

European demand and trends for Non-GMO crops

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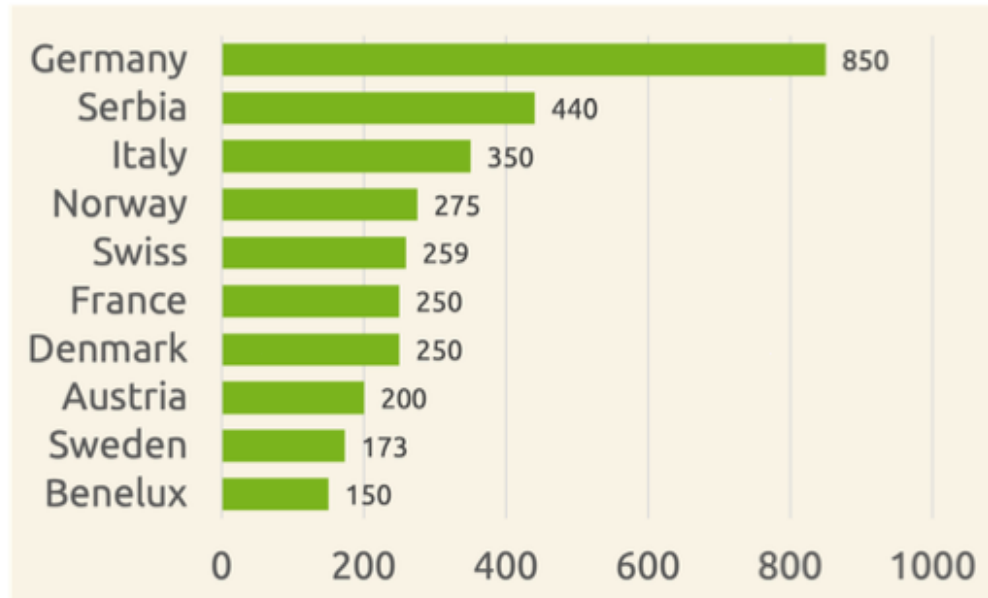
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The demand in Europe is stable – not growing

Figure 7 Top 10 non-GM soymeal user in Europe
1,000 t



Source: Donau Soja based on informal talks & trade data

Table 1 GM + non-GM soymeal consumption by selected European country / region in 2023

Rough estimate, without Russia

1,000 tonnes	Total (GM+non-GM)	of which non-GM
Austria	414	200
Baltic states	241	<10
Benelux	3,010	150
Croatia	191	20
Czechia	335	<10
Denmark	1,378	250
France	2,852	250
Germany	2,842	850
Greece	580	35
Hungary	452	35
Ireland	577	<10
Italy	3,287	350
Poland	2,877	100
Portugal	908	<10
Romania	668	<10
Slovakia	156	25
Slovenia	209	20
Spain	4,155	<50
Sweden	173	173
Σ EU-27	26,600	2,600
UK	2,550	<20
Norway	275	275
Switzerland	259	259
Ukraine	700	<10
Serbia	440	440
Σ Europe*	30,460	3,600

*without Russia

Source: Donau Soja based on official trade data and informal talks

Recent trends of non-gm soya feed demand

- 2020/2021: contraction of the demand by -10% in DACH and Scandinavian regions, -30% to -70% in France, Italy, Benelux, Croatia, Czech Republic
- 2022/2023: stabilization of the demand to 2.6 mln tons (roughly 10% of EU total demand)
- From the stat, excluded the use of toasted beans

Future trends

- Non-GM «replaced» (incorporate) by deforestation-free, sustainable and regional → hence certified regional material such as Donau Soja/Europe Soja can be more and more relevant
- Food price inflation: like it happened in 2021/2022 the high value added products can be affected by the spending power of the customers
- Size of the livestock population (avian flue, swine flue, EU regulations)
- Relative price of soybean meal vs other proteins (switching opportunities) – RSM already maxed-out
- **Availability and price premium**

Availability and price premium

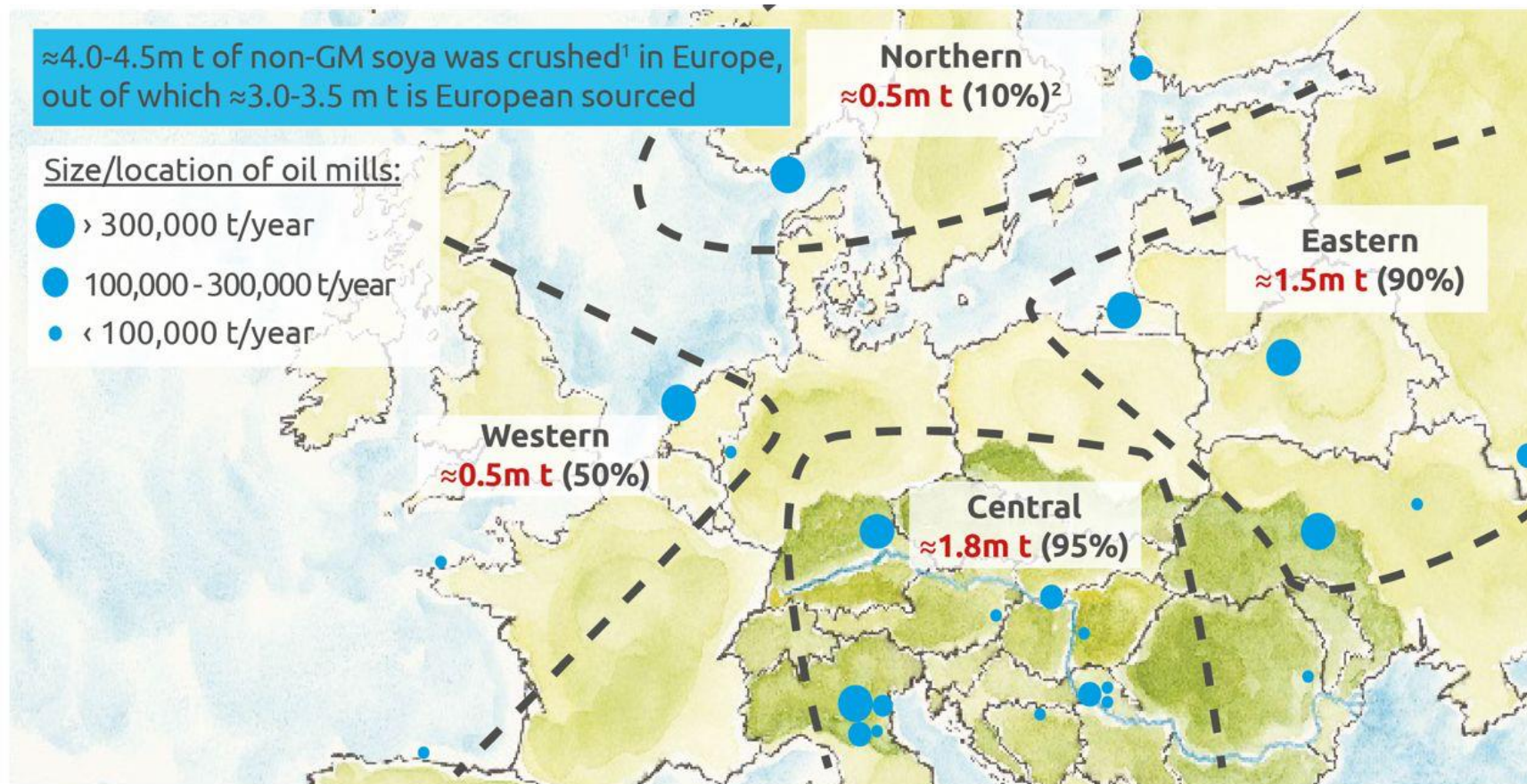
Why SBS are the driver?

- The EU non-gm soya crushers are located in the main soya growing regions, or can easily import from them
- The sbm consumers should understand that in order to read the market, they have to monitor the soybean crop development in EU, and this is what we highlight in the DS Market Report on a monthly basis.

IT IS VERY DIFFICULT TO FORECAST THE NON-GM PREMIUM EVOLUTION BECAUSE IT IS AFFECTED BY:

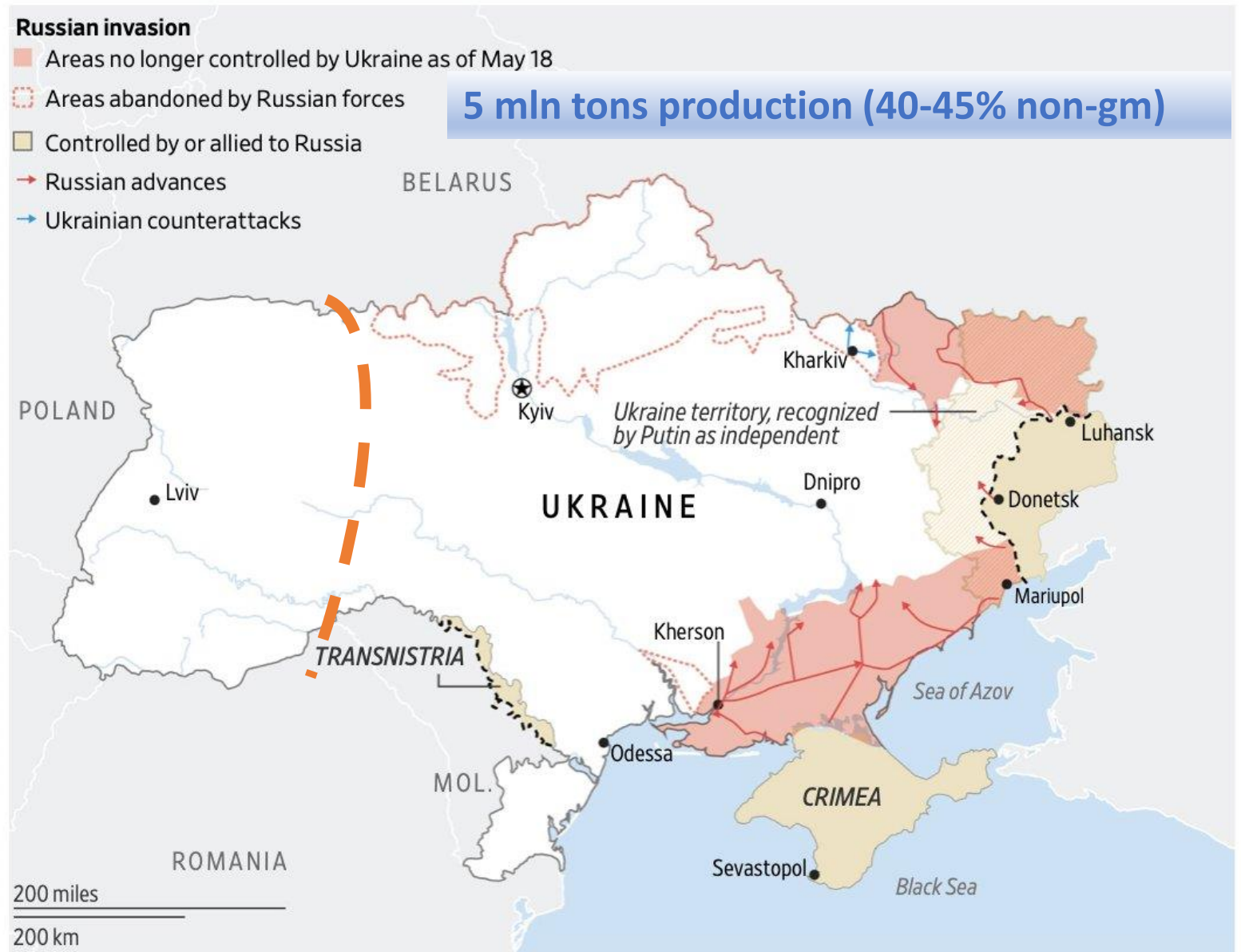
- WORLD GM MARKET***
- INTERNAL EU SUPPLY OF BEANS***
- WORLD NON-GM MARKET (BRAZIL , India - feeding the North EU countries and France-)***
- NEW LEGISLATIONS (EUDR)***
- LOGISTIC DISTRUPTIONS (DANUBE, RHINE, WAR, ACCESS TO THE PORTS ETC)***

Where are the main EU crushing sites?



SBS Export flows UA

- Odessa
- Reni/Izmail
- Constanta
- Western Borders Train Terminals



Sources: Organization for Security and Cooperation in Europe (Russia-controlled area in eastern Ukraine); Dr. Phillip Karber, Potomac Foundation (Russian incursions, areas of control, counterattacks)
Max Rust and Emma Brown/The Wall Street Journal

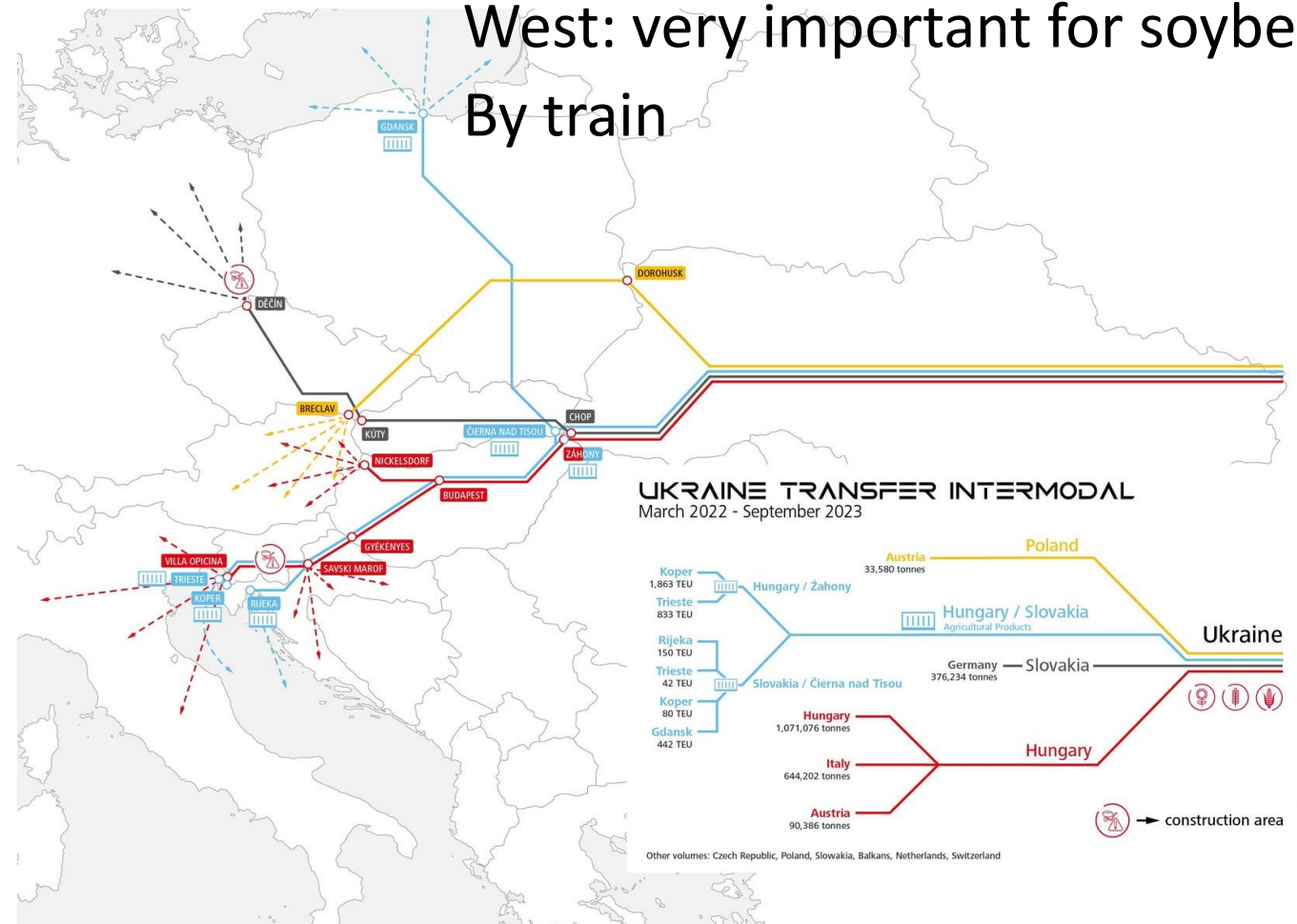
SBS EXPORT FLOWS UA

Danube upstream very important for soybeans by barges

Ports used to export Ukraine's grain

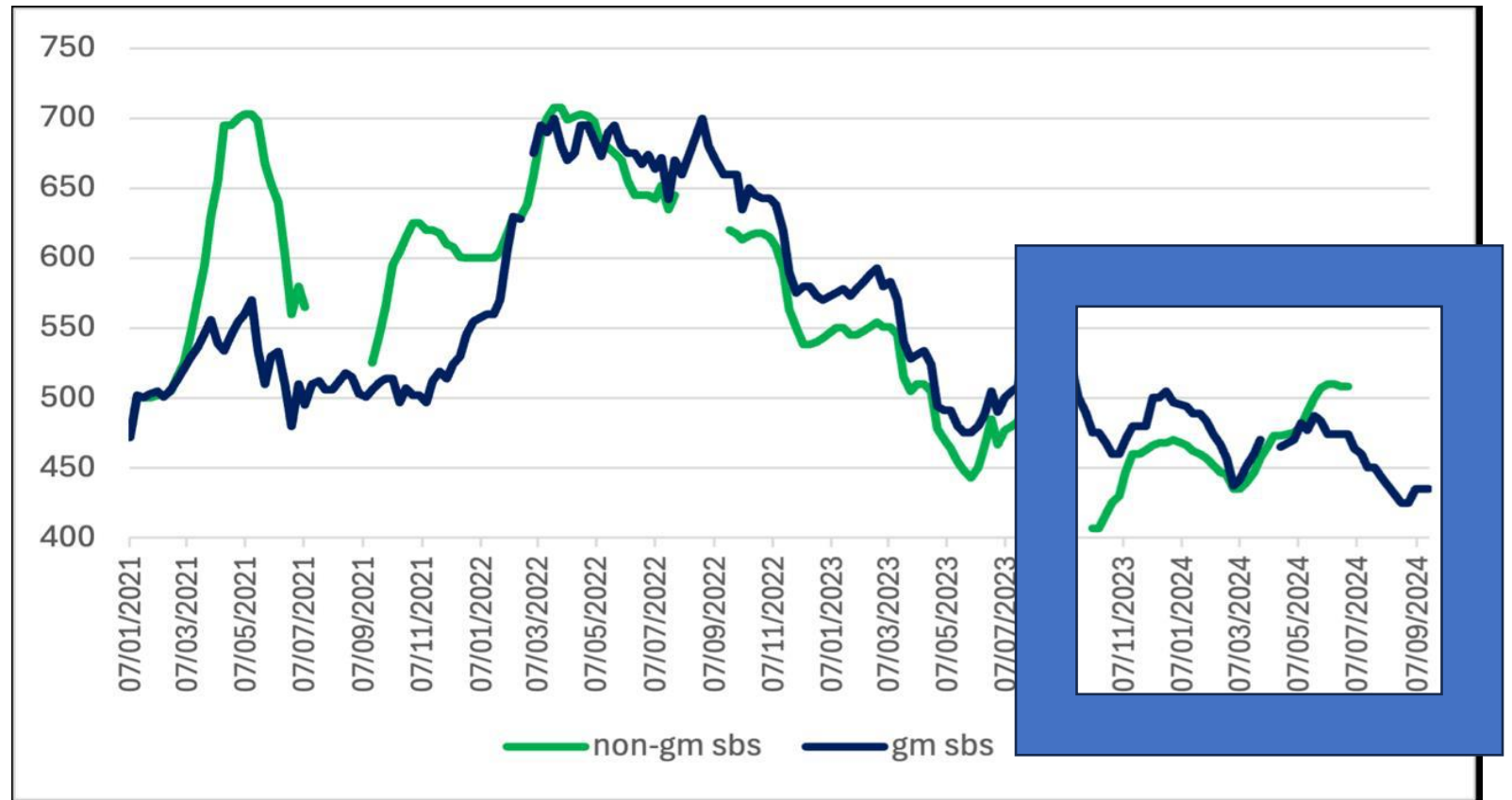


West: very important for soybeans
By train



Comparison 2023 vs 2024 EU-27 production

- 2023 production was the same as 2024: 2.9 mln tons (UA around 5 mln metric tons)
- Soybean premium in 2023 from Oct till Dec were from 100-150 cbu lower than GM beans
- Soybean premium in 2024 as of October is 30 EUR to 40 EUR over GM



Comparison 2023 vs 2024 EU-27 production

What has changed?

- 1) In the end of 2023 / beginning of 2024, Argentina was without GM SBM and price in EU was very high. GM soybeans were overpriced and Ukraine was pushing soybeans to EU.
- 2) EU crushers and Serbia finished the year without carry over stock. It was not possible to buy anything after July 2024. In 2023 it was not like this and crushers had carry over.
- 3) Pakistan and Serbia in 2024 are deficit
- 4) Russian meal under duty
- 5) Brazilian non-gm beans segregation

NON-GM Premiums are high!

IMPACT OF EUDR ON THE PREMIUM

Doubts about implementation of EUDR have created following problems:

1) Suppliers of beans without guidelines, not possible to offer EUDR compliant beans before season

2) Crushers not able to offer big volumes of non-GM meal as of 2025

3) No transparency on GM-meal premiums

If implemented: non-EUDR beans will need to be sold by Nov to the end users – bearish (↓) premium for Oct/Nov/Dec, bullish (↑) Jan onward

If not implemented: stable to soft premium until Dec/Jan (less farmer selling) but still export from B/S and Serbian deficit affecting the demand

Thank you