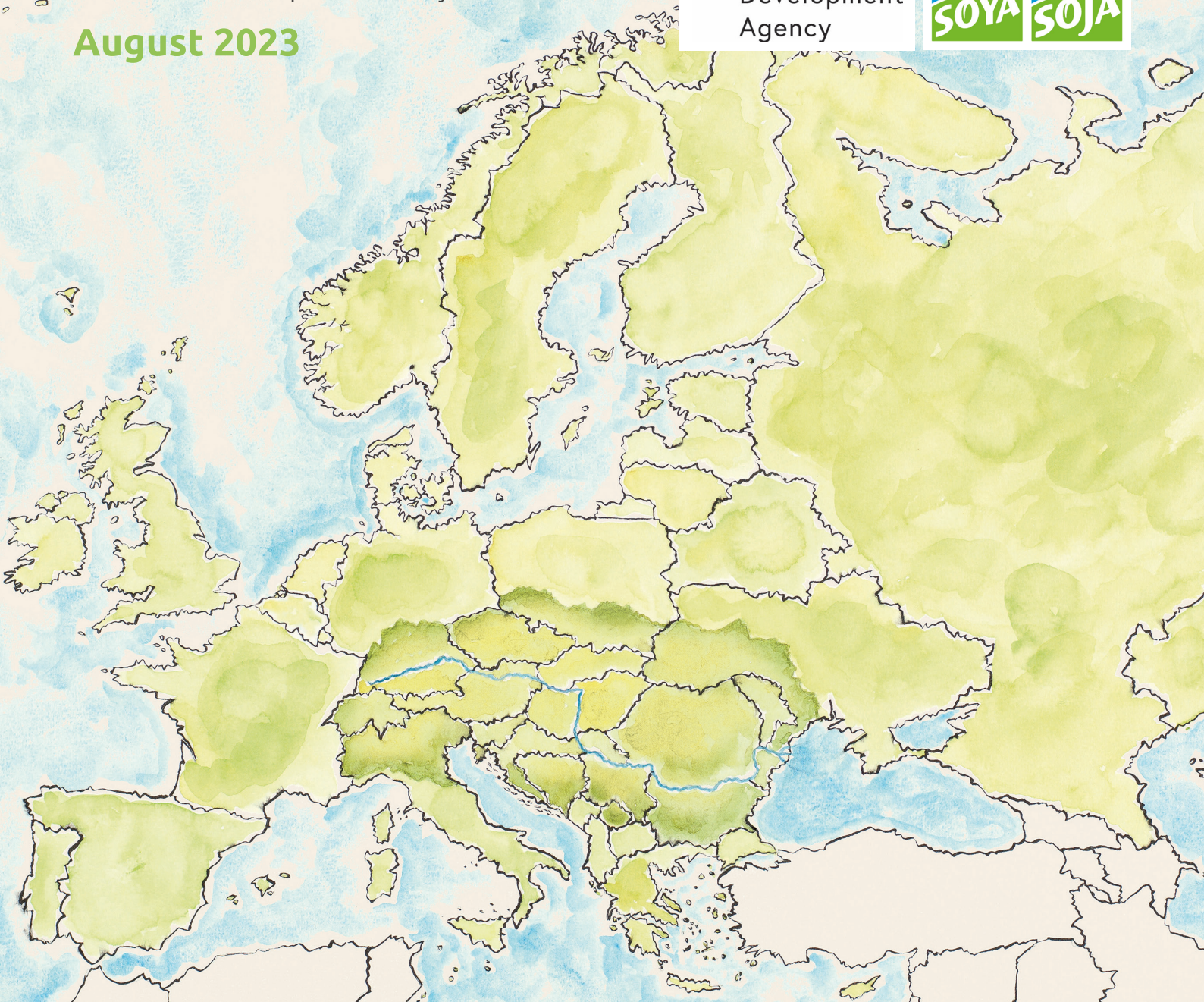


# NON-GM SOYA UPDATE

An Overview of the European Non-GM Soya Market

August 2023

 Austrian  
Development  
Agency



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The Non-GM Soya Update provides information on the soya industry with a special focus on the European non-GM market. The main objective of the publication is to create market transparency and support the decision making of stakeholders operating in the non-GM soya industry. The report includes news on market developments and forecasts as well as price, supply and demand data. The document is published by the Donau Soja Association on a monthly basis.



## HIGHLIGHTS

- **Donau Soja forecasts that total soybean output in Europe could reach an all-time high of 11.5 million tonnes in 2023, +16.3% over the previous year. Our prediction for total soya output in Europe has changed only marginally vs previous month.**
- **EU soybean output is projected to grow to a record 3.0 million tonnes in 2023, up 33.6% vs 2022 due to higher yields.**
- **Favourable weather conditions throughout the growing period are likely to result in higher than 5-year-average yields in most soybean producing regions in Europe this season.**
- **EU soybean prices at the Bologna Exchange rose to 493 EUR/t by the end of July, +6% vs one month earlier. The EU (and international) prices were driven up in July by hot weather in the US.**
- **HP non-GM soymeal was offered at 30-35 EUR/t more than GM soymeal in Northern Germany during mid-August. Non-GM soymeal premiums in the EU have remained relatively stable and at a historically low level over the recent 3-4 months.**
- **The current USDA forecasts suggest that both global soybean output (403 million tonnes) & ending stocks (119 million tonnes) will reach record levels in the coming (2023/24) marketing season.**

## GENERAL TRENDS IN EUROPE

### Harvest 2023

Donau Soja forecasts that European soybean output in 2023 could reach an all-time high of 11.5 million tonnes in 2023, +16.3% over the previous year.

The biggest gain in harvested European volume in 2023 is expected in the EU-27, both in absolute and percentage terms: soybean output in the EU-27 is projected to reach an all-time high of 3.0 million tonnes, up 33.6% vs 2022 (Figure 1).

We are roughly one month away from the start of the harvest (late September). In most soya producing regions of the EU, weather conditions have been favourable throughout the growing period so far, with abundant rainfalls. However, yield potential has been damaged by storms in some regions such as Northern Italy or Serbia.

We have only marginally changed our forecast since July's issue. Our soya yield expectations have been revised upwards for Ukraine, Austria, and Germany due to favourable weather conditions.

### Structure of this market report

The first part of the report (pages 1-4) gives an overview of **general trends** in the European and global soya market.

The second part (page 5) provides a **deeper insight** into current market developments.

The Italian soya yield has been marginally reduced due to storms and hot temperature over recent weeks. The projected harvested area of Ukraine has been also lowered due to new official figures from the Ukrainian ministry. Below some country specific information:

### Ukraine

Donau Soja has conducted a soya crop tour in Ukraine and preliminary results show that UA soya plants are in very good condition. The UA yield in 2023 is expected to be higher than the 5-year average. We currently calculate a 2.45 t/ha yield for 2023 vs 2.40 for the 5-year average in Ukraine.

The projection of the Ukrainian ministry for UA harvested soya area in 2023 has been revised down from its previous estimate of 1.840 million hectares to 1.811 million hectares. However, we can keep the output forecast at the previous level due to the favorable conditions and higher yields.

Soya crop conditions in Ukraine:

Moisture: In the top metre of soil depth, the indicators of moisture supply were at sufficient (85-119 mm) and optimal (147-160 mm of productive moisture and more) levels. Overwetting of the 0-100 cm soil layer (more than 200 mm of productive moisture) was noted in places in the western and northern regions.

The flowering and formation of pods are in process. The number of pods with a length of 1 cm or more on a single plant varied from 5 to 46. The crop condition is mostly good, giving a higher preliminary yield forecast than the 5-year average.

## Italy

The soya yield in Italy is forecast at 3.1 t/ha for 2023, slightly higher than the 5-year average of 3.05 t/ha. High temperatures persisted in the first half of August without significant rains. But the crops are still in good condition in the main Po Valley areas (main soya producing region of Italy) thanks to the widespread rainfalls in July and a general availability of irrigation water.

Some drought concerns have arisen in the marginal areas which are not supported by irrigation, and in some northern areas where the crops are struggling to recover after last month's heavy storm with wind and hail.

The late plantings make it difficult to estimate yield, but for the time being we see crops with average/good potential.

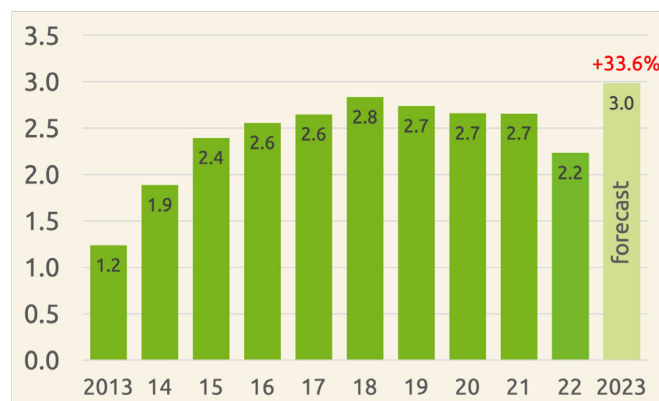
## Austria

The first 10 days of August brought cool weather and sufficient rain in most Austrian regions (even with too much flooding in the south). As of mid-August, we have sun and high temperatures so that our forecast is good. The current forecast for soya yield in Austria is 3 t/ha, higher than the 5-year average of 2.91 t/ha. This could mean that soya output in 2023 will reach a record level of 280,000 tonnes this season.

## Serbia/Croatia

The general condition of the crops in the entire region is very good, except for the areas damaged by the storm. Most fields are in very good condition, primarily due to fairly good distribution of precipitation. The harvest is expected to be delayed by seven to ten days in the region following delays in sowing.

**Figure 1** Soya output development in EU-27 million t



Source: Donau Soja

**Table 1** Soya output in selected countries

Forecast 2023 (based on info received until mid-August)

1,000 t	2022	2023	change	
Austria	244	280	+ 36	+ 14.8%
Croatia	200	248	+ 48	+ 24.1%
Czech Rep.	66	66	-	-
France	380	430	+ 50	+ 13.2%
Germany	128	134	+ 6	+ 5.2%
Hungary	127	171	+ 44	+ 34.9%
Italy	610	1,000	+ 390	+ 63.9%
Romania	233	375	+ 142	+ 60.9%
Russia*	3,420	3,630	+ 210	+ 6.1%
Serbia	440	404	- 36	- 8.3%
Slovakia	130	165	+ 34	+ 26.5%
Ukraine	3,732	4,410	+ 678	+ 18.2%
Total EU-27	2,235	2,985	+ 750	+ 33.6%
Total Europe	9,870	11,481	+1,611	+ 16.3%

\* only the European part of Russia

Source: Donau Soja

## NON-GM PRICES

### Soybean prices in EU

Soybean prices increased for two months in a row through June-July in the international market and in Europe. The non-GM soybean price at the Bologna Exchange – a benchmark for non-GM soybean prices in Western Europe – moved at 490 EUR/t at the end of July, +6% vs one month earlier (Figure 2).

Non-GM soybean price movements in Europe are highly dependent on international prices of GM soybean and strongly follow the future prices at CBOT (Chicago Board of Trade). Crop developments in Brazil and the US, the two biggest soya producers worldwide, greatly affect prices in Europe.

### Soymeal premiums in EU

Non-GM soymeal premiums in Europe have remained relatively stable and at historic low levels over the past 3 to 4 months. During mid-August, HP non-GM soymeal was offered at 30-35 EUR/t more than its GM counterpart in Brake, one of the main logistics hubs for non-GM soymeal in Northern Germany.

Over the last six months, non-GM premiums have been under pressure, primarily as a result of the following factors:

- Abundant non-GM soya imports from Brazil and Ukraine (the two most important non-GM soya suppliers to the EU in the world market) throughout the 2022/23 marketing season; and
- Low demand for non-GM soymeal in the EU.

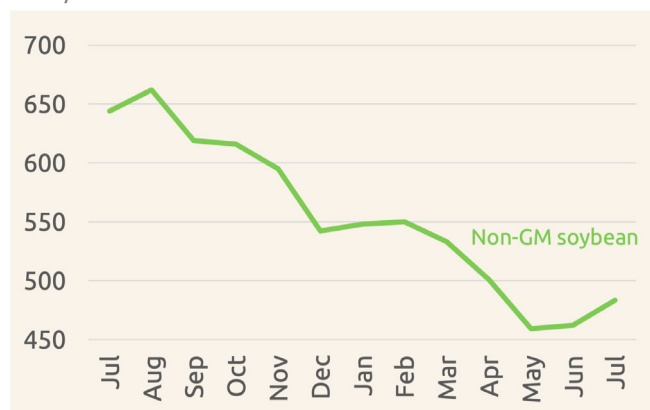
## GLOBAL MARKET

### Global outlook (WASDE report)

In its latest WASDE report (Box 1), USDA slashed its outlook for US soybean output by 2.6 million, to 114.5 million tonnes for the 2023/24 marketing season. The global soybean output and ending stock figures were also cut in line with the reduction in US soya output.

The current forecasts for 2023/24 suggest that both global soybean output (403 million tonnes) & ending stocks (119 million tonnes) will reach a record in the coming season.

**Figure 2** Non-GM soybean price\* in Bologna EUR/t



\*monthly avg. price at the Bologna Exchange

Source: Donau Soja on basis of Bologna Exchange data

### Global prices (CBOT, other prices)

Chicago soybean futures (weekly avg., Nov-23 contract) closed at 380 EUR/t in mid-August, down 7% compared with three weeks earlier. Over the recent weeks (since late July), declining soybean prices have been driven by improving crop conditions and the forecast of favourable weather in the US (in June & first part of July dry US weather concerns supported international soya prices).

The main watchpoint is still the weather and crop development in the US, the world's second biggest soya producer and exporter. In the US soybean is in its critical growing stage (blooming) – similarly to Europe – when weather conditions greatly affect yield potential.

Over the longer-term, the focus is likely to shift to Brazil where farmers are expected to plant a record soya area in the 2023/24 market season (sowing season starts in September in South America). Abundant South American supplies are likely to put downward pressure on prices throughout the 2023/24 marketing season.

**Box 1** WASDE (World Agricultural Supply & Demand Estimate) is an influential report published by the US Department of Agriculture on a monthly basis. The document provides regular estimations and forecasts for the supply & demand situation for the different agricultural sectors in the international market, including soybean. The release of the report is normally awaited with great anticipation by market players and often has great impact on prices.

## DEEP INSIGHT IN TRENDS

### Price

The new crop soybean price in the EU is nominally around 80/100 cbu over November futures delivered plant, ex harvest (fast pick-up and delivery from farm gate). The euro exchange has partly offset the rise of the Chicago futures as the currency was exchanged above USD 1.1/€ 1.0. With a flat euro price in July, new crop was therefore ranging from 460 EUR/t cpt to 480 EUR/t delivered to German or Italian crushers. In any case, we should consider that buyers will target GM CIF parity, delivered plants.

Spring crops will remain subject to high volatility throughout the summer period, with the most important month for determining the yield being mid-July to mid-August. Although the vegetative conditions of the soya in the field may look fantastic, this is not the equivalent to counting the number of pods, understanding the number of seeds per pod, and then estimating the specific weight of the beans at maturity.

### Supply of non-GM soymeal

Old crop non-GM soymeal from EU crushers is almost at an end. The summer period is usually the month for yearly maintenance and the "switch plants" prepare to receive sun seeds in August. The stocks of meal will be used to cover the sales until new crop, and it will be difficult to add volumes on top of what the crushers have forecast to potentially sell. Since the availability of soybeans has been very low in the last months, it doesn't appear that crushers will carry over old crop stocks, especially considering that Europe will have a lot more to sell from October onwards.

The supply of non-GM soybeans for the new crop is high. Many Ukrainian big agro-holding are waiting to receive bids from buyers for as long as the logistics are bookable, but the buyers are not active due to the low demand for processed soya products from October onwards.

Brazilian farmers continue to be disappointed by the low premiums for non-GM soybeans in the 2022/2023 marketing year, discouraging them from sowing non-GM beans for the coming 2023/24 marketing year. The purchase of seeds for the new campaign has started and will soon be complete. So far, the sales of non-GM seeds to farmers have been extremely low. Brazilian farmers grow non-GM beans exclusively for the EU market and if the market is no longer interested in non-GM, they will skip or drastically reduce the programme.

### Crushing

The non-GM crushers are following the buyers' soymeal demand and, compared with the 5-year average, we probably have one of the lowest sales books ever. Usually in this period the sales for October / March are around 70% of the total crushing capacity, but today we are still below 20%. The demand for soybeans keeps following meal sales, hence it remains very slow.

New crop soybeans are widely offered from Ukraine and big agrarian holdings, but local EU farmers are very slow sellers, although cultivation margins are high if they are able to sell beans at 400 EUR ex-farm.

## CHARTS AND TABLES

Soya area in selected European countries  
Forecast 2023

1,000 ha	2022	2023	change	
Austria	93	86	- 7	- 7.5%
Croatia	100	90	- 10	- 10.0%
Czech Rep.	29	30	+ 1	+ 5.1%
France	180	170	- 10	- 5.6%
Germany	51	45	- 6	- 12.8%
Hungary	68	67	- 1	- 0.9%
Italy	290	320	+ 30	+ 10.3%
Romania	137	150	+ 13	+ 9.5%
Russia*	1,865	2,000	+ 135	+ 7.2%
Serbia	280	150	- 130	- 46.4%
Slovakia	68	68	-	-
Ukraine	1,500	1,811	+ 311	+ 20.7%
Total EU-27	1,073	1,083	+ 10	+ 1.0%
Total Europe	4,744	5,044	+ 299	+ 6.3%

\* only the European part of Russia

Source: Donau Soja

Non-GM soymeal prices\* in selected locations  
EUR/t, Date: 18 Aug

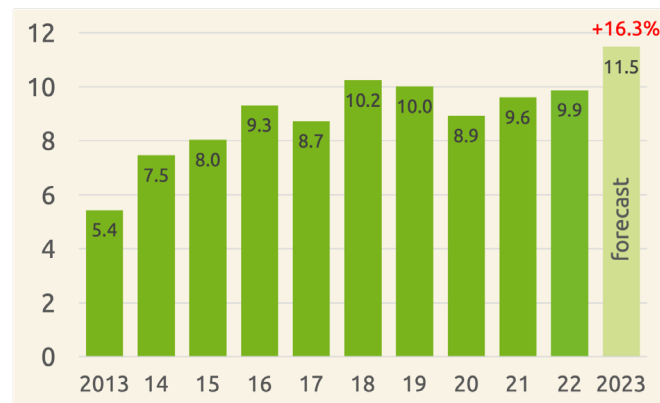
Location	Parity	Delivery	
		Aug	Nov
Northern Italy	LP	505	510
<a href="#">Northern Italy</a>	<a href="#">LP, ES<sup>1</sup></a>	<a href="#">515</a>	<a href="#">515</a>
Güssing (AT)	LP	-	490
<a href="#">Güssing (AT)</a>	<a href="#">LP, DS<sup>1</sup></a>	<a href="#">-</a>	<a href="#">511</a>
Straubing (DE)	LP	534	512
Straubing (DE)	HP	574	542
Mainz (DE)	LP	-	522
Mainz (DE)	HP	-	553
Brake (DE)	HP	527	540
Komárom (HU)	MP	o.r.	508
<a href="#">Komárom (HU)</a>	<a href="#">MP, DS<sup>1</sup></a>	<a href="#">o.r.</a>	<a href="#">523</a>
Wola Żydowska (PL)	MP	o.r.	516
<a href="#">Wola Żydowska (PL)</a>	<a href="#">MP, ES<sup>1</sup></a>	<a href="#">o.r.</a>	<a href="#">520</a>
Wola Żydowska (PL)	HP	o.r.	535
<a href="#">Wola Żydowska (PL)</a>	<a href="#">HP, ES<sup>1</sup></a>	<a href="#">o.r.</a>	<a href="#">539</a>
Czuprynowo (PL)	MP	549	547
Gent (BE)	MP	551	541
Gent (BE)	HP	576	566
Montoir (FR)	MP	524	521

\*values are based on price indications

<sup>1</sup>Europe Soya/Donau Soja certified

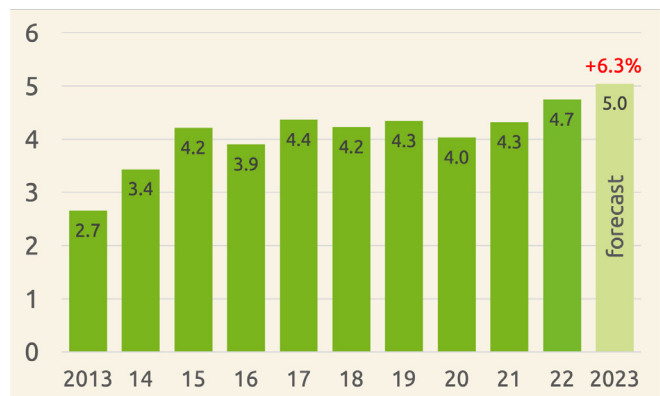
Source: Donau Soja

Total soybean **output** development in Europe  
million t



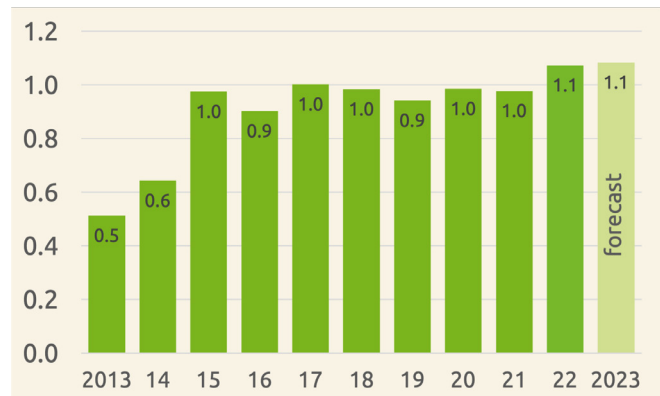
Source: Donau Soja

Total soybean **area** development in Europe  
million ha



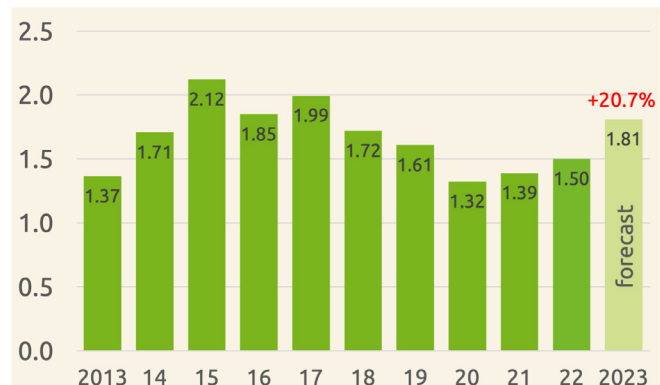
Source: Donau Soja

Total soybean **area** development in EU-27  
million ha



Source: Donau Soja

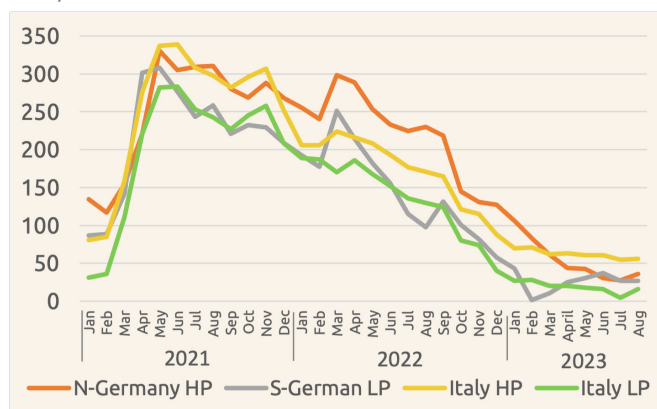
Total soybean **area** development in Ukraine  
million ha



Source: Donau Soja

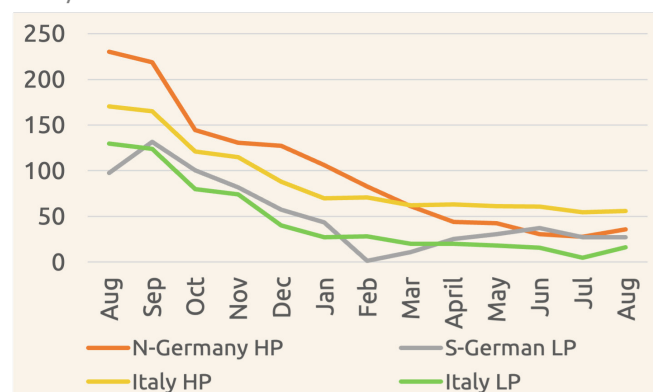


Non-GM soymeal premiums\* in EU countries EUR/t



\* monthly avg. values, between Jan 2021 and Aug 2023 (until mid-Aug)  
Source: Donau Soja

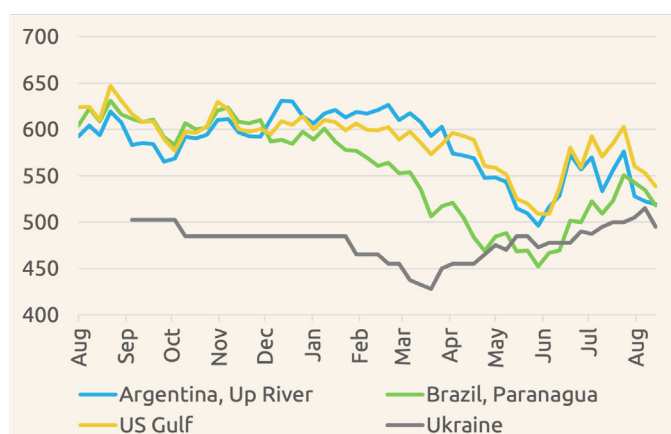
Non-GM soymeal premium\* in Europe EUR/t



\*monthly avg. premium, front-month, calculated until mid-Aug  
Source: prepared by Donau Soja

## Global market information

Weekly soybean export prices\* in the global markets USD/t



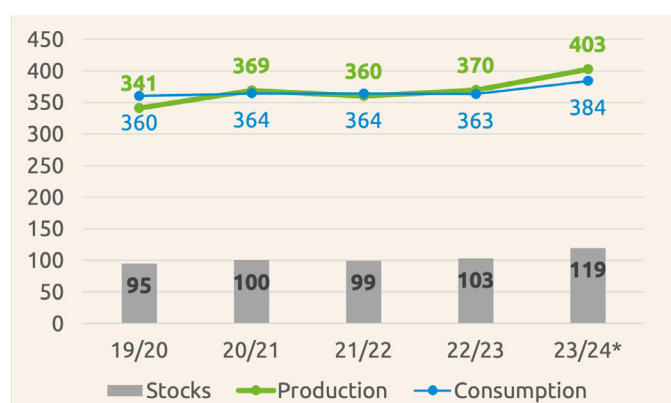
\*values are presented nearby delivery term, between August 2022 and mid-August 2023.  
Source: AHDB

Weekly average CBOT soybean prices USD/t



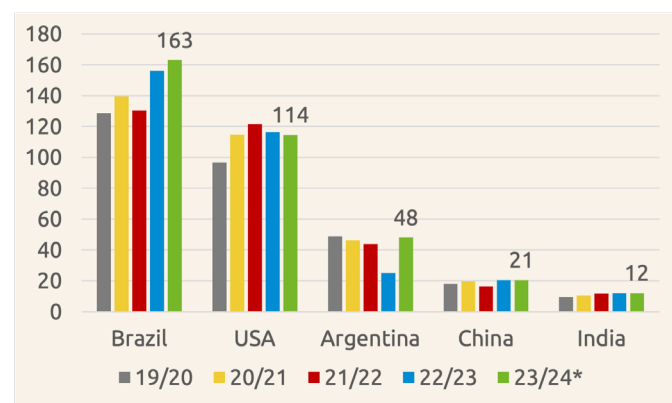
\*values are presented Nov-2023 delivery term, between August 2022 and mid-August 2023.  
Source: AHDB

Global soybean production and ending stocks million tonnes



\*forecast  
Source: USDA

Soybean output in major global producers million tonnes



\*forecast  
Source: USDA

To learn more about the terms and conditions for the subscription to the monthly market report, please feel free to contact Mr Bertalan Kruppa ([marketinfo@donausoja.org](mailto:marketinfo@donausoja.org)).

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