Soybeans Without a Buyer: The Export Gap Hurting U.S. Farms

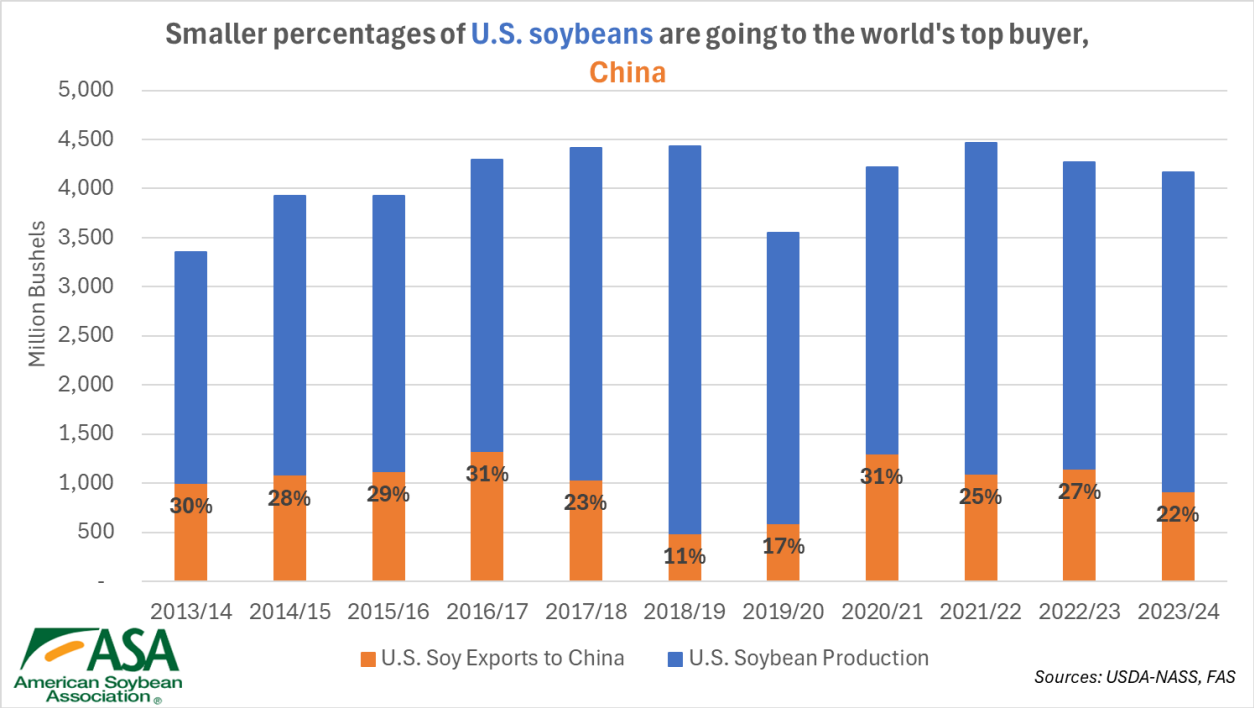
Farmers can't afford casual trade policies when China walks away from U.S. soy

By the American Soybean Association

China is the world's largest soybean buyer, and the competition is nowhere close. Over the last five soybean marketing years, China has imported an average of 61% of the world's traded soybean supplies, more than the rest of the world *combined*.

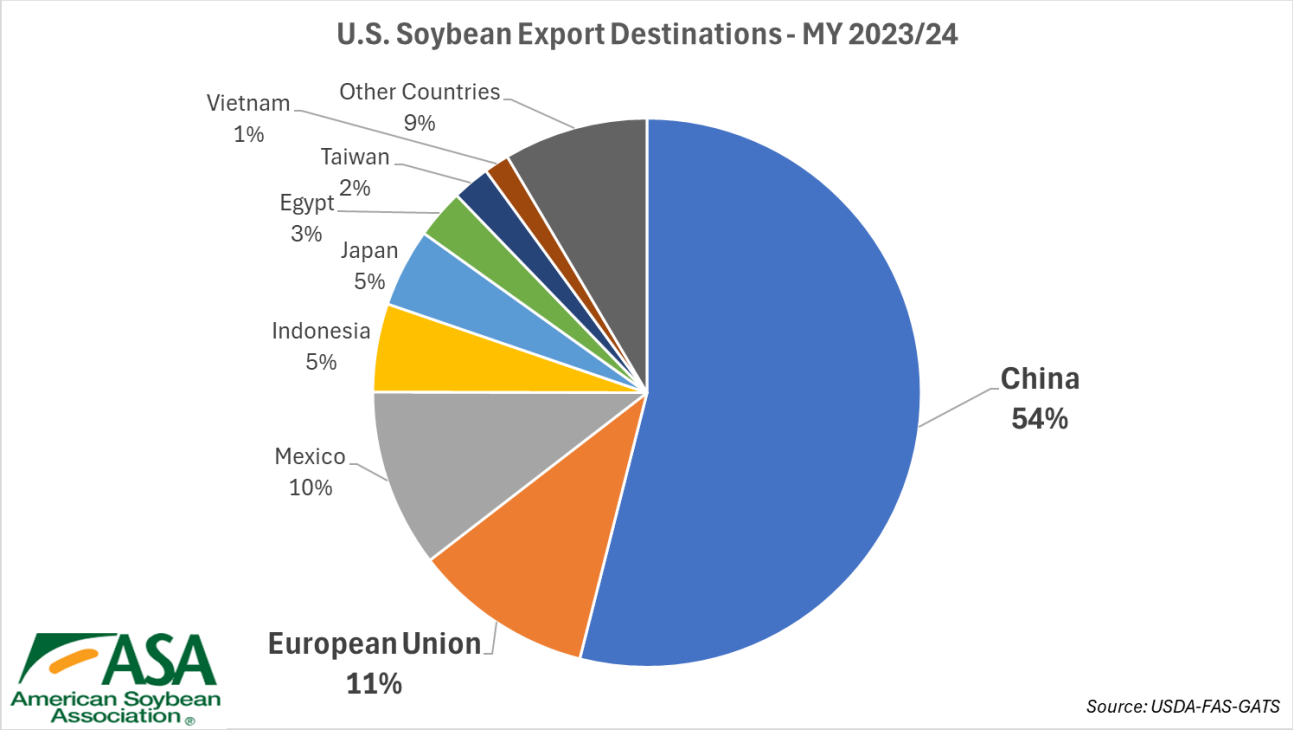
Historically, the U.S. has been a primary soybean supplier to China. In the seven years leading up to the 2018 trade war, an average of 28% of U.S. soybean production was exported to China, with a peak of 31% recorded in marketing year (MY) 2020/21 following the Phase One Trade Agreement. During the seven years preceding the trade war, U.S. soybean exports to China accounted for an average of 60% of total U.S. soybean exports.

Figure 1: U.S. Soybean Production and Exports to China



China is the top buyer of U.S. soybeans by a staggering margin. In MY 2023/24, the U.S. shipped nearly 25 MMT of soybeans to China while a mere 4.9 MMT of U.S. soybeans were exported to the European Union. The second largest buyer of U.S. soybeans can barely buy *one-fifth* of China's soybean purchases.

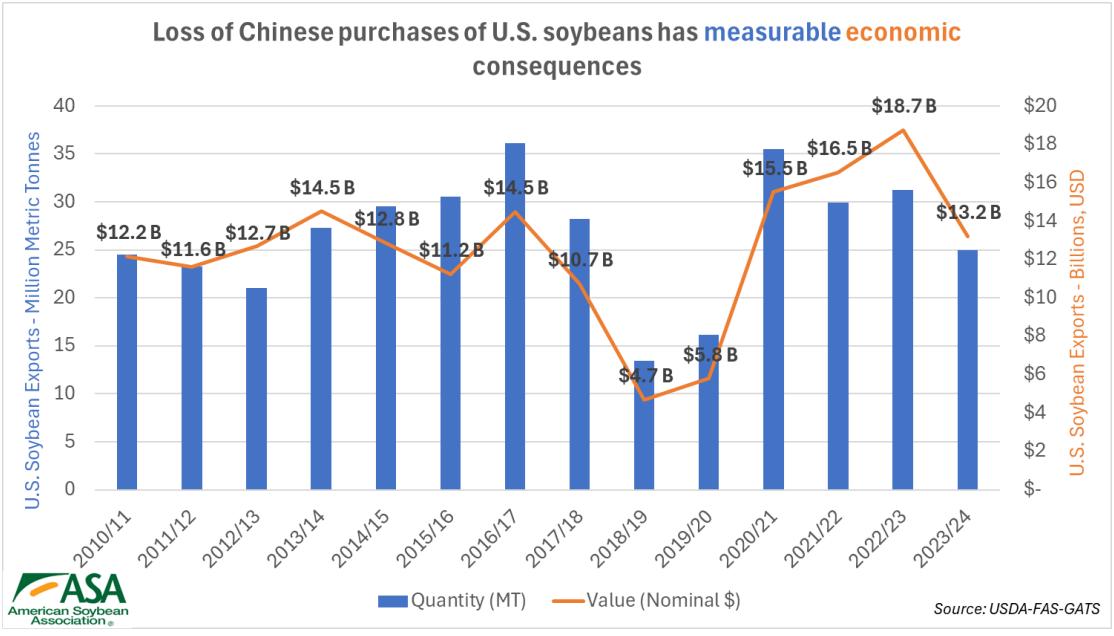
Figure 2: U.S. Soybean Export Destinations



Trade war fallout

Prior to the 2018 trade war, the U.S. shipped an average of $12.8 billion worth of soybeans to China per marketing year. During the trade war, that value shrank to $4.7 billion in 2018/19 and $5.8 billion in MY 2019/20.

Figure 3: U.S. Soybean Exports, Quantity and Value



In response to tariffs the U.S. imposed on Chinese goods during the 2018 trade war, China imposed a 25% retaliatory tariff, which effectively priced U.S. out of the Chinese market. This was on top of the 3% Most Favored Nation (MFN) tariff, and a sliding Value Added Tax (VAT) on U.S. soybeans.

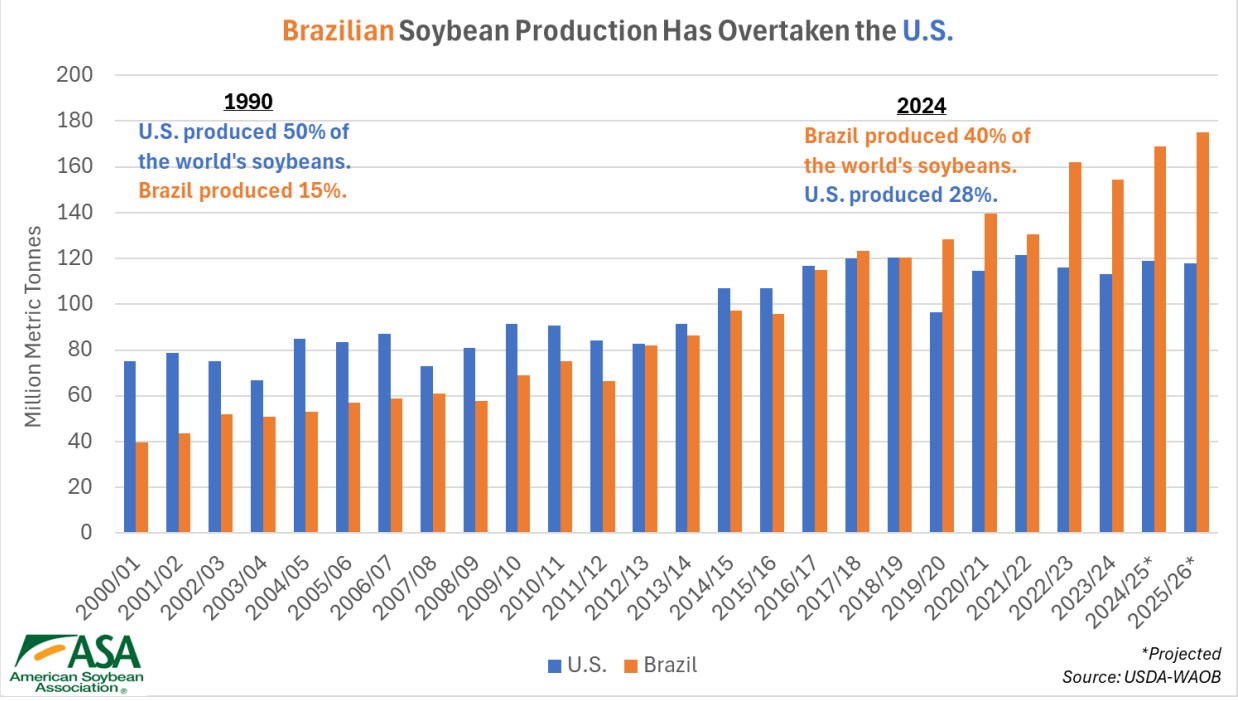
The U.S. Department of Agriculture (USDA) estimates U.S. soybean farmers experienced $9.4 billion in annualized losses during the 2018 trade war, accounting for a staggering 71% of the $27 billion total loss in agricultural exports suffered by U.S. farmers during that time.

While tight global supplies and geopolitical challenges elevated U.S. soybean revenues from China following the 2020 pandemic, U.S. soybean volumes shipped to China in the post-pandemic era fell painfully short of pre-trade war shipments. By MY 2023/24, only 22% of U.S. soybean production was shipped to China – a nine-point drop from Phase One-era highs in MY 2020/21.

Shift to Brazil

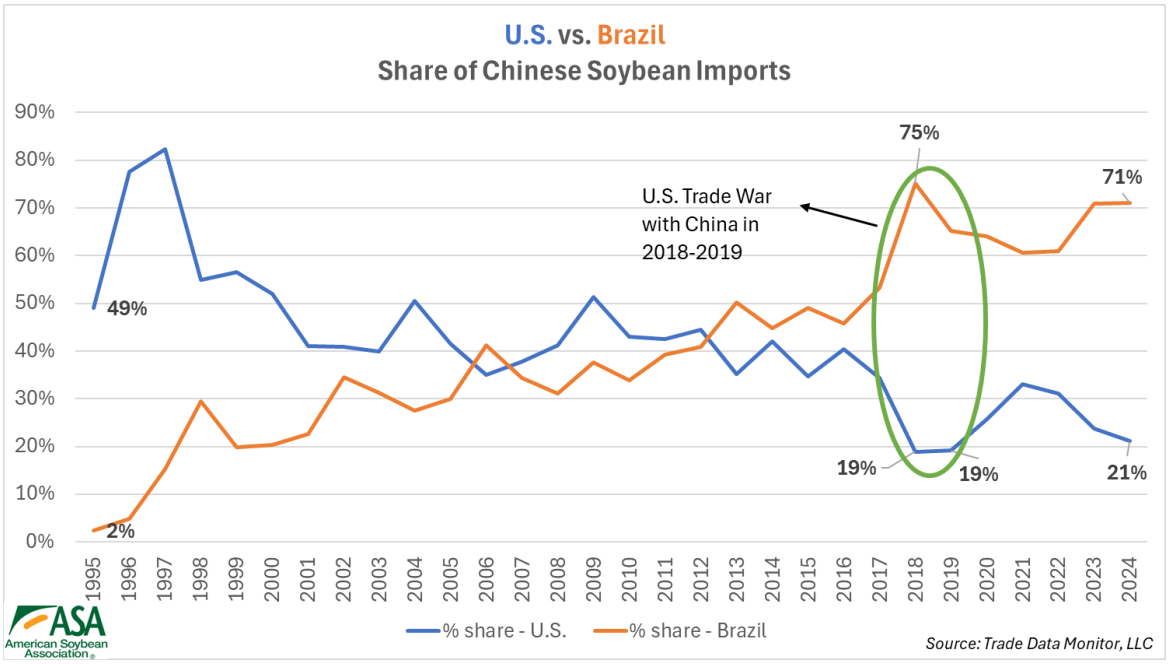
Prior to the 2018 trade war, China sought to diversify its soybean suppliers to bolster domestic food security. Brazilian farmers began expanding soybean production in the 1990s with substantial investments from China and eclipsed U.S. production volumes in MY 2019/20.

Figure 4: U.S. vs. Brazilian Soybean Production



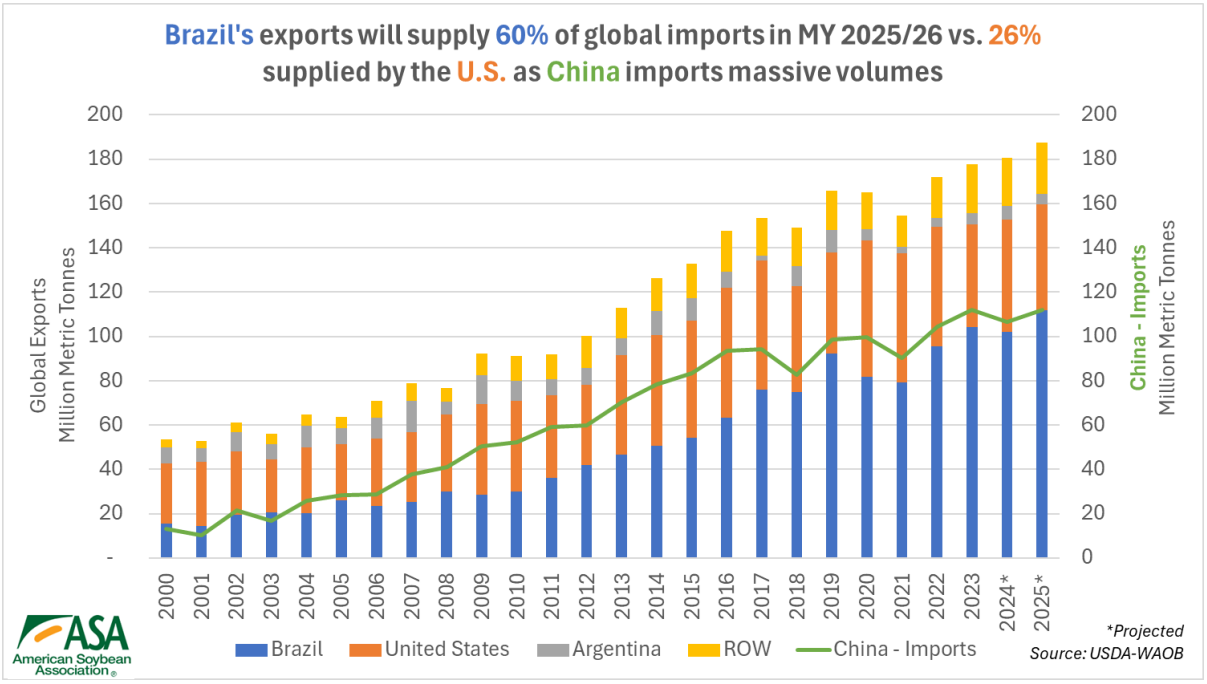
Reduced land and seed costs relative to U.S. production consistently push Brazilian soybean prices lower than U.S. prices, making Brazilian soybean shipments more affordable for top global buyer China. As a result, China's soybean purchases from Brazil ballooned over the past 15 years while imports of U.S. soybeans began to decline.

Figure 5: Share of Chinese Soybean Imports Sourced from the U.S. and Brazil



As China's soybean purchases from Brazil grew, the lower costs, favorable currency exchange rates and additional infrastructure investments from China expanded profits for Brazilian producers, pushing more soybean acres into production in Brazil. USDA projects Brazil produced 42% more soybeans than the U.S. in MY 2024/25, supplying its export market with 112 MMT which is an equivalent volume to China's MY 2024/25 imports that also totaled 112 MMT.

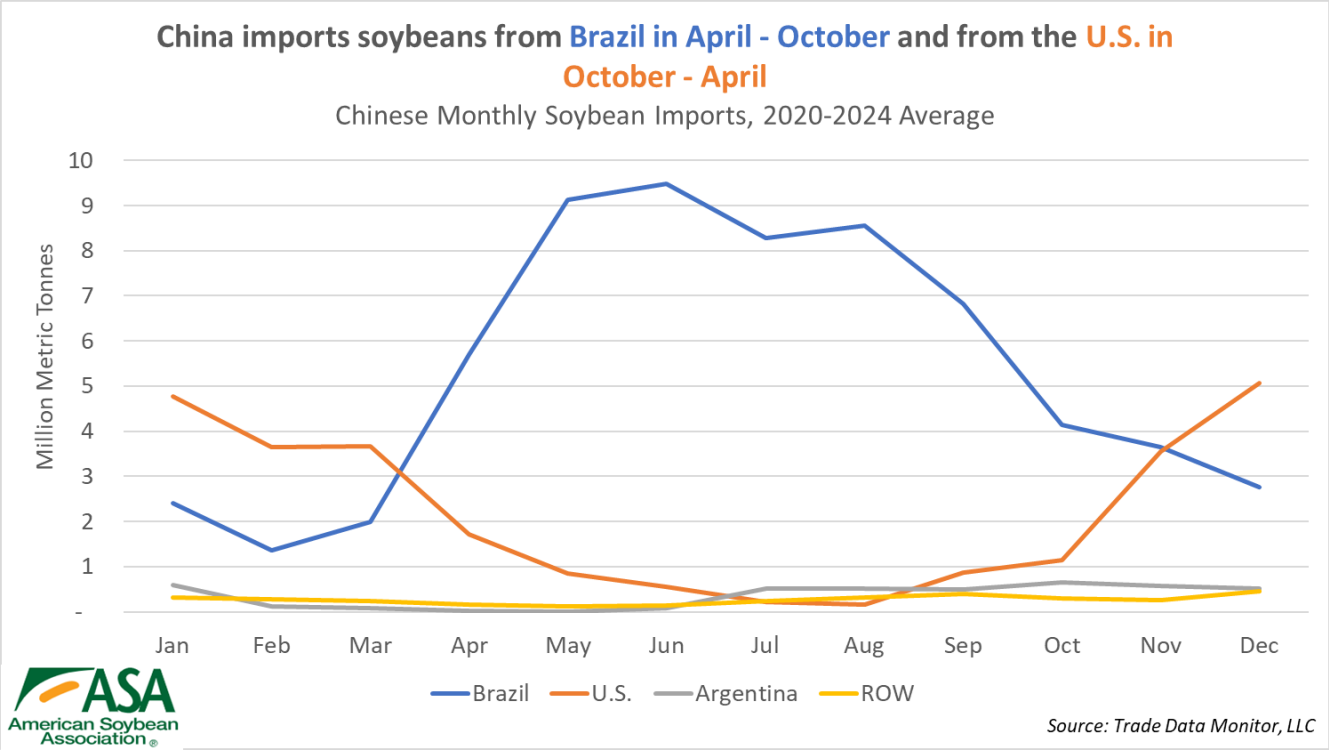
Figure 6: Global Soybean Exports by Country vs. Chinese Soybean Imports



In addition to increasing competing volumes, Brazil's presence in the global soybean market narrows the selling window for U.S. soybean exports. The prime U.S. soybean export sale window to China typically spans from fall harvest in September and October through February and in some years, early March, if Brazil experiences harvest delays.

China effectively halts its U.S. soybean orders as soon as Brazil's harvest comes online in February. After which point, China purchases soybeans exclusively from Brazilian originators until Brazil runs out of exportable soybeans around September, if the country faces logistics challenges, or if a cheaper U.S. crop hits the market earlier than usual.

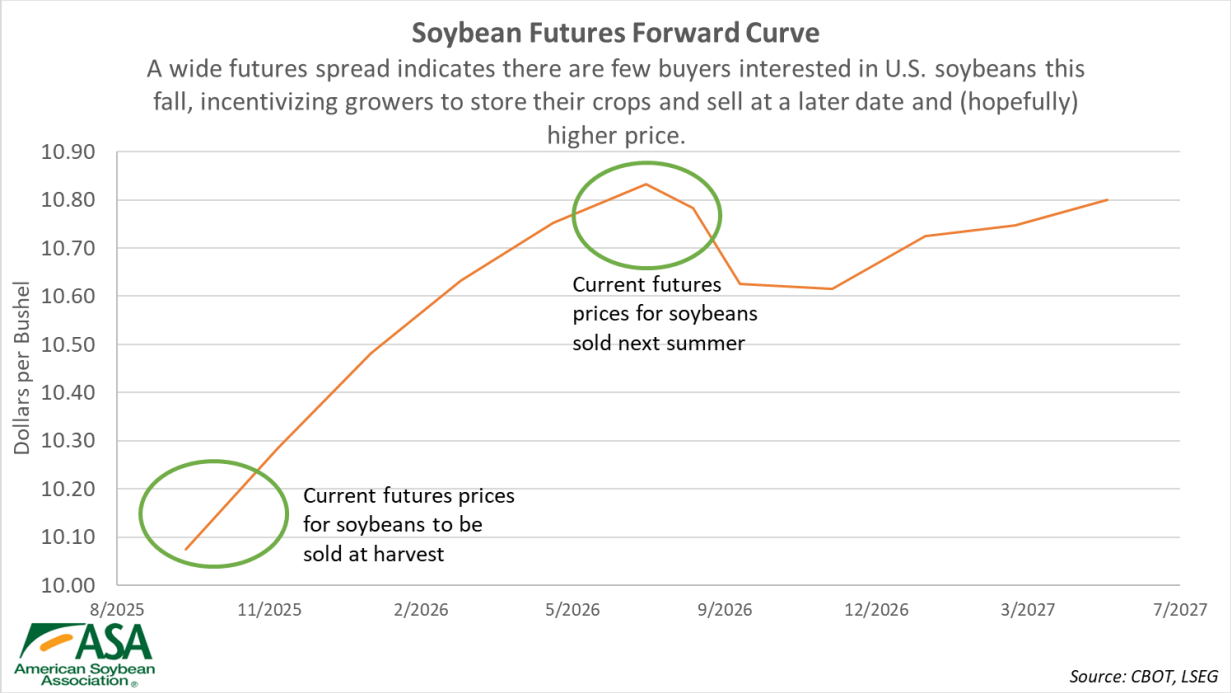
Figure 7: Seasonality of Chinese Soybean Import Sources



China maintains the same MFN rates on soybeans for both the U.S. and Brazil, which currently stands at 3%. Outside of a trade conflict, pricing between the two competitors is on an even scale. However, the retaliatory tariffs on U.S. soybeans and seasonality differences in shipping between the U.S. and Brazil results in a smaller window for global buyers – particularly Chinese importers – to affordably access exportable U.S. soybean supplies.

China's seasonal buying pattern impacts both futures and local soybean prices for farmers. The current futures price spread, which illustrates buyer preferences over time, suggests few international buyers are interested in freshly harvested U.S. soybeans this fall. Higher prices for future delivery months are currently being quoted by the market and incentivizing farmers to store soybeans at harvest. But without the certainty of a trade deal, farmers could still end up earning lower cash prices in future delivery months and incurring steep storage expenses in the continued absence of Chinese demand.

Figure 8: November Soybean Futures Contracts – Forward Curve

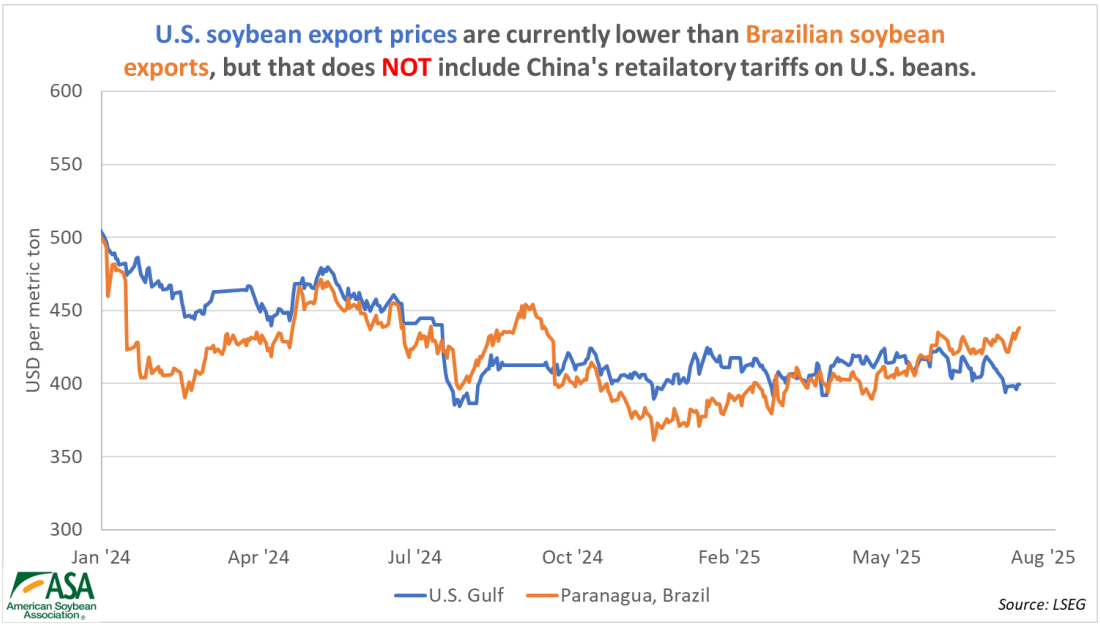


Pre-harvest rumblings

Over the past three decades, global protein demand has surged — and the U.S. is well positioned to help meet it through competitive soybean production. Retaliatory tariffs have blunted U.S. soybean growers' advantage, restricting their access to the very market where demand is growing fastest.

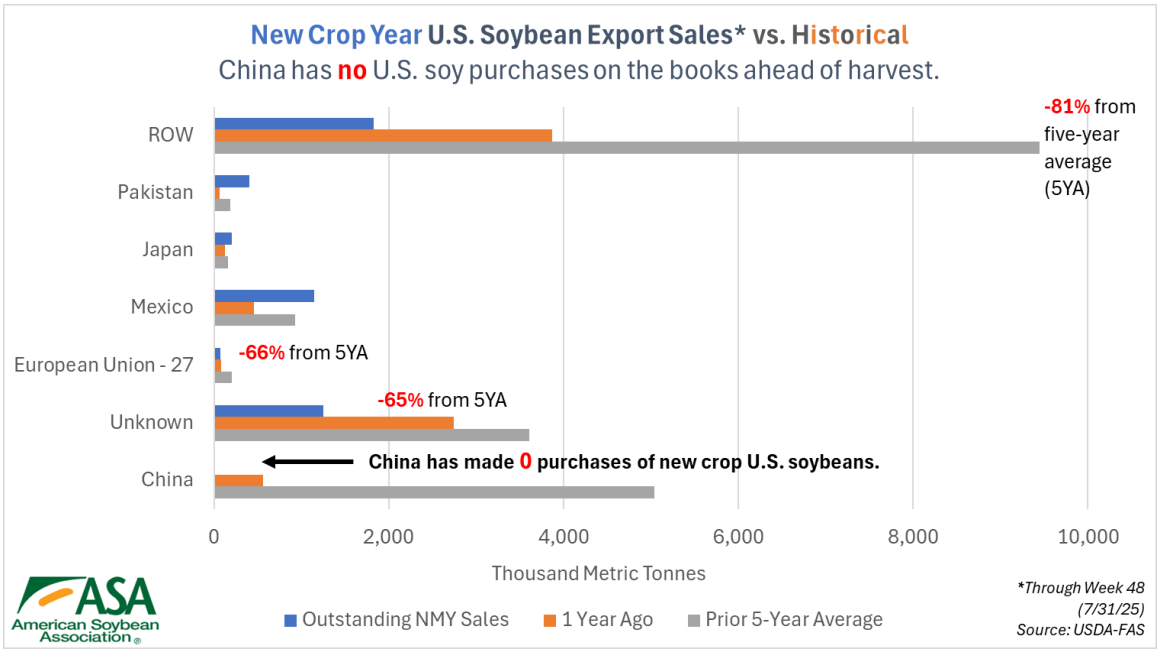
The combination of 20% retaliatory tariffs as well as VAT and MFN taxes have pushed China's overall duty rate on U.S. soybeans to 34% in 2025. While the new retaliatory rate is 5% lower than during the 2018 trade war, the added retaliatory duties will keep U.S. soybean prices prohibitively more expensive than South American soybean supplies ahead of U.S. harvest this fall.

Figure 9: U.S. and Brazil Soybean Export Prices



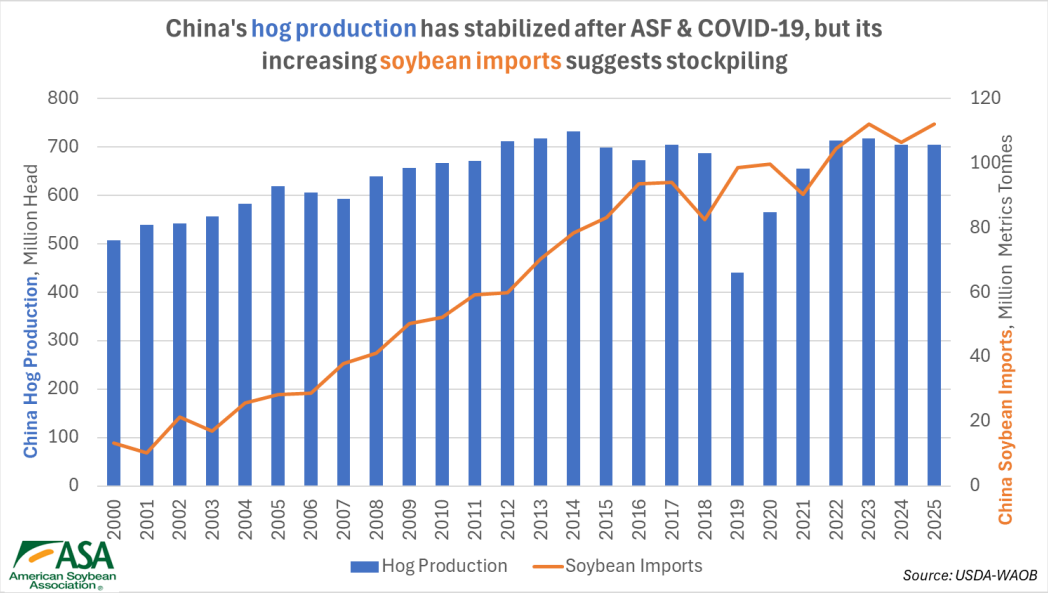
As a result, China currently has zero new crop export orders for U.S. soybeans on the books for MY 2025/26. This time of year, and in years in which trade disputes were a non-issue, China has typically ordered an average of 14% of its anticipated soybean purchases from the U.S. before soybean harvest begins in the Heartland, with a high of 27% ordered going into MY 2022/23. Other countries have not made up the difference either, with new crop sales down 81% from the five-year average.

Figure 10: U.S. New Crop Export Sales, by Destination



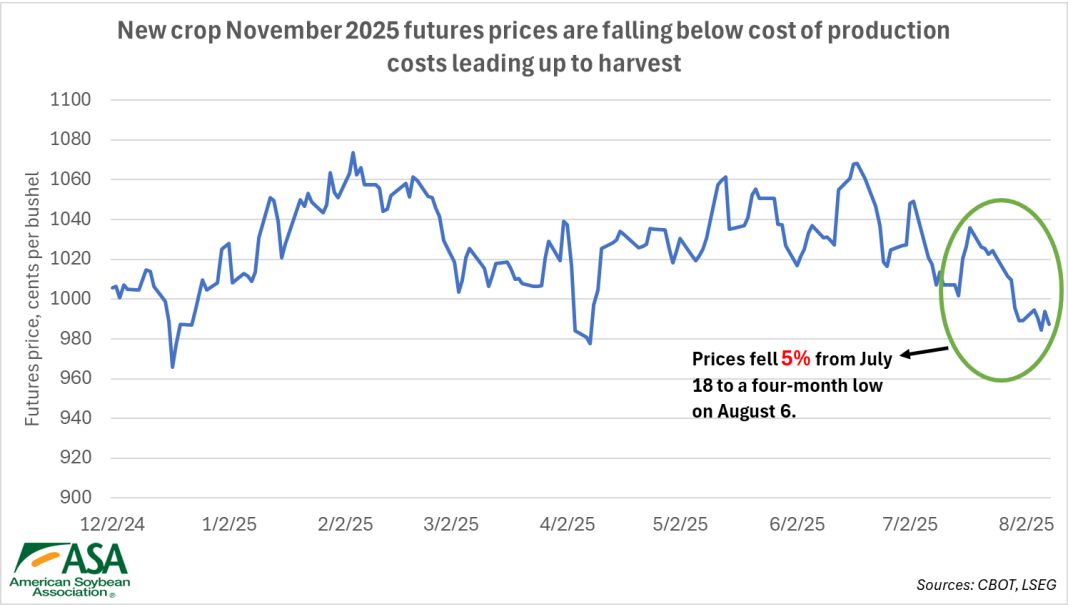
China has not been shy about its strategies to circumvent freshly harvested U.S. supplies this fall. China imported record volumes of Brazilian soybeans between April and July 2025, growing domestic stockpiles of soymeal to the point at which Chinese soybean processors are facing negative margins. In early August 2025, traders announced a first-time export sale of Argentine soymeal to China to be delivered this fall to reassure Chinese feed mill buyers anxious about hog feed availability amid the ongoing trade dispute.

Figure 11: Chinese Hog Production vs. Chinese Soybean Imports



China's absence from the new crop export market has dealt a heavy blow to U.S. soybean futures prices, especially as favorable U.S. growing conditions this summer will lead to above-trendline soybean yields to be produced in the 2025 crop year, which begins September 1. Between July 18 and August 6, new crop November 2025 soybean futures fell from $10.3575/bu. to $9.845/bu. amid increased U.S. production expectations and lack of new crop export orders from China.

Figure 12: New Crop November 2025 Soybean Futures Prices



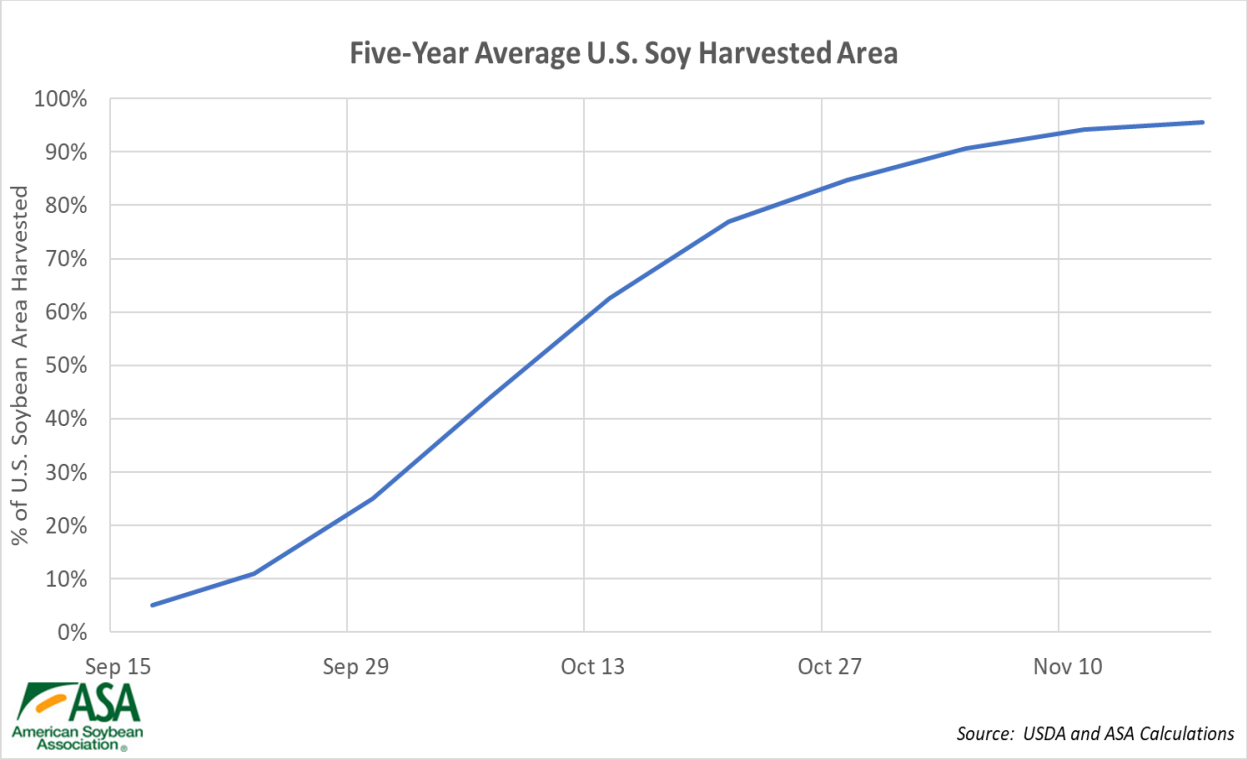
That's over a $0.51/bu. (5%) price drop in less than three weeks. When compared to an expected national average cost of $12.05 per bushel, this price drop pushes soybean farmers deeper into the red in an already difficult year.

And it's not just Chicago where the losses are piling up. In the Northern Plains, where the majority of the soybeans produced have traditionally been exported to China via the Pacific Northwest (PNW), there are currently zero orders for new crop soybeans on the books, according to BNSF Railway and exporters in the PNW. Cash prices have tumbled across North Dakota, South Dakota and Nebraska as a result, with nearby basis in Alton, North Dakota widening from negative $0.95/bu. on July 15 to negative $1.20/bu. on August 8 due to the lack of export buyers.

Time is running out and farmers could pay the price

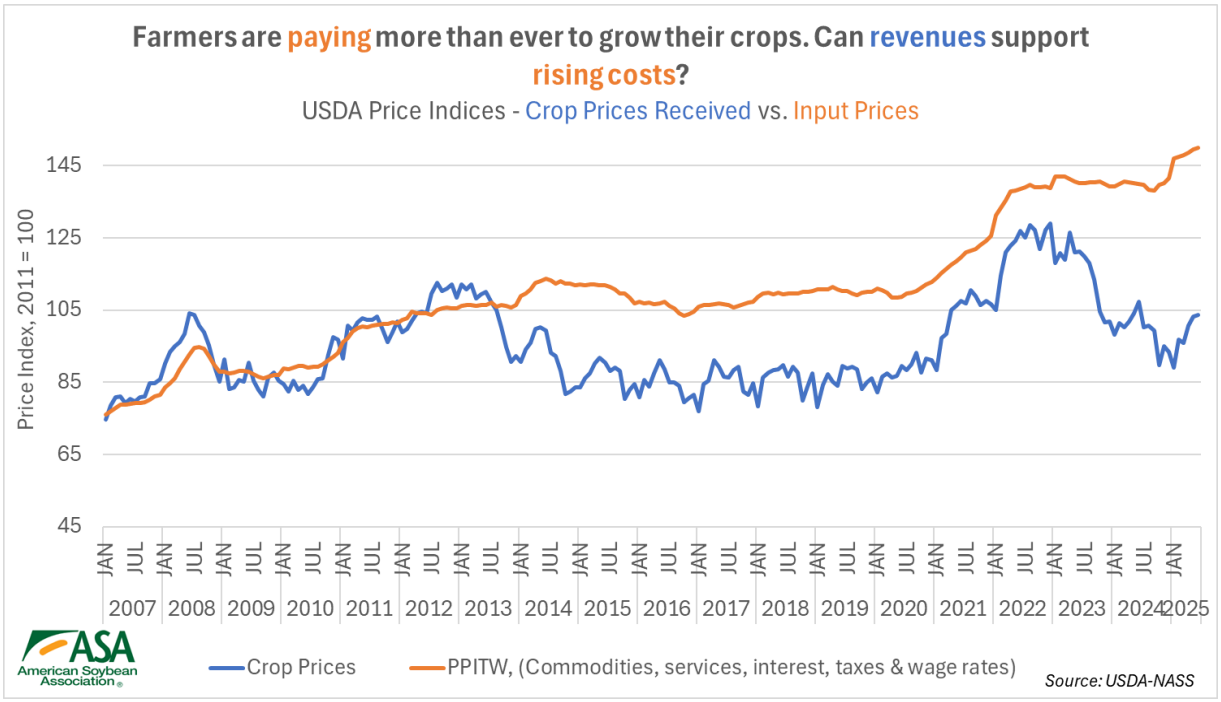
The tariffs implemented this year have had a limited impact on soy to this point as they occurred outside the major export window. That is quickly changing. Combines will start rolling through fields in the next month to harvest soy. At that point, the lack of export bookings will quickly become problematic as the main destination for the oilseed contains significant barriers. The problem will compound through the fall as more of the crop is harvested. By mid-October, almost half of the crop will be entering the supply chain.

Figure 13: Anticipated Soybean Harvest Timeline



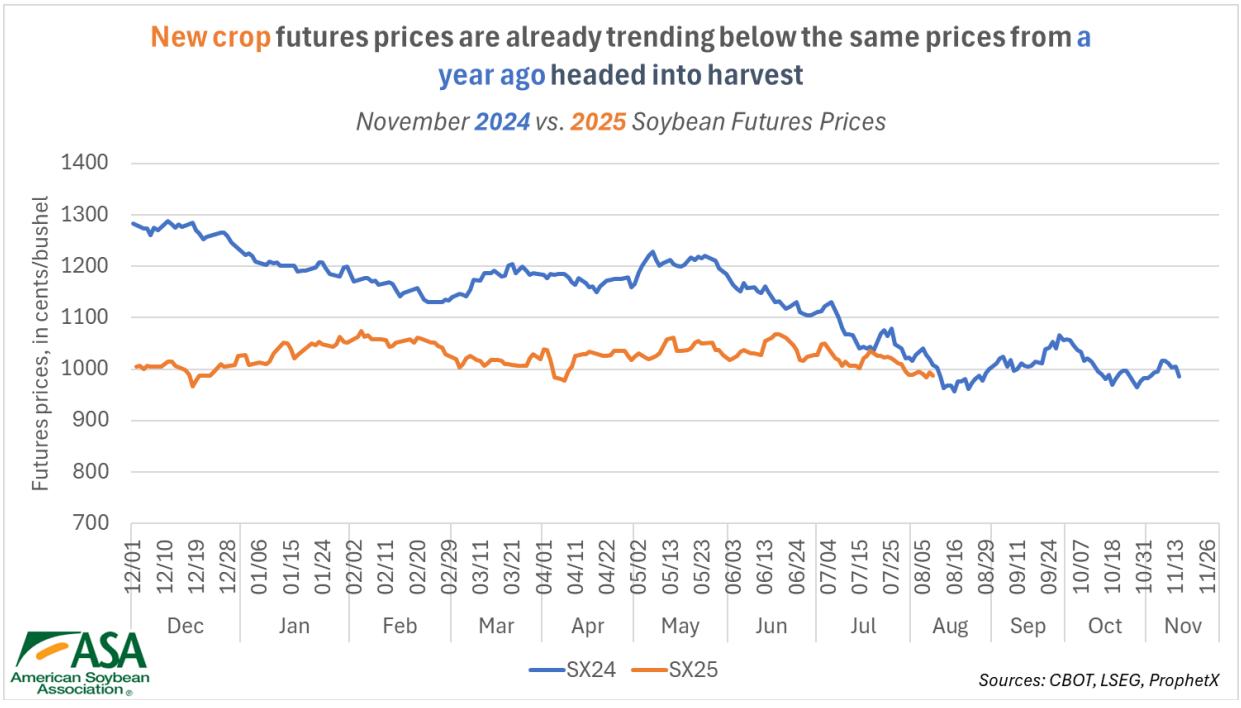
Farmers continue to incur steep production costs, which have shown few signs of easing in the post-pandemic era. In fact, in the past four years, annual production expenses have ranked among the top 10 most expensive in U.S. history.

Figure 14: USDA NASS Price Index – Crop Prices Received vs. Input Prices



Meanwhile, revenue prospects continue to diminish for farmers amid China's absence on the U.S. soybean export market. As peak export season approaches after MY 2025/26 begins September 1, those prices could drop even further during the U.S. harvest if China continues to shrug off U.S. soybean supplies.

Figure 15: Chicago Board of Trade November 2024 vs. November 2025 Soybean Futures Prices



Currently, futures spreads for delivery throughout the upcoming 2025/26 marketing year are abnormally wide. This dynamic will result in farmers, traders, processors and exporters storing as many soybeans as possible nearby as early as possible in the harvest season.

In theory, basis should eventually increase after harvest as end users seek to coax those bushels out of storage. But with the grim export outlook currently, there is no guarantee farmers will have a chance to earn enough revenue to cover production costs incurred during the current growing season.

The shrinking profit margins will have widespread economic impacts, not just for farm families and young farmers who will suffer the losses more acutely, but rural communities will suffer as well amid the lack of reinvestment from the agricultural sector.

Soybeans are the highest dollar agricultural and food product exported from the U.S. Reducing export volumes would widen the ag trade deficit while causing economic contraction across the 30 primary soybean producing states. A trade deal with China to ensure affordable access to U.S. soybeans is more necessary and urgent than ever for farmers' futures in coming years.