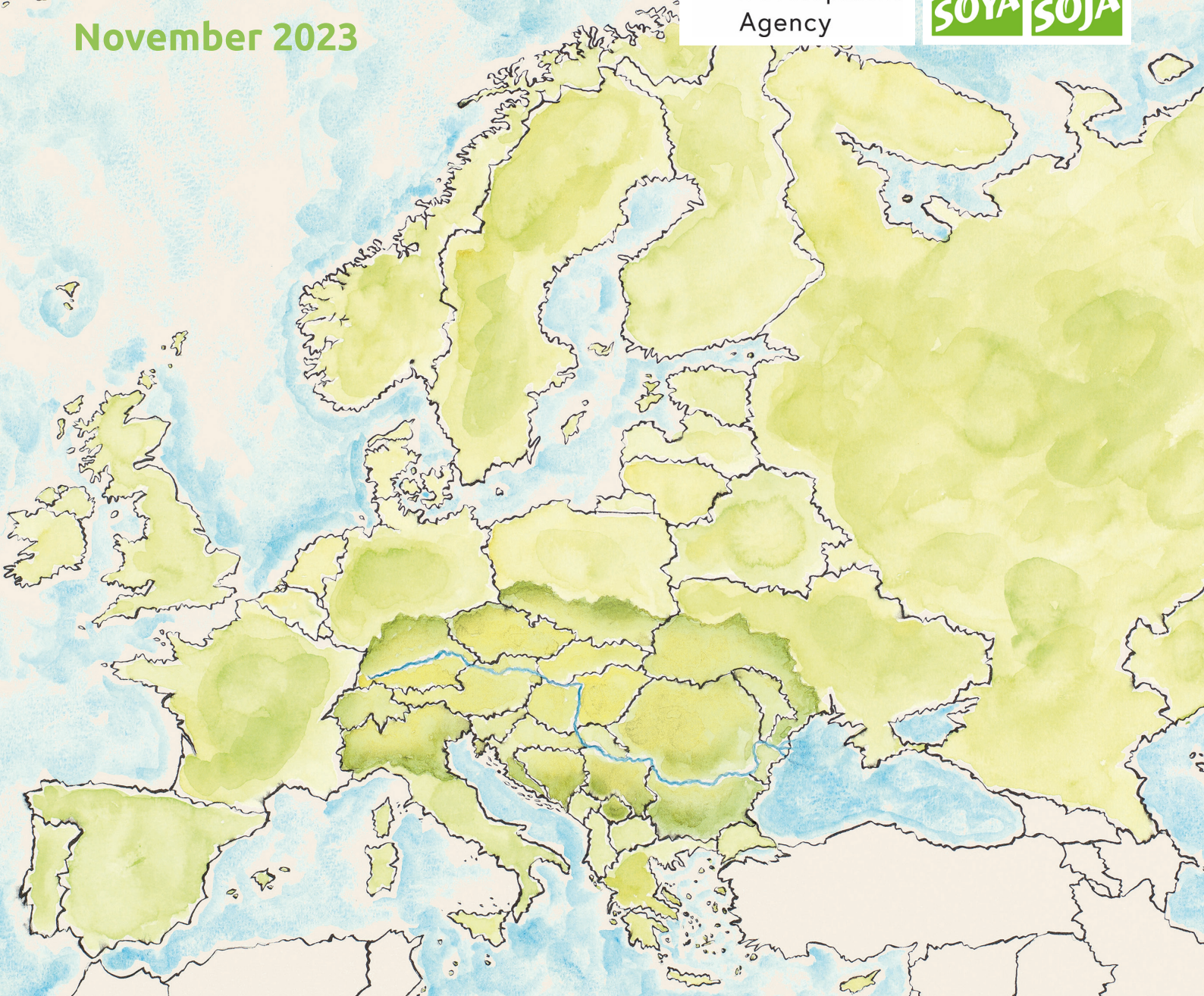


# NON-GM SOYA UPDATE

An Overview of the European Non-GM Soya Market

November 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

- **Total soya output in Europe is estimated at a record 12.2 million tonnes in 2023, up a massive 23.5% over the previous year (output was revised upward by 0.4 million tonnes this month).**
  - **All three main soya producers in Europe (UA, RU & EU) have achieved a record output this season. The biggest gains in soya output are expected to come from Ukraine (+1.0 million tonnes) and the EU-27 (+740,000 tonnes).**
  - **Non-GM soybeans traded at the Bologna Exchange for 460 EUR/t in mid-November, after increasing 13% in the previous 6 weeks. In the short-term, soya prices are mainly affected by progress in planting and weather events in Brazil.**
  - **HP non-GM soymeal premium continued to increase to over 80 EUR/t in Northern Germany, mainly due to the limited availability of Brazilian raw material in the region. In contrast, in Italy the premium for HP non-GM soymeal dropped to below a historic low of 50 EUR/t.**
  - **Brazilian non-GM soya production is likely to reach almost 3 million tonnes in the current marketing season (2023/24), a similar level to the previous year. This volume is likely to be sufficient to supply export programmes to Europe in 2024.**
- 

## TRENDS IN EUROPE

### Soybean harvest in Europe

The soya harvest in Europe has finished, with favourable weather conditions supporting the process in most soya producing regions. Total soya output in Europe is estimated at a record 12.2 million tonnes in 2023, up a massive 23.5% over the previous year (Figure 1 on next page; This month we revised our estimate for total soya output in Europe up by 0.4 million tonnes following higher than expected official figures from UA). All three main soya producers in Europe (UA, RU & EU) increased their soya output and achieved a record output this season. The biggest gains in soya output are expected to come from Ukraine (+1.0 million tonnes), and the EU-27 (+740,000 tonnes). The final official figures from various European countries will be published in the coming months.

The growth in output in Europe this season is mainly driven by two factors: the increase in soya area (in UA & RU), and higher yields (in the EU). Abundant rainfall supported crop development in the growing period (Apr-Sep), whilst dry weather during the harvesting season supported the harvesting process (Sep-Oct).

### 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.

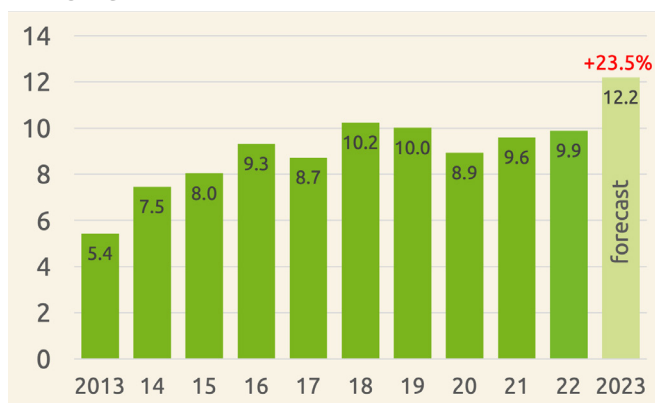
The combined availability of non-GM soybean in the EU and Ukraine is likely to expand by over 1.2 million tonnes in the 2023/24 market season.

### European Union

The EU-27 soya output is forecast to reach an all-time high of 3.0 million tonnes in 2023, up by 33.1% over the previous season due to higher yields (our forecast for total output in the EU has remained unchanged this month).

In October, harvesting and weather conditions were favourable in the typical soya producing regions of the EU (such as Italy and Austria). The dry, warm, and sunny weather allowed soybeans to dry directly in the field, which is likely to make soybeans more profitable this year by saving on drying costs.

**Figure 1** Soya output development in **Europe**  
million t



Note: only the European part of Russia is included  
Source: Donau Soja

Record soya crops were harvested in several EU member states including France (440 kt) Austria (267 kt), and Germany (140 kt).

Early forecasts from the market players suggest that the soya area is likely to grow in Italy, Austria, and Hungary in the next planting season (April/May 2024), mainly because of the positive experience with yields this season and good marketing potential for soya.

## Ukraine

This month we revised our soya output figures for Ukraine in 2023 upwards by 0.34 million tonnes after the UA official figures were updated in November. In line with data from the UA government, we estimate Ukrainian soya output at a record 4.75 million tonnes in 2023, up 27.3% compared to 2022 (Figure 2). The increase in UA output is the result both of higher acreage (+20.7%) and higher yields (+5.4%) this season.

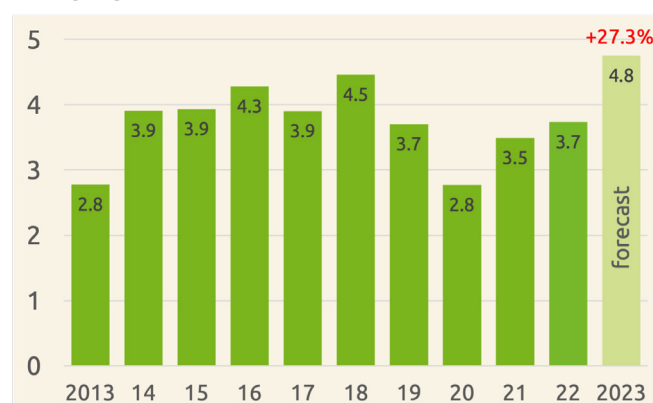
The final harvested figure was higher than the original forecast due to favourable weather conditions during the summer and harvesting periods. As soybeans became the priority crop for Ukrainian farmers, the fuel, machinery and manpower necessary to complete harvesting were reallocated from other crops.

Since harvesting started, Ukrainian farmers have intensified the export of soybeans (almost 1 million tonnes from the new harvest exported):

- 210,400 tonnes – September 2023
- 431,500 tonnes – October 2023
- 328,300 tonnes – first half of November 2023

Nearly half of the volume was exported from Ukraine to EU countries.

**Figure 2** Soya output development in **Ukraine**  
million t



Source: Donau Soja

## Non-GM supply & demand

In the short-term, the record crop in the EU/ Europe contributes to

- greater availability of local (regional) non-GM soya beans within the EU and
- further improvement in the Ukrainian export potential of non-GM soya to the EU.
- additional pressure on non-GM premiums in the EU

In the mid-term (most specifically the first half of next year), Brazilian non-GM supply will have a key impact on non-GM premiums. Brazil is traditionally the most important source of non-GM soya imports in Europe.

## Brazil

Soya sowing has been in full swing since October. Experts forecast that Brazilian non-GM soya production is likely to reach almost 3 million tonnes in the current marketing season (2023/24). This volume is similar to the previous year and should be sufficient to supply all current export programmes to Europe in 2024 (Europe is the main destination for non-GM soya materials produced in Brazil).

At the start of the sowing period in September, several economic factors affected Brazilian farmers' decisions on whether to plant GM or non-GM varieties this season:

- The current low level of non-GM soya premiums in Europe.
- Seed costs for non-GM varieties in Brazil have declined over the last three months, while GM seed prices have climbed.
- In the previous season, non-GM yields reached higher levels than their GM peers. This is the first time this has ever occurred since GM soy varieties became mainstream.

## Non-GM demand

Demand for non-GM soya in Europe is likely to remain stable throughout the 2023/24 marketing season as the result of the following factors:

- Great availability of local (European) non-GM soybean from the 2023 harvest.
- Low non-GM soymeal premiums make non-GM feeding programmes more attractive.
- Increasing demand for regional & deforestation-free materials in Europe.
- New processing capacities for non-GM soy in Mainz, Germany (ADM crushing plant).
- EU food inflation is expected to moderate compared to 2022/23 levels.

## NON GM PRICES

### Non-GM soybean

Non-GM soybean was traded at the Bologna Exchange for 460 EUR/t in mid-November, after increasing 13% in the previous 6 weeks (see Figure 3 for avg. monthly soybean prices). The non-GM soybean increase was largely in line with soybean price movements on the global market.

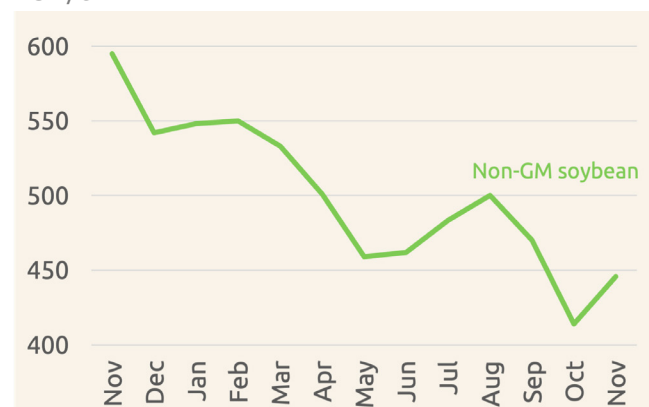
### Non-GM soymeal premium

Non-GM soymeal premium in Northern Germany continued to increase in October and the first half of November. The price difference between non-GM & GM soymeal moved at around 80 EUR/t in mid November, a level last seen in early 2023 (Figure 4).

The non-GM premium is being driven up by the low availability of HP non-GM soymeal in the region. HP non-GM soymeal is mainly supplied from Brazilian sources in Brake (primary port for importing non-GM soymeal in Northern Germany) which is often limited between November and April for seasonal reasons (main harvest period in South America is March-May, and stocks of old soya crop from Brazil often runs out in November). In April the new soya crop starts being shipped from Brazil.

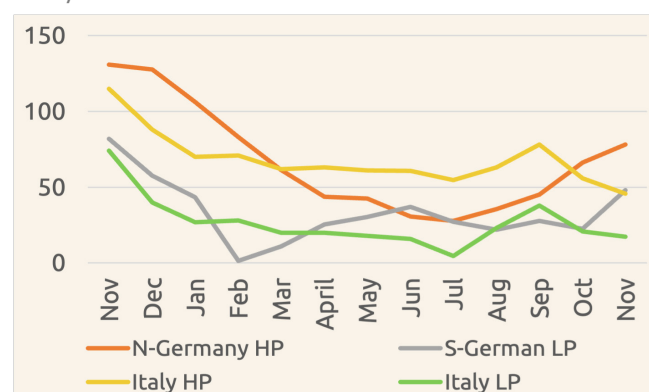
In contrast, HP non-GM soymeal premiums in Italy dropped to below 50 EUR/t, marking new historic lows for this quality. Italian soya crushers are mainly supplied by local sources and the current record harvest in Europe is weighing on the non-GM premiums (you might see more info on prices in the "Deep Insight in Trends" chapter on the next page).

**Figure 3** Non-GM soybean price\* in Bologna EUR/t



\*monthly avg., Aug & Sep 2023 prices are rough estimations, Nov 2023 value is based on date available until mid-November  
Source: Donau Soja on basis of Bologna Exchange data

**Figure 4** Non-GM soymeal premium\* in Europe EUR/t



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

## GLOBAL MARKET

Chicago soybean futures (May-24) closed at 513 USD/t on 20 November, up 4% vs one month earlier. Over the recent weeks, the main focus on the global market remained Brazil, the biggest soya producer worldwide. Soybean sowing was ongoing in Brazil in October and November. Soya prices on the global market have mainly been driven upward by the dry weather which delayed planting in Brazil. Despite the dry weather and delay in planting, a record 163 million tonnes of soya output is still projected for Brazil in the 2023/24 season (harvest is expected in March/April).

Other current watchpoints on the global soya market:

- Strong demand for soybean by the USA crushing industry
- Weakening of the US dollar
- Stable import demand in China
- Soya plantation progress in Argentina

## DEEP INSIGHT IN TRENDS

During the last 4 weeks of trading, the soymeal market has been on fire. Crushers are experiencing the best crush margin in recent years, with soybeans trading between 420 and 470 EUR/t CPT plants, and LP soymeal trading between 520 and 580 EUR/t FCA. The low coverage of non-GM soymeal consumers became apparent when the soymeal market started to rally. Many buyers have been running after the crushers' offers, and very often negotiations have not turned out favourably for buyers.

There was plenty of demand for soyoil, like all other veg oils, during the last period. It is probable that the drastic reduction in olive oil volumes due to adverse weather conditions in Spain and Italy has triggered more incorporation of vegetable oil. At the same time, India has started to cover demand, and imports were already higher than during the same period last year.

The soybean disappearance was forecast to be high during the first three months of the new campaign, as the price of EU beans has been very attractive compared to the GM import price. Consequently, the use of beans will remain high, both against GM demand and the non-GM market.

The supply of beans from Croatia, Italy and Serbia has been sufficient to satisfy the needs of crushers and toasters. Ukraine has been pushed to one side, focusing on easier markets in terms of logistics, faster payment terms, and better prices than from EU end users (see Egypt, Turkey, etc).

We forecast that, slowly, fewer beans will be offered in the market. Once the harvest pressures are over, both sellers and farmers will try to hold onto their stocks until March/April.

A big farmer selling can achieve 500 EUR/t delivered at destination, but we are still far from such a price level. Crush margins may allow soybean prices to reach 500 EUR/t, but this mainly depends on the global market price. We should not forget that Argentina could be back to its normal production levels (nearly 48 million tonnes) and, despite the stress caused by the current weather situation, Brazil could reach 163 million tonnes (USA to consolidate production at 112 million tonnes). Therefore, in March/April we could see a real inverse in the GM soybean

price, with the premium for non-GM beans rising again. The local tightness of Argentinian GM soymeal supports the EU crush margins, but such tightness will persist only until March (assuming all goes well in Argentina). At the moment, the oilseeds switch plants are prioritizing soybeans due to better margins compared to sun seeds and rape seeds.

The organic market has been experiencing very slow demand from consumers, partly due to the carry over of old contracts as well as an overall reduction in branded organic products (as seen in the non-GM market). Such reduction in demand has moved the market from "demand-pull" to "supply-push", with higher price correlation between oilseeds and the conventional market.

According to the last price analysis, the premium for all organic products is historically very low. If we look at the price of the expellers compared to non-GM HP soymeal from third country imports, the spread is nearly 100 EUR/t. The current premium for oil is very small (premium up to 250 EUR/t before the harvest, now down to max 50 EUR/t). Overall, the organic oilseeds market is benefiting from the low oilseeds price (with premium at +20/25% over the conventional price).

As in the conventional market, the coverage for 2024 at such low premiums over non-GM appears to be a good opportunity, while overall demand is low and the desire to sell is high. Farmers are disappointed about the price for oilseeds, especially rapeseeds, but expeller sales are very slow and most of the pressers are building expeller stocks. This is a very good opportunity for the buyers to benefit from good coverage for 2024 and a relatively low premium versus the actual non-GM price.

The price of Chinese cakes appears to be remaining high (around 800/810 EUR/t) as long as the EU/USD rate trades at 1.07, but we must not forget that the EU price also depends on the exchange rate. Togo and Benin will soon start discussing prices with farmers, and the season is going well so far. Container freight from Africa to specific destinations in China is extremely cheap, from 17 USD/t to 20 USD/t, acting as a boost for farmers to sell African non-GM soya beans to such destinations. India is currently paying 600-605 USD/t CNF and China 590/610 USD/t CNF, depending on origin and protein content.

## CHARTS AND TABLES

Soya **area** in selected European countries  
Forecast 2023

1,000 ha	2022	2023	change	
Austria	93	87	- 6	- 6.4%
Croatia	100	90	- 10	- 10.0%
Czech Rep.	29	27	- 2	- 7.1%
France	180	160	- 20	- 11.1%
Germany	51	45	- 7	- 12.8%
Hungary	68	59	- 9	- 12.7%
Italy	290	320	+ 30	+ 10.3%
Romania	137	157	+ 20	+ 14.7%
Russia*	1,865	2,058	+ 193	+ 10.3%
Serbia	280	150	- 130	- 46.4%
Slovakia	68	68	-	-
Ukraine	1,500	1,811	+ 311	+ 20.7%
Total EU-27	1,073	1,071	- 2	- 0.2%
Total Europe	4,752	5,090	+ 338	+ 7.1%

\* only the European part of Russia

Source: Donau Soja

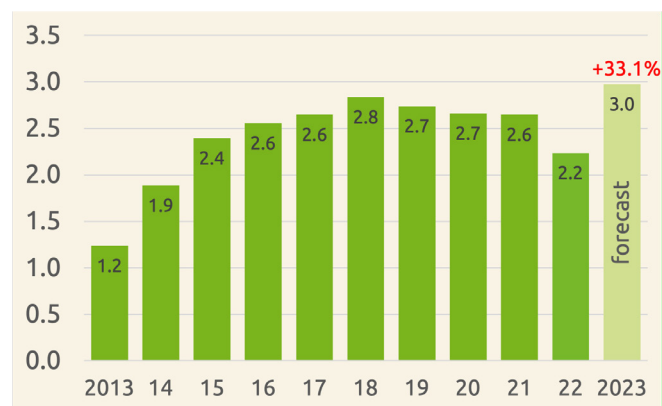
Soya **output** in selected European countries  
Forecast 2023

1,000 t	2022	2023	change	
Austria	244	267	+ 23	+ 9.4%
Croatia	200	230	+ 30	+ 15.0%
Czech Rep.	66	65	- 1	- 1.2%
France	380	440	+ 60	+ 15.8%
Germany	128	140	+ 12	+ 9.6%
Hungary	127	177	+ 50	+ 39.4%
Italy	610	1,083	+ 473	+ 77.5%
Romania	233	340	+ 107	+ 45.9%
Russia*	3,420	4,000	+ 580	+ 17.0%
Serbia	440	400	- 40	- 9.1%
Slovakia	130	165	+ 34	+ 26.5%
Ukraine	3,732	4,750	+1,017	+ 27.3%
Total EU-27	2,235	2,975	+ 740	+ 33.1%
Total Europe	9,880	12,198	+2,315	+ 23.5%

\* only the European part of Russia

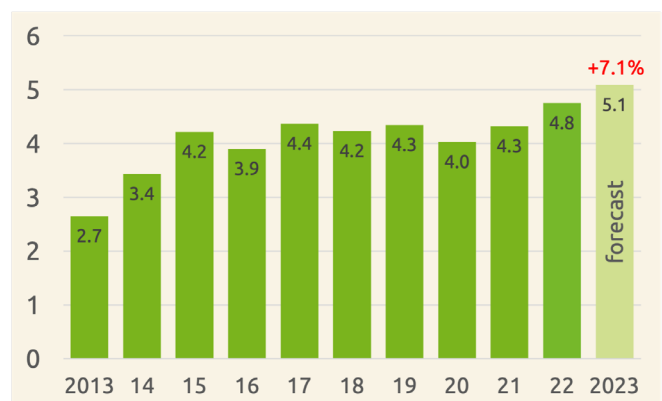
Source: Donau Soja

Total soybean **output** development in EU-27  
million t



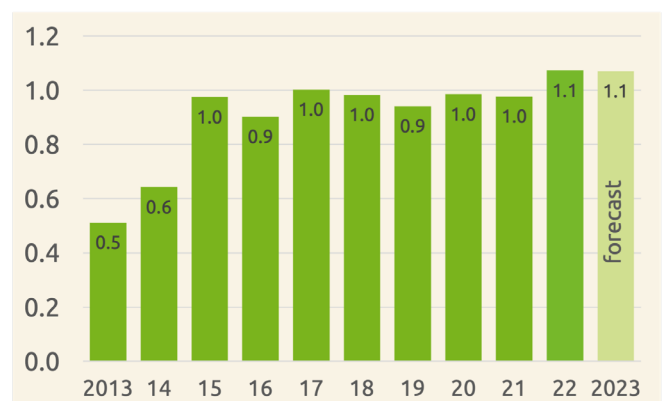
Source: Donau Soja

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



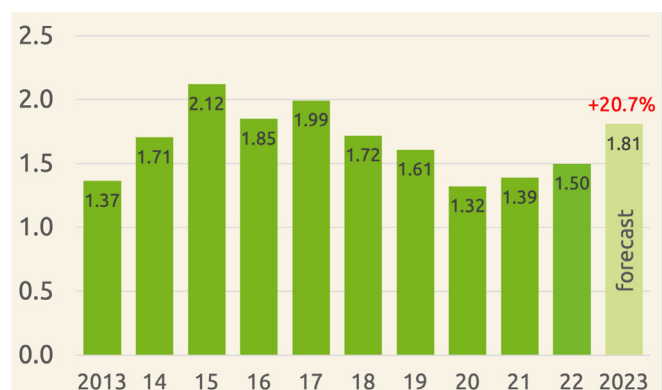
Source: Donau Soja

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



Source: Donau Soja

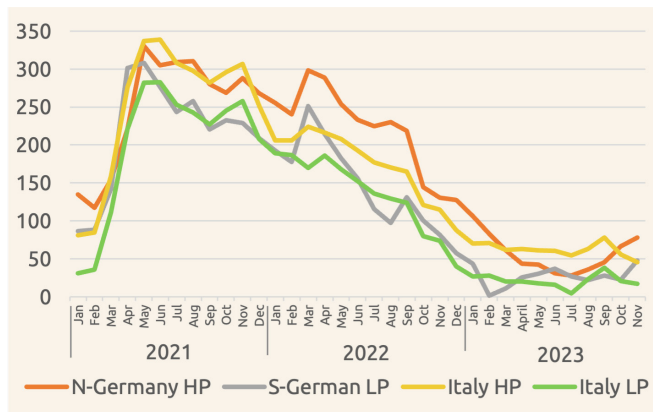
Total soybean **area** development in Ukraine  
million ha



Source: Donau Soja

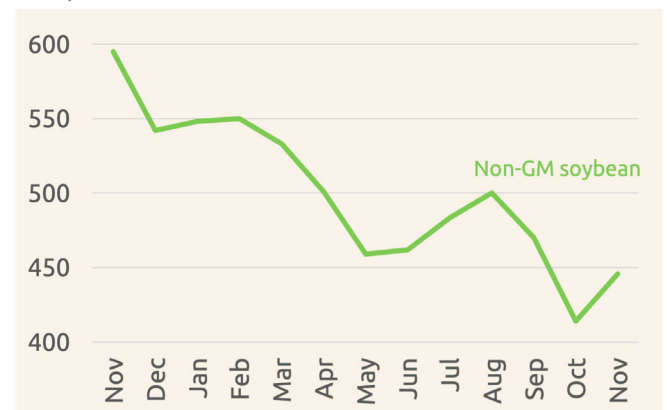


Non-GM soymeal premiums\* in selected EU regions  
EUR/t



\* monthly avg. values, between Jan 2021 & mid-Nov 2023  
Source: Donau Soja

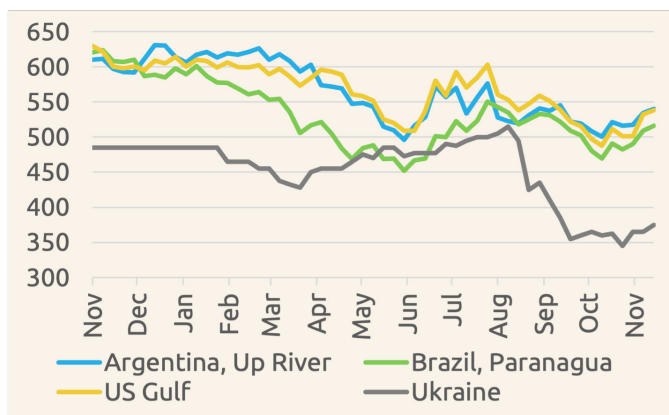
Non-GM soybean price\* at the Bologna Exchange  
EUR/t



\*monthly avg., Aug & Sep 2023 price is a rough estimation, October value is based on date available until mid-November  
Source: Donau Soja basis of Bologna Exchange data

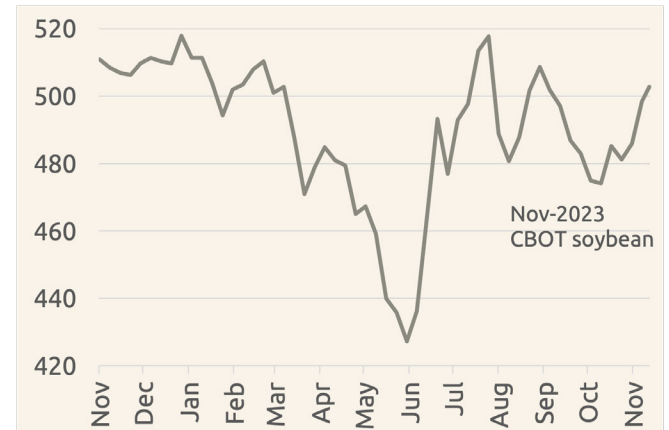
## Global market information

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



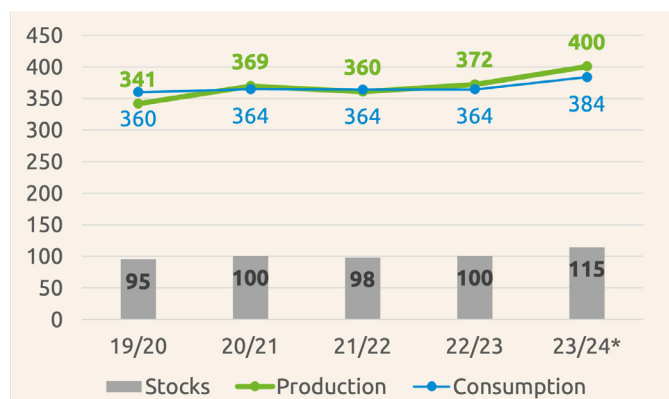
\*values are presented nearby delivery term, between November 2022 and mid-November 2023.  
Source: DG AGRI

Weekly average CBOT soybean prices\*  
USD/t



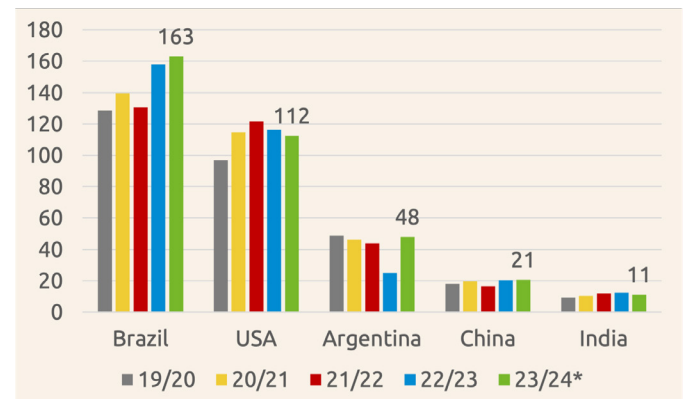
\*values are presented Nov-2023 delivery term, between November 2022 and mid-November 2023.  
Source: AHDB

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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