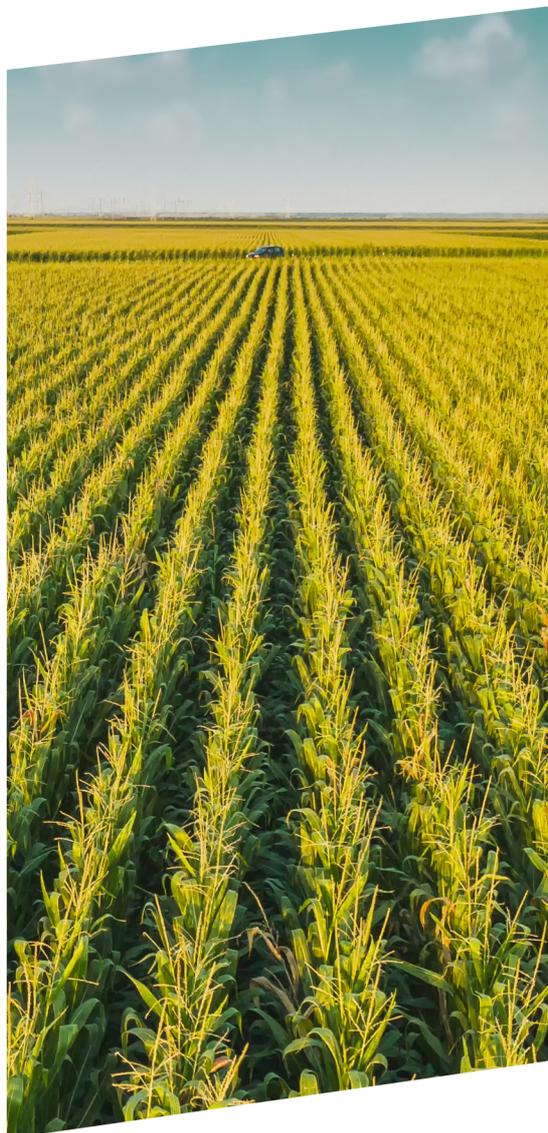


NON-GMO SOY NON-GMO MAIZE NON-GMO RAPESEED



HIGHLIGHTS

The following points summarise the major trends and recent developments that affect Non-GM supply & demand within the EU in the current (2023/24) and following (2024/25) marketing year.

- EU Non-GM soy, maize & rape prices – along with global grain prices – greatly increased in March & April, mainly driven by adverse weather in major global producers, notably Brazil.
- The EU Non-GM soy area is forecast to expand by 8% to a record 1.15 million ha in 2024. This expansion is driven mainly by favourable soy prices & high input costs for other crops.
- The EU Non-GM market is expected to remain well supplied during the coming 2024/25 marketing season in view of the high EU soy & maize crop forecasts for harvest 2024.
- Non-GM soymeal premiums have returned to relatively high levels of 90-150 EUR/t in April & May as the result of a temporary low availability of Non-GM soy in early 2024.
- Non-GM soy output in Brazil is estimated at 2.0 million t in 2023/24. This volume is lower than in the previous season but still enough to largely meet the European import demand.



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 area is forecast to expand by 8% to a record 1.15 million ha in 2024. This area expansion is likely to contribute to an improved availability of regional Non-GM soy in the EU from October 2024 onwards.
- Non-GM soybean was traded at 480 EUR/t in mid-May at the Bologna Exchange, up 10% vs early March.
- EU Non-GM soy prices – along with global soy prices – have been pushed up by unfavourable weather events during the Brazilian soy harvest in April-May.
- Non-GM soymeal premiums have returned to relatively high levels in the EU and moved in the range of 90-150 EUR/t during April & May. Non-GM premiums have been driven up by a lack of Non-GM soybean in early 2024.
- Certified Non-GM soy output in Brazil is estimated at 2.0 million t in 2023/24.

Crop forecast

EU area 2024

Only Non-GM soybean varieties are commercially planted in the EU. The Non-GM soy area in the EU is forecast to expand by 8% to a record 1.15 million ha in 2024, according to Donau Soja's forecast.

The following factors are driving the growth of the EU soy area:

- Favourable margins for soy producers;
- High fertilizer & energy prices (soy is a less fertilizer & energy-intensive crop vs cereals);
- Favourable experience and high yields in the soy fields during the previous harvest in 2023;
- Wet weather during autumn and winter that delayed or prevented winter crop¹ sowing (some of these fields are likely to be used for sowing spring crops¹, such as soy);
- Subsidy programmes within the EU Common Agricultural Policy for nitrogen-fixing crops including soybean;
- Growing demand for deforestation-free and regional soy raw materials.

An early forecast tentatively suggests that soy output in the EU could grow by 5% to a record 3.0 million t in 2024. This output will all be Non-GM.

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.

Price developments

Non-GM soybean was traded for 480 EUR/t in mid-May at the Bologna Exchange, the main stock exchange for soy in the EU (Figure 1). This price is 10% higher compared to early March when the recent price increase wave started.

The price of Non-GM soymeal has grown at a similar pace over the last two months. In mid-May, high protein Non-GM soymeal (May delivery) was offered for around 620 EUR/t in Northern Germany, which is one of the biggest Non-GM feed user regions in Europe.

EU Non-GM soy prices closely follow the global conventional (GM) soy prices. The recent price increase on the global soy markets was mainly driven by weather events in Brazil, the largest producer and exporter of soybean worldwide. Extensive rain and floods disrupted soy harvest progress in key Brazilian producer regions in April and May, and this put upward pressure on global soy market prices, including Non-GM soy products in the EU.

In recent months, Non-GM soymeal premiums (Box 1) have returned to relatively high values after they hit very low levels in the previous year. In mid-May premiums were moving in the range of 90-150 EUR/t in the EU. The recent trend of rising Non-GM premiums was mainly driven by the low availability of Non-GM soybean within the EU in the previous months (Jan-Apr).

Box 1 INFO ON NON-GM PREMIUM

Non-GM soy products are considered as premium raw materials and represent only a smaller slice – around 10-20% – of the EU market. As a premium product, Non-GM soy is normally offered for a higher price compared to its GM counterpart. The price spread between the Non-GM and GM soy is often referred to as “Non-GM premium” and observed as an important indicator in the Non-GM soy market. The size of the Non-GM premium largely defines the profitability & competitiveness of the Non-GM products. The size of the premium depends on a wide range of factors such as the location, protein content, delivery month, or certification type.

Figure 1 Soybean price on the Bologna Exchange over the last 1 year* (monthly average, EUR/t)



*Price in August/Sep 2023 is estimated by Donau Soja, May 2024 price refers to price until 16 May.

Source: Prepared by Donau Soja based on data from Bologna Exchange

Non-GM supply & demand

Over the last 10-12 years EU Non-GM soy production has doubled. Despite the remarkable expansion in domestic output, the EU is still dependent on the import of Non-GM soy products to satisfy its Non-GM demand. A rough estimate suggests that the EU soy output covers ≈40-50% of its Non-GM demand.

The record EU soy crop in autumn 2023 contributed to abundant availability of Non-GM soy in the EU for the following months (Oct – Jan). But in late 2023, the market faced a lack of conventional (GM) soymeal in some EU regions – such as Northern Italy – and many GM users applied Non-GM materials temporarily. This special market situation resulted in a higher-than-usual usage of Non-GM soy which became a scarce product in early 2024.

Brazilian supply

Brazil is traditionally the most important Non-GM soy exporter to the EU and plays an important role in ensuring the steady flow of Non-GM soy in the EU regularly from May onwards. This Non-GM flow again plays a crucial role in easing the current tight Non-GM market situation in the EU.

The Brazilian soy harvest was largely finished by mid-May. According to the ProTerra Foundation’s estimate ([published](#) on 30 April), the total output of Non-GM soy reached around 2.0 million t (1.35% of the total output) in Brazil this season (2023/24). The lion’s share of this volume is likely to be exported to Europe. This quantity is lower when compared to the previous season but still enough to satisfy the needs of Non-GM soy users in the EU.

NON-GMO MAIZE

Highlights

- The EU Non-GM maize supply is likely to remain good in the upcoming 2024/25 season in view of the relatively high EU maize crop forecasts for harvest 2024.
- EU Non-GM maize production is estimated to grow by around 10.8% to 69.0 million t in 2024 on the back of a higher area and yield.
- Only Non-GM maize varieties are cultivated in the EU member states with the exception of Spain & Portugal.
- Euronext Non-GM maize price moved at 200 EUR/t in mid-May, up 15% vs early March.
- Non-GM maize is traded at a similar price as its GM counterpart in most EU regions.

Crop forecast

The EU maize sowing campaign started in late March, a bit earlier than normal. The harvest is likely to take place in October-November. Over 99% of the EU maize cultivation is Non-GM, and only Spain & Portugal have some commercial GM maize plantings in relatively small areas (see Box 1 for more info).

EU area forecast 2024

In 2024, the EU maize area is estimated to grow by 9.1% to 9.2 million ha, after two consecutive years of decline, according to [DG AGRI's short-term outlook](#) published early May (Figure 2). The analysts at Strategie Grains, a French-based crop consultancy, expect a smaller area of 8.7 million ha. The US Department of Agriculture (USDA) published an estimate of 8.6 million ha in mid-April.

The expansion in the EU maize area was mainly driven by the excessive rainfalls and unfavourable sowing conditions last autumn (2023) which forced many farmers to switch from winter crops to springs crops in some EU regions.

Output forecast

DG AGRI's early tentative forecast suggests that EU maize output could expand by 10.8% to 69.0 million t in 2024 on the back of a higher area & yield. The five-year average is likely to be exceeded by 3.6%.

The estimates of Strategie Grains (64.4 million t) and the USDA (63.6 million t) are more pessimistic. Assuming normal weather conditions, the maize harvest in the EU will be larger than last year's 62.5 million t.

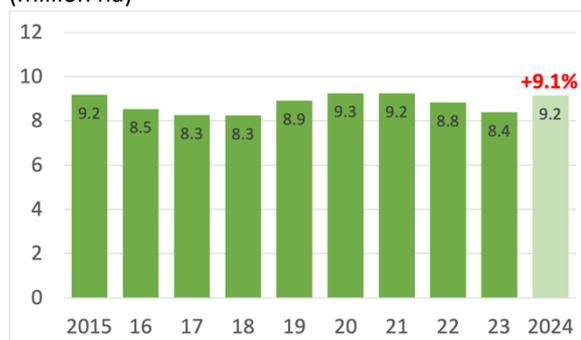
Weather issues

Overall, sowing of maize in the EU started this spring under good conditions. The warm temperatures along with adequate water supply created favourable conditions for the sowing and growing of maize in general, particularly in Central & Western Europe.

However, farmers have faced varying conditions. Overly wet conditions in the fields delayed the sowing campaign in some maize producer member states, such as France and Italy. In the Balkans, conditions for sowing are good but the water reserves in the soil are low after a winter with below-average rainfall. The situation in Romania and Bulgaria eased somewhat in the second half of April. Nevertheless, longer periods without rain in southeast Europe can put a strain on the plants.

Beyond weather conditions, the following factor is also likely to play a crucial role in affecting EU maize yields in 2024: with commodity prices falling more rapidly than input prices, farmers seek opportunities to reduce or maintain production costs. Fertilizer and pesticide applications may be sacrificed in some cases, which could have a negative effect on yields.

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



Source: DG AGRI

Price developments

Non-GM maize is the normal quality in the EU futures and physical markets (Box 2). Non-GM maize is traded with no premium (higher price) over its GM counterpart in most EU regions.

In mid-May, Non-GM maize traded at around 210-220 EUR/t at Euronext Paris, the EU's major stock exchange for maize (Figure 3). This price level is roughly 20% higher vs early March when prices hit a three-and-a-half-year low (170 EUR/t).

This recent increase in EU and worldwide maize prices has been mainly driven by heavy rains as well as hot and dry weather conditions in different parts of Brazil/Argentina which are major global maize producers and exporters.

On the cash market, maize prices for the old harvest have remained largely unchanged since the end of March. In early May, compound feed producers paid 220-225 EUR/t (DELPROC*) in northwest Germany. In Valladolid (Spain), the price moved around 215-220 EUR/t (DEPSILO) and in Bordeaux (France) it was around 195 EUR/t (DELPO).

Figure 3 Maize price on Euronext Paris (MATIF) over the last 1 year* (monthly average, *nearby month*, EUR/t)



*May 2024 price refers to the average price until 21 May

Source: MATIF

Non-GM supply & demand

As more maize is expected to be harvested in the EU in 2024 than last year, the supply of Non-GM maize is likely to remain good in the upcoming 2024/25 marketing year too. All users of Non-GM raw materials will be likely to get easy access to Non-GM maize without additional cost or effort. However, it must be taken into account that production in Ukraine will decline and this might decrease the EU Non-GM maize imports from Ukraine.

Box 2 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 by origin. Non-GM maize is available in large quantities and hence normally has no higher price (premium) over GM maize.

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, 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.

The EU relies on maize imports. Domestic maize production covered around 85% of the total EU maize consumption when calculated for the 5 years of 2018-2022. The yearly maize imports of the EU-27 have ranged from 9 to 25 million t over the last 10 years.

USDA (United States Department of Agriculture) estimates that roughly 80% of EU maize imports are Non-GM. The main source of imports is Ukraine, responsible for around 55-60% of total EU maize imports (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.

*DELPROC, DEPSILO & DELPO are price labels that provide some qualitative information about the costs included or not in the corresponding price quotations. DELPROC: Delivered to processor after one intermediary; DEPSILO: Departure from silo – after some storage – on truck or other transport means; DELPO: Delivered to port.

NON-GMO RAPE

Highlights

- The EU market is likely to remain well supplied with Non-GM rapeseed in the 2024/25 marketing season. No supply bottlenecks are expected.
- The EU Non-GM rape area for the harvest in 2024 is estimated at 6.0 million ha, -3.8% vs previous season.
- EU-27 rape output is forecast to decline by 2.0% to 19.4 million t in 2024.
- Non-GM rapeseed at Euronext was traded at 480 EUR/t in mid-May, up 15-20% vs price levels in early March.
- Non-GM is the norm in the EU rape market during the 2024/25 season, and hence has no higher price compared to its GM counterpart.

Crop forecast

In the EU, only Non-GM rapeseed varieties are allowed for commercial cultivation. All the projections about EU rapeseed production below refer to Non-GM rapeseed production. Rapeseed in Europe is normally sown in October and harvested in July-August in the following calendar year.

EU rapeseed area for harvest 2024

The EU rapeseed area for the harvest in 2024 is estimated at 6.0 million ha, -3.8% compared to the previous season but still above the 5-year average according to DG AGRI's estimate. The following factors contributed to the decline of EU rapeseed plantings:

- Abundant global harvests in the previous two years put downward pressure on rapeseed prices and hence its profitability lowered.
- The unfavorable weather during the planting season in the autumn of 2023 hindered the plantation of some rapeseed fields in the EU.
- Declining availability of plant production products and other regulatory issues also discouraged farmers from planting rapeseed.

Output forecast

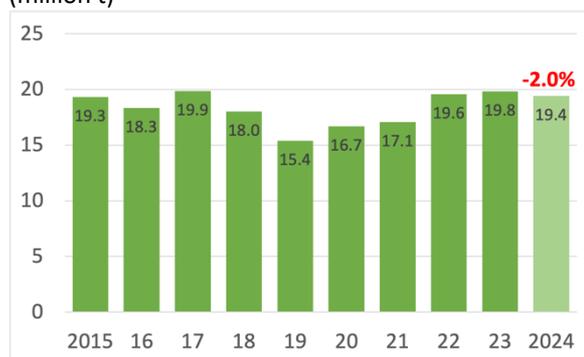
The European Commission expects a rapeseed harvest of 19.4 million t in the EU in 2024 (this projection was published on 25 April). This would be a decline of 2.0% compared to last year (Figure 4), but the five-year average would be exceeded by 9.2%.

Other institutions are more pessimistic. The current forecasts of the International Grain Council (IGC) and the US Department of Agriculture are 18.8 million t, while the consultancy firm Strategie Grains expects only 18.1 million t. There is consensus that farmers in the EU have grown less rapeseed than in the 2023 harvest.

Weather issues

The rapeseed harvest in the EU faced varying weather conditions this season. Exceptionally high temperatures were recorded in March and the first half of April, meaning that rapeseed flowering began earlier than usual. In the second half of April, the flowering plants in Central and Western Europe were surprised by a cold spell with night frosts. In northwest Europe, excessively wet conditions also impaired the development of the plants. In Romania and Bulgaria, on the other hand, the plants suffered from a spring that was too warm and too dry. The coming weeks will show whether the abundant rainfall that reached the Eastern Balkans in the second half of April arrived in time. In Romania, there are signs of total losses on a larger scale, meaning that the areas could be replanted with other crops.

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



Source: DG AGRI

Price developments

Non-GM rapeseed normally has no premium (higher price) over GM rapeseed in the EU (Box 3). Similarly to other global grain prices, EU rapeseed prices have also been trending upwards since the end of February. Rapeseed futures (Aug-24 contract) rose by 16% to 480 EUR/t between early March & mid-May at Euronext, Europe's leading stock exchange for rapeseed.

Rape (seed, meal & oil) prices were mainly influenced by the following factors in this period:

- Rape prices closely followed the upward price movements of global soybean and palm oil markets – rape prices often react to soy and wider oilseed news because of the high degree of substitution among oilseed products.
- Reduced rapeseed areas and crop prospects for harvest 2024 in the EU, Canada and Ukraine also drove upward global rapeseed prices.

Rape prices also rose on the EU cash market. In Hamburg, rapeseed was traded for 450 EUR/t (May delivery), up 40 EUR vs mid-March. Rapemeal was offered for 300 EUR/t (July delivery) in mid-May, up 15% vs mid-March.

Figure 5 Rapeseed price on Euronext Paris (MATIF) over the last 1 year* (monthly avg., nearby month, EUR/t)



*May 2024 price refers to the average price until 16 May

Source: MATIF

Non-GM supply & demand

Despite the smaller EU harvest in 2024, no supply bottlenecks are expected for Non-GM rapeseed and rapeseed meal in the EU. The EU's Non-GM rapeseed demand is likely to be easily satisfied for all EU Non-GM users.

The growing demand for GM-free feed ingredients in milk production, which is required by retail chains (and thus processors) in Germany and Austria, keeps the demand for protein-rich rapeseed meal solid.

Box 3 BASIC INFO ON NON-GM RAPESEED IN THE EU MARKET

Similarly to the maize market, the overwhelming majority of the rapeseed and rape meal traded within the EU is Non-GM by origin. Non-GM is the standard quality both in futures contracts and the physical market of rapeseed products in the EU. For this reason, there are normally no higher prices of Non-GM rapeseed vs GM rapeseed in the market.

In the EU-27, only Non-GM rapeseed is grown. But imports are needed to supply the demand within the 27-nation bloc. A small part of these imports is likely to be GM. Total EU-27 rapeseed imports ranged between 2.5 and 7.1 million t over the last 10 years. [DG AGRI forecasts](#) that total EU-27 rapeseed imports will reach 5.8 million t in both the current 2023/24 and the following 2024/25 marketing season.

Rapeseed imports in the EU-27 comes from countries with varying adoption rates of GM rapeseed. Ukraine is traditionally the most important rapeseed exporter to the EU, accounting for roughly 40% of total EU imports. However, 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. 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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