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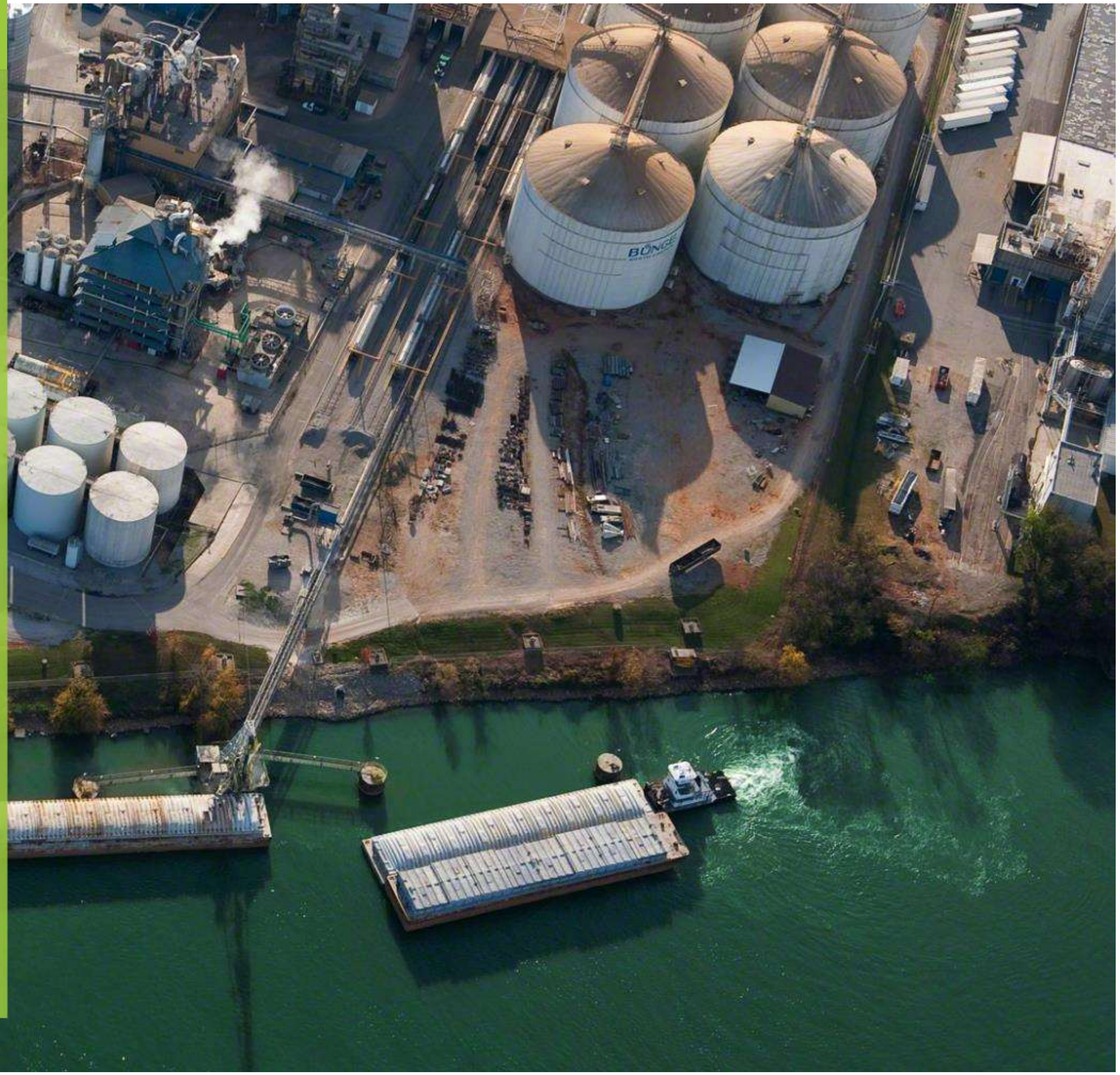
Global Soy Outlook GMO/Non GMO

October 2024



Global soy dynamics

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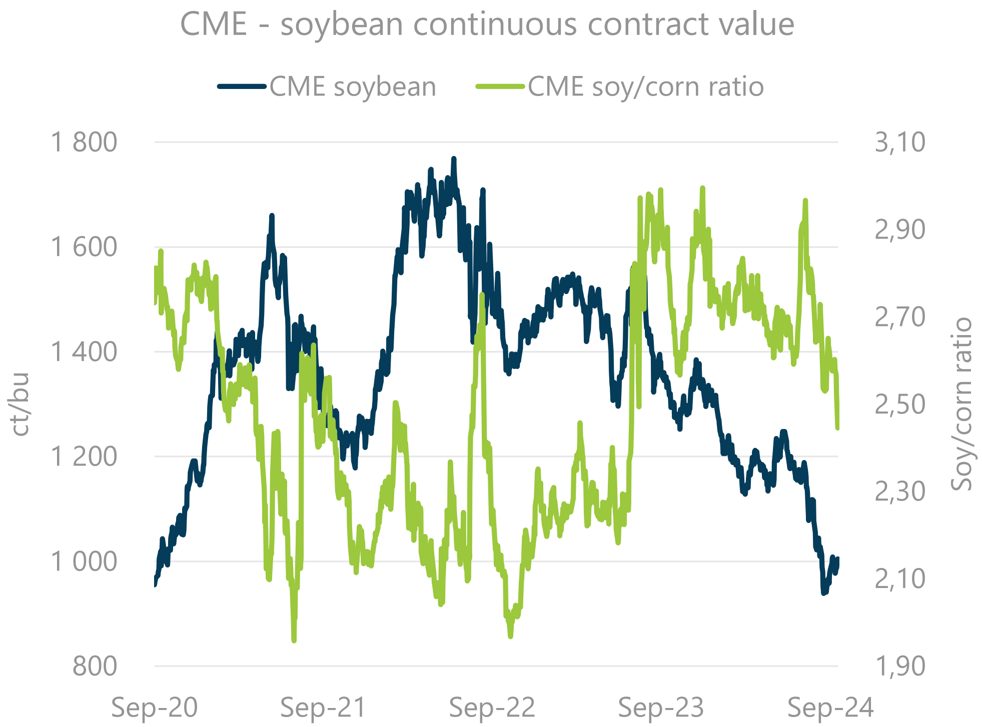
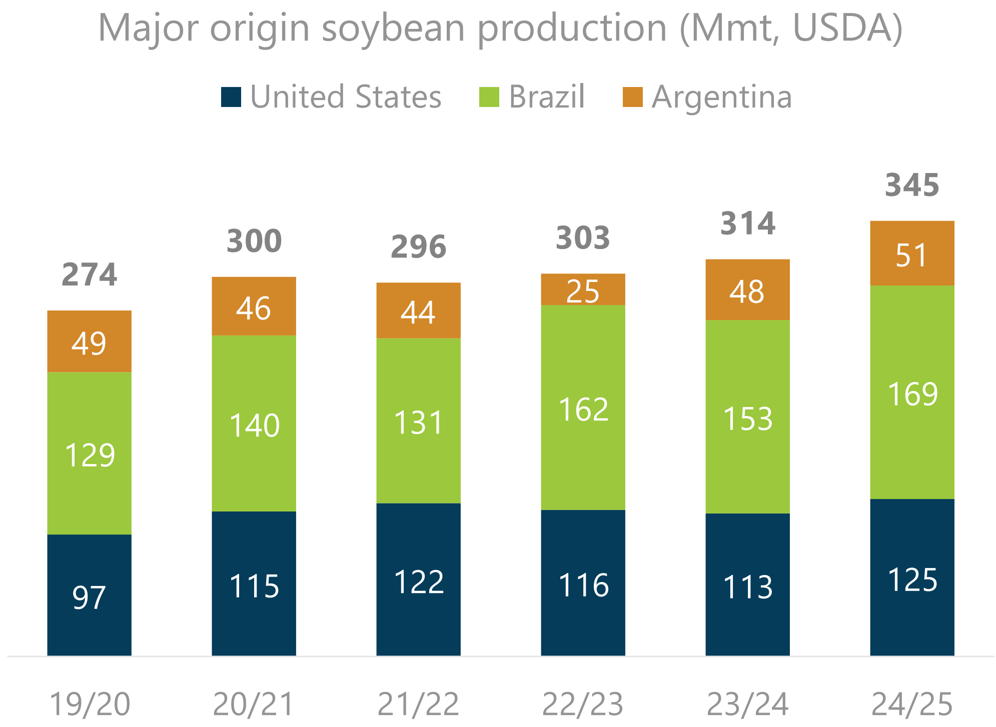
Major origins soybean production

Elevated prices Jan 2020 onwards and soy/corn a ratio favorable to soya last 12 months





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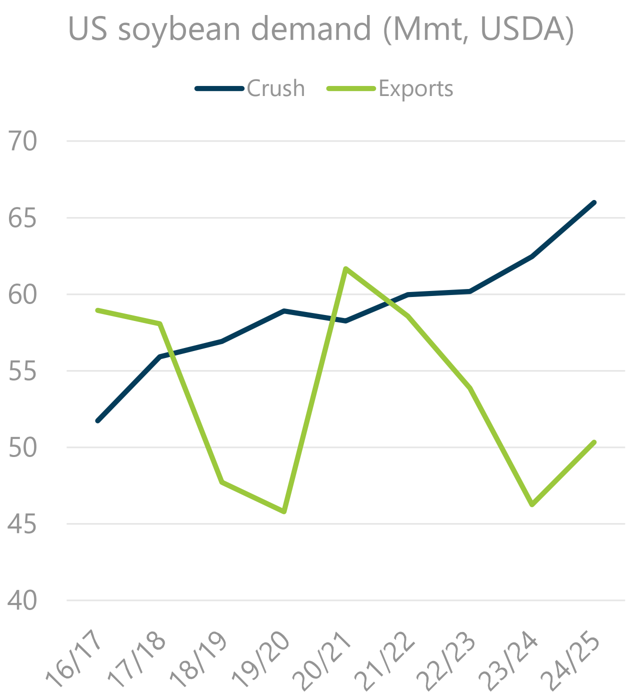
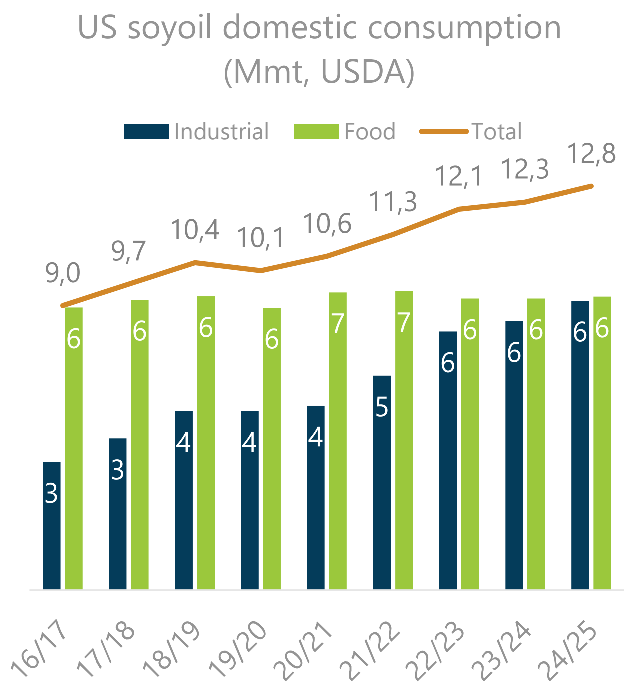
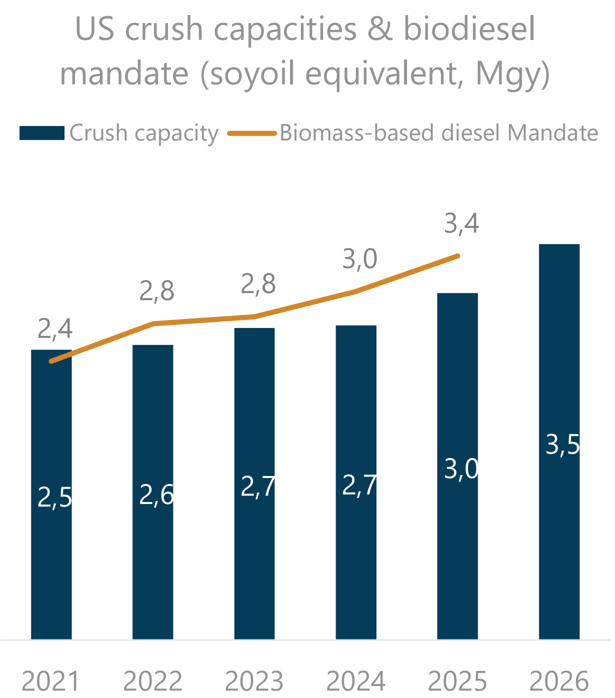
Source: USDA

US soyoil demand driving crush expansion

Biomass-based diesel is elevating soyoil demand against a steady food consumption







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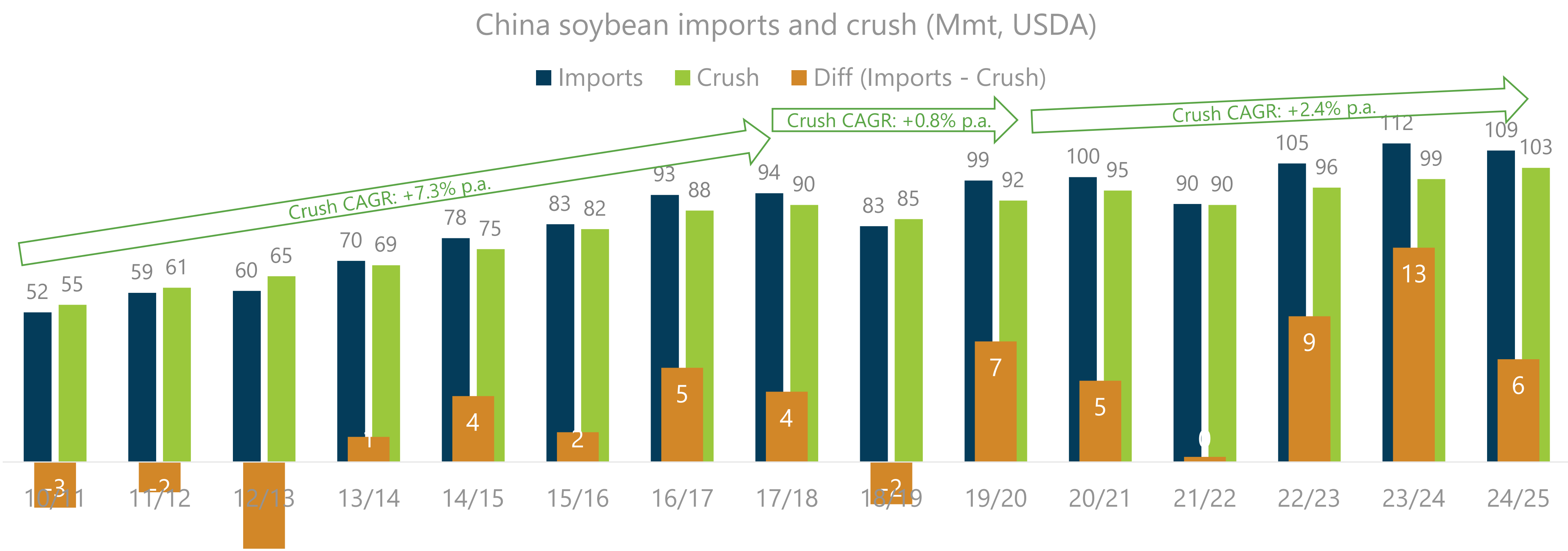
Source: USDA, American Soybean Association

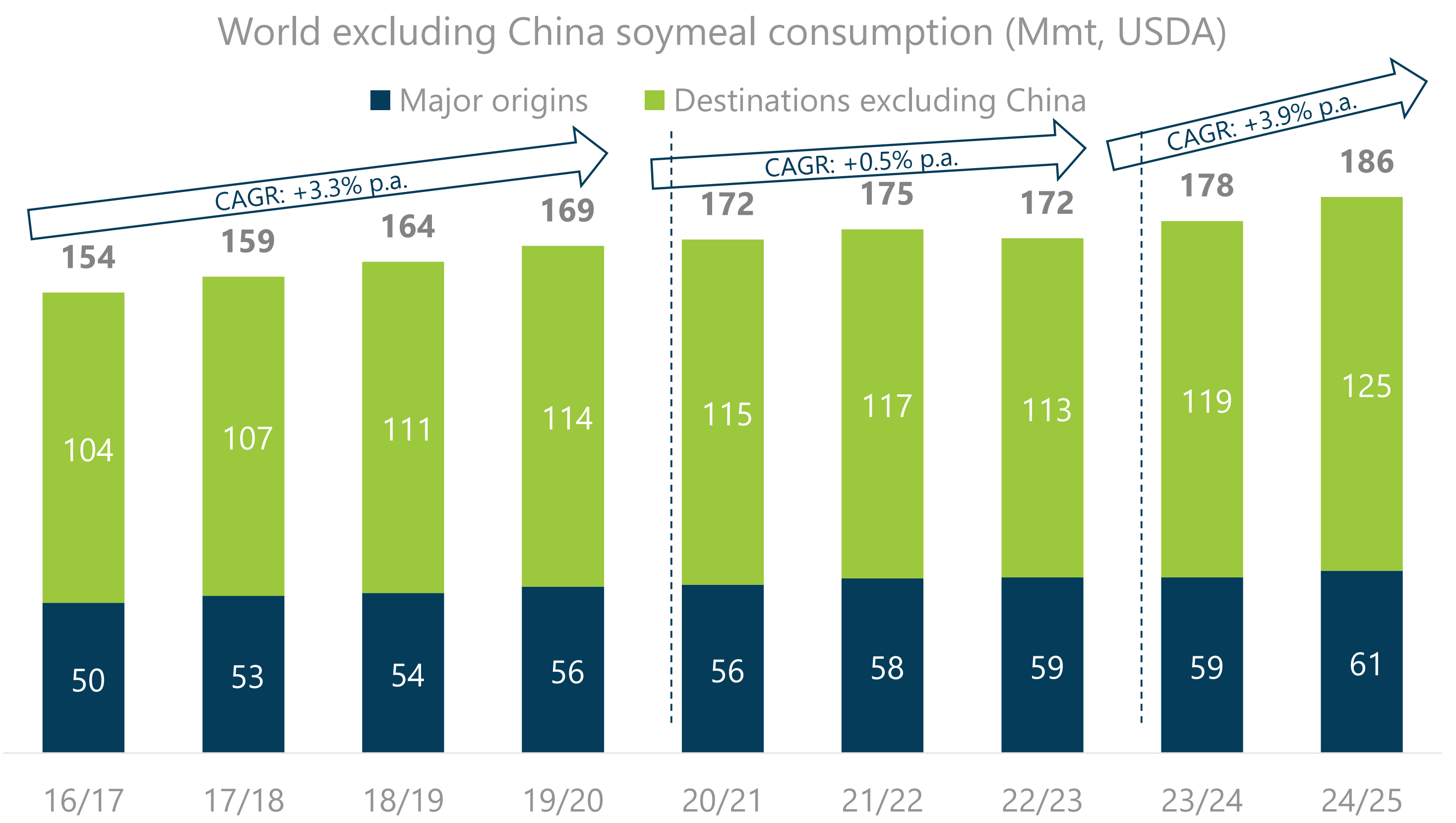
China bean demand increase slowing down post ASF

Recent import demand supported by government reserve expansion



Source: USDA

World soymeal consumption: 24/25 to confirm recovery

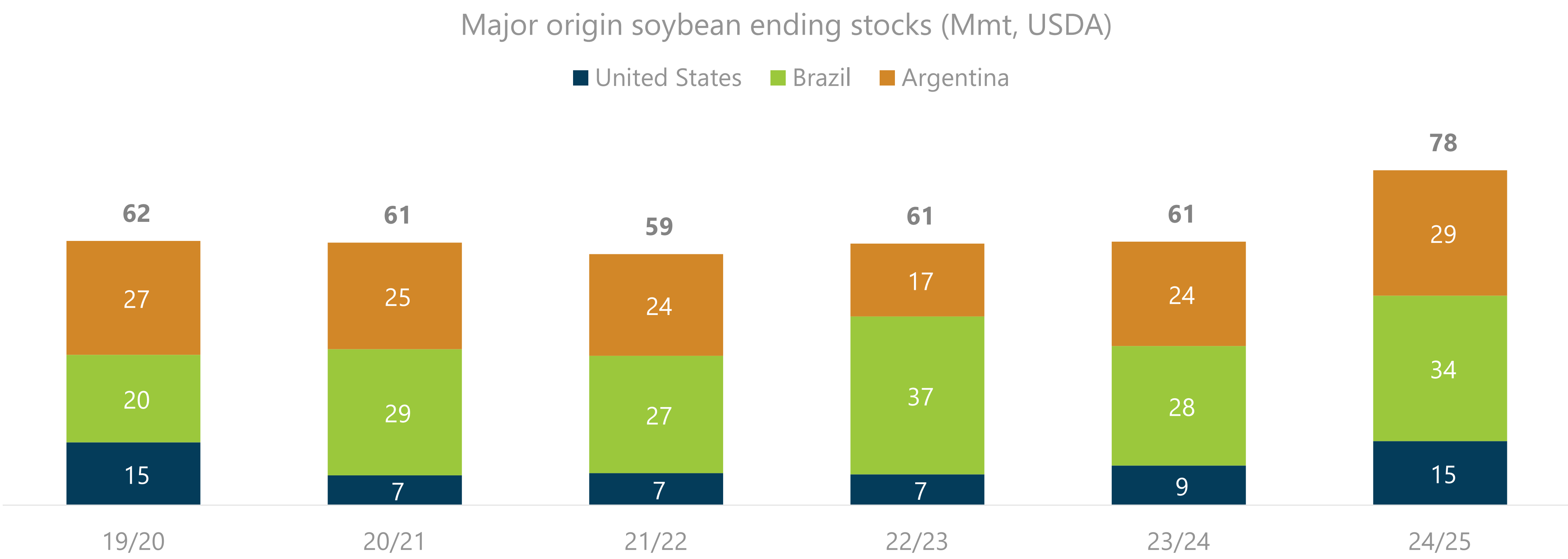


CAGR

- Pre covid
  - Origins: +3.5%
  - Destinations: +3.2%
- Covid years
  - Origins: +1.8%
  - Destinations: -0.2%
- Post Covid
  - Origins: +1.9%
  - Destinations: +5.0%

Major origin soybean ending stocks

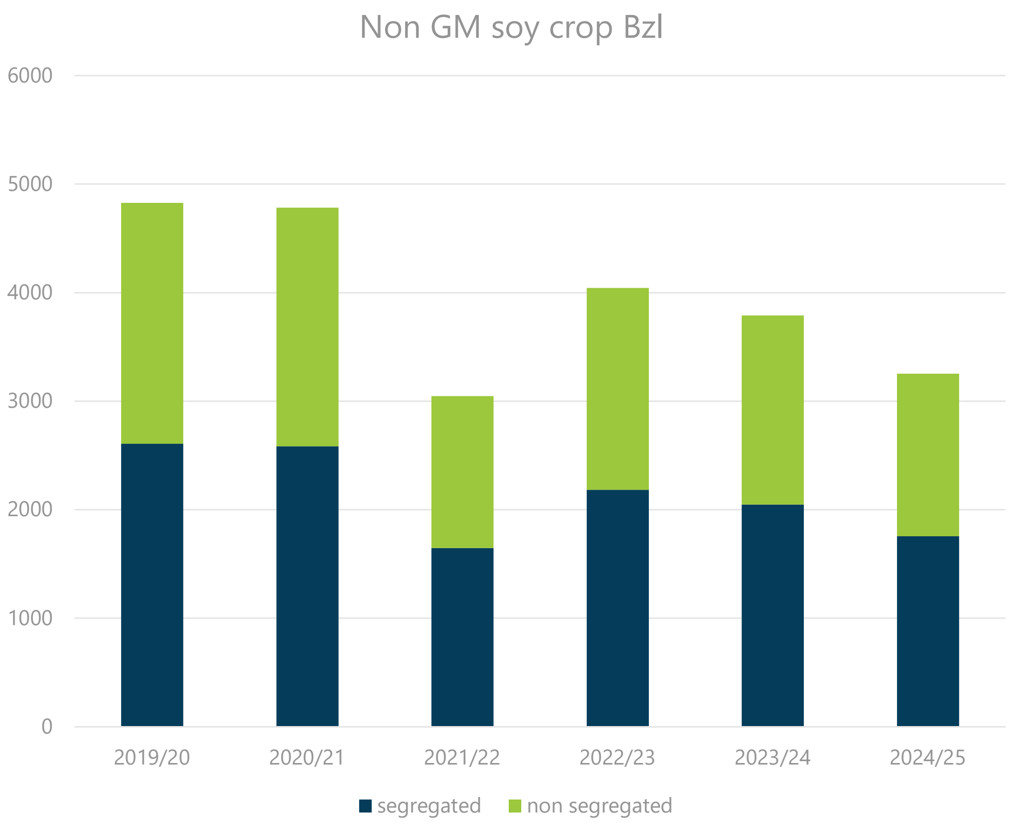
24/25 to significantly increase with area / crop expansion more than offsetting demand increase



Source: USDA

Non GM update

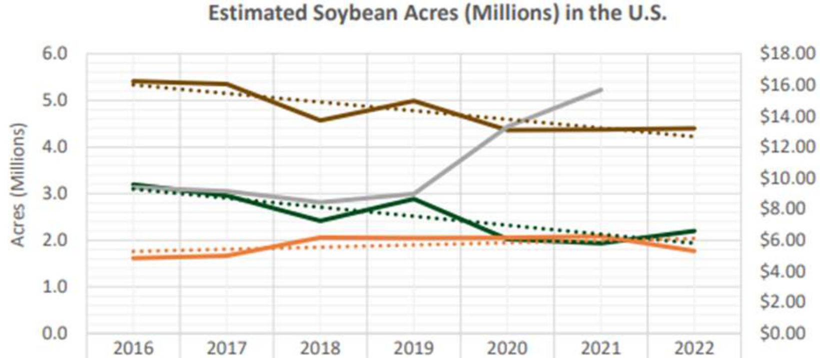
Brazilian NON GMO crop in sharp decrease – Arg crop stable



- Bzl has been market maker of non GM premium in EU market for the past 10 years
- Past 3 years the supply is decreasing and trends keeps like this – we approach 21/22 level for next crop
  - Segregation is the main issue
- Even with sustained premium bzl farmer is not increasing the non gm crop
  - Low seed availability
  - Agronomical reason
  - Volatility in the premium has refrained the farmer
- Flat price decrease – only chance to see more non gmo planting in bzl?
- Argentina has a stable crop of 200k per year

US NON GM production decrease and not captive to Europe

- We estimate around 10% of US crop is Non GMO
- US farmers works with contracts (80% of non gmo soy is contracted one year in advance)
- Half of the production is going to food grade (Tofu/Soymilk/Miso) where demand is increasing
- Not captive to EU unless we see big shortage in Europe (like in 22/23)
- Canada is more captive to Europe but premium remain high

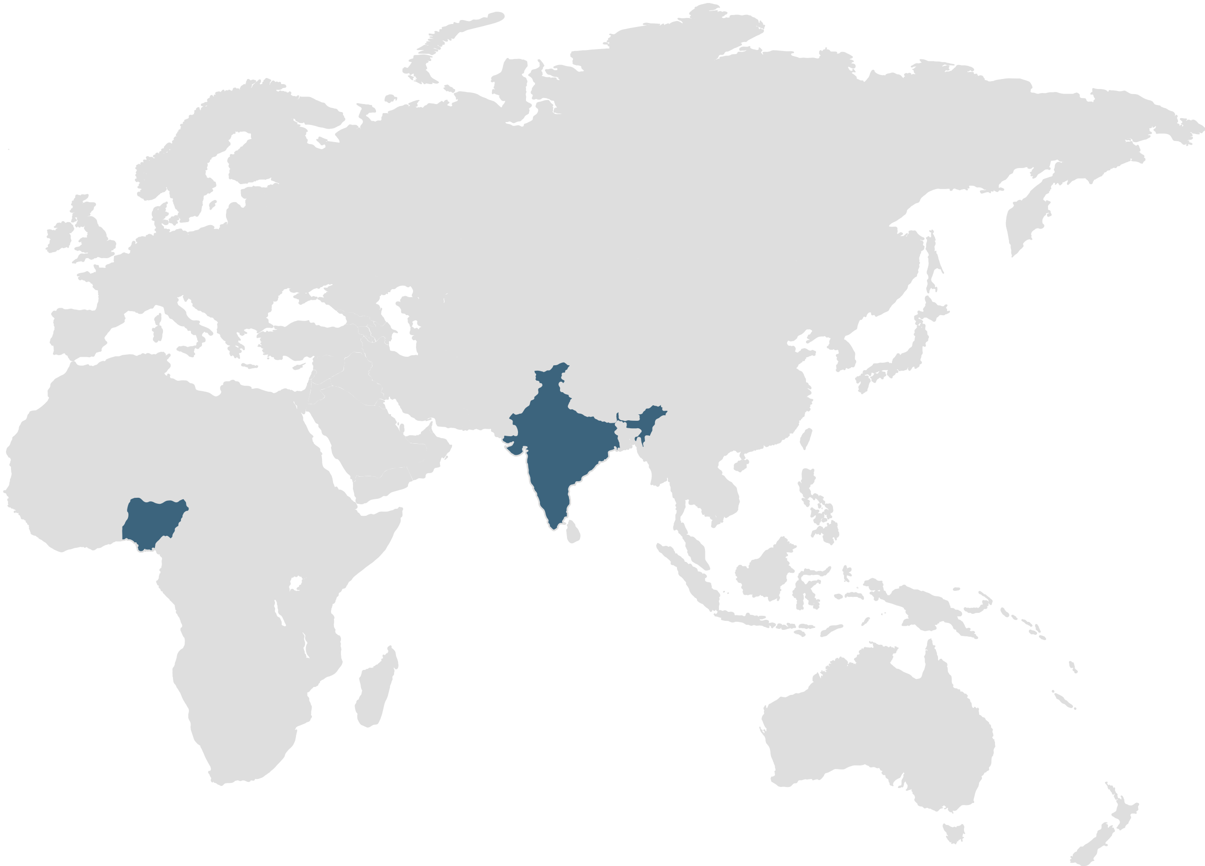


	2016	2017	2018	2019	2020	2021	2022
All Non-GMO soybean Acres	5.4	5.4	4.6	5.0	4.4	4.4	4.4
Non-GMO Food-grade Acres	3.2	3.0	2.4	2.9	2.0	1.9	2.2
Non-GMO Feed-grade Acres	1.6	1.7	2.1	2.0	2.1	2.1	1.8
Soybean Prices	$9.39	$9.15	$8.43	$8.98	$13.30	$15.67	

BUNGE Source : USSEC

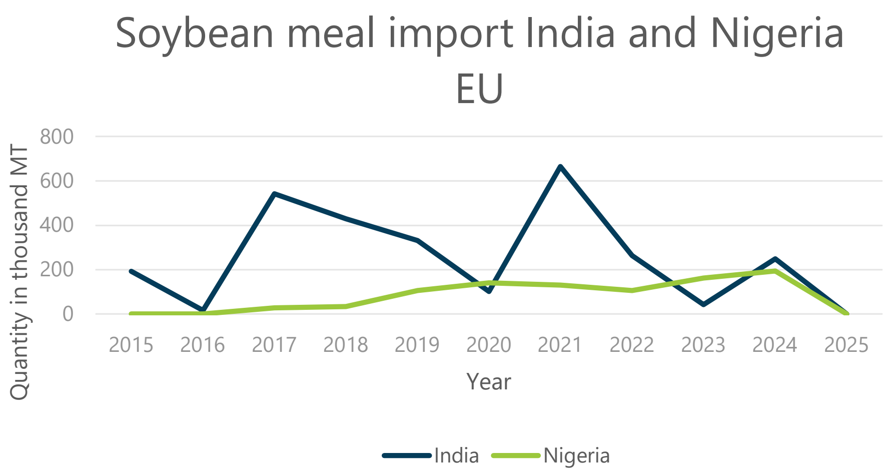
India and Nigeria SBM exporters to EU until when?

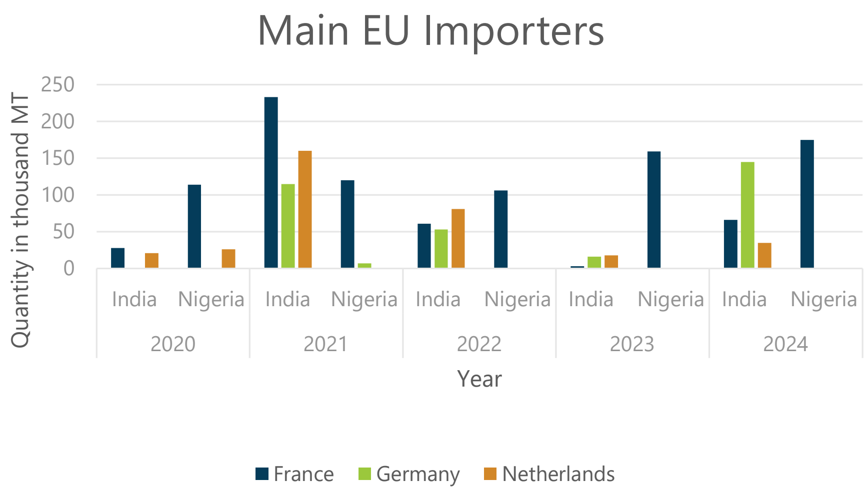
- India produces between 9,5/10,5Mt per year of Non GMO beans (area stable / very low yields)
- Feed industry is growing there +5% per year (1st milk producer in the world) – could be a net SBM importer by 27/28
- Still need to export about 2Mt of SBM per year at current production/consumption
- Government will start to support prices securing a MSP which could be a buffer to FS
- Many small producers and non traceable supply chain will make it difficult to comply with EUDR legislation



India and Nigeria

- Nigeria became a constant supplier of SBM to EU exporting close to 200K in 2024
- Crop has doubled in the past 5 years and crush capacity is increasing there as well
- Pakistan important alternative destination for Nigeria which seeks to export USD
- France is currently the biggest importer in the EU followed by Germany.
- Like India it should be complicated with EUDR requirements





Conclusion

- Record high Soy production globally has negative effect on flat price
- This could increase Non GMO production in the America’s but could impact EU plantings
- Bzl Non GM crop is reduced and it’s already late for 24/25 crop
- US crop is stable but not captive to EU due to it’s very high quality/premium
- India and Nigeria should be exporters for 24/25 with potential delay of EUDR
- When EUDR in place it might prevent some origin to reach EU tightening the market

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