China stopped buying US soybeans. What does that mean for Louisiana growers?

By **Dillon Lowe**

China, which has historically bought more U.S. soybeans than any other country, has sharply reduced its purchases this year. In September, it imported no American soybeans for the first time in seven years.

That development, a product of the U.S.-China trade war, has rattled farmers across the nation. Without a breakthrough in trade talks, American farmers could face billions in losses, per national media reports.

One might think Louisiana is especially vulnerable to China's pullback, as soybeans are the state's third-largest plant commodity, outranked only by forestry and sugarcane. Last year, about 60% of Louisiana soybean exports reportedly went to China.

But the good news, according to David Moseley, a soybean specialist with the LSU AgCenter, is that Louisiana soybean farmers still seem to be moving their crop.

Moseley tells *Daily Report* that he's touched base with his contacts across the state—northeast, central and southeast—and received "no reports" of such farmers being unable to find buyers.

"I haven't heard anyone in Louisiana say they can't even sell it," Moseley says.

That could be because the market is being propped up by other demand channels, particularly domestic crushing operations that process soybeans into meal and oil.

"They've found demand in other places, like the meal and oil markets," Moseley says. "Those markets have kept strong."

Price pressure, however, remains a major concern.

According to Moseley, while Louisiana soybean farmers are still finding buyers, the lack of Chinese demand is likely suppressing what they could otherwise earn. Profitability remains strained, especially given the rising cost of equipment.

"We're not selling to our biggest export market, which you would assume is keeping the price per bushel lower than it could be, though that's not a guarantee," Moseley says. "But the price is for sure below expenses. I mean, that's a given."

While Louisiana has, for now, avoided a glut of unsold beans, the broader export story remains unresolved. China typically accounts for roughly half of all U.S. soybean exports, and a prolonged retreat from the market would leave American farmers increasingly dependent on domestic crush demand and smaller foreign buyers like the European Union and Mexico.

Whether those channels can continue to make up the difference may determine how farmers ultimately fare if the trade war stretches on.

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