

Background

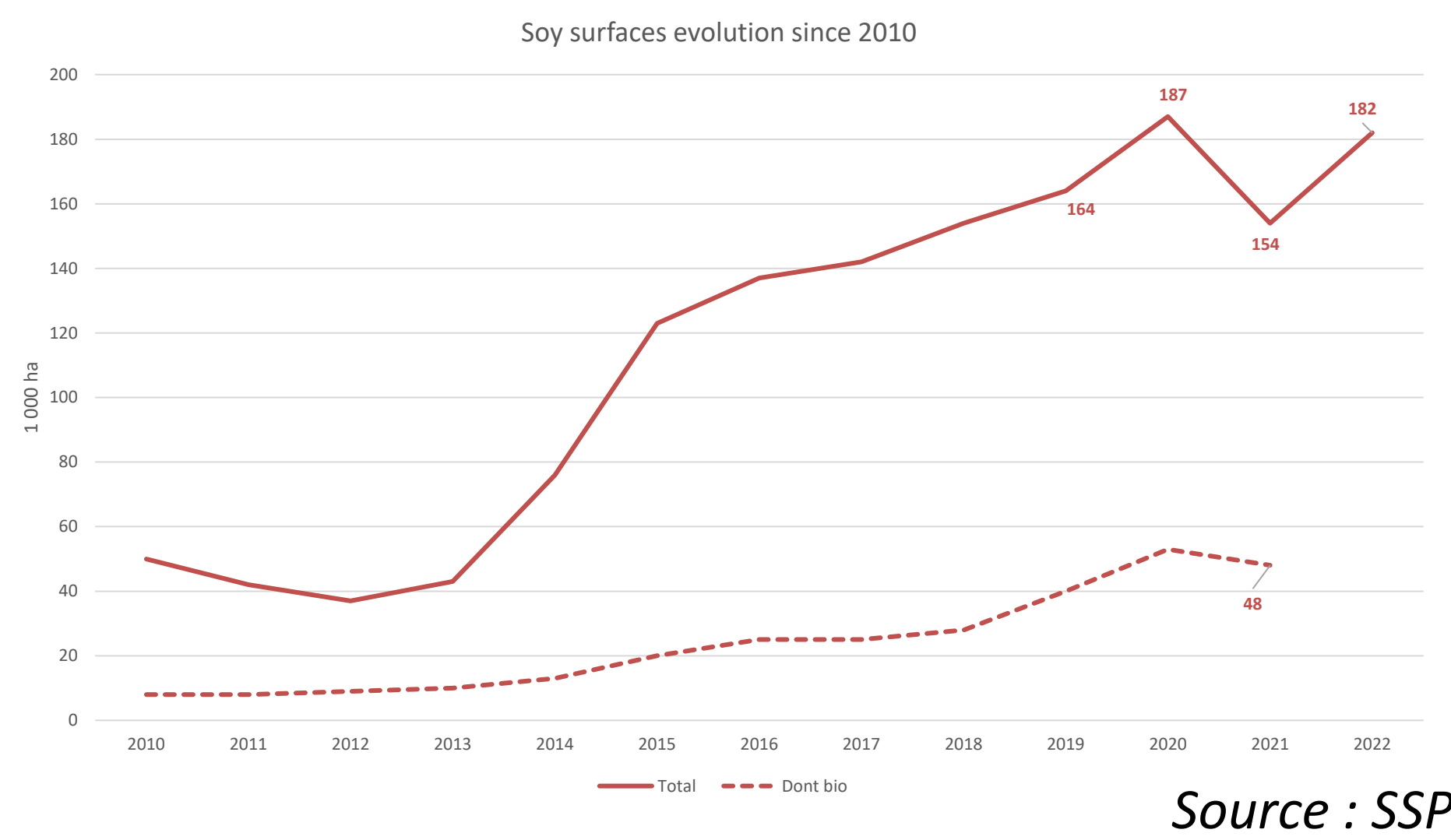
In order to improve France's protein self-sufficiency, the French government launched the Cap'Protein program, aiming to boost legume productions. Particularly, the objective is to reach 250,000 ha of soybean in 2025. Therefore, the Interbranch association Terres Univia decided to realise a diagnosis of the French soy industry to better know the advantages and difficulties encountered at every link of the chain.

Method

This study was based on almost 70 interviews of chain operators : seed companies, storage organizations, crushing plants and feed industry, food sector, etc...

Surfaces are levelling off

On account of yields variability due to climatic variations, and a lack of competitiveness in crop rotations.



Mostly located in the South-West (50%) and in the East (35%).

- Five-year yield average (2018-2022) : 24,6 q/ha. Production fluctuates between 375 and 450 000 tons for five years.

Surface extension is limited by two main factors

- Reliance on irrigation to secure yield and protein content.
- Lack of economic competitiveness, compared to corn for example.

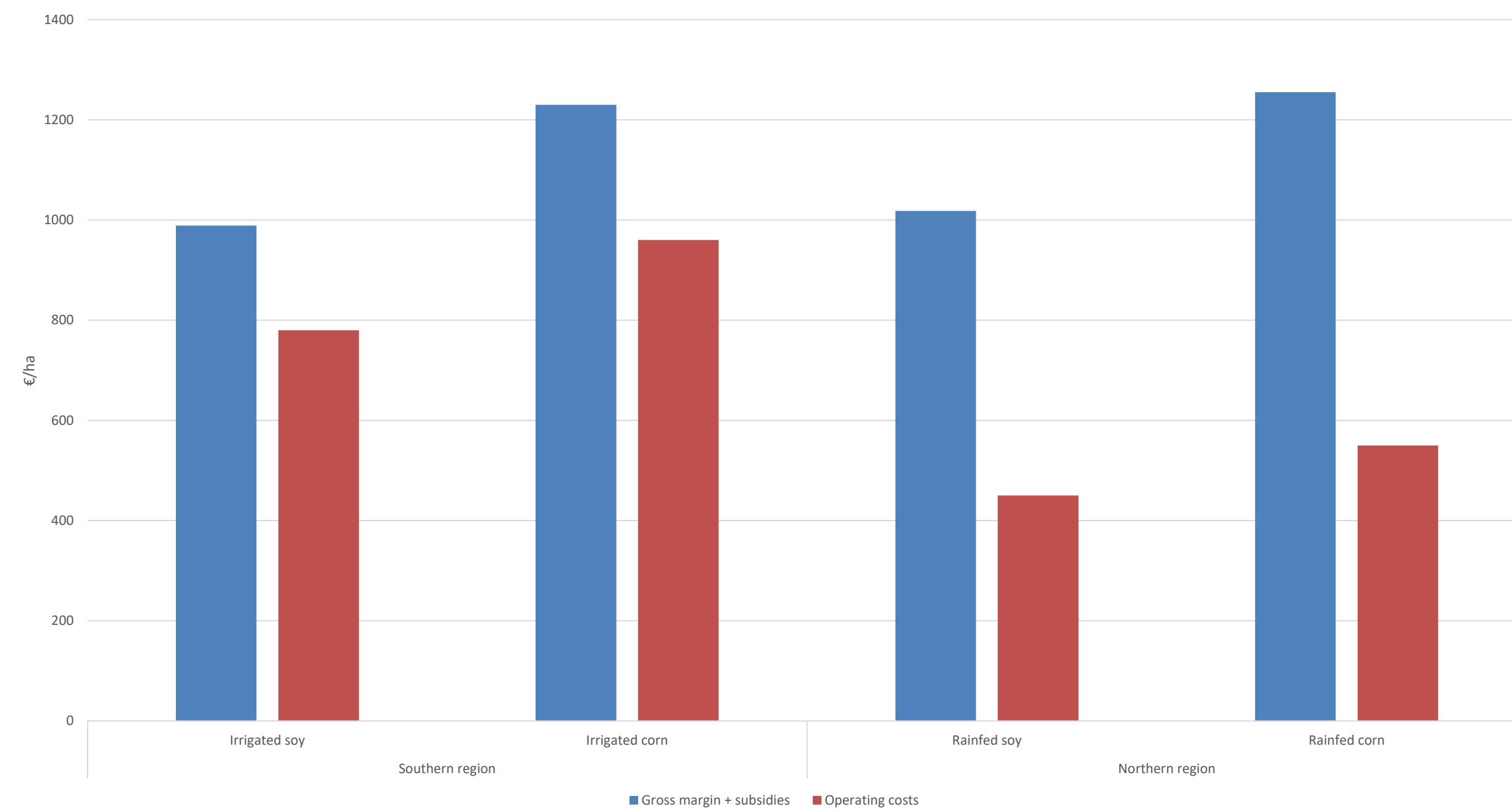


Figure. Margins and costs comparison for soy and corn in Southern and Northern regions. Source: Terres Inovia. Prices of March 2022.

- In new producing regions (Northern and Western), worse economic results due to lower yields and important constraints on collectors also limit the development of the culture.

Lower gross margin, but lower operating costs which can be interesting for treasury and because lower needs in inputs are an advantage regarding price volatility.

Production is mainly destined for local outlets with a growing demand for French beans...

A growing demand for French-sourced grains for Expeller crushing

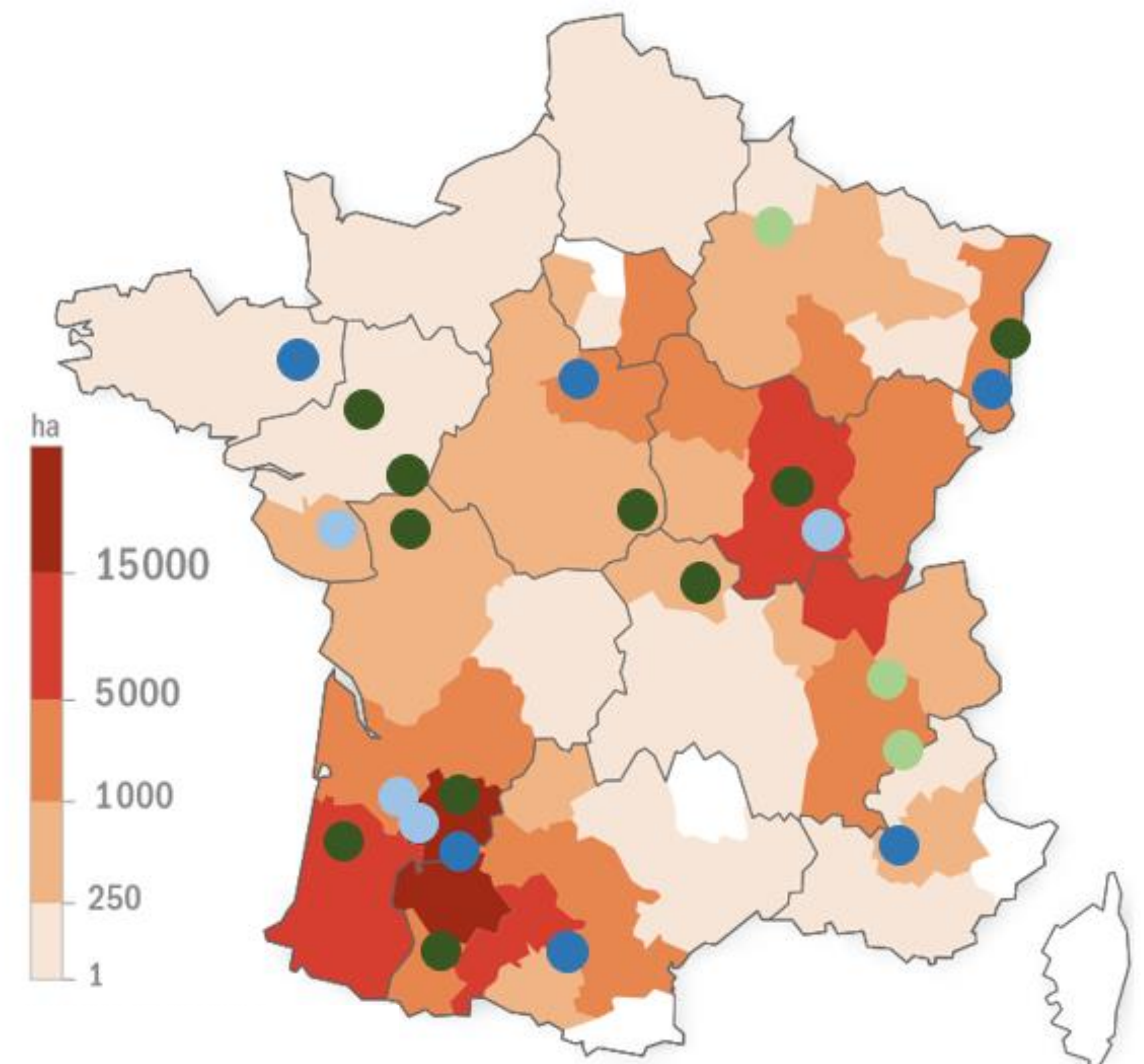
- Structuration around 12 regional crushing plants, producing Expeller fat meal, for a global capacity of around 200 000 tons/year. Expectations for 6 news plants in the next 2 years, for an additional capacity of 70 000 tons/year.
- Highly integrated chains, both for grains supply and meal sells. Plants constructed to limit risks of non-GMO meal supplies. Produced meal destined to high quality animal products.
- 100% of French-sourced conventional grains, around 75% for organic grains.

A production under contract for food use

- Different outlets : soyfood (drinks, desserts, tofu, etc) at 95% and protein ingredients (immerging).
- A 100% French supply, regionally when possible.
- Production under contract, with high quality standards on Thousand Kernel Weight, protein content, non-GMO and allergenic traceability, high level of purity, etc...

... but a third is still exported.

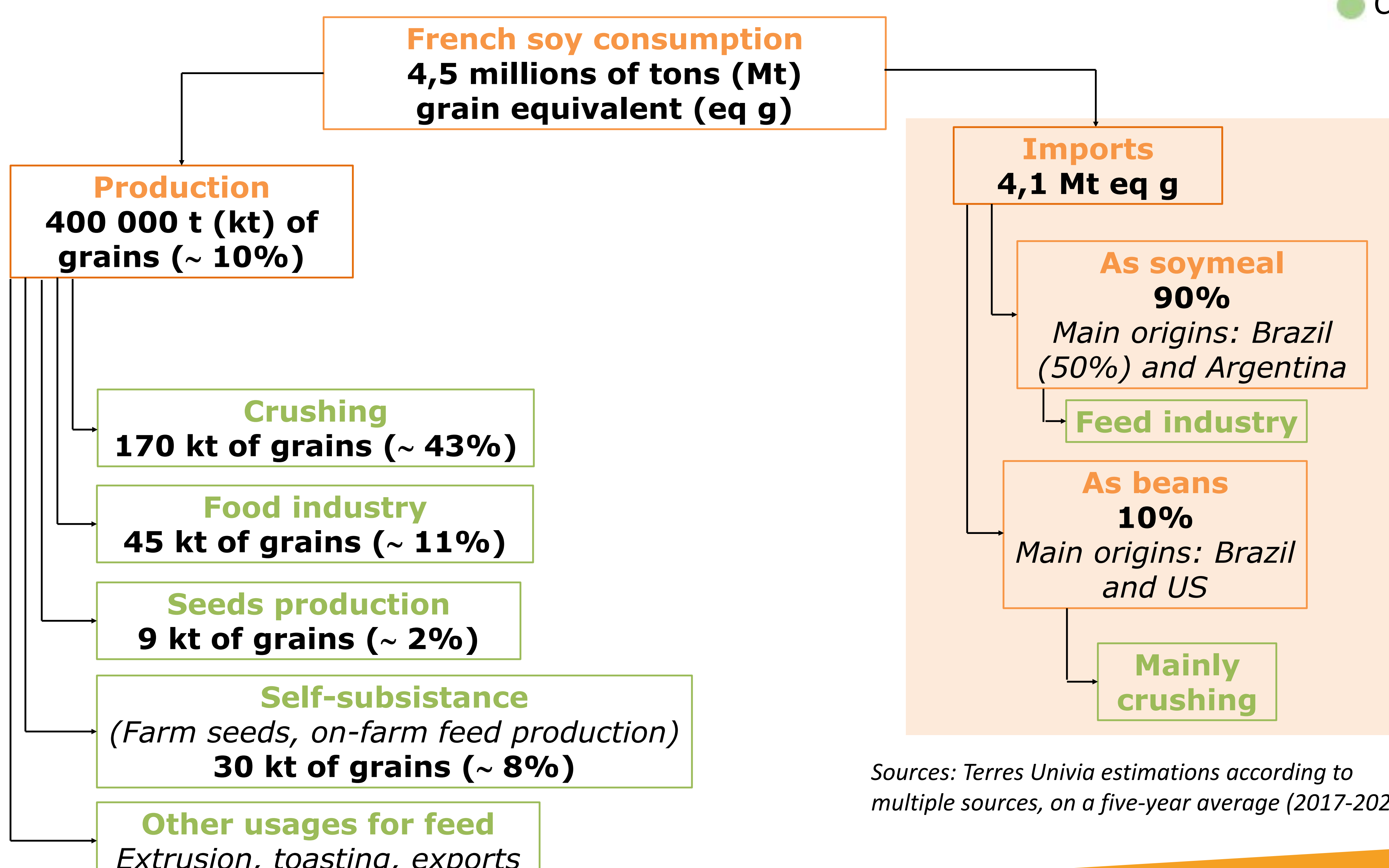
- To neighbouring countries for crushing (Spain and Belgium), and food production (Belgium, Germany, Austria, Switzerland, Italy, etc).



● Crushing plant (in operation) ● Soyfood
● Crushing plant (to come) ● Protein ingredients

Source: Terres Univia

Not enough soy production in France to meet domestic demand



Including 400 kt of non GMO partly substitutable with French soymeal (this part of non GMO dropped in 2022)

Development perspectives

- Tensions on French soy availability appear to supply new crushing plants.
- Prices, contractualization and technical performance are crucial to attract export flows and enhance the development of the culture (improving economic results).
- French breeders are developing early varieties, which will allow the extension of soy production in Northern regions.
- A lot of expectations on heat and dryness tolerance.

Sources: Terres Univia estimations according to multiple sources, on a five-year average (2017-2021)