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Asia shows increasing demand for container shipping of U.S. Soybeans

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Countries in Asia, led by Indonesia, are increasingly relying on shipping containers to transport their purchases of U.S. soybeans, according to an analysis of federal data released by the Illinois Soybean Association (ISA).



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The number of soybeans shipped in containers to Asian countries has grown 40 percent since the 2014-2015 crop marketing year, from 2 million metric tons to 2.8 million metric tons. Indonesia is the top buyer of container shipments of soybeans at about 1.4 million metric tons, followed by Thailand, Vietnam and Malaysia.

Container shipments of soybeans for the 2018-2019 marketing year are expected to grow by 18 percent, to 3.3 million metric tons, based on first-quarter trends. The soybean marketing year begins Sept. 1 and ends Aug. 31.

The data was tabulated for the U.S. Soybean Export Council from weekly reports released by the Federal Grain Inspection Service, which maintains crop standards and ensures markets for grains and related products are fair and transparent. The analysis did not include container shipments to China and Taiwan.

Containerized shipping offers several benefits to international buyers. It better meets the needs of smaller customers that may not be able to accommodate bulk cargo vessels or wish to purchase smaller quantities and minimize their inventory investment.

Other benefits include quality preservation, the ability to buy soybeans with specific product attributes and shorter delivery times to Asian ports than the bulk-shipping channel. Overall, container shipping opens the door for diverse markets across the globe to purchase U.S. soybeans.

The continued growth in foreign demand for containerized soybeans is positive news for soybean farmers in Illinois, the top soybean-producing state in the country. Containerized shipping provides another market through which growers can sell their soybeans and creates competition in ocean transportation, ultimately lowering freight costs.

"Wider use of containers, thanks to the huge supply of empties in the Chicago area, has resulted in industry investments to increase the visibility and viability of this option," said Eric Woodie, a trade analyst with the ISA checkoff program. "Thereâ??s a major opportunity to take advantage of empty containers sitting idly in the U.S. and return them to export markets with soybeans. Not only does this help alleviate a significant problem in global trade, but it offers great value to international buyers, soybean exporters and Illinois farmers."