

Voluntary Report – Voluntary - Public Distribution

Date: June 07, 2023

Report Number: SP2023-0018

Report Name: Spain Soybean and Products Market Outlook

Country: Spain

Post: Madrid

Report Category: Oilseeds and Products

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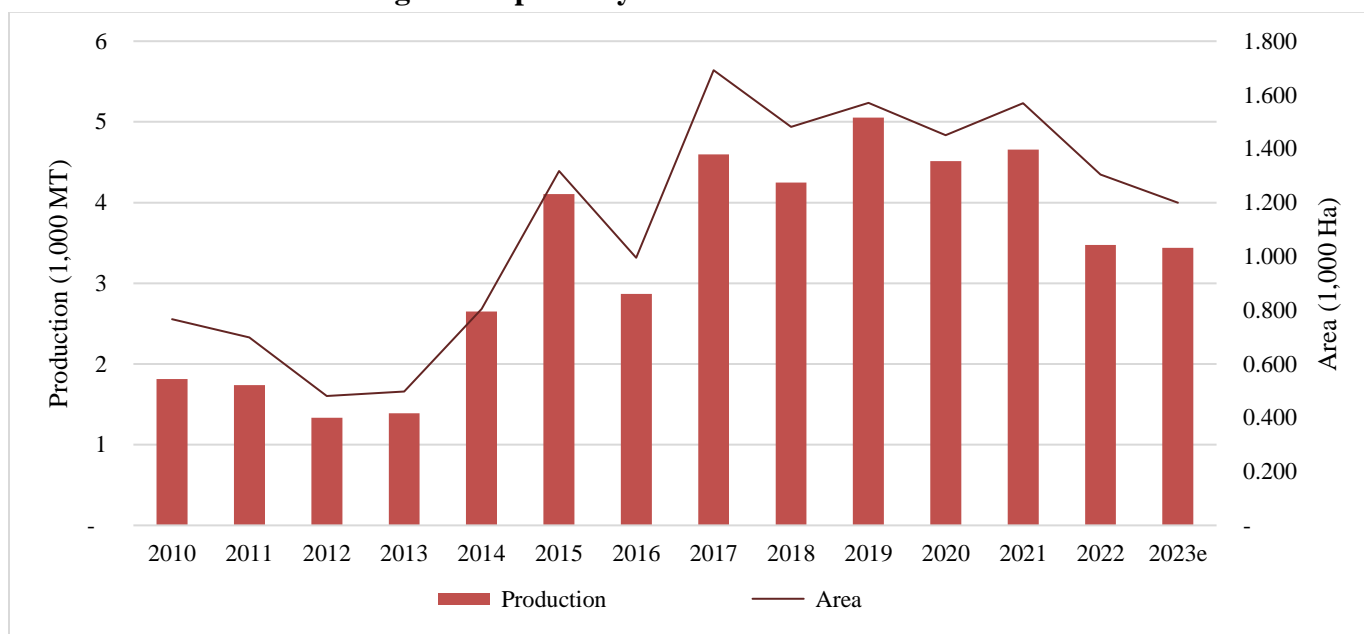
Report Highlights:

This report presents an overview of Spain's soybean and products market. Imports of soybean and soybean products to Spain amount on average to nearly 6 million metric tons (MT) per year. The robust, dynamic, and export-oriented livestock sector drives the country's feed ingredients demand. This combined with the limited in-country oilseeds production makes Spain one of the European Union's (EU) largest oilseeds and products importers. Although Spain's soybean meal import market is largely dominated by Argentina, most of the supply of soybeans for crushing is sourced from Brazil, followed by the United States.

Domestic Production

Oilseeds production in Spain is limited to sunflower, which is primary processed to extract oil intended for the food market, followed by rapeseed to a much lower extent, which is normally exported to neighboring Portugal or France. Soybean production in Spain is largely intended for the biotechnology-free food market under contracts with the food processing industry. Spain's annual soybean production amounts on average to just below five thousand metric tons (TMT). Consequently, Spain needs to import virtually all its protein feed ingredients.

Figure 1. Spain Soybean Area and Production

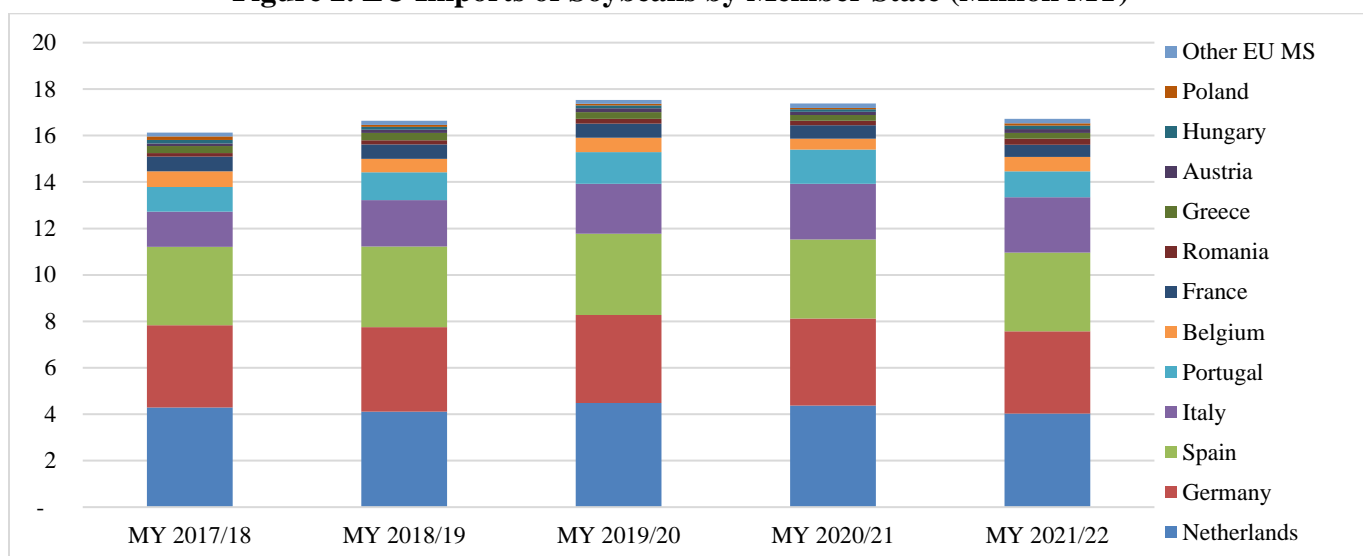


Source: Ministry of Agriculture, Fisheries and Food and FAS Madrid estimates.

Soybean Crushing Capacity

Spain's soybean crushing capacity, which amounts to nearly 3.5 million metric tons (MMT), is divided in four soybean-devoted crushing plants. Three of these are managed by Bunge (Barcelona, Bilbao, and Cartagena) and the fourth one by Cargill (Barcelona). Spain is the third largest soy-crushing EU Member State, accounting for 20 percent of the bloc's imports (after the Netherlands and Germany, which account respectively for 25 and 21 percent of the EU's soybean imports). Crushers tend to use installed capacity at a high level to ensure asset optimization. Soybeans are highly appreciated by those crushers who specialize in supplying the feed market.

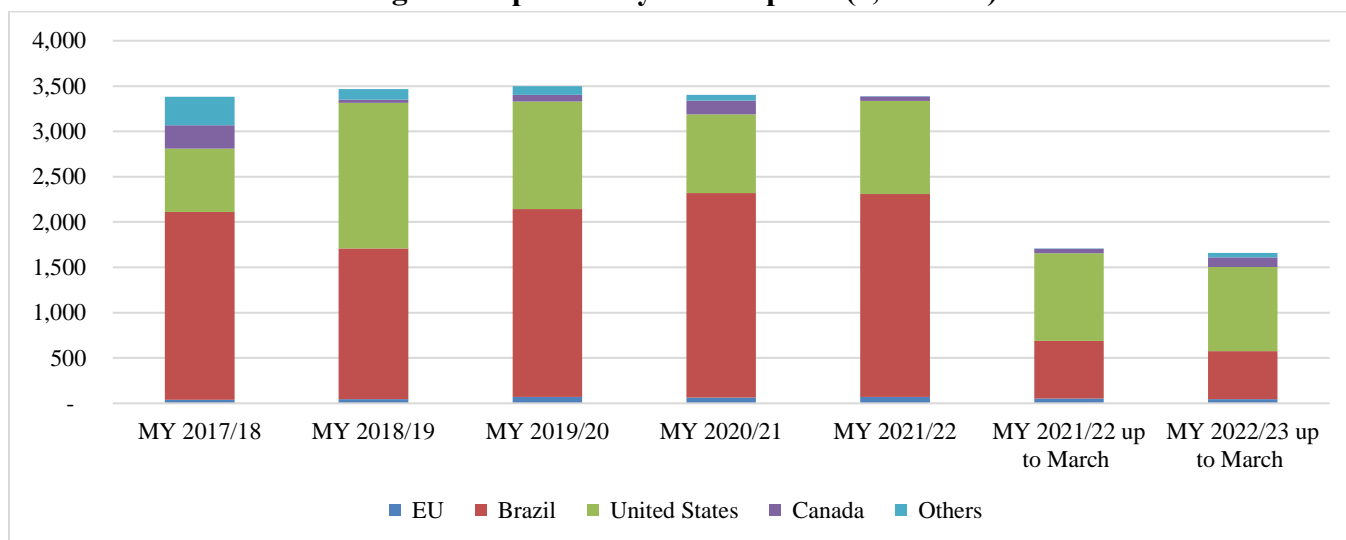
Figure 2. EU Imports of Soybeans by Member State (Million MT)



Source: Trade Data Monitor, LLC data.

On average, Spain's annual combined imports of soybean and soybean meal amount to nearly six million MT. Spain can import soybean meal through several ports¹ equipped with agricultural product unloading facilities. However, soybeans intended for crushing are imported into Spain by the ports² that have crushing facilities with devoted terminals.

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



Source: Trade Data Monitor, LLC data.

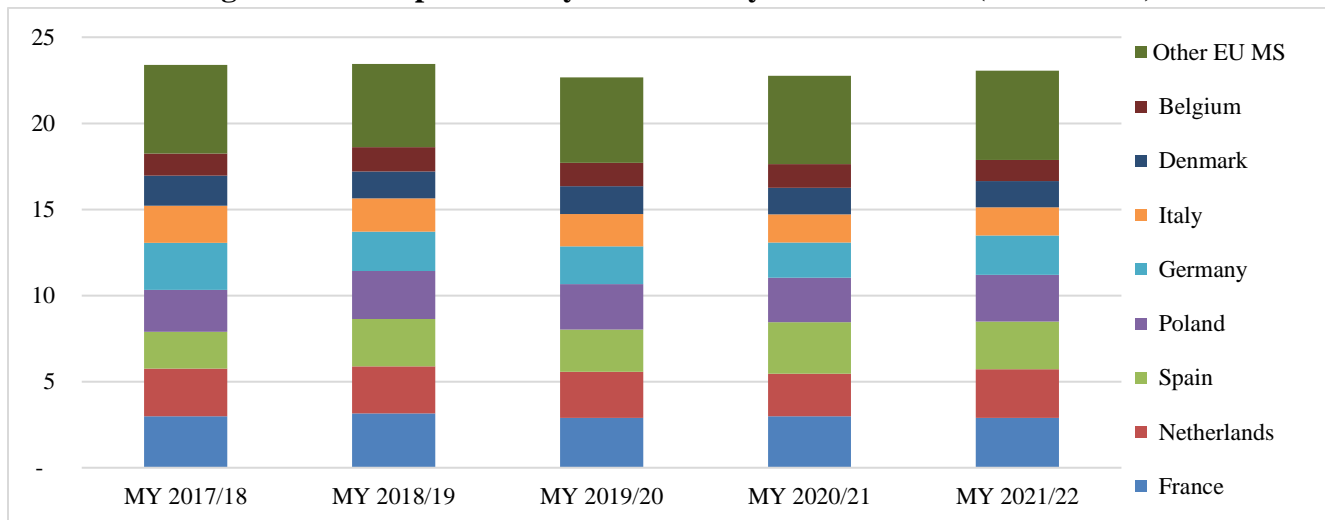
¹ Santander, La Coruña, Marín, Huelva, Sevilla, Cádiz, Málaga, Valencia, Cartagena, Tarragona, Gijón and Avilés.

² Barcelona, Bilbao, and Cartagena.

Soybean Meal Market

Spain is the third largest EU soybean meal import market, accounting for 9 percent of the bloc's imports (after France and the Netherlands, which account respectively for 11 and 10 percent of the EU's soybean imports).

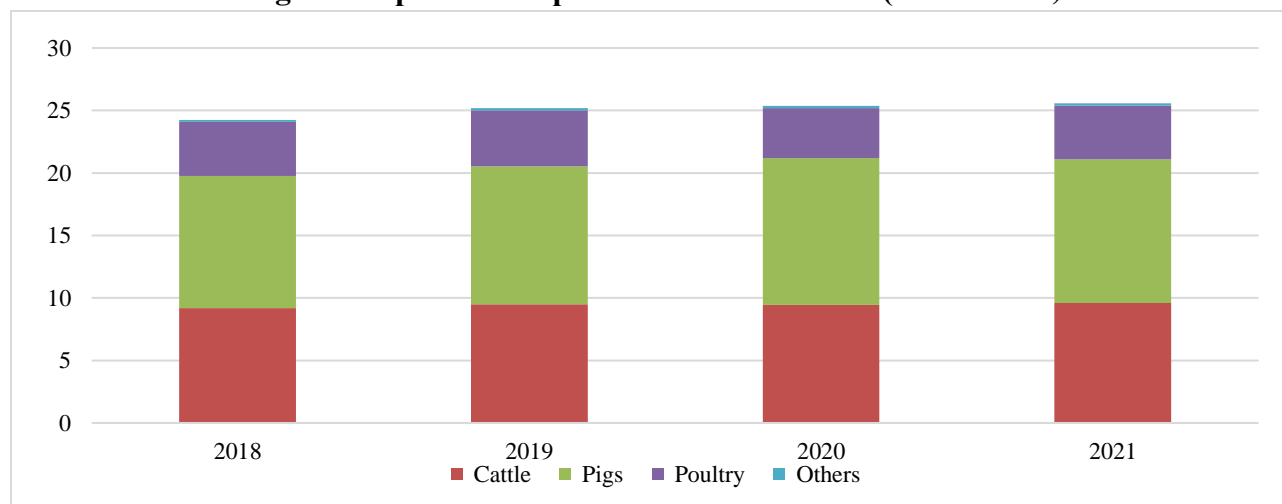
Figure 2. EU Imports of Soybean Meal by Member State (Million MT)



Source: Trade Data Monitor, LLC data.

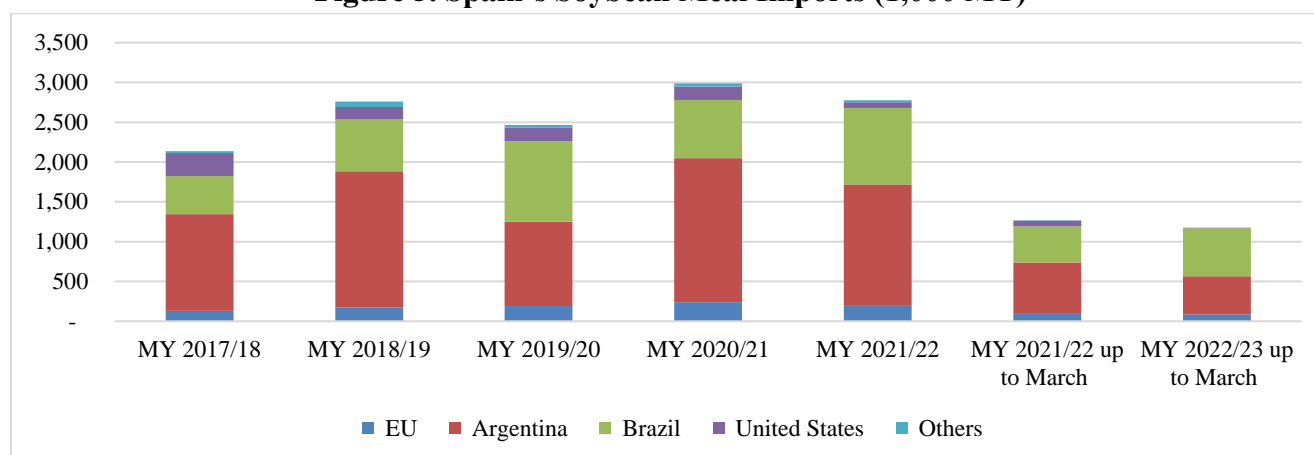
The robust feed industry is Spain's primary oilseed meals consumer, driven by the dynamic and export-oriented livestock sector. Nearly half of the soybean meal supply is met by meal obtained through in-country crushing, while the remainder is met by meal imports. While crushing volume remains stable, it is meal imports that reflect changes in demand. Spain is the EU's largest feed manufacturer. Pig feed represents the largest category, accounting on average for 45 percent of the feed demand.

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



Source: CESFAC (Spain's Compound Feed Manufacturers Association)

Figure 5. Spain's Soybean Meal Imports (1,000 MT)

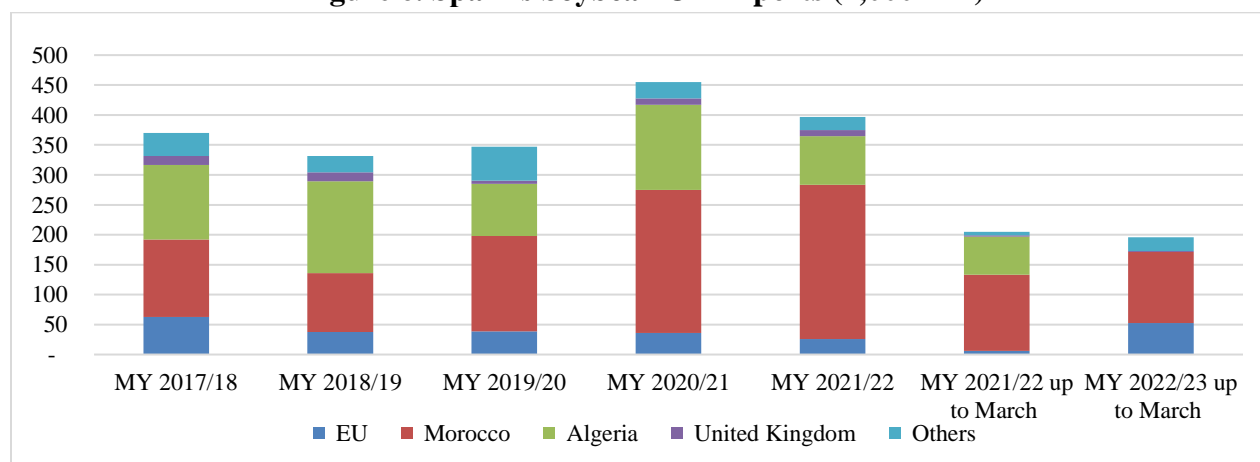


Source: Trade Data Monitor, LLC data.

Soybean Oil Market

Average annual domestic soybean oil extraction amounts to 550 thousand MT. The biodiesel sector's demand for soybean oil contributes to reducing the exportable supply and improves crushers' margins. Soybean is more present in the Spanish biodiesel³ mix during the summer months, given the iodine number⁴ permitted. However, competition from biodiesel imports and double-counting provision implementation contribute to reducing the amount of soybean oil consumed for biodiesel processing in Spain. With virtually no other market other than the biofuel outlet, most of the domestically extracted soybean oil is exported to third countries.

Figure 6. Spain's Soybean Oil Exports (1,000 MT)



Source: Trade Data Monitor, LLC data.

Attachments:

No Attachments.

³ For additional details regarding Spain's Biofuel Sector see [Spain Biofuels Policy and Market](#).

⁴ Iodine number for Spain is 140 g/mg, as defined in [Royal Decree 61/2006](#), Article 8.3 as opposed to the 120 g/mg established by EN14214.