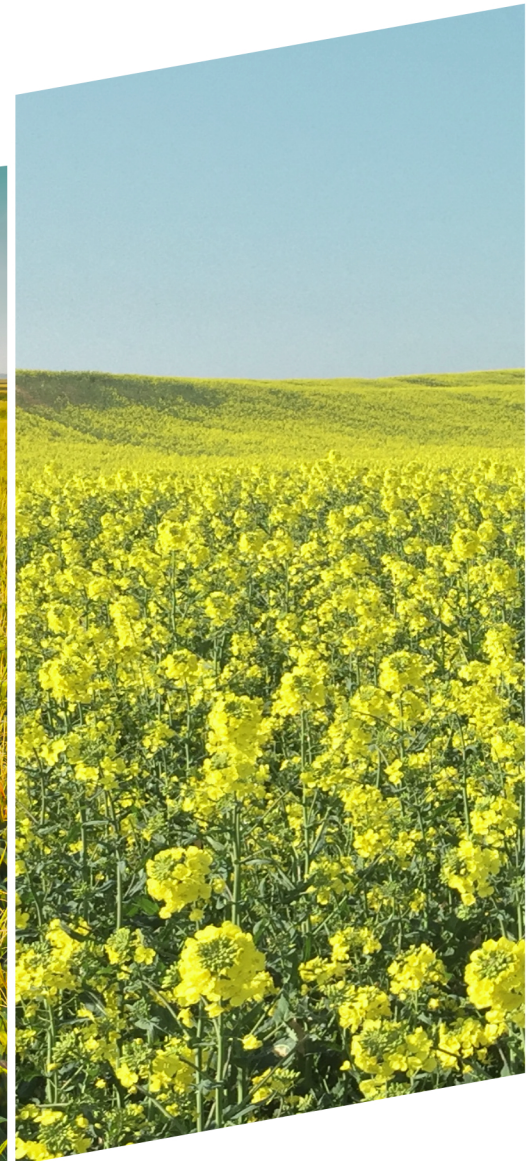
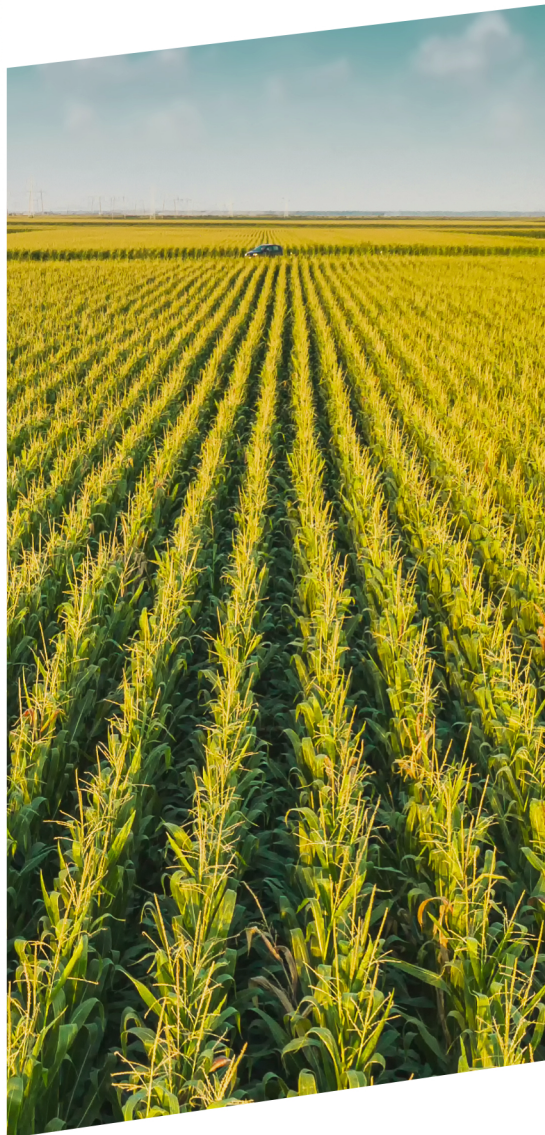


NON-GMO SOY NON-GMO MAIZE NON-GMO RAPESEED



HIGHLIGHTS

The following points summarise the major trends and recent developments that affect Non-GM supply & demand within the EU in the current 2024/25 marketing year.

- EU Non-GM soy, maize & rape prices have shown a declining trend in July-August, mainly driven by abundant supplies in global soy and maize markets.
- EU Non-GM soy output is forecast to change only marginally in 2024 despite a sizeable expansion (+8%) in area. Yields were severely harmed by hot & dry weather.
- The EU Non-GM market is expected to remain well supplied in the current 2024/25 season in view of the relatively good EU soy & maize harvest expectations for 2024.
- Non-GM soymeal premiums continued to grow in June-August and reached high levels of 150-200 EUR/t for High-Protein (HP) quality and 100-150 EUR/t for Low-Protein (LP) quality.
- Brazil's segregated Non-GM soy export to Europe is likely to drop to levels around 1.5 million t in 2024.



Facts and figures regarding soy come from the Donau Soja Market Report. The report is published monthly and provides information on the soy industry with a special focus on the European Non-GM market. The Donau Soja Market Report includes news on market developments and forecasts as well as price, supply and demand data.

NON-GMO SOY

Highlights

- EU Non-GM soy output is forecast to expand only marginally in 2024 despite a sizeable 8% increase in area. Yield was severely damaged by hot & dry weather in July-August.
- Non-GM soybean traded at 450-460 EUR/t in mid-September in the EU, down 10% vs three months ago.
- EU Non-GM soy prices have been pushed downward by abundant GM soy supply in the global market.
- Non-GM soymeal premiums continued to rise and moved in the range of 150-200 EUR/t for HP quality during August & early September.
- Non-GM premiums have been driven up by a lack of Non-GM soybean from early 2024 onwards in the EU.
- Brazil's segregated Non-GM soy export to Europe is likely to drop to levels around 1.5 million t in 2024.

Crop forecast

EU area 2024

Soy harvest started in Europe in early September and is likely to continue until the end of October. Soy areas reached all-time high levels in the EU-27 (and the whole of Europe) in 2024. All EU-27 soy fields are planted with Non-GM soy varieties.

In the EU-27, the soy area is estimated at a record 1.12 million ha in 2024, up 8% vs the previous year, according to the prognosis of Donau Soja. Similar growth rates of EU soy area are expected by DG AGRI (+8.2%) & COCERAL (+6.8%) for 2024 in their latest projections.

The following driving factors are behind the soy area growth in the EU:

- Favourable margins for soy producers;
- High fertiliser & energy prices (soy is a less fertiliser & energy intensive crop vs cereals);
- Favourable experience and high yields in the soy fields at the previous harvest in 2023;
- Wet weather during autumn and winter that delayed or prevented winter crop¹ sowings (some of these fields are likely to be used for sowing spring crops¹, such as soy);
- Growing demand for deforestation-free and regional soy raw materials.

¹ Winter crops are grains which are generally planted in the autumn, such as wheat, barley or rapeseed. Spring crops are generally planted in spring, e.g.: maize, sunflower and soybean.

Output forecast

As a result of the unfavourable weather, EU soy output is expected to change only marginally (+0.3%) this year despite the area expansion. Donau Soja forecast EU soy output to reach 2.9 million t in 2024, a level similar to the record output in the previous season.

In Italy, the leading EU producer, soy output is expected to grow by 0.6% to 1 million t on the back of a larger soy area. The biggest output expansion is likely to be recorded in Hungary (+70%) & Slovakia (+30%) as a result of the massive soy area increases in both Central European countries.

All of the EU's other important soy producers are likely to harvest smaller crops in 2024 compared to the previous year as the result of lower yields. These member states include Romania, France, Austria & Croatia.

Weather issues

In Northern Italy, the EU's leading soy producer region, excessive rainfall in spring led to the lengthy delay of soy planting and consequently the harvest is expected 2-3 weeks later than in normal years. In contrast, Central & Eastern Europe had favourable weather during the sowing period. However, the summer brought exceptionally hot & dry weather which severely harmed the soy fields. The most serious damage in yields and quality has been witnessed in the Balkan region (Romania & Croatia).

Price developments

In early September, Non-GM soybean was traded for 450-460 EUR/t in South Germany & 430-440 EUR/t in Northern Italy, the EU's biggest Non-GM soybean processor regions.

Non-GM soybean prices showed a downward trend in the period May-August before recovering slightly in early September (Figure 1). Non-GM soybean prices in Europe are closely tied to the trends in the global GM soybean market. Hence the main driver of Non-GM soybean prices are GM soybean prices at the CBOT (Chicago Board of Trade), the main stock exchange of soy on a global level.

Furthermore, the EUR/USD exchange rate and the actual supply & demand situation of Non-GM soybeans also affect Non-GM prices to a certain extent.

Figure 1 Non-GM soybean price in South Germany over the last year* (weekly, EUR/t)



* Sep 24 price refers to price until 13 September.

Source: prepared by Donau Soja based on price indications

Over recent months, global soybean prices have been mainly driven downward by the abundant GM soy crop harvested in the previous 2023/24 season and the large crop forecast for 2024/25.

In mid-September, High-Protein Non-GM soymeal was offered for 600-620 EUR/t in Brake, a key importing hub in Northern Germany. Non-GM soymeal premiums in Europe have been continuously increasing over the last year (since summer 2023) when they dropped to historic lows. In August, Non-GM premium for HP soymeal moved in the range of 150-200 EUR/t. For LP soymeal quality, this spread could be found at 100-150 EUR/t.

Non-GM supply & demand

On the one hand, Non-GM soy output in the EU-27 and the import from Ukraine is expected to remain at a similar level in the current 2024/25 marketing season as in the previous one. However, the usage of Non-GM soybean is expected to decline as the result of higher Non-GM premiums this season compared to the previous year.

Non-GM soy import from Brazil, the leading Non-GM soy exporter to the EU, is likely to again play a key role in feeding Northern European regions and securing the constant supply of Non-GM soy over the whole year. Figures for the 2024 harvest point to approximately 1.5 million t of Non-GM soybean exports from Brazil to the EU, a significant reduction compared to last year. Improved communication between end consumers in Europe and farmers, exporters and government agencies in Brazil is needed to move Non-GM production forward and guarantee long-term production in Brazil.

NON-GMO MAIZE

Highlights

- The supply of EU Non-GM maize is likely to remain good in the current 2024/25 season in view of the relatively high EU maize crop forecasts for the 2024 harvest.
- Despite the expansion in area, EU maize output could decrease by -1.7% to 61.9 million t in 2024. This decline is the result of the unfavourable weather in the growing season.
- Share of Non-GM maize cultivation is over 99% in the EU. Only Spain & Portugal produce GM maize varieties.
- Euronext Non-GM maize price moved at 205 EUR/t in mid-September, down 10% vs late July.
- Non-GM maize is normally traded at a similar price to its GM counterpart.

Crop forecast

The maize harvest has been in full swing during the second part of September in the EU. The lion's share of EU maize production is Non-GM (Box 1). After three consecutive years of decline, the EU maize area has increased by 4.2% in 2024, according to the estimates of DG AGRI. One of the major drivers of the expansion was the rainy weather in autumn 2023. The wet conditions in the previous fall prevented the completion of winter sowing and some fields were planted with maize in spring 2024.

Output forecast

Regardless of the expansion in area, EU maize output could decrease by -1.7% to 61.9 million t in 2024, according to the EU Commission's latest estimates (released on 29 August). This volume is 8% lower compared to the five-year average (Figure 2). The decline of maize output is the result of the poor weather conditions in the summer period (to be discussed later).

It is important to note that concerns with the quality of the harvested maize have arisen: problems with aflatoxins in the Balkan region and Hungary is expected due to the hot weather. High aflatoxin level poses threats to the feeding of dairy cows.

USDA has a similar outlook and forecasts EU maize output to decline by -4.0% to 59.0 million t in the 2024/25 season. The forecast of Strategic Grains is more pessimistic and suggests an EU maize output of 57.9 million t in 2024.

According to DG AGRI, an increased production of 1.0 million t is foreseen this year in France which is likely to increase further its leading position as the biggest maize producer in the EU.

But the expansion in the French maize fields could not compensate for the output decline of 2 million t (-18%) in Romania, the second-largest maize producer in the EU.

A decrease in maize output is also likely to be recorded in Hungary (-524kt, -8.4%), Poland (-397kt, -4.3%) & Italy (-286kt, -5.3%) this season, according to the European Commission.

Weather issues

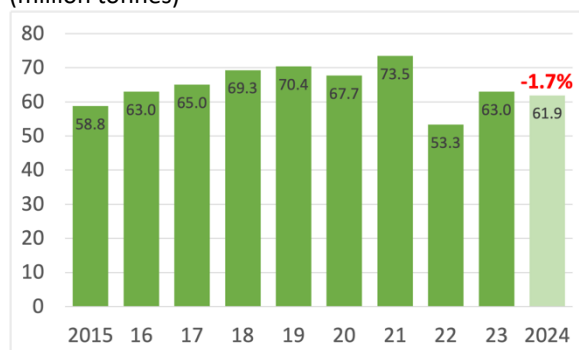
Weather conditions varied across the EU maize producer regions. As wet weather delayed maize planting in spring in Western Europe (e.g.: France), in the meantime the eastern regions benefited from good sowing conditions.

But in a large part of south-eastern Europe, the summer brought exceptionally hot weather. Temperatures exceeded 35°C on several occasions, notably in eastern Hungary and eastern Romania (major maize producer regions).

The heat stress was coupled with a persistent rain deficit which resulted in a low level of soil moisture. All these conditions contributed to the repeated downward revision of yield expectations by DG AGRI during the summer.

In its August report, the JRC MARS (DG AGRI's crop monitoring bulletin published on a monthly basis) estimated overall maize yield in EU-27 at 7.03 t/ha which is 4% lower compared to the 5-year average of 7.35 t/ha.

Figure 2 Maize area development in EU-27 (million tonnes)



Source: DG AGRI

Price developments

EU Non-GM maize prices – both future & physical – showed a downward trend between early June and August, mainly as a result of the abundant supply and stocks in the global maize market. Non-GM maize prices were influenced also by the rise of EUR/USD exchange rate in late August, making maize imports from third countries cheaper.

On Euronext, the primary stock exchange in the EU, November maize futures contracts closed at 205 EUR/t in mid-September (on 13 Sept), a rough decrease of -10% vs end of July (Figure 3). On 26 August, the front month¹ had fallen to a five-month low of 189 EUR/t but recovered somewhat by mid-September.

On the cash market in north-west Germany, maize prices initially fell to 231 EUR/t in August, but then almost reached the level seen at the end of July (247 EUR/t) again at EUR 242. The FOB² price for French maize in Bordeaux fell by 8 EUR/t to 197 EUR/t in August.

In the coming weeks, the key watchpoints in the maize market will be harvest progress in the USA and plantation outlooks in South America. Both are key global producer & exporter regions.

Figure 3 Maize price on Euronext Paris (MATIF) over the last year* (weekly average, nearby month, EUR/t)



*Sep 2024 price refers to average price until 13 Sep

Source: MATIF

Non-GM supply & demand

The EU Non-GM maize market is likely to remain well-supplied in the 2024/25 market year as the result of the following factors:

- the EU has a relatively good Non-GM maize output in 2024 (but probably with quality problems in some regions);
- the Non-GM maize import from Ukraine is expected to remain sufficient, despite a drop in Ukrainian output in 2024;
- EU maize consumption is expected to decline in 2024/25 driven by a large supply of alternative feed grains, such as wheat or barley.

Box 1 BASIC INFO ON NON-GM MAIZE IN EU MARKET

The lion's share of maize and maize products in the EU market is Non-GM. Non-GM maize is available in large quantities and normally has no higher price than GM maize. However, there are periods when GM maize has a discount (5-40 USD/t) over Non-GM maize in regions with large maize imports from Brazil (such as the Netherlands).

In domestic maize production, GM maize is limited to less than 1% of the total EU maize output. GM maize is the only GM crop which is commercially grown in the EU. Spain and Portugal are the only EU members that have adopted GM varieties in maize production. In 2023, the GM maize area in Spain occupied around 46,000 ha, 18% of the total Spanish maize area. Spain's GM maize area represents roughly 95% of the EU's total GM maize area, and the remaining 5% (1,500 ha) is in Portugal. This GM maize is primarily used as feed locally in Spain & Portugal.

The EU relies on maize imports. Domestic maize production covered around 80-85% of the total EU maize consumption when calculated for the 5 years average of 2019-2023. The yearly maize import of the EU-27 has averaged 19.2 million t and ranged from 14.1 to 24.0 million t over the last 5 years (2019-2023).

USDA estimates that roughly 80% of the EU maize import is Non-GM. The main source of import is Ukraine, responsible for around 55-60% of the total EU maize import (5-year avg. of 2019-2023). Officially, there is no approved GM maize variety for cultivation in Ukraine but there is a limited amount – around 1% – of illegal GM maize production in Ukraine, according to the USDA estimations.

Brazil also plays an important role in supplying maize to the EU, accounting for roughly 25% of EU imports (5-year avg. of 2019-2023). The share of GM maize production covers a much higher proportion, around 95% of the total Brazilian maize cultivation. This means that the majority of maize from Brazil is GM.

¹ In trading, the term front month refers to the nearest expiration month contract.

² FOB (Free on Board) is a shipment term that defines the point in the supply chain when a buyer or seller becomes liable for the goods transported

NON-GMO RAPE

Highlights

- The availability of Non-GM rapeseed is likely to remain abundant and no bottlenecks are expected in the EU rapeseed market in 2024/25.
- The EU Non-GM rape output is estimated at 18.0 million t in 2024, down 8.7% vs the previous year.
- Yield in EU rapeseed production was severely damaged by the hot & dry weather during summer 2024 in the key producer regions.
- Non-GM rapeseed at Euronext traded at 456 EUR/t in mid-September, a similar level as in mid-June. Abundant global soybean supply & stocks have weighed on EU rapeseed prices over recent months.

Crop forecast

Rapeseed harvest was finished by late summer in the EU which is the biggest producer and consumer of this oilseed in the global market.

The sowing in Europe normally takes place in October and the harvest take place during July-August in the following year. All EU rapeseed fields are planted with Non-GM varieties and hence all estimations about EU rapeseed production below refer to Non-GM production.

The EU rapeseed area for the harvest in 2024 is estimated at 5.9 million ha, -5.2% compared to the previous season but still above the 5-year average according to DG AGRI's estimate.

EU farmers reduced rapeseed area because of relatively low prices & profitably as well as unfavourable rainy weather during the planting season in the fall of 2023.

Farmers were also discouraged from rapeseed cultivation due to the declining availability of plant protection products (EU's ban on the use of neonicotinoids) designed for rapeseed in the EU.

Output forecast

The EU rapeseed output in 2024 is estimated at 18.0 million t, -8.7% compared to the previous year, but still above the 5-year average (Figure 4), according to the DG AGRI's latest estimate (published on 29 August). USDA's latest prediction on 12 September was a similar 17.7 million t of rapeseed output in the EU in 2024.

In contrast, analysts at Strategie Grains are more pessimistic, assuming that only 16.9 million t of rapeseed will be harvested in the EU in 2024 (published on 30 August).

DG AGRI data say that rapeseed area, output & yield together dropped in all top EU producer countries (France, Germany, Poland, Romania & Czech Republic) in 2024 compared to the previous season.

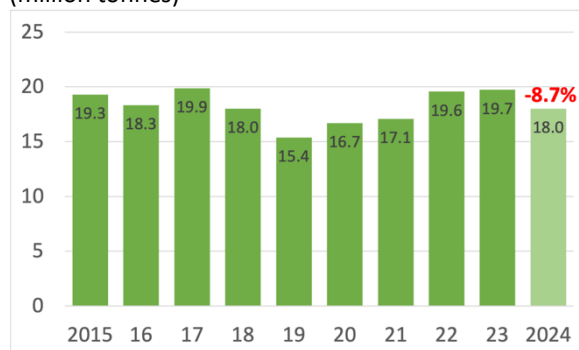
In absolute terms, the biggest rapeseed output decline is expected in Poland, Romania and France with a decrease of 320-340,000 t each in 2024. In percentage terms, the greatest drop is likely in Hungary (-23.3%) and Czech Republic (-19.2%).

Rapeseed yield potential was negatively impacted by the continued wet conditions in the West (e.g.: France & Germany) in the first half of the year and the hot and dry conditions in south-eastern Europe (discussed earlier in the soybean & maize part).

Prospects for 2025

Conditions for sowing winter oilseed rape are generally good for the 2025 crop in Central and Western Europe. But it was too dry in August in south-east Europe, where only 20% of the usual rainfall was measured within one month in some places. If it remains dry in September too, this could worsen the prospects for the 2025 harvest.

Figure 4 Rapeseed output development in EU-27 (million tonnes)



Source: DG AGRI

Price developments

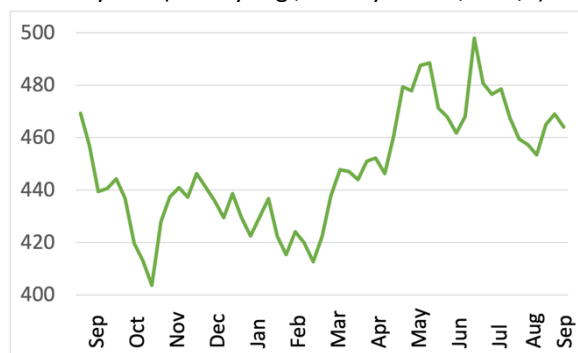
Non-GM rapeseed price at Euronext (Nov-24 contract) moved at 456 EUR/t in mid-September (on 13 Sept). Over the recent three months some fluctuations occurred, but the current (mid-Sept) price shows a similar level as one month (mid-August) or three months ago (mid-June) (Figure 5).

In the summer, EU rapeseed prices were driven upward by the news of DG AGRI's repeated downward revisions of European rapeseed crops. Increasing prices in global vegetable oils also drove rape prices upwards. But these price movements were restrained by the ample global soybean stocks and strong rapeseed output estimates in Canada.

In September, developments regarding China's anti-dumping investigation into Canadian rapeseed were also a key factor which influenced global rapeseed markets.

On the spot market, rapeseed prices fell slightly in August compared to July, following Euronext. However, there were signs of a trend reversal at the end of the month. Rapeseed meal also traded at weaker levels. A smaller EU supply will also ensure a stable to higher price level for rapeseed meal in the coming months.

Figure 5 Rapeseed price on Euronext Paris (MATIF) over the last year* (weekly avg., nearby month, EUR/t)



*Sep 2024 price refers to the average price until 13 Sep
Source: MATIF

Non-GM supply & demand

Supply shortages of Non-GM rapeseed & rapemeal are not expected. However, the smaller EU harvest will reduce the supply of Non-GM rapeseed meal in the 2024/25 marketing year compared to 2023/24. But a very large global supply of GM soy meal is expected, which could limit the demand for rapeseed meal in the EU & global markets (there is a high degree of substitution between rapemeal & soymeal).

The comfortable supply of Non-GM rapeseed meal to date is also reflected in the drop in prices in August, which fell to their lowest levels in three years.

Box 2 BASIC INFO ON NON-GM RAPESEED IN THE EU MARKET

Similarly to the maize market, the overwhelming amount of rapeseed and rape meal traded within the EU is Non-GM. In the EU Non-GM is the standard quality both in futures contracts and the physical market of rapeseed products. Normally there is no higher price of Non-GM rapeseed vs its GM counterpart. But there are periods when GM rapeseed is traded at a 0-25 EUR/t discount, mostly when a larger import of Australian and Canadian GM import is needed to feed crushing plants in the EU.

In the EU-27, only Non-GM rapeseed is produced. But import is needed to supply the demand within the 27-nation bloc. A small part of this import is likely to be GM. The total EU-27 rapeseed import ranged between 5.0 and 6.5 million t over the last 5 years (2019-2023). DG AGRI forecasts that the total EU-27 rapeseed import reaches 5.8 million t in the current 2024/25 marketing season.

The rapeseed import in the EU-27 comes from countries with varying adoption rates of GM rapeseed. Ukraine is the most important rapeseed exporter to the EU, accounting for 38% of the total EU import (5-year average of 2019-2023). However, even if there is no legitimate commercial production of GM crops in Ukraine, USDA reported that around 10-12% of the Ukrainian rapeseed production is GM.

Canada and Australia also play an important role in supplying rapeseed to the EU with a share of 37% and 18% in the rapeseed export volume to the EU (5-year average of 2019-2023). Both countries have GM rapeseed varieties in commercial production. In 2023, the share of GM varieties in the total rapeseed (canola) area in Canada accounted for 95%, according to the [estimate of USDA](#). In Australia, the share of GM rapeseed (canola) was 26% in 2021 (this is [the latest data](#) published by the Agricultural Biotechnology Council of Australia).

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