S.

AMERICAS

MEXICO

IMPORTS FROM U.S. (MMT)



SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2013/14	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	3.819	4.126	3.562	3.586	86.9%	Growing
Soymeal	1.795	2.367	1.829	2.169	91.6%	Growing
Soy Oil	0.253	0.282	0.246	0.236	83.7%	Growing
TOTAL	5.867	6.775	5.637	5.991	88.4%	

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Buyers Conferences	One large conference every 18 months	Valuable trade partnerships established
	Industry Conferences	Conferences, seminars, workshops or one-on-one advise with key buyers Aqua investment Workshop Regulatory Market Issues Stronger and broader communication of US Soy Sustainability and Advantages – Values	Exposure of U.S. soy industry leadership and value of U.S. soy products Forum to discuss future needs Improve relationships with regulatory bodies to anticipate and resolve any potential market access issues NAFTA Key targets exposed; support to differentiation; interest on 'US Soy Sustainability Seal' being available
Technical Servicing	Training to feed manufacturers and integrated operations, poultry, aqua and livestock leading producers	Nutrition, feed manufacturing, price/risk management conferences and one-on-one training, certification programs	Bust their economic viability Increase awareness and demand for U.S. soy products Communicate the differences in AA
	Food Industry, HRI and Government and Institutions	Educate and communicate the advantages of U.S. conventional SBO and High Oleic SBO.	Understand latest developments in U.S. SBO and make decisions on the advantages of U.S. SBO.

AMERICAS

CUBA

SUPPLY / DEMAND BASICS

- New government policies gradually provide incentives for expansion of swine and poultry production
- Increased pork, poultry, egg and oil demand
- Shrimp aquaculture growing – targeting tourism industry
- U.S. making gains from lost market share from last many years. U.S. SB for crush up 70% and SBO up 999% from LY at this time
- Cuba continues to be dependent on imports of grains and oil seeds
- With the right policies, Cuba may become less dependent on grain imports, not so for soy

COUNTRY OVERVIEW

- 11.5 million people
- GDP US$68.72 billion (Source U.N.)
- Cuba has a dual economy, with two distinct systems operating side by side.
- The socialist peso economy applies to most Cubans
- The free-market dollarized economy operates in the tourist, international and export sectors, and substantially sustains the socialist economy.
- Cuba announced on 08 July 2013 its readiness to reform state-owned enterprises in 2014 by granting them more autonomy

TRADE / COMMERCIAL OVERVIEW

- Cuba's top trade partners: China 27.5%, Canada 26.9%, Netherlands 11.1%, Spain 4.7%, Brazil and the EU are growing to surpass current partners.
- Cuba's top industry is tourism, energy & mining, cigars and rum...
- Cuba's total national debt is estimated at 13-Billion
- Cuba now imports up to 80% of food used for rations
- Exports of 2.4 billion dollars and imports of 6.9 billion

YEAR-TO DATE 2016 (June)

- U.S. Soy exports to Cuba YTD FY17 vs. FY16:
  - SBM: FY17 = 52 TMT vs 85 TMT in FY16 – down 39%
  - SB: FY17 = 56 TMT vs 33 TMT in FY16 – up 70%
  - SBO: FY17 = 8 TMT vs 0 TMT FY16 – up 999%

POLICY AND/OR COMMERCIAL ISSUES

- Imports controlled/dominated by the State
- Gradual transition to a more free enterprise as it relates to agriculture and livestock production/marketing
- U.S. export potential limited mainly by:
  - 1- availability of credit
  - 2- resentment because Cuba cannot export any products to the U.S.

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SUPPLY / DEMAND BASICS

- Important drivers are population and growing economies
  - 1.74 Billion Population
  - 5.58% Growth in GDP
  - Urbanization at 2-3.5% per year
- ASC has a severe malnutrition problem
  - World's largest human feeding and welfare program (240 million beneficiaries)
  - Inclusion of Soy in Government feeding programs
- Growing Consumption
  - 8.26 MMT Soybean Meal Consumption; 66% growth over last 3 years
  - 32 MMT Cooking Oil Use
- Stagnant Production
  - Consumption outpacing regional production
- Growing Animal and Aqua Sectors
  - 80% of meal goes for poultry; balance for aqua
  - Meal needs for 2020 projected at 11-12 MMT
- Meal Utilization in Compound Annual Growth Rate:
  - Broilers - 12%
  - Layers - 7%
  - Farmed Freshwater Fish - 8%
  - Farmed Shrimp - 15%
  - Human Consumption of Soy - 10%

REGION OVERVIEW

- Focus on Demand/Growth of domestic soy consumption and Market Development for U.S. Soy
- New, growth-oriented majority government in India, relatively stable governments in Bangladesh and Sri Lanka, but political instability in Pakistan
- Infrastructure Rebuilding; Unavailability of cost effective transport facilities

TRADE / COMMERCIAL OVERVIEW

- Volume of 1.24 MMT of U.S soy imports to ASC generated trade worth $ 489.27 million in FY16.
- Regular containerized and bulk imports of U.S. soybean and meal into Bangladesh
- Bulk and container shipments of U.S. Soy to Pakistan mostly for beans
- Concentrates and isolates U.S. imports exceeded 4,500 MT in India.
- Containerized soymeal and isolates imports to Sri Lanka
- First U.S. Soy shipments to Nepal in 2015 lead to 70,000 MT imports in 2016
- Open market in Nepal and soy meal is imported from India
- Increasing Crushing Capacity in Bangladesh
- Pakistan importing meal and beans
- Nepal - poultry feed production 850,000 tons, 10% growth
- Nepal –Three soy crush plants with a capacity of 270 TMT/year

POLICY AND/OR COMMERCIAL ISSUES

- Sanitary and Phytosanitary non-tariff barriers in India
- GMO Concerns in the region but GM meal is approved in Sri Lanka
- Zero or low duty for defatted soy flour, SBM and other soy foods can increase domestic consumption considerably
- Agricultural price supports from previous Indian government and may extend to oilseeds and lentils
- Possible thaw in India and Pakistan relations
- Threat of duties being imposed on soy from countries other than India due to a regional trade agreement

SOY IMPORT SITUATION (MMT)

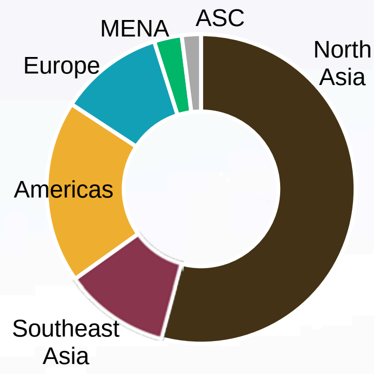
COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	1.245	2.428	0.919	0.941	38.8%	Growing
Soymeal	1.593	1.213	0.192	0.314	25.9%	Growing
Soy Oil	0.346	5.189	0.009	0.012	0.2%	Growing
TOTAL	3.184	8.830	1.120	1.267	14.3%	

ASC

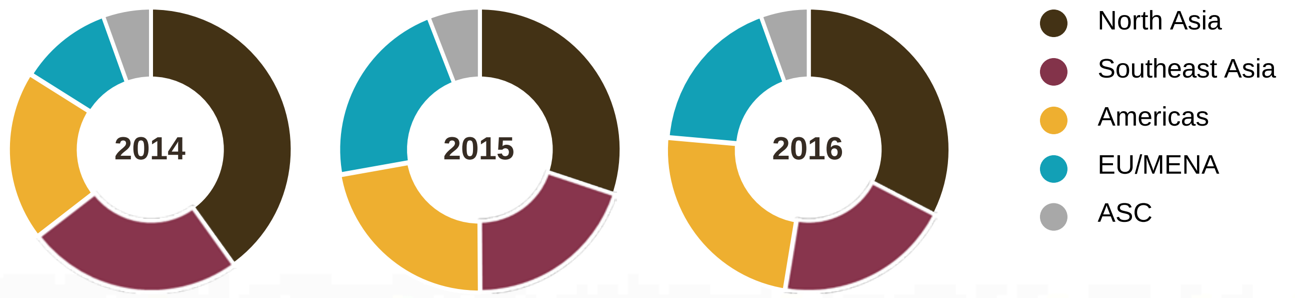
IMPORTS FROM U.S. (MMT)

U.S. Census Bureau data.

U.S. EXPORTS BY REGION 2015-2016



USSEC BUDGET ALLOCATION



KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Market Access	Biotech Messaging	Biotech messaging at different levels (Media, Researchers, End Users and Government) to sensitize or educate on the science and safety of GM/Biotech agri-Products (soy in focus). Educate trade associations on Biotech issues, risk analysis and market forecasts	Protect the regional markets that are already accepting GM soy and make them less vulnerable to misinformation. Prepare the countries not yet accepting GM crops for accepting imports of U.S. soy
Trade Servicing	Demand Building	Projects to convince poultry, aqua and food producers of the benefits of higher quality meal and protein products to improve their profitability and consumption and demonstrate how U.S. soy can help	Increased demand for soy meal products leading to increased imports of U.S. soy into the region and continued increasing consumption of Indian soy in-country.
Technical Servicing	Differentiation and adding value to U.S soy	Demonstrate value of soy in general and U.S. soy in poultry feed formulations, U.S beans used in human food and nutritional benefits in Government welfare programs	Prepares or strengthens base for U.S. soy utilization, increases dependence on soy in general, wards off competing sources of protein.

U.S. SOY for a growing world

ASC

INDIA

SUPPLY / DEMAND BASICS

- Stagnant soybean production for last three years
- Domestic consumption of soymeal exceeded exports for the first time in 2014
- Soybean Production in MY 2015/16 Reduced to Historic Low of 7.5 MMT on Abnormal Weather Conditions and Consequent Poor Yield
- Domestic soymeal consumption: at 5 MMT
- Compound Annual Growth Rate
  - Broilers -- 8-9%
  - Layers -- 7%
  - Farmed Freshwater Fish – 8%
  - Farmed Shrimp – 20%
  - Human Consumption of Soy – 10%
- India is the largest soy oil importer in the world, mostly from South America
- India's animal feed industry is expected to double in size in 5 years

COUNTRY OVERVIEW

- Economy ranks 6th and purchasing power parity is 3rd in the world; FDI ranks 10th @ $ 44 billion in 2015
- Population: 1.27 billion with over 300 million as middle class population
- GDP average growth: expected to be 7.3% in 2016
- New, development-oriented majority government at the center
- Infrastructure Hurdles – Infrastructure Rebuilding

TRADE / COMMERCIAL OVERVIEW

- Concentrates and isolates exceeded 4,500 MT in India.
- Commodity soybean imports uncertain, however, growing interest in food grade soybeans ,soy flour, soy nuts and non-GM meal
- U.S. Food soybeans under test at soy food companies
- Processors/traders increasingly looking toward imports
- Shrinking export market and volume of Indian soymeal
- Poultry Industry called for importation of 1 million MT of soymeal to increase competitiveness

POLICY AND/OR COMMERCIAL ISSUES

- Market Access issues like sanitary and phyto-sanitary non-tariff barriers to be addressed
- Government of India (GOI) is keen to address protein malnutrition problems
- “Make in India” may drive soybean imports to employ underutilized crush capacity
- GM soy is not allowed, but GM cotton is produced; GOI is working to draft a policy on GM crops
- Zero or low duty for defatted soy flour, SBM and other soy foods can help increase soy utilization considerably
- Agricultural price supports carried over from previous Indian government and may extend to oilseeds and pulses

SOY IMPORT SITUATION (MMT)

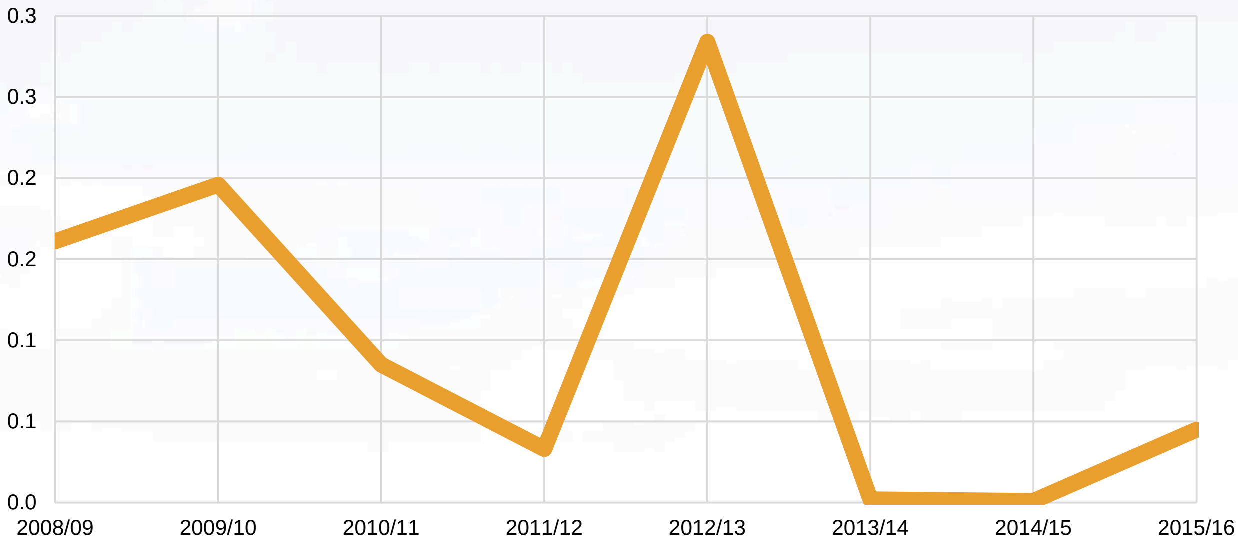
COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	0.011	0.055	0.001	0.042	76.4%	Growing
Soymeal	0.007	0.048	0	0.003	6.3%	Growing
Soy Oil	2.799	4.360	0	0	0.0%	Growing
TOTAL	2.817	4.463	0.001	0.045	1.0%	

ASC

INDIA

IMPORTS FROM U.S. (MMT)

U.S. Census Bureau data.



KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Market Access	Biotech Messaging	Biotech messaging at different levels (Media, Researchers, End Users and Government) to sensitize or educate on the science and safety of GM/Biotech agri-Products (soy in focus). Educate trade associations on Biotech issues, risk analysis and market forecasts	After India has reached a critical supply/demand and price anomaly situation in the last two years; prepare this region for accepting imports of U.S. soy
Trade Servicing	Demand Building	Projects to convince poultry, aqua and food producers of the benefits of higher quality meal and protein products to improve their profitability and consumption	Increased demand for soy meal products eventually leading to imports of U.S. soy; continue to retain Indian soy in-country.
Technical Servicing	Differentiation and adding value to U.S soy	Demonstrate value of soy in general and U.S. soy in poultry feed formulations, U.S beans used in human food and nutritional benefits in Government welfare programs	Prepares or strengthens base for U.S. soy utilization, increases dependence on soy in general, wards off competing sources of protein

U.S. SOYBEAN EXPORT COUNCIL

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BANGLADESH

SUPPLY / DEMAND BASICS

- Increasing crushing capacity
- Fifth largest fresh water fish producer in the world
- Aquaculture, poultry, dairy and horticulture are most important agriculture subsectors
- Livestock and poultry contribute 3.3% to GDP
- Feed production is 3.5 MMT/year
- Poultry meat production is 210,000 MT/year and fish production is 1.52 MMT/year
- Poultry and fish contribute significantly to the protein-poor population
- Malnutrition and food security concerns
- Soy oil is preferred over other oils, consumption is growing among urban population
- Utilization of soy in human food growing
- Government and private feeding and welfare programs

COUNTRY OVERVIEW

- Population: 160 million population
- GDP average growth: 6.5%
- Infrastructure Hurdles – Infrastructure Rebuilding
- Large and growing middle class
- Bangladesh aspires to be a middle-income country by 2021

TRADE / COMMERCIAL OVERVIEW

- Government policies are trade friendly
- Country has support of international donors; poverty alleviation
- U.S. imports totaled 870,000 MT in market year 2015/16.
- U.S. Market share ~ 39%
- Meal and oil imports are being substituted by bean imports (thus less dependency from India)
- New shipments of soy flour
- U.S. soy protein companies see potential for imports
- No duty on import of crude or refined edible oil

POLICY AND/OR COMMERCIAL ISSUES

- GMO officially restricted, but large imports of GM cotton, soy and corn

SOY IMPORT SITUATION (MMT)

COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	0.697	1.123	0.603	0.716	63.8%	Growing
Soymeal	0.363	0.495	0.047	0.153	30.9%	Growing
Soy Oil	0.511	0.629	0	0.001	0.2%	Growing
TOTAL	1.571	2.247	0.650	0.870	38.7%	

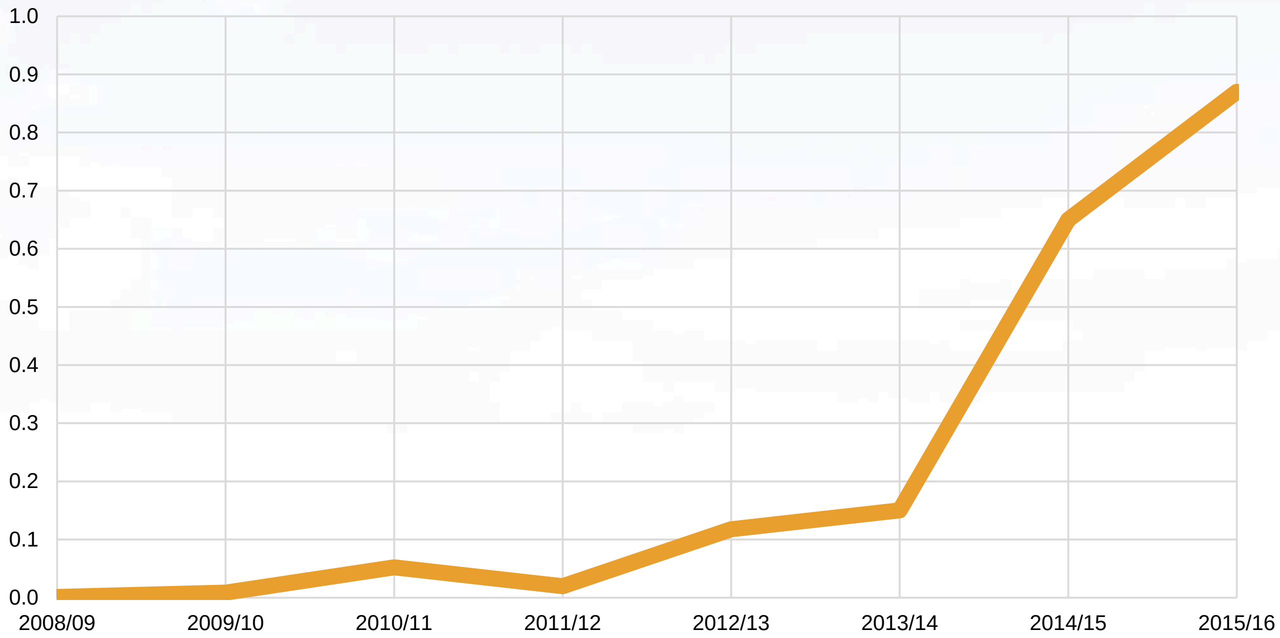
July 2017

ASC

BANGLADESH

IMPORTS FROM U.S. (MMT)

U.S. Census Bureau data.



KEY PROJECTS – Bangladesh

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Supply	A series of education/training projects for crushers to continue their preference for U.S. Soy. Train entrepreneurs on import and logistics processes; expose entrepreneurs to U.S. trade and logistics	Grow market share of U.S. Soy and improve trade efficiencies
Technical Servicing	Differentiation and adding value to U.S soy and technology upgrades	Poultry and aqua feed formulations to emphasize usage of U.S. soy meal and increase inclusions; incorporation of high value U.S. soy products in food applications, crush plant assistance, adoption of USSEC recommended aqua technologies	Tech interventions at all levels of production and/or utilization sectors will increase preference for U.S. soy and compliment trade processes

ASC

SRI LANKA

SUPPLY / DEMAND BASICS

- Demand driven by poultry industry
- A small pork producer with zero inclusion of soy
- Despite abundant fresh and salt water, no significant aquaculture
- Growth opportunity in the domestic consumption of commodity soy and value-added soy products.
- Meal Utilization in Compound Annual Growth Rate:
  - Broiler -- 8%
  - Layer -- 7%
  - Human Consumption of Soy – 10%
- Highest per capita GDP in ASC

COUNTRY OVERVIEW

- Focus on Demand/Growth of domestic soy consumption and Market Development for U.S. Soy
- Population: 20.27 million
- GDP average growth: 4.5%
- Sri Lanka is focusing on long-term strategic and structural development challenges as it strives to transition to an upper middle-income country.
- Growth-oriented, stable government
- Infrastructure improving good roads and modern ports

TRADE / COMMERCIAL OVERVIEW

- Direct Market for U.S. soy Products
- Regular container shipment of soybean meal with 157,000 MT of U.S. meal imported in 2015/16 market year
- Potential market for U.S. food-grade soybeans, soy concentrates, soy isolates and soy flour used in processed foods, such as bakery products, nutraceuticals and texturized soy protein (TSP)
- Requirements are stable; highly quality conscious due to flourishing processed chicken market
- Considerable opportunities to promote soybean products in animal feed

POLICY AND/OR COMMERCIAL ISSUES

- GMO Concerns but GM meal is approved for import
- Government sets the price of some foods
- Customs tariff instability was seen momentarily; with some work on this front soy meal is currently exempted from customs duty.

SOY IMPORT SITUATION (MMT)

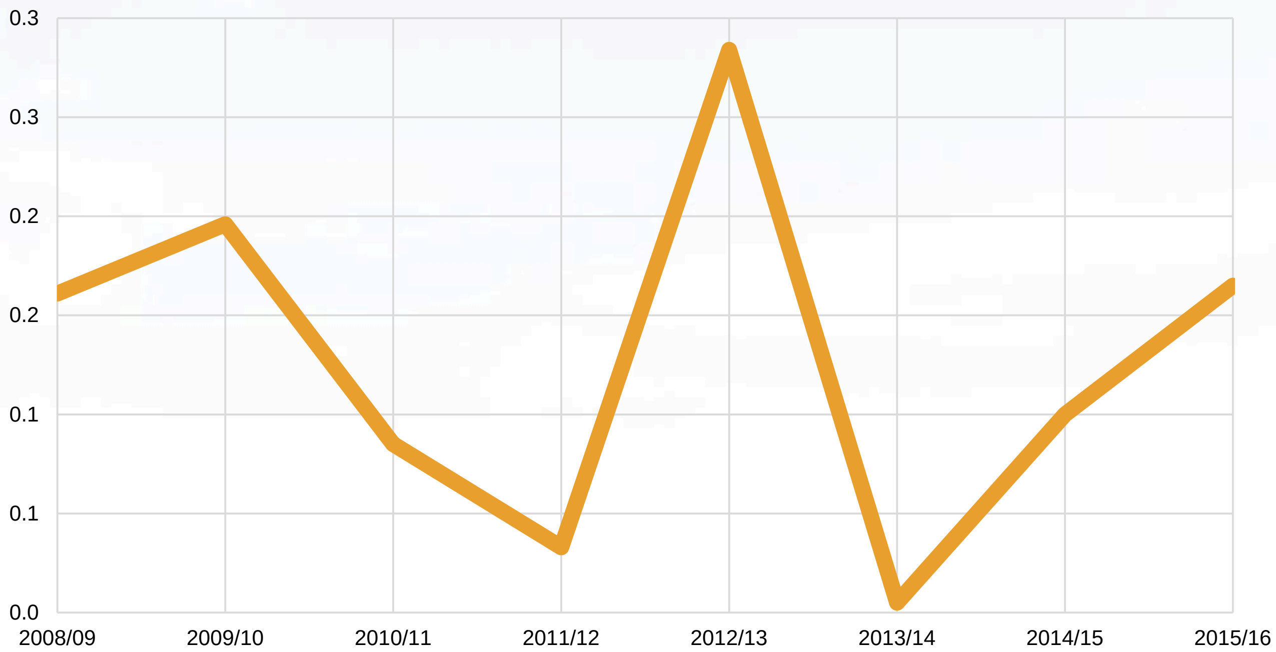
COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	0.008	0.008	0	0.008	100.0%	Growing
Soymeal	0.187	0.220	0.100	0.157	71.4%	Growing
Soy Oil	0	0	0	0		Growing
TOTAL	0.195	0.228	0.100	0.165	72.4%	

ASC

SRI LANKA

IMPORTS FROM U.S. (MMT)

U.S. Census Bureau data.



KEY PROJECTS – Sri Lanka

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Market Access	Biotech Messaging	On-site Biotech dialogues in the U.S. for Sri Lankan regulators to impress on advantages of U.S. soy	Helps solve occasional trade set-backs in Sri Lanka and ensures steady supply of U.S. soy
Technical Servicing	Differentiation and adding value to U.S soy	Demonstrate superiority of U.S. soy from intrinsic value perspective and educate the poultry and livestock sectors continuously	Improves further preference for U.S. soy and helps sustain current trade

ASC

PAKISTAN

SUPPLY / DEMAND BASICS

- Growing poultry and aquaculture sectors, starting to use modern production methods
- Broiler production is approximately 1.5 million metric tons (MMT)
- Dairy sector is slowly starting to become more modern (high yielding animal stock are being imported). Few modern dairy farms have been established. Limited SBM inclusion in dairy feed rations
- 910,000 MT for all livestock sectors for soybean meal (SBM)
- No significant imports of Indian SBM in 2015; decline started in 2014

COUNTRY OVERVIEW

- Pakistan is transitioning from ASA/WISHH to USSEC in 2017
- ASA/WISHH is currently implementing a four-year, $2 million project in Pakistan centered around building demand for soy in the aquaculture industry. Funding is non-traditional (non-MAP or FMD).
- GDP is $243 billion and growing at 4.2% per year
- Pakistan is the sixth most populous nation in the world with a population of over 191 million in 2015.
- Pakistan is also one of the youngest countries in the world with 33 percent population is under the age of 15.
- Political instability and U.S. Department of State Travel Advisory make it difficult to send U.S.-based technical consultants to travel to Pakistan

TRADE / COMMERCIAL OVERVIEW

- 369,000 MT of U.S. soybeans, meal, oil and protein products imported in the 2014/15 market year.
- Soybean imports are growing due to the increased tariffs on SBM
- There is always interest in SBO but freight charges are a disadvantage (9000 MT imported this market year
- Palm oil is the major oil because the largely refineries are configured for palm oil processing.

POLICY AND/OR COMMERCIAL ISSUES

- High tariffs on SBM and value-added soy products (soy flour, concentrates, isolates, etc.); companies have been reluctant to work with the government to have them reduced
- GMO products are being imported but no approval process is in place

SOY IMPORT SITUATION (MMT)

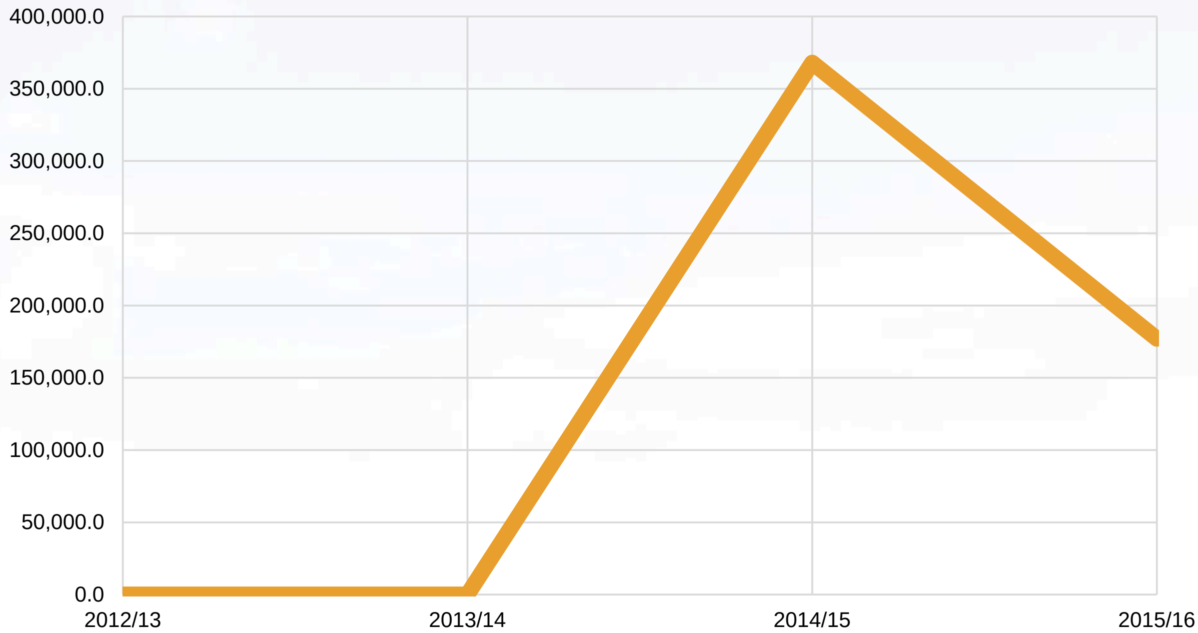
COMMODITY	TOTAL IMPORTS 2014/15	TOTAL IMPORTS 2015/16	IMPORTS FROM THE U.S. 2014/15	IMPORTS FROM THE U.S. 2015/16	U.S. MARKET SHARE	MARKET ASSESSMENT
Soybeans	0.538	1.250	0.314	0.166	13.3%	Growing
Soymeal	1.036	0.450	0.045	0	0%	Growing
Soy Oil	0.154	0.200	0.009	0.011	5.5%	Growing
TOTAL	1.728	1.900	0.368	0.177	9.3%	

ASC

PAKISTAN

IMPORTS FROM U.S. (MMT)

U.S. Census Bureau data.



KEY PROJECTS – Pakistan

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Technical Servicing	FEEDing Pakistan	Four-year program do build demand in the aquaculture industry	FEEDing Pakistan has helped establish initial development for Tilapia hatchery, feed mill and farms
	Differentiation and adding value to U.S soy and technology upgrades	Poultry feed formulations to emphasize on usage of U.S. soy meal and increase inclusions; incorporation of high value U.S. soy products in food applications, crush plant assistance	Tech interventions at all levels of production and/or utilization sectors will increase preference for U.S. soy and compliment trade processes
Trade Servicing	Supply	A series of education/training projects for crushers to continue their preference for U.S. Soy. Train entrepreneurs on import and logistics processes; expose entrepreneurs to U.S. trade and logistics; participate in National trade shows to seek new opportunities	Grow market share of U.S. Soy and improve trade efficiencies

WORLDWIDE

WORLDWIDE BASICS

- Trade and technical servicing programs to enlarge the international footprint of U.S. soy and address various market forces
- Information resources for grower leaders serving on strategic teams focusing on:
    - Meal, Oil & Sustainability Target Areas
    - Supply, Market Place & Demand Action Teams
    - Trade, Policy and International Affairs (TPIA) Committee
    - International Marketing Dialogues
- Support for grower leaders participating in marketing missions, helping them to prepare for presentations and industry meetings
- Hosting incoming trade teams, coordinating interaction between exporters and buyers and optimizing the value of their missions
- Engaging Qualified State Soybean Boards (QSSBs) and industry in international marketing activities
- Overcome market issues by monitoring global approval processes and addressing other barriers to trade as they arise
- Development of utilization area marketing plans

PROJECTS PROVIDE

- Expert Contractor Support
- Risk Management Training
- Trade Show Experiences
- Industry Meetings
- Applied Research
- Technology Transfer
- Marketing and Technical Support
- Strategy Development Sessions including UES development
- Enhance buyer's understanding of how to best add value to their operations by using U.S. soy
- Outbound Grower Leader Marketing Opportunities
- Support of Inbound Trade Teams
- Events Management
- Standardized market surveys measured against Key Performance Indicators
- Soybean market monitoring

INDUSTRY UTILIZATION AREAS

- Ensure the needs of specific sectors of the industry are incorporated into project designs
- Provide direction to focus efforts on long range strategic goals
- Serve as a resource for regional staff on common research, top class speakers, etc.

GOALS

- Consistent trade and technical servicing programs and messaging in our marketing areas
- Program development driven by the needs of the industry and the Long Range Strategic Plans of the various funding sources
- Universally accepted talking points and briefing papers
- Improved communications across all regions
- Best practices used in one of the marketing regions are shared and knowledge transferred
- Worldwide data base of reports, best practices, and highly effective consultants

SCOPE

- Managing 28 projects valued at ~$6.6 million dollars (excluding Attachment C)
- 4 directors, 5 project managers, 1 stakeholder relations manager, 1 stakeholder relations coordinator, 1 project implementation manager and 1 event planner.
- Grower leader and consultant travel
- Governance
- Membership & Industry Relations
- International Program Leadership
- UES Accountability
- QSSB and Industry Relationship Management

WORLDWIDE

KEY PROJECTS

PROJECT TYPE	KEY PROJECTS	BRIEF DESCRIPTION	IMPACT
Trade Servicing	Global Animal Feed Management & Technical Support	This project coordinates international efforts to differentiate U.S. soybeans and soybean meal from soy of different origins and creates a customer preference for U.S. soy as a feed ingredient highlighting its intrinsic and extrinsic values. This project creates interactions with grower leaders, scientists, customers, industry leaders, staff and contractors around the world. It also allows participation in international trade shows, seminars and symposia with an emphasis on animal feed and nutrition.	Over 1 Billion metric tons of animal feed is produced worldwide, using approximately 217 million metric tons (MMT) of soy. Of that, approximately 124 MMT tons of soy is used in poultry feed, 51 MMT in swine feed and 21 MMT in ruminant and other animal feed. According to FAO, poultry production is expected to more than double from 2010 to 2050 and pork production is expected to increase by 38%. As part of this effort, USSEC exhibited at the 2016 International Production & Processing Expo where staff interacted with attendees from 34 countries.
	Global Aquaculture Management Project	This project oversees the management of the International Aquaculture Program. This involves stakeholder involvement, public relations efforts, trade show and conference involvement, etc. All increases in seafood production will come from aquaculture growth because of declining capture fishery landings, with product demand projected to double in the next decade. Focus of this project is to ensure soy has a key role in this aquaculture growth and the full sustainable, economical and healthful benefits of soy in aquaculture are understood.	In 2015, roughly 50 MMT of aquafeed was produced globally, using about 14 MMT of soybean equivalents. We know that at least 5 MMT of that soy was of U.S. origin. Overall, soy inclusion in aquafeeds is up 2 MMT from 2014.
	Global Market Access and Sustainability Promotion	This project monitors and addresses a wide range of global market access issues that can limit soy exports. There is constant pressure in the marketplace as it relates to biotechnology acceptance, sustainability, regulatory delays, and other tariff and non-tariff trade barriers.	Through this project we not only keep the pulse of the world related to market access issues, we address those challenges through innovative and impactful programming such as MAGIC (Mothers Advocating for GMO Innovation in China), the International Soy Growers Alliance (ISGA), U.S. Soy Sustainability Assurance Protocol (SSAP) acceptance and promotion around the world as well as many other engagement activities in coordination with the regional offices.
	Building International Awareness of Enhanced Trait U.S. Soy Oil	This worldwide project's objective is to motivate crushers to commit to invest in methods for identity preserving (IP) soybeans with new and improved oil composition traits for value capture throughout the chain. To help ensure international demand pull for these products and differentiate and build preference for U.S. Soy it is important to start educating the international crushers well in advance of exportable U.S. enhanced trait soybean oil. Focus groups will be used to capture the crusher/refiner findings.	Very successful project as the Japanese and Chinese focus groups' findings revealed crushers/refiners currently have the capability of oilseed value chain IP. Moreover, both markets have a deep understanding of the value of and market positioning needed for launching a SBO with enhanced traits linked to better health.
Technical Servicing	Ileal Digestibility of Amino Acids in Soybean Meal by Swine	This study was designed to determine and compare the ileal digestibility of amino acids in soybean meal from various origins when fed to swine. The work was concluded in July with positive results.	The project contributes to the body of knowledge about the comparative advantages of U.S. soy. The results were presented at the U.S. Soy Global Trade Exchange and was recently published in the *Journal of Animal Science* in April 2017
	Worldwide Aquaculture Feeding Demonstrations Project	As new soy diets are developed for varying species of aquaculture, life stages and production systems, applied research and on-farm feeding demonstrations are required to prove the value of soy-based aquafeeds to the aquafeed industry and aquaculture farmers in regions around the world. A critical component of the aquaculture utilization program is conducting feeding demonstrations on commercial aquaculture farms and applied research studies with research groups in target countries to develop and demonstrate the economic, environmental, sustainability and food safety benefits of soy-based feeds and technologies.	For aquaculture, water conservation and recycling are among the most critical issues for industry sustainability. The Intensive Pond Aquaculture (IPA) technology introduced by USSEC in 2013 allows for at least the tripling of aquaculture production while using soy-based feed in existing ponds; while simultaneously reducing aquaculture's environmental impact by conserving and recycling water, providing waste output for crop fertilization, and optimizing food safety through improved system management. It has attracted widespread attention and interest in China, India, Egypt, Vietnam and Latin America.
	Worldwide - Reinvigorating Soy Oil Markets	The objective of this international activity is to secure consistent purchasers of U.S. soy by helping the targets reinvigorate their soy oil product offerings and to strengthen their positions in the wholesale and retail markets. A key focus area for this effort will be to drive customer preference for U.S. soy by educating the targets on successful soy oil product repositioning techniques, such as advanced marketing training programs, product promotions, labeling enhancements, and new packaging research, which have been effectively utilized in different regions of the world. USB International Opportunities will also support U.S. soy's efforts to raise awareness of new U.S. soy oil products such as high oleic soybean oil.	Between 98-100% of the target audience found this reinvigorating SBO promotional campaign to be timely, relevant and valuable to their businesses. They acknowledged that they were much more aware of advanced product repositioning methodologies; impressed with the innovation response other companies had taken with novel, new SBO product development and packaging; and the vast majority said they would share the information with their company counterparts. This project also trained USSEC staff from three key US SBO export destinations on strategies & tactics that had been successfully used to significantly reinvigorate US SBO use/sales in the Americas' retail & wholesale sectors.