

Voluntary Report – Voluntary - Public Distribution

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Report Name: Portugal Soybean and Products Market Outlook

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Post: Madrid

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Report Highlights:

This report presents an overview of Portugal's soybean and products market. Soybean and soybean product imports to Portugal combined amount on average to nearly 1.4 million metric tons (MT) per year. The robust in-country crushing capacity, in contrast with little to no domestic oilseeds production, makes Portugal the fifth largest soybean importer in the EU. Portugal's soybean meal demand is largely met by domestic crushing, with Brazil and the United States as the largest bean suppliers.

Domestic Production

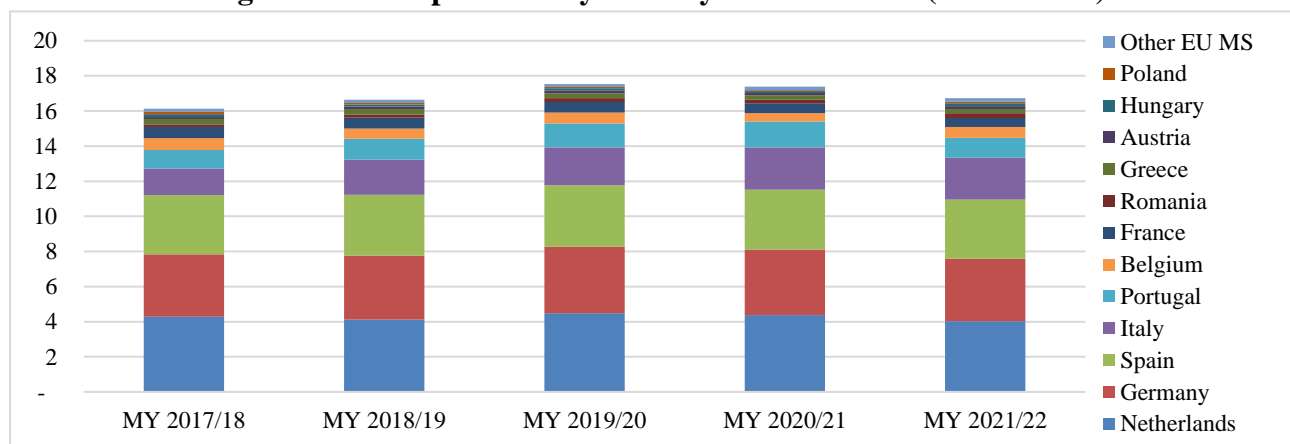
Oilseeds production in Portugal comes down to less than 6,000 Ha of sunflower, which is primary crushed to supply oil intended for the food market. In-country production of rapeseed is not statistically significant, and soybean production is non-existent.

Soybean Crushing Capacity

Despite a smaller in-country oilseed production, Portugal boasts a sizeable crushing industry that imports seeds to extract meal and oil domestically. The domestic crushing industry has the capacity to supply most of the Portuguese meal market, except for soybean meal, where occasional imports are needed to meet livestock sector demand.

Portugal is the fifth largest soybean crushing EU Member State (after the Netherlands, Germany, Spain, and Italy). Crushers tend to use installed capacity at a high level to ensure asset optimization. Soybeans are highly appreciated for those crushers who specialize in supplying the feed market. Nearly 90 percent of the country's soybean meal demand is supplied by meal obtained by in-country crushing. On average, Portugal's annual combined imports of soybean and soybean meal amount to nearly 1.4 million MT.

Figure 1. EU Imports of Soybeans by Member State (Million MT)

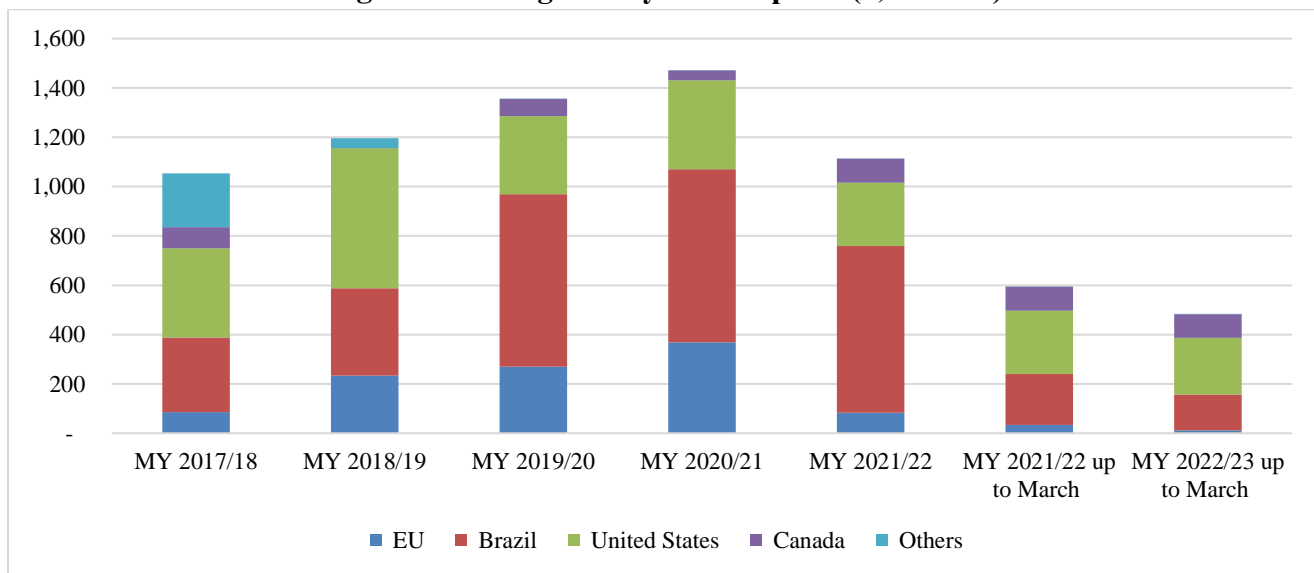


Source: Trade Data Monitor, LLC data.

Oilseed crushing capacity in Portugal consists of four processing plants managed by three companies, concentrated in the port of Lisbon area. The Sovena-Bunge partnership manages two crushing facilities located in Palena do Baixo, one of them devoted exclusively to soybean crushing and another that can switch between rapeseed and sunflower, depending on price conditions. Iberol's plant in Alhandra can also switch between the two main oilseeds (soybeans and rapeseed). The crushing plant operated by Reagro crushes soybeans.

While the volume crushed can vary depending on the crushing margins, on average, Portugal crushes about 1.2 million MT of soybeans.

Figure 2. Portugal's Soybean Imports (1,000 MT)

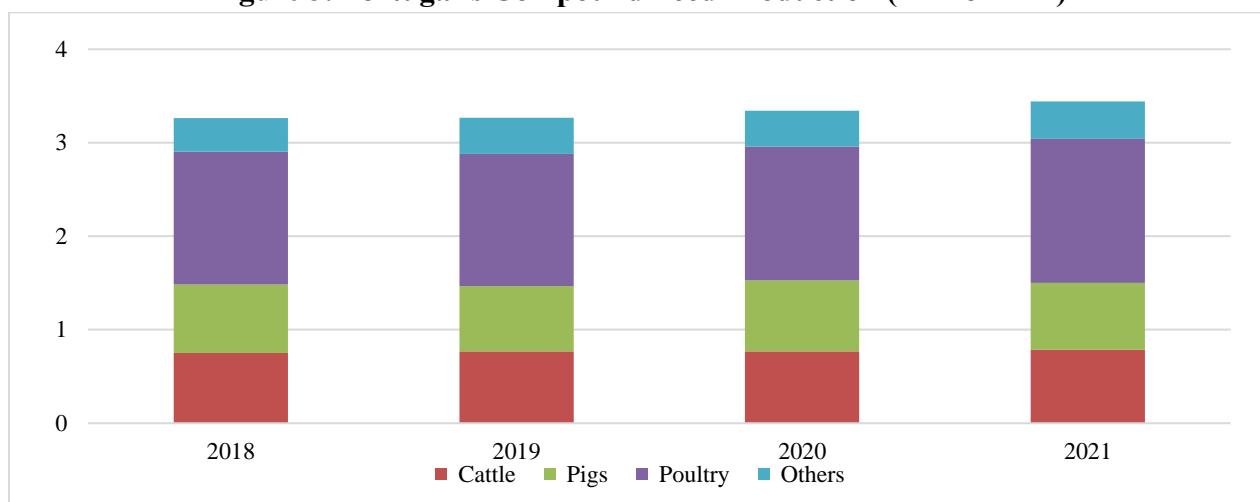


Source: Trade Data Monitor, LLC data.

Soybean Meal Market

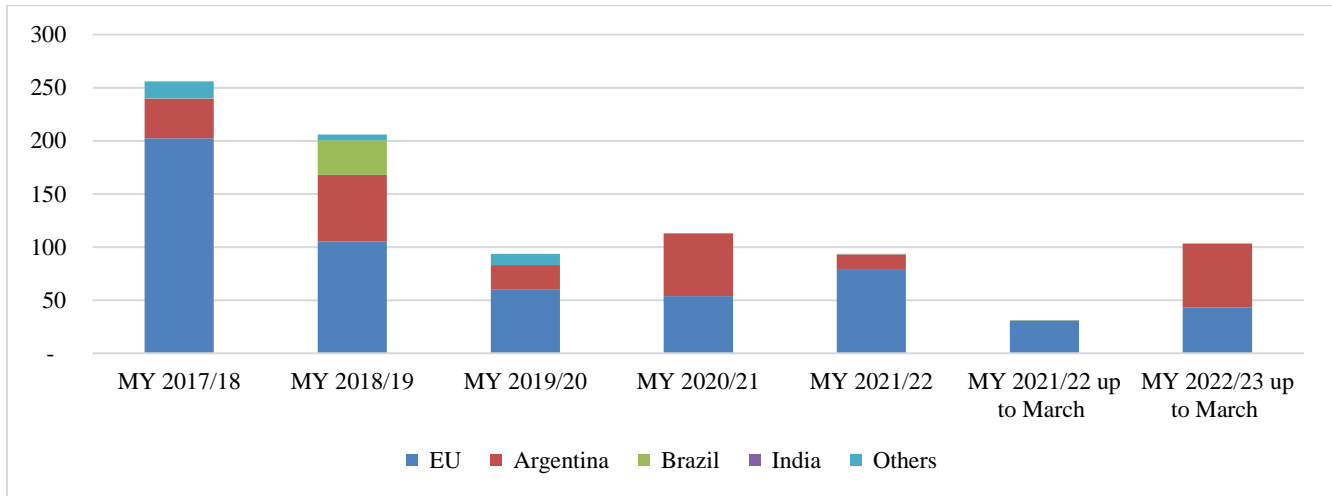
The Portuguese feed industry is Portugal's primary soybean meal consumer. Portugal is the 9th largest EU feed manufacturer. Poultry feed represents the largest category, accounting on average for nearly 45 percent of the feed production. However, Portugal is a minor player in the soybean meal import market, as despite the limited in-country oilseeds production, the installed oilseed crushing capacity is relatively large. Portugal oilseeds meals imports are rather limited, and only soybean meal shows a small imbalance. Portugal can import soybean meal through the Leixões, Aveiro, and Lisbon ports, both of which are equipped with unloading facilities for bulk agricultural products.

Figure 3. Portugal's Compound Feed Production (Million MT)



Source: IACA (Portugal's Compound Feed Manufacturers Association).

Figure 4. Portugal's Soybean Meal Imports (1,000 MT)

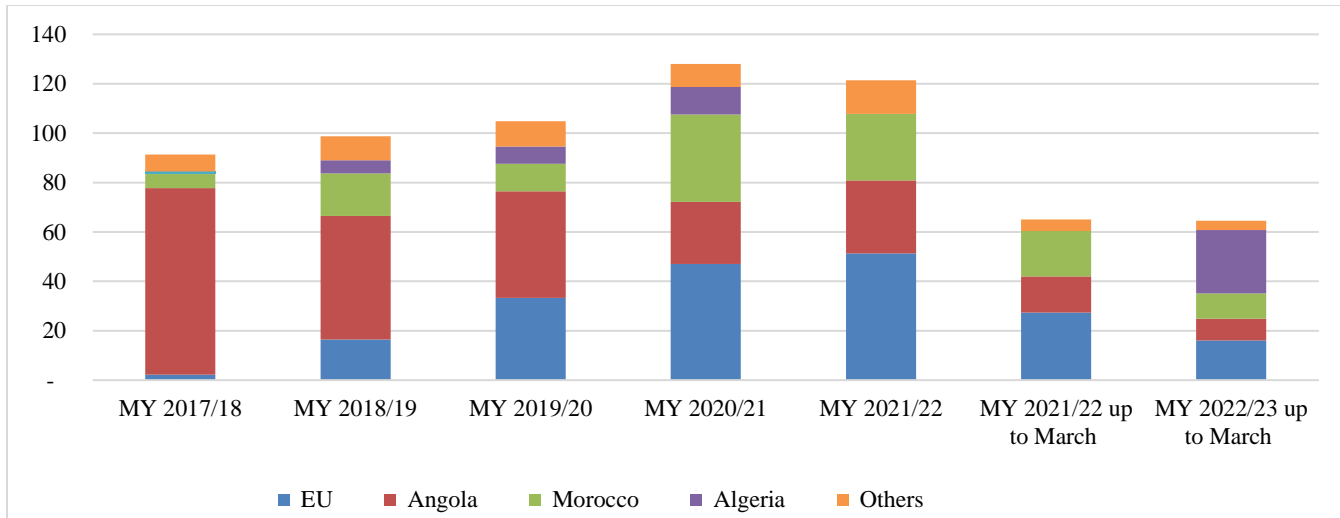


Source: Trade Data Monitor, LLC data.

Portugal Oil Market

Average annual domestic soybean oil extraction amounts to 220 thousand MT. The biodiesel sector's demand for soybean oil contributes to reduce the exportable supply and improve crushers' margins. However, the competition by double-counting feedstock for compliance with biodiesel¹ mandates has progressively eroded the share of soybean oil consumed for biodiesel processing in Portugal. With limited marketing opportunities other than the biofuel outlet, a large share of the domestically extracted soybean oil is exported to third countries.

Figure 5. Portugal's Soybean Oil Exports (1,000 MT)



Source: Trade Data Monitor, LLC data.

Attachments:

No Attachments.

¹ For additional details regarding Portugal's Biofuel Sector see [Portugal Biofuels Policy and Market](#).