TARGET MARKET REPORTS
U.S. SOYBEAN EXPORT COUNCIL
DECEMBER 2019
USSEC REGIONS
Reports Listed by Region

**Americas** – Canada, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Peru

**Asia Subcontinent** – Bangladesh, India, Nepal, Pakistan, Sri Lanka

**Greater China** – China, Taiwan

**Greater Europe** – Belgium, France, Germany, Italy, Netherlands, Poland, Portugal, Romania, Russia, Spain, Turkey, United Kingdom

**Middle East / North Africa (MENA)** – Algeria, Egypt, Morocco, Saudi Arabia, Tunisia

**North Asia** – Japan, South Korea

**Southeast Asia** – Indonesia, Malaysia, Myanmar, Philippines, Thailand, Vietnam

**Sub-Saharan Africa** – Nigeria
1. Number of Years USSEC/U.S. Soy has been in the Market: 20+

2. Dollar Size of the Investment:
   - 2017: $95,200
   - 2018: $17,330
   - 2019: $13,600

   - Meal: Size 200 TMT-1MMT | Share: 900%
   - Oil: Size 20-55 TMT | Share: 80%
   - Whole Beans: Size 20-55 TMT | Share: 80%

4. Largest Constraint to Growth:

   Canada has quickly expanded its production of soybeans, especially in the Western provinces. Therefore, it’s emerging as a global soybean competitor.

   Moreover, Canada is increasingly engaging with China in its own political trade war, which has crippled canola exports as a result, leaving a huge surplus of Canadian canola oil and overhanging the market.

   Structurally, as Canada continues to protect its dairy and poultry sectors, these industries will be hard pressed to grow as opportunities for U.S. Soy.

5. Best Opportunity for Growth by Market Segment:

   As Canada is expanding soybean production, but not crush capacity, opportunities still exist for steady growth in the soybean meal and soybean oil spaces. Moreover, since Canada is backfilling its soybean export program, it creates arbitrage opportunities for U.S. soybean imports.

6. U.S. Soy’s Most Significant Competitive Advantage:

   Clearly, U.S. Soy has a competitive advantage of rail access and very close proximity spreads. Moreover, the CUSMA/USMCA agreements favor free and accessible trades for companies that wish to arbitrage their positions and supplement their needs with U.S. Soy.

   Beyond that, Canada represents a very good strategic partner to ally with and engage a global dialogue about sustainability and the importance of regenerative agriculture. These dialogues will be invaluable to leverage our message, and take away the “U.S. flag.”

7. Most Significant Accomplishment(s):

   Given the trade and tariff situation with China, USSEC has increased its outreach in non-conventional and alternative marketing schemes—including the Canadian Centre for Food Integrity. These promotional efforts have yielded enormous gains in Canadian soy imports.

   Partnering with organizations and associations, like the Association for Animal Nutrition and Swine Producers Association has given USSEC a great conduit for introducing its programs like the U.S. Soy Sustainability Assurance Protocol (SSAP).
**COLOMBIA** – Important customer for U.S. soybean meal, representing the fourth largest meal export market. In Colombia, the growth in demand for U.S. Soy is relatively new, driven largely by growing demand from the poultry sector (up 4.4% this year). Here, U.S. Soy faces strong competitive pressure from Argentina which sells mixed loads of corn, wheat, and soy and Bolivia. Education about the U.S. Soy Advantage in feed rations is critical to maintain demand for U.S. Soy.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** More than 30 years

2. **Dollar Size of the Investment:**
   - Average:
     - 2016 - $75,000
     - 2017 - $400,000 (included stretch project)
     - 2018 - $100,000
     - 2019 - $578,000

3. **Current Market Size & Share of U.S. Soy:**
   - Meal Imports - Size: 1.50 MMT | Share: 67%
   - Oil - Size: 375 TMT | Share: 20%
   - Whole Beans - Size: 600 TMT | Share: 97% (all for FFSBM)

4. **Largest Constraint to Growth:**

   U.S. Soy has a strong competition with South American soy producers in this region (especially Bolivia). Nevertheless, after the implementation of the FTA between the USA-Colombia in May 2012, exports of U.S. Soy have recovered the market in Colombia.

   Although feed and animal producers are aware of and recognize the differentiation of U.S. soy quality vs. other origins, USSEC needs to continue to emphasize key differences so that feed manufacturers and animal producers demand U.S. origin based on benefits and not only on lower cost of raw materials from the competition. Finally, high taxes, government bureaucracy, and corruption have led to stymied economic growth in the past two to three years.

5. **Best Opportunity for Growth by Market Segment:**

   The feed sector has grown in the past years at an average of 5% each year.

   Pork is seen as the highest opportunity for growth, especially for US ag. As a major US pork importer and producer themselves, Colombia presents a tremendous opportunity in both channels. USDA is forecasting pork imports to increase 13% in 2020 and production to increase nearly 8%. This is because of high margins, due to ASF and effective consumer outreach by the country’s professional and savvy pork producers’ association, with checkoff of roughly $2 per head.

6. **U.S. Soy’s Most Significant Competitive Advantage:**
   1. **FTA:** The Colombia-US FTA results in 0% tariffs with no TRQ for U.S. soymeal, whereas Argentina is subject to MERCOSUR bans.
   2. **Logistics:** less shipping time and costs than competitors from the south.

7. **Most Significant Accomplishment(s)**

   USSEC has recently doubled down on one of the largest growth markets in Latin America. 2018 brought the addition of an in-country Colombia representative that is now entirely responsible for managing customer relationships and executing in-country programs. This addition has led to Colombia surpassing the 1 MMT import mark for the first time.

   When Colombian pork producers decided to double their checkoff, USSEC was seen as a partner to help the industry in becoming more efficient, including nutrition, biosecurity, and ingredient purchasing. As a result, along with an aggressive consumption campaign by the industry, pork consumption has grown from 4 kg per capita to over 9 kg per capita in only 8 years.
COSTA RICA – Costa Rica has a stable economy and a relatively high standard of living. Its economy depends mainly on tourism and agriculture. This is one of the very few countries in the Americas with crushing capacity. U.S. soybeans, soybean meal and soybean oil hold a 100% market share. There is a good industry method for data collection and feed and animal producers’ associations very much work together, joining efforts. There are no significant trade barriers affecting the entry of most goods into Costa Rica. Good communication with government institutions. In all, Costa Rica ranked as #29 amongst US agricultural export markets in 2018, with exports representing $734 billion USD.

1. Number of Years USSEC/U.S. Soy has been in the Market: More than 30 years

2. Dollar Size of the Investment:
   Average:
   2016 - $50,000
   2017 - $50,000
   2018 - $60,000
   2019 - $80,000

3. Current Market Size & Share of U.S. Soy:
   Meal Imports- Size: 95,000 MT | Share: 100%
   Oil - Size: 8,000 MT | Share: 60%
   Whole Beans - Size: 295 TMT | Share: 100% (for crushing)

4. Largest Constraint to Growth:
   - There’d be an idle capacity of 30%
   - DDGS inclusions increasing
   - Competition from other vegetable oils and origins. Now including HO sunflower, etc.

5. Best Opportunity for Growth by Market:
   Costa Rica is a potential customer to increase U.S. soy exports, to supply not only Costa Rica, but also other Central America countries.
   - Production of added value soy products such as fermented soy; soy lecithin; organic/non-GMO from U.S. Soy
   - Technical assistance in FFSBM processing
   - Training in the nutritional advantages of FFSBM
   - Training in the use of HOSBO
   - Purchasing pools bring a good price opportunity to small producers

6. U.S. Soy’s Most Significant Competitive Advantage:

7. Significant Accomplishment(s):
   - First country in the Americas to obtain the U.S. Soy Sustainability logo (“Inolasa”, for SBO)
   - Promotion and training for use of U.S. HOSBO
   - Development of several soy-added value products (fermented soy, soy lecithin)
   - Sustainability missions to the U.S.
CUBA has a planned economy dominated by state-run enterprises. Most industries are owned and operated by the government and most of the labor force is employed by the state.

Current U.S. regulations provide general license for export-related travel (515.533 (c)) and for professional meetings (515.564). Both are critical to U.S. exporters seeking to understand the Cuban market, to promote specific sales, to meet potential customers, to resolve disputes, and to address regulatory matters. The Trump Administration’s 2017 Cuba policy memorandum makes several positive references to the value of agricultural exports to Cuba. Consistent with this policy, it is important that we maintain travel regulations that allow American agriculture the ability to travel to Cuba to get this job done. Cuba is a $2 billion market where U.S. market share is one-eighth and falling.

USACC – U.S. Agricultural Coalition for Cuba seeks to advance trade relations between the U.S. and Cuba by reestablishing Cuba as a market for U.S. food and agriculture exports. They believe that normalizing trade relations between the U.S. and Cuba will provide the U.S. with new market access opportunities.

The Cuban government is aware that a lack of feed supplies is due to problems in local feed production and imports, affecting the poultry sector with a prolonged shortage of eggs, which are the cheapest source of protein.

Since 1962, all food imports are managed by ALIMPORT, a state entity created as the Cuban export company and food importer.

1. Number of Years USSEC/U.S. Soy has been in the Market: N/A
2. Dollar Size of the Investment: N/A
   - Meal – total imported from the U.S. during FY19: 95,591 MT
   - Oil – N/A
   - Whole Beans – imported from the U.S. during FY19: 48,495 MT
4. Largest Constraint to Growth:
   - Imports controlled by Alimport (state company for exports and food imports)
   - Feed production also controlled by government
5. Best Opportunity for Growth by Market Segment:
   - Make trade visits to learn about the market and opportunities, at the beginning together with USACC
6. U.S. Soy’s Most Significant Competitive Advantage:
   - Logistic conveniences. Shipping time.
7. Most Significant Accomplishment(s):
   - No activities have been executed in this market.
The DOMINICAN REPUBLIC has been a consistent buyer of U.S. Soy for decades. This is the fourth largest market for soybean meal (97% market share). Soybean meal and soybeans from Brazil entered the DR market in October, 2019. Although the products from Brazil have not been well accepted by the feed manufacturers, this could open the door for imports from that origin. This is an important market for soybean oil; however, bases in South America have been more competitive and refineries have decided to acquire more SBO from SAM, while importers of SBO from animal feed have remain purchasing from the U.S. The poultry sector consumes approximately 60% of all the soybean meal imported and the swine industry takes about 35%, while the rest is used in in other species. The livestock sector increases an average of 4 to 6% annually.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** More than 30 years

2. **Dollar Size of the Investment:**
   - 2016 - $101,560
   - 2017 - $130,900
   - 2018 - $127,700
   - 2019 - $180,700

3. **Current Market Size & Share of U.S. Soy (FY 2018/19):**
   - Meal – Size: 539,117 TMT | Share: 97%
   - Oil – Size: 172,851 TMT | Share: 80% (139,339 TMT)
   - Whole Beans – Size: 27,938 TMT | Share: 80%

4. **Largest Constraint to Growth:**
Although the economy of the DR has been performing positively, inequality of wealth distribution is keeping a large part of the population poor. This affects consumption of animal proteins.

Government corruption, high taxes and energy costs, and labor regulations are among some of the factors that are preventing industries to be more competitive.

Exchange rate instability: the Dominican peso has devalued 5% against the US dollar in the third quarter of 2019. 2020 is an election year and the political scenario is uncertain. Economists understand that the peso will present a significant devaluation against the US dollar after August 2020. Importers of feed ingredients need more Dominican pesos to pay their bills, without being able to immediately transfer the costs to the end consumer.

5. **Best Opportunity for Growth by Market Segment:**

The government of the Dominican Republic is promoting the development of aquaculture as a means of diversifying its agricultural sector. If the sector develops, the demand for feed containing soybean meal from the U.S. will increase.

The Ministry of Tourism has a goal of having 10 million tourists visit the DR by 2020. Tourism plays an important role in the economy of the country, as visitors consume large amounts of locally produced animal proteins. This sector has been affected by a mediatic negative campaign that damages the image of the DR, nonetheless, it is expected to get back.

Exports to other Caribbean Islands of animal protein and finished feeds present an excellent opportunity for growing the market.

6. **U.S. Soy’s Most Significant Competitive Advantage:**

Proximity plays an important role. Shipments from the U.S. arrive to the D.R. in less than 5 days. With the CAFTA-DR free trade agreement, we have considerable policy advantages and free market access.

Feed manufacturers and animal producers understand that the quality of U.S. Soy is significantly better that other origins and through the work developed by USSEC, they understand that U.S. Soy has an advantage.

7. **Most Significant Accomplishment(s):**

One of the most important feed manufacturers started using the Sustainable U.S. Soy logo.
Pork and poultry producers are working on the creation of check off programs that will allow them to improve and strengthen both sectors.

The companies using SBO in feed manufacturing received technical training on the value and advantages of the product and this is having a positive impact on the consumption.
**MARKET: ECUADOR**

*ECUADOR* – ranked as the 40th largest goods trading partner in 2018 with U.S. goods exports to Ecuador of $5.8 billion, up 19.5% from 2017. While top export categories in CY 2018 were energy and metal mechanics related, U.S. agricultural total exports to Ecuador were $373 million, with leading export categories including soybean meal and other feeds and products. In FY19, U.S. soybean products exports are increasing as the industry takes advantage of price differentials versus South American origins, and realizing SBM value based on amino acids and nutritional advantage. Over the years, USSEC has deployed efforts by working with key targets focused on animal utilization (poultry, swine and feed) and aquaculture. Classified as an ‘expansion’ market, emphasis will continue on said utilization areas, looking at capturing market share despite strong competition from South American origin, based on U.S. Soy’s intrinsic and extrinsic advantages.

| 1. | Number of Years USSEC/U.S. Soy has been in the Market: | +25 years |
| 2. | Dollar Size of the Investment: |
| 2017 - $63,600.00 | 2018 - $78,434.80 | 2019 - $330,440.45 |
| Meal – Total of 1.15 MMT, 560 TMT US MT | Share: 48.5% |
| Food Grade (IP) – N/A |
| Protein Concentrates: Size: N/A | U.S. exports of 567 tons | Share: N/A |
| Protein Isolates: Size: N/A | U.S. exports of 274 tons | Share: N/A |
| 4. | Largest Constraint to Growth: |
| Meal: livestock markets stable with growth but namely tied to population growth; swine exposed to sanitary affections; industries consolidated now with foreign investors, with large domestic player in turn investing abroad; some animal protein imports growing (poultry, pork). Largest growth observed in Aquaculture with foreign investors increasing presence in feed for Aqua. |
| Exemption of tariff and duties for SBM of all origins was extended for 3 years, to 12/31/19. Private industry, importers, and FAS/USDA have continued approaching authorities looking at a new (multi-year) extension or as feasible have duties leveled to zero. If not extended or approved, this situation could prevent future contracting and imports of U.S. SBM, having importers look at alternate origins due to CAN region levies waved for SAM imports. |
| Growing competition due to more availability and enhanced quality of Argentine and Bolivian soybean meal; some large users and importers (traders) with investments in Bolivian SBM plants. |
| Oil: has not represented a significant market for U.S. exports. Directly exposed to dominant players from other origins (South American) and oils from throughout the region. Palm oil represents a core of competition but now facing disease affections, some feed operations turning to SBO instead, not necessarily US origin. |
| Whole beans: the country lacks commercially significant soybean crushing capacity. Domestic production represents about or less than five percent of needs. Industry confirms non-competitive (cost, quality) processing. |
| For All: current government stepping into trade negotiations; by 09/19, governments announced Ecuador and Mexico initiated negotiations for FTA, with no time frame set initial lists of products on the Mexican side include the range of Soybeans and products. At the time, Ecuador negotiating with Chile; next would be TPP – Colombia, Peru. |
| For All: further work with traders, exporters servicing the country; further expose them to U.S. Soy advantages, sustainability; have them understand and communicate SBM value when talking to their customers. |
| 5. | Best Opportunity for Growth by Market Segment: |
| Meal: Poultry and eggs, as a preferred and most affordable animal protein. More firms continue to integrate – including vertically; technical assistance with poultry and swine producers on enhanced formulation - based on amino acids; differentiation of U.S. Soy, extrinsic and intrinsic values. |
Aquaculture: Ecuador is the main aquaculture market for U.S. Soy in Latin America, namely shrimp related. As the industry grows, continue with trade and technical support from USSEC’s International Soy in Aquaculture Program (ISAP) to strengthen differentiation, thus preference and demand for U.S. Soy.

Oil and HU: exploring and assessing market; focusing efforts on refiners and bottlers, then on the demand side; to evaluate potential of HRI. Communicate on differentiation, expose them to SBO advantages over other vegetable oils, communicate on HOSBO.

Soy in Pet Food: a high margin market that continues to grow. Increased production, imports of inputs and feed itself. Several firms moving from feed production to establishing their own production lines for the range of segments, with soy present in most if not all segments-standard to premium. U.S. Soy could benefit from their use of soybean meal and other products, like pelleted hulls, lecithin, SPCs.

For All: U.S. Soy sustainability being communicated; average industry firm started to understand message and benefits. Brand awareness (U.S. SUSTAINABLE SOY) will help differentiate U.S. products, as well as build awareness to sustainability efforts—particularly in relation to SAM originated soy products (SBM, SPCs). Specific interest on US Soy Sustainability trademark of large integration and feed for Aqua firms.

6. U.S. Soy’s Most Significant Competitive Advantage:

U.S. Soy quality – intrinsic values; amino acid profile. Consistent supply, availability. While tariff and duty extension were enforced, preference for U.S. Soy has grown based on above. Market expecting to see exemption extended.

On the logistics side, customers / importers would benefit from FOB purchasing and looking at alternate export positions in the U.S., such as the PNW and others on the U.S. West Coast.

7. Most Significant Accomplishment(s)

USSEC is seen as a most reliable and trusted partner; updated and valuable technical and trade assistance differentiates it from other origins. Comes from consistent work throughout time. The U.S. viewed as the preferred supplier of reliable and high-quality soy product still, not being the most competitively priced origin. Trade and technical assistance to key buyers in the range of areas of utilization – namely AU and Aquaculture - with most positive results; some key customers have moved to formulate based on amino acids, from understanding the U.S. SBM advantages and its actual value. Several customers have moved from cash trading pricing practices, to basis trading, stepping into hedging.
EL SALVADOR is the smallest country and the fourth largest economy in Central America, but GDP growth is lagging behind that of other countries. The country ranked as the 34th largest U.S. agricultural export market in 2018 with exports of $550 million USD with corn and soybean meal figuring in top imports. Through the years, USSEC has implemented efforts in working with key targets within animal utilization (poultry, swine and feed) having to do with existing conditions and potential opportunities at the time; aquaculture has also recently been touched on to a limited extent. Industry consolidation has been observed, with some major operations (feed, poultry, eggs) integrating vertically. Classified as a ‘emerging’ market, emphasis would continue on AU.

1. Number of Years USSEC/U.S. Soy has been in the Market: At least 30 years

2. Dollar Size of the Investment:
   - 2016 – N / A
   - 2017 – N / A
   - 2018 – N / A
   - 2019 – $50,000

   - Meal Imports – Size: 190,731 TMT | % Share: 100%. El Salvador was the #13 worldwide importer of U.S. SBM according to USDA’s world ranking.
   - Soybean Oil – Size: 16 TMT % | % Share: 61%

4. Largest Constraint to Growth:
   Meal: livestock markets stable but with light growth ratio; some firms consolidating while imports of animal protein grow (beef, pork, poultry parts). Dairy industry stable, but milk production lagging behind; increased imports of semi-processed and final products (dairy, meats, processed foods).

   Oil: although volume-wise not a significant market for crude and refined soybean oils, strong competition from other oils, namely palm oil from throughout the region, and other oils from diverse origin; exposed to price competitive crude SBO imports from South America; large imports of bottled veg oils.

   Whole beans: there’s no soybean crushing industry, thus whole bean imports are virtually at zero.

5. Best Opportunity for Growth by Market Segment:
   Meal: Although a tiny market (total feed production accounting for less than 1% of the region’s feed production, concentration (and therefore, program effectiveness) is high. Poultry and eggs are the most affordable animal protein and are commonly consumed. Swine, with operations consolidating, a new harvest plant being established (project financed by USDA), and increased demand of cold meats (6% growth in 2016-17). Technical assistance (feed formulation based on amino acids) would have positive impacts, namely amongst mid-sized poultry and the range of swine producers.

   Soybeans: Some buyers have expressed interest in starting FFSBM production for inclusion in their feed.

   Oil: efforts would need more focus on the demand side, namely targeting HRI to leverage differentiation, consumption. Exposure to SBO and HOSBO advantages over other veg oils with fried chicken restaurant chains. However, large palm oil plantations could erode market share.

   Pet food and aquaculture: increased production of feed for pet food, for domestic and export markets. While aquaculture production (shrimp and tilapia) would be flat, feed for export represents actual opportunities for manufacturers.

   ALL: Meat imports could be a major opportunity, as corruption, violence, and instability cripple the country’s ability to attract investment and grow the economy. However, people must still eat. As a result, animal protein imports could fill the gap.

6. U.S. Soy’s Most Significant Competitive Advantage:
   CAFTA-DR: the U.S. FTA with Costa Rica, the Dominican Republic, El Salvador (ES), Guatemala, Honduras, and Nicaragua – has strengthened U.S. ties with Central America. Since the implementation of the agreement in 2006, U.S. farm and food exports to the CAFTA-DR countries have doubled, reaching $4.3 billion in 2016.
MARKET: 
EL SALVADOR

Exports to the three Northern Triangle countries (Guatemala, El Salvador, Honduras) have seen the fastest growth, doubling from $1.1 billion in 2006 to $2.2 billion in 2016. El Salvador is the fourth largest economy in Central America, with the country ranked 34th for U.S. agricultural exports, adding up to $470 million USD, including SBM and corn.

Logistics: ocean transportation transit times and a fairly good port infrastructure in Acajutla allows for importers to take advantage of some of the benefits of U.S. Soy. Opportunities in having importers, customers turn back to combo-shipping practices – including SBM and corn - to leverage economies of scale.

7. Most Significant accomplishment(s):

Consistent work throughout time has helped the U.S. to be viewed as the preferred supplier of reliable and high-quality soy products. The U.S. does enjoy logistical advantages, but it is not always the most competitively priced origin.

Trade and technical assistance to key buyers, importers, feed mills, and livestock producers has yielded results. Throughout time, several have moved to formulate based on amino acids, and have come to understand and benefit from value in U.S. SBM. As well, they have moved from cash trading pricing practices, to basis trading. These all allow for benefiting from U.S. advantages.

USSEC programs have become a real added-value to their industry. Participation of feed and animal producers in El Salvador in regional and international programs has increased and lately, they’ve expressed more interest to be included in our training programs.
GUATEMALA is the largest market for U.S. soybean meal and soybean oil in Central America; it ranked as the 22nd U.S. agricultural export market in 2018, with $1.3 billion worth of exports. Throughout the years, USSEC has deployed efforts in working with key targets in different areas of utilization, namely animal utilization (poultry, livestock, dairy cattle and feed), human utilization, and soybean oil. More recently, they’ve focused more on AU and aquaculture, following industry trends, some consolidation, and business opportunities for targets. While classified as an ‘expansion’ market, emphasis will continue on said areas of utilization.
MARKET: GUATEMALA

1. Number of Years USSEC/U.S. Soy has been in the Market: More than 40 Years

2. Dollar Size of the Investment:
   - 2016 – N/A
   - 2017 – N/A
   - 2018 – N/A
   - 2019 – $182,000

3. Current Market Size & Share of U.S. Soy
   - Meal Imports – Size: 418 TMT | % Share: 100%
   - Oil – Size: 90 TMT | % Share: 91%

4. Largest Constraint to Growth:
   Meal: livestock markets stable with light growth, industries consolidate while animal protein imports grow (including poultry, pork and beef), with large influx of “illegal” imports from Mexico, in particular, eggs, cold meats.

   Oil: Competition against U.S. SBO from other oils, namely domestic palm oil, and imports of sunflower, safflower and canola; price-competitive crude SBO imports from South America; imports of bottled vegetable oils, and to some extent, illegal contraband from Mexico.

   Whole beans: vegetable oil industry made of few players, mostly not crushing beans; soybean imports at 15 TMT with 90% market share.

5. Best Opportunity for Growth by Market Segment:
   Meal: Poultry and eggs, being the most affordable animal protein; some firms vertically integrating and designing new consumer ready products (e.g.: processed, dehydrated eggs, high protein compound products); feed for aquaculture, with some firms more exporting to other countries in Central America; while milk producers are growing at 2%, the dairy industry is growing at over 5%, potential leverage for milk demand. Enhanced formulation and rate of inclusion in swine and milk production.

   Oil: Efforts made through SBO technical assistance to the 2 major importers / refiners very appreciated and yielding results. Key importers would benefit from being further exposed to U.S. soy advantages and enhancing their procurement and purchasing practices. Under CAFTA-DR, refiners capitalizing exports of processed products into the region. Interest on U.S. sustainability message looking at differentiation, includes major importers / retailers of U.S. SBO with own brand, with locations in Central America and Colombia.

   Pet Food: Increased production and imports of feed for pet food. Many firms looking to advance from contracting their label to producing their own.

   ALL: U.S. soy sustainability being communicated and started to be understood by importers and end customers. Brand awareness (U.S. SUSTAINABLE SOY) will help differentiate U.S. products, as well as build awareness to sustainability efforts—particularly in relation to South American originated soy products (SBO) and palm oil.

6. U.S. Soy’s Most Significant Competitive Advantage:
   CAFTA-DR: the U.S. FTA with Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua – has strengthened U.S. ties with Central America and helped spur economic growth and trade. Since the implementation of the agreement in 2006, U.S. farm and food exports to the CAFTA-DR countries have more than doubled, reaching over $5 billion in 2018. Exports to the three Northern Triangle countries (Guatemala, El Salvador, Honduras) have seen the fastest growth. Guatemala is the largest economy in CAM, accounting for almost a third of the region’s gross domestic product (GDP); Guatemala ranked 22nd for U.S. ag exports at $1.1 billion USD in 2018, with corn and soy having the largest share in exports.

   Logistics: ocean transportation transit times and ports infrastructure in Guatemala allow for importers to utilize U.S. soy advantages, while some merchandisers and importers have invested in storage facilities. A large share of imports made by the largest buyer and a lead purchasing pool has allowed for consolidating imports while moving from C&F to FOB shipping, as their operations now include 4 countries in CAM and Ecuador.

7. Most Significant accomplishment(s):
   Consistent work throughout time has helped in having the U.S. viewed as the preferred supplier of reliable and high-quality soy products. Our long term, very high market share in SBM, and a consistent and growing share in SBO. The U.S. does enjoy logistical advantages but isn’t always the most competitively priced origin – the belief in the U.S. Soy Advantage keeps the U.S. market share strong.
Trade and technical assistance to key buyers, importers, feed mills, and livestock producers has yielded results. Throughout time, several have moved to formulate based on amino acids and have come to understand and take advantage of the value in U.S. SBM. As well, they have moved from cash trading pricing practices, to basis trading, with some stepping into hedging.
HONDURAS – Honduras is rated as the second poorest country in Central America, suffering from extraordinarily unequal distribution of income, as well as high underemployment. It is historically dependent on the export of bananas and coffee. Honduras’ economy depends on U.S. trade and remittances. The U.S. – Central America-Dominican Republic Free Trade Agreement came into force in 2006 and has helped foster foreign direct investment. U.S. meats (chicken, pork, beef) were negotiated through this agreement and are now at 0% duty. There are imports of U.S. eggs, but only industrial eggs. The animal sector is a rather integrated market with dominant participants, particularly Cargill and Corporacion Multi Inversiones (CMI).
1. Number of Years USSEC/U.S. Soy has been in the Market: More than 30 years

2. Dollar Size of the Investment:
   
   Average:
   - 2016 - $50,000
   - 2017 - $50,000
   - 2018 - $60,000
   - 2019 - $80,000

3. Current Market Size & Share of U.S. Soy:
   FY18/19
   
   Meal Imports - Size: 249,478 MT | Share: 100% Honduras was #11 worldwide importer of U.S. SBM according to USDA world ranking list.
   
   Oil - Size: 3,935 MT | Share: 100%
   
   Whole Beans - Size: nothing during FY19

4. Largest Constraint to Growth:
   - Lack of technical assistance in animal nutrition and production
   - Lack of official sanitary controls

5. Best Opportunity for Growth by Market:
   - Training in the use of fermented soy
   - Technical assistance in the process of FFSBM
   - Training in the nutritional advantages of FFSBM
   - Training to optimize the use of NIR analysis to formulate based on ileal protein
   - Consumptions of animal protein are low, but there is space for growth
   - Egg production foresees a growth of 1.5-2%
     - Beef cattle using feedlots expect a growth of 6-7%
     - Chicken production to grow around 3.5-4%
   - Poultry sector free of avian influenza and Newcastle among others, based on good monitoring of producers

6. U.S. Soy’s Most Significant Competitive Advantage:
   - 1. USSEC programs that place U.S. Soy with an important presence and position in the market

7. Most Significant accomplishment(s):
   - Promotion and training for use of U.S. HOSBO
   - Provided technical animal nutrition and production management to producers through Poultry Nutrition and Feed Manufacturing RAPCO courses.
   - U.S. Sustainability Mission to the U.S.
   - Global Trade Exchange
   - Cooperators Conference
JAMAICA has been a consistent buyer of U.S. Soy for decades. Feed production is controlled by two integrated companies, Jamaica Broilers and Caribbean Broilers, which in turn represent the core of animal protein output. The poultry sector consumes most of the soybean meal imported into the country - approximately 75%, the swine industry takes about 20%, and the remaining 5% is used for dairy cattle and other species. The livestock sector increases an average of 2 to 3% annually.

1. Number of Years USSEC/U.S. Soy has been in the Market: More than 20 years

2. Dollar Size of the Investment:
   - 2016 - $60,000
   - 2017 - $59,900
   - 2018 - $68,000
   - 2019 - $53,900

   - Meal – Size: 125 TMT | Share: 100%
   - Oil – Size: 32 TMT | Share: 88%
   - Whole Beans – Size: 322 TMT | Share: 100% !!!

4. Largest Constraint to Growth:
   Economic growth decelerated in the last year after observing the fastest acceleration in over a decade in 2018. Resilient fixed investment and a pick-up in private consumption, with better employment rates driving a sound growth.

   Inequality in Jamaica is lower than in most countries in the Latin America and Caribbean region, but poverty is still significant. Stronger and more resilient economic growth is needed to eliminate poverty and boost shared prosperity.

   In January 2019, Jamaica imported the first shipment of 110 MT of crude soybean oil from Belize. This intra-regional trade might have a negative impact on imports of crude degummed soybean oil from the U.S.

5. Best Opportunity for Growth by Market Segment:
   Jamaica, as well as other English-speaking Caribbean countries, was cleared to sell poultry products intra-regionally after they were found to meet sanitary requirements for the CARICOM market. This decision opens up new business for Jamaica in the region; however, the country could see more regional meats entering the local market.

   As tourism continues growing, consumption of animal proteins will increase, presenting opportunities for broilers, table eggs, pork meat and soybean oil among the HRI sector. Further, the country figures as 7th in per capita poultry meat consumption, but egg consumption is non-significant posting major opportunities.

   Exports of finished feeds to other English-speaking Caribbean countries also represent opportunities for growth. The two feed mills operating in the country (Jamaica Broilers and Caribbean Broilers) have been exporting feeds for a couple of years. Both companies understand that becoming more efficient will allow them to keep pursuing this business model, capturing more markets in the CBB.

6. U.S. Soy’s Most Significant Competitive Advantage:
   Proximity plays an important role. Shipments from the U.S. arrive to Jamaica in less than 5 days.

   Feed manufacturers prefer the particle size of U.S. soybean meal. Particle size from South America is larger and the product has to be ground, generating additional work and costs.

7. Most Significant accomplishment(s):
   USSEC has made a lot of progress in educating feed and animal producers on the differentiation of U.S. soy quality vs. other origins, helping maintain market share by assuring that purchases are made based on quality of nutrients and not on price.

   Through the technical support provided by USSEC, broiler, swine, and table egg producers in Jamaica have been able
to increase their knowledge in nutrition and overall farm management, improving production and having a positive impact in imports of soybean meal.
MEXICO — Mexico is the second largest soybean meal and whole soybean market for the U.S., as well as a major market for soybean oil. For this reason, USSEC has a comprehensive program in Mexico covering all major segments. It is important to note that market dynamics are shifting somewhat, moving towards greater crush capacity. This doesn’t necessarily change USSEC’s overall strategy here, but we started seeing a greater emphasis on whole bean imports. As a result, Mexico’s soymeal and soy oil imports are likely to decline over time. Mexico is classified as one of the region’s six ‘expansion’ markets. The country ranked as the #2 among US agricultural export markets in 2018, with exports reaching 19 Billion USD.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** More than 40 Years

2. **Dollar Size of the Investment:**
   - 2016 - $500,000
   - 2017 - $450,000
   - 2018 - $400,000
   - 2019 – $1.1 million

3. **Current Market Size & Share of U.S. Soy:**
   - **Meal Imports** — Size: 1.9 MMT | % Share: 90%
   - **Oil** — Size: 175 TMT | % Share: 65%
   - **Whole beans** — 5.23 TMT | % Share: 94%

4. **Largest Constraint to Growth:**
   - **Meal:** Major expansion of domestic crushing capacity, large increase in domestic SBM production dampens import demand.
   - **Oil:** Increased competition against U.S. soybean oil from other sources of oils—palm, canola, safflower, and sunflower. Palm oil production is slated to increase, in the southeast, particularly in Chiapas and Campeche, and the Yucatan Peninsula, as the AMLO government looks to significantly develop these areas.
   - **Whole beans:** Market share for 2017 is up year over year at 91%, and well above the five-year average of 88%, but comments of lower FM requirements from Brazil (1% vs 2%) and higher protein content, make customers look south.

5. **Best Opportunity for Growth by Market Segment:**
   - **Meal:** Pork producers are focusing their industry on exports. Any growth in the pork sector is largely aimed at being available for slaughter and export to (mostly) Asian markets. This will compete with U.S. pork, as Mexico will be the beneficiary of TPP. Therefore, this growth market is somewhat of a zero-sum game.
   - High oleic soybean oil could be a good opportunity with the right promotion into the oil industry and more favorable U.S. export economics. At this point, the availability and cost dynamics is prohibitive.
   - **Pet Food:** Pet food production dwarfs aquaculture production and suppliers want more sustainable ingredients. Soybean meal inclusions and consumption could see major benefits.
   - ALL: U.S. soy sustainability being communicated and starting to be understood by importers, end customers, and brand awareness (U.S. SUSTAINABLE SOY) will help differentiate the U.S. product, as well as build awareness to sustainability efforts—particularly in relation to Brazilian soy and especially against palm oil.

6. **U.S. Soy’s Most Significant Competitive Advantage:**
   - **NAFTA/USMCA:** While applied tariff structures for soy family products are generally considered low, NAFTA zeros them out, and facilitates in easy paperwork and documentation processes.
   - **Logistics:** By far the biggest supplier to the Mexican market with access to service the end users by rail, maritime vessel, truck, or container, in only a matter of days.

7. **Most Significant Accomplishment(s):**
   - Years of consistent work to ensure that the U.S. is viewed as the preferred supplier of reliable and high quality soy products helps to maintain a very high market share in a rapidly growing market. The U.S. does enjoy logistical advantages but isn’t always the most competitively priced
origin – the belief in the U.S. Soy Advantage keeps the U.S. market share very strong. The integration of U.S. companies into Mexico, primarily from NAFTA/USMCA, has been a boon for the Mexican feed industry. Some of the largest Mexican poultry producers—Tyson, Pilgrim, etc. prefer U.S. origin products because they appreciate the consistency and linkages with U.S. operations.
MARKET: NICARAGUA

NICARAGUA - Ranked 68th as the United States’ largest goods export market in 2018. U.S. goods exports tallied $1.6 billion, up 0.9% from 2017, and up 156% from 2005 (pre-FTA). The top export categories in 2018 were mineral fuels, knit apparel, and machinery, while U.S. total agricultural exports totaled $220 million. Leading export categories were corn, soybean meal, dairy products, pork, and pork products. The country imports all of its soybean meal demand, about 110,000 MT per year, with demand driven by the poultry, swine, and feed manufacturing sectors, industries which have come to remain stable mainly due to the internal political and economic situation. Nicaragua is classified as an ‘emerging’ market.

1. Number of Years USSEC/U.S. Soy has been in the Market: (about) 30 years

2. Dollar Size of the Investment:

   - 2017 – $6000.00
   - 2018 – $16,180.80
   - 2019 – $64,929.40


   - Meal –Size: 109,430 MT | Share: 100%
   - Soybean Oil – Size: 15,500 MT (includes for AU) | Share: 42.5%

4. Largest Constraint to Growth:

   In general: the country’s political instability impacts the economy and producers in the near term. Could mean significant challenges in the mid-term, too, until political situation is resolved.

   Meal: livestock markets had shown discrete growth rates; now, related to above, could turn to remain stable. Poultry – feed heavily concentrated while imports of animal protein could grow, and include more of semi-processed and final products (dairy, meats, processed foods).

   Oil: volume wise, it is not a significant market for crude and refined soybean oils; strong domestic production of palm and peanut oil, and palm oil imports from throughout the region.

   Whole beans: there’s no soybean crushing industry, thus bean imports are not relevant.

5. Best Opportunity for Growth by Market Segment:

   For meal, education and training on maximizing SBM inclusion of compound feeds in poultry and the growing domestic feedlot operations.

   Drive adoption of animal protein consumption by improving access and cost effectiveness; provide education and demonstration on the comparisons of soybean meal relative to other alternative inputs.

   Education on Sustainability tools has been progressive with customers. Several have expressed their interest to use Sustainable U.S. Soy trademark.

6. U.S. Soy’s Most Significant Competitive Advantage:

   Quality of U.S. soybean meal, its intrinsic values; amino acid profile. Users, formulators, and nutritionists have come to understand and better evaluate and acknowledge the actual value of SBM, further to protein points.

   As Nicaragua has established an environmentally progressive agenda, Nicaragua has the most upside potential of the Central American emerging markets for the message of sustainability.

7. Most Significant accomplishment(s):

   Work implemented throughout time has leveraged having the U.S. viewed as the preferred supplier of reliable, high-quality soy. At this time, USSEC is perceived as a trusted partner, with continued presence through different activities.

   Trade and technical assistance to key buyers, importers, feed mills, and livestock producers has yielded results. Throughout time, different operators have moved to formulate based on amino acids. Firms have come to understand and take advantage of actual value in U.S. SBM. On the purchasing side, consistent efforts supported their
moving from cash trading - pricing practices, to basis trading, with some stepping into hedging, better contracting, use of surveyors and quality analysts, and other tools and resources.
PERU is one of Latin America’s most dynamic economies. It is currently an important market for U.S. soybeans for FFSBM processing. U.S. soybean meal represents the fifteenth largest meal export market in the world, and the fifth largest U.S. soybean oil market. There is demand for animal protein based in a growing economy. High dependence on imported grains, 100% soy demand is imported.

1. Number of Years USSEC/U.S. Soy has been in the Market: More than 30 years

2. Dollar Size of the Investment:
   
   Average:
   
   2016 - $100,000
   2017 - $100,000
   2018 - $100,000
   2019 - $100,000

3. Current Market Size & Share of U.S. Soy:
   
   Meal Imports - Size: 1.2 MMT | Share: 20%
   Oil - Size: 400 TMT | Share: 24%
   Whole Beans - Size: 240 TMT | Share: 98.5% (all for FFSBM)

4. Largest Constraint to Growth:
   
   U.S. Soy has strong competition with South American soy producers in this region (especially Bolivia and Paraguay). Bolivian producers, especially “Fino” plant, have improved SBM quality and consistency and provide personalized service to main customers. Third largest group has absolute preference from this source.

   Soybean meal’s origin is determined by traders and corn imports.

   Although feed and animal producers are aware of and recognize the differentiation of U.S. Soy quality vs. other origins, USSEC needs to continue working with purchasing and nutrition areas together on cost-benefit advantages of U.S. Soy.

Peru is a founding member of the regional Pacific Alliance, as well as a member of the Asia Pacific Economic Cooperation (APEC) and the Andean Community. Likewise, Peru has numerous free trade agreements, including with the U.S., European Union, and China. However, as the country has continued to develop in recent years, its political scene has been affected by a series of corruption scandals and investigations against former presidents and other prominent political figures.

5. Best Opportunity for Growth by Market:
   
   - FFSBM production and nutrition technical support
   - Chicken meat: 52 kg per capita. Being a very popular animal protein, this can still increase
   - Pork: 7 kg per capita consumption, can increase
   - Eggs: 17 kg per capita, consumption can increase
   - Trade agreements – export opportunities

6. U.S. Soy’s Most Significant Competitive Advantage:
   
   1. USSEC programs that place U.S. Soy with an important presence and position in the market
   2. USSEC’s Soy Sustainability tools: certification and logo
   3. Logistic alternatives

7. Most Significant accomplishment(s):
   
   U.S. soybean imports increased 71% from last year with a 98.5% market share
   Second largest animal integration’s preference for U.S. soy helps drive traders’ decision for origin.
MARKET: BANGLADESH

BANGLADESH - This is an exciting, emerging market that shows great promise for poultry and aquaculture producers and crushers. For the last two years, Bangladesh has been importing a sizeable quantity of U.S. soybeans for crushing, growing 14% last year to reach 938,824 MT in 2016/17. U.S. soybeans accounted for more than 85% of total soybean imports. Crushing, therefore, is a significant activity, which produces meal and oil for use in the feed and food industry.

1. Number of Years USSEC/U.S. Soy has been in the Market: 1997 -2017 (20 years)

2. Dollar Size of the Investment:
   - 2016- $ 186,000
   - 2017- $ 155,000
   - 2018- $ 386,000
   - 2019 – Anticipate higher

3. Current Market Size & Share of U.S. Soy:
   - Meal Imports - Size: .454 MMT | Share: 31%
   - Oil Imports - Size: .834 MMT | Share: Not Significant; potential to be tapped
   - Whole Beans - Size: 1.100 MMT| Share: 85%

4. Largest Constraints to Growth:
   1. Price sensitive market
   2. Industry needs to enhance knowledge on international trade processes
   3. Logistical constraints exist between Chittagong Port and inland manufacturing facilities; solutions wanted

5. Best Opportunity for Growth by Market Segment:
   1. Growing demand for poultry meat requiring more soybean meal in feeds
   2. Growing demand for fish consumption requiring more soybean meal in feeds
   3. Stable/increasing oil demand justifying growth in the crushing industry that produces meal and oil using U.S. whole beans

6. U.S. Soy’s Most Significant Competitive Advantage:
   1. Quality of meal and tech or trade services offered by the U.S. soy industry is well recognized

7. Most Significant accomplishment(s)
   1. Demand building work has led to increased demand for soybean meal; the country recognizes that India will not be able to cater to higher, future demand and has sought solutions that address raw material security that includes U.S. Soy.
   2. Through quality and performance differentiation work, the country has ceased its dependency on imports from India and has emerged as a top importer of U.S. soybeans.
INDIA- A primary market in ASC region being used to create demand and preference for U.S. Soy in other Asian markets as well as ASC countries. Animal and human food customers were educated to build internal demand, which in turn has helped reduce Indian exports to regions where U.S. Soy is marketed. With these measurable outcomes, the U.S. soy industry has better penetrated into the SEA and ASC markets. Results for U.S. Soy are evident in neighboring markets (to India), a success that has been noticeable in the past four to five years. A total of 2 MMT of U.S. Soy has been imported into ASC in FY17.

India is a unique market recognized by its own growing consumption demand. A five-fold increase between 2000/01 and 2016/17 (1.12 MMT to 5.00 MMT) has been recorded. Consumption demand comes with those global animal husbandry hallmarks of India: 1st in world milk production, 2nd in fish, 2nd in shrimp, 3rd in eggs, 4th as a feed producer, and 5th in broiler production. While the U.S. soy industry continues to work on these opportunities, especially by focusing on building overall protein consumption through poultry and aqua products, and prepares an eventual market base, it also steps up biotech work in the country, which is a major constraint for imports of U.S. Soy into India. Indications are that the policy situation is improving but a lot of work remains – due to change in governments, policies, and customer perceptions.
1. Number of Years USSEC/U.S. Soy has been in the Market: 1996 - 2017 (21 years)

2. Dollar Size of the Investment:
   - 2016: $1,052,000
   - 2017: $810,000
   - 2018: $755,000
   - 2019: $551,261

3. Current Market Size & Share of U.S. Soy:
   - U.S. currently does not have market share due to market access issues with biotech.
   - **Meal** - Size: 5 MMT; grows 8% annually; market to be prepared and potential to be tapped | 0% market share
   - **Oil** - Size: 5.4 MMT of soy oil; India uses 22 MMT of veg oil annually; potential to be tapped | 0% U.S. market share
   - **Whole Beans** - Size: produces 9-10 MMT of soybeans; crush capacity 2.5 times higher than production; holds potential for imports | 0% U.S. market share
   - **Food Grade** - 1 MMT used as whole bean and flour in HU; does not really produce true food grade beans, thus holds potential for imports

4. Largest Constraint to Growth:
   - Biotech and GM hurdle; government policy
   - High customs tariffs
   - Dwindling/stationary oil seed production

5. Best Opportunity for Growth by Market Segment:
   - Poultry is the major consumer of soybean meal; only popular meat; bound to grow
   - Growing demand for fish consumption and shrimp exports requiring more soybean meal in feeds
   - World’s largest oil consumer justifying utilization of all existing idle capacity for oil seed crushing
   - Work to be carried out under Section 108 grants will target growing poultry consumption. Significant opportunities exist for the eventual import of U.S. meal and U.S. poultry products.
   - Soy for human uses. QSP program has been completed successfully and preference built for food grade beans among users. Further work to be carried out to help reduce tariffs.

6. U.S. Soy’s Most Significant Competitive Advantage:
   - Quality of meal, tech or trade services, and technology offered by the U.S. soy industry is well recognized
   - Ease of trade processes adopted by the U.S. soy industry
   - Lower farm gate price of beans due to scale of production compared to Indian costs

7. Most Significant accomplishment(s):
   - Demand building in India bringing down exports; thus, sparing markets in Asia benefitting U.S. Soy
   - The current 5.0 MMT of soy meal demand built as a ready base for usage of meal
   - U.S. Soy replacing Indian soy in India’s neighboring markets due to internal demand created in India
   - A small beginning made for U.S. non-GM food grade beans imported into India
MARKET: NEPAL

NEPAL - This is a small and emerging market that shows great promise for poultry and aquaculture producers and crushers. For the last two years, Nepal’s feed production has grown at about 18% year on year. This market has used U.S. Soy and they approve of the quality and logistics of U.S Soy. Currently bean and meal import is in the ratio of 35:65, but share of bean import is likely to increase in future with increased crushing activity.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** 2017-2018

2. **Dollar Size of the Investment:**
   - 2017- 20,000
   - 2018 - $136,000
   - 2019 – Anticipate higher

3. **Current Market Size & Share of U.S. Soy:**
   - Meal Imports - Size: 0.175 MMT
   - Oil Imports - Size: 0.45 MMT
   - Whole Beans - Size: 0.1 MMT
   - Food Grade - (Currently none)

4. **Largest Constraint to Growth:**
   - Additional logistics cost between Kolkata or Visakhapatnam port in India to Birganj or Biratnagar dry ports of Nepal.
   - Industry needs enhancement of knowledge on international trade processes, feed formulation, and on improvement in poultry production efficiencies.

5. **Best Opportunity for Growth by Market Segment:**
   - Growing demand for poultry meat, eggs, fish, and texturized soy protein requiring more soy meal.
   - Stable/increasing oil demand, justifying growth in the crushing industry that produces meal and oil using whole beans.

6. **Describe U.S. Soy’s Most Significant Competitive Advantage:**
   - Quality of meal and tech or trade services offered by the U.S. soy industry is well recognized.
   - Ease of trade processes adopted by the U.S. soy industry.

7. **Most Significant accomplishment(s)**
   - Demand building work has led to increased demand for soybean meal. The country recognizes that India will not be able to cater to higher, future demand and has sought solutions that address raw material security that includes U.S. Soy.
   - Nepal feed industry has used U.S. Soy and is satisfied with its quality and trade processes.
   - USSEC provided support to the appropriate trade associations and influencer groups to ultimately change the import duty of Indian soy to match that of other importing countries, thus leveling the playing field.
PAKISTAN made its first consignment in 2015, importing a total of 314,363 metric tons of U.S. soybeans for crushing in 2014/15. Approximately 9 million metric tons of feed is produced with the poultry and livestock sectors consuming about 90% of that. There are ten major integrators in Pakistan, five of which account for between 70-80% of the business. In addition to helping the livestock and poultry sector to increase production efficiencies using U.S. Soy, USSEC is also helping to create markets for the soy oil that comes from the resulting crush. In addition, the aquaculture sector in Pakistan, originally developed under the WISHH program, is becoming commercially robust, with market development support shifting to USSEC.

1. Number of Years USSEC/U.S. Soy has been in the Market: Two decades (1997-2017)

2. Dollar Size of the Investment:
   - 2016 - $18,000
   - 2017 - $153,000
   - 2018 - $403,000
   - 2019 - $682,102

3. Current Market Size & Share of U.S. Soy:
   - Meal – Size: 0.135 MMT | Share – Negligible and reducing
   - Oil – Size: 0.1 MMT | Share: Potential exists, yet to tap.
   - Whole Beans - Size: 2.05MMT | Share: 70.00
   - Food Grade - Size: (Currently None)

4. Largest Constraint to Growth:
   1. Lack of knowledge on value, intrinsic characters and ROI derived by using U.S. Soy
   2. Pakistan lacks technical expertise to crush and produce good quality meal feeds
   3. Price sensitive market
   4. Non-tariff trade barriers such as phytosanitary issues with fumigation

5. Best Opportunity for Growth by Market Segment:
   1. Growing and a stable poultry meat market which will demand more meal
   2. Consumption demand for about half a million tons of soy oil offers opportunities for crushing more U.S. beans
   3. The dairy sector is being evaluated in 2018 for potentially enhanced investments in 2019

6. U.S. Soy’s Most Significant Competitive Advantage:

1. Quality of meal and tech or trade services offered by the U.S. soy industry is well recognized
2. Ease of trade processes adopted by the U.S. soy industry

7. Most Significant Accomplishment(s)
   1. Demand building work in the country has led to increased demand for soybean meal. As a result, the country recognizes that India will not be able to cater to higher future demand – has started looking for alternate international supply sources of which U.S. Soy is picking up popularity
2. Through quality and performance differentiation work, the country has ceased its dependency on imports from India and is showing preference to U.S. Soy.
MARKET:
SRI LANKA

SRI LANKA is a consistent meal market amongst all ASC countries. It currently offers a 66% share in the total soy meal market, a volume of 225,000 MT (in 2016/17). The main sector demanding soy is the poultry sector. Sri Lanka is a bird flu-free country and has opportunity to increase poultry production and explore export opportunities. Its current growth rate is 8-10% per annum. 95% of Sri Lanka’s poultry is processed, demonstrating a value chain system that recognizes the performance of U.S Soy on the bird/meat yield, etc.

1. **Number of Years USSEC/U.S. Soy has been in the Market**: Two Decades (2006 -2017)

2. **Dollar Size of the Investment:**
   - 2016 - $60,000
   - 2017 - $101,500
   - 2018 - $251,766
   - 2019 - Anticipate increase

3. **Current Market Size & Share of U.S. Soy:**
   - **Meal** – Size: 0.225MMT | % Share –66%
   - **Oil** – Size: Not significant
   - **Whole Beans** - Currently None
   - **Food Grade** - Currently None

4. **Largest Constraint to Growth:**
   - Competition from other soy sources exists
   - Possibility of sudden policy reversals, which reduce market access
   - About 30% of the industry still needs to understand value and differentiation for U.S. Soy
   - Freight cost and a long wait for imports after payments are made

5. **Best Opportunity for Growth by Market Segment:**
   - Growing and stable poultry meat market which will demand more meal; fact that poultry meat is processed allows better positioning of U.S. meal
   - Some opportunities exist for texturized soy products and soy use in the dairy segment.

6. **Most Significant Accomplishment(s):**
   - Quality of meal and tech or trade services offered by the U.S. soy industry is well recognized
   - Ease of trade processes adopted by the US soy industry
   - Market access work in Sri Lanka has helped obtain an official permission for imports of GM soy meal from the U.S. and its use in the poultry industry.
   - The meal imports do not attract customs duty (currently zero).
   - Through quality and performance demonstrations (differentiation) provided for U.S. meal, the country has ceased its dependency on imports from India.
Market: CHINA

CHINA – With 1.390 billion soy consumers, China is the world’s largest soybean market, consuming 105 million metric tons (MMT) of soybeans per year. The country has been U.S. Soy’s largest export market for some time, importing primarily whole soybeans that are crushed for meal, although the recent trade disagreement between the U.S. and China has complicated this market. Chinese soybean demand is largely led by the swine and poultry industries to produce enough meat and animal products for its population. Industry experts forecast that China’s feed production will continue to grow in the years to come because of increased demand of meat, eggs, and milk by consumers. In addition to China’s importance for terrestrial animal production, China is the world’s largest aquaculture producing nation, accounting for more than 60 percent of global aquaculture production. China is classified as a ‘growth’ market.

1. Number of Years USSEC/U.S. Soy has been in the Market: 37 Years

2. Dollar Size of the Investment:

Average around $3.50 million per year
2016 – $3.71 m., plus $1.41 m. for MRE & Regional Hub
2017 – $3.70 m., plus $1.39 m. for MRE & Regional Hub
2018 – $3.68 m., plus $1.39 m. for MRE & Regional Hub
2019 – $3.99 m., plus $0.96 m. for MRE & Regional Hub


Soybeans – Size: 28.680 MMT | Share: 30.5%
Meal Imports – Size: 0.006 MMT | Share: 30.8%
Oil – Size: 0.000 MMT | Share: 30.3%

4. Largest Constraint to Growth:

Due to bilateral trade issues, the Chinese government imposed a 25% retaliatory tariff on U.S. Soy on July 6, 2018, resulting in a drastic decline in export sales to China. AQSIQ and APHIS have introduced a new policy identifying all soybean shipments over 1% foreign material.

Current GMO approval process in China is dysfunctional and not transparent. New U.S. specific events approved only through U.S. government intervention. Chinese government endorses biotechnology, but certain segments oppose. Issue has become politicized in China and government is grappling with the issue.

5. Best Opportunity for Growth by Market Segment:

Whole Soybeans: China’s soybean consumption per annum is 102 MMT with projected 2019 imports at 84 MMT. All imported soybeans are crushed to produce soybean meal for the country’s feed industry; thus, growth in soybean imports is driven by increases in demand for soybean meal from the feed industry. China’s huge, modern crush industry has a 150 MMT capacity and is currently utilizing just 60% of that. 70% of crush capacity is Chinese-owned. Poultry: Poultry production has recovered from food safety scandals several years ago. Broiler and layer feed demand have significant increase due to ASF in 2019. Feed Industry: The feed industry is growing and consolidating with an expected growth rate of 5% per annum over the next 20 years. Animal production is rapidly moving to CAFO operations.

Soy Food: Consumption of soyfoods is growing and has increased 100% over the last 20 years.

6. U.S. Soy’s Most Significant Competitive Advantage:

1) Market transparency that includes trustworthy source of information on crop quality, crop size, export sales, grain stocks, market price and logistics; wholesome quality assurance programs and efficient inspection process; stable financial situation and sophisticated trading system; quality consistency and professionalism of market and industry services.

2) U.S. Soy Sustainability Assurance program that supports the needs for target audience’s CSR commitments; strategies of product branding and differentiation; by collaborating with other renowned certifying/verifying programs, U.S. has the competitive edge over other origins.

7. Most Significant Accomplishment(s):

1) U.S. soy industry-recommended soy-corn ration has been widely accepted in swine, broiler, and layer production to maximize the use of soy in animal production and
MARKET: CHINA

developed the largest soy market in the world. In addition, U.S. soybeans have long been preferred for their market transparency as well as industry innovation, such as fullfat soy, dehulled SBM, IPRS, EAA evaluation, SSAP, and HOSBO.

2) U.S. Soy has been well established through various technical and marketing servicing programs in the past 37 years as the leading advocate of trade policy and reliable and credible source of market and technical information, animal production and management technology, and industry development trends, which have enhanced target audience’s preference and confidence in using U.S. Soy.
TAIWAN – Taiwan imports all of its soybean needs for its 23 million soy consumers. The U.S. maintains a 76% market share here. Of the 2,657,000 MT of soybeans imported, 76% of these go to crush, 14% for full fat, and 10% for soyfoods. Taiwan’s population growth is flat, but it is not shrinking. With a GDP of $573 billion and a per capital income of $24,900, its economic growth rate, which is increasingly tied to trade and tourism with China, is 2.86%. Taiwan is classified as a ‘mature’ market.
MARKET: TAIWAN

1. **Number of Years USSEC/U.S. Soy has been in the Market:** more than 60 years

2. **Dollar Size of the Investment:**
   
   Average around $665,968
   
   2016 – $435,123
   2017 – $491,574
   2018 – $889,359
   2019 – $847,814

3. **Current Market Size & Share of U.S. Soy:**
   
   Soybeans – Size: 2.020 MMT | % Share: 76.02%
   Meal Imports – Size: 0.015 MMT | % Share: 65.2%
   Oil – Size: 0.000 MMT | % Share: 76% (Domestic Production)

4. **Largest Constraint to Growth:**
   
   A GMO food labeling law implemented in January 2016 has impacted all soy products, including soybean oil. Politicians in Taiwan have proposed banning all GMO soy ingredients in food products. This issue is leading to increased non-GMO soybean imports from all supplying countries – Canada and the United States. Non-GMO soybean demand is increasing along with the Canadian market share. This issue could diminish demand for bulk soybeans delivered in containers from the U.S.

   Feed production is static. The animal production sector is struggling to compete with imported meat products and the feed industry’s growth is taking place offshore in China and Southeast Asia.

5. **Best Opportunity for Growth by Market Segment:**
   
   Soyfoods: The U.S. currently enjoys a 78% market share in Taiwan’s soyfoods market. Eight firms have signed an agreement to use the SSAP logo and have added this logo to their products.

   Whole Soybeans: Taiwan has two major crushing groups, one medium crusher, and one smaller crusher. No other major oilseed is crushed in Taiwan.

6. **U.S. Soy’s Most Significant Competitive Advantage: (top 2)**
   
   - High quality soybeans
   - Reliable supply, efficient inland logistic system and shorter shipping period

7. **Most Significant Accomplishment(s):**
   
   - Long term relationship with U.S. farmers and USSEC
   - Taiwan crusher is the first company in the world to apply the SSAP logo
BELGIUM is a small, price sensitive market where U.S. soy exports have increased significantly since the mid-2018 trade disruptions. Unlike the much larger market in the Netherlands to the north, processed soybean products (animal feed) and end products (animal products) tend to stay in the domestic market with limited distributions into Northern France and nearby Germany. The U.S. has been the third largest supplier of soybeans (behind Brazil and Canada) and soybean meal (behind Argentina and Brazil) with a similar market share for India. An industry contact has said “it’s all about the crushing margins” when it comes to soy import. While the feed industry is large, in terms of the number of companies, the market is dominated by a single importer and crusher of beans (Cargill) and small number of importers of meal.
1. Number of Years USSEC/U.S. Soy has been in the Market: 45 years

2. Dollar Size of the Investment:

   2017 - $35,000
   2018 - $40,000
   2019 - $40,000


   Meal – Size: | Share: total: 305,000 MT
   U.S.: 54,000 | 10% market share

   Whole Beans – Size: 496,000 MT;
   U.S. 72,000 MT | 14% market share

4. Largest Constraint to Growth:

   Price: noncompetitive U.S. prices of meal and oil.
   Demand for livestock feed stable as dense population limits livestock growth

5. Best Opportunity for Growth by Market Segment:

   Potential for food grade soy needs to be explored,
   similar consumer trends to the Netherlands

6. U.S. Soy’s Most Significant Competitive Advantage:

   Quality and reliability

7. Most Significant Accomplishment(s):

   Support for BFA (feed assoc.) keeps the USSEC brand familiar among the feed industry and USSEC events, such as the GTE and country meetings, keep targeted industry aware of current market developments including the use of SSAP.
FRANCE, situated in southern Europe, has 70 million citizens and belongs to the European Union. France is the second/third largest feed producer in the EU with a total of 21 million tons, plus feed on farm. France is the EU’s top cattle producer, second largest poultry producer and third largest swine producer in the EU.

Regarding soybean meal use, France uses 4.1 million tons of soybean meal a year and produces 400,000 to 450,000 MT of soybeans. There is just one crushing plant, belonging to Bunge, in the northwest of the country, crushing 600,000 MT a year. This plant uses non-GMO beans from local production along with imported beans, some of them from the U.S. Additionally, France imports 400,000 MT of non-GMO soybean meal from Brazil, India, and Spain. Total soybean meal imports are 3.5 million tons.

France is also the EU’s main biodiesel producer. The country’s rapeseed production is the largest in the EU at 2.1 million tons.

There is potential to grow the market for U.S. soybean meal if it is competitive with meal of Brazilian origin, France’s main supplier. Consumers are aware of the advantages of U.S. soybean meal versus those of other origins. However, there are some restrictions related to GMOs, especially for poultry and dairy production. Currently, sustainability is France’s main request and they have created a platform, DURALIM, to promote sustainability assurance in the country’s feed and food chains. The U.S. Soy Sustainability Assurance Protocol (SSAP) is accepted here for whole soybeans and soybean meal.

1. Number of Years USSEC/U.S. Soy has been in the Market: 45 years

2. Dollar Size of the Investment:
   - 2017 - $100,000
   - 2018 - $125,000
   - 2019 - $125,000

   - Meal
     - Oil – Size: 0 | Share: No soybean oil import
     - Whole Beans – 146.5 MT | Share: 40%
   - This quantity could grow this year. There is only one soybean crushing plant in France, belonging to Bunge, which is open to buying more U.S. beans

4. Largest Constraint to Growth:
   - U.S. beans could partially supply the import market, although local soybean production will be always a large competitor. France produces about 400,000 to 450,000 MT of soybeans yearly.

Non-GMO consumption. France uses non-GMO protein for poultry and some dairy.

5. Best Opportunity for Growth by Market Segment:
   - Soybean oil for biodiesel
   - Competition with Brazil for soybean meal imports

6. U.S. Soy’s Most Significant Competitive Advantage:
   - Amino acid performance
   - Regular quality performance
   - Possibility of sustainability certification for the feed industry, SSAP
   - Possibility of SSAP RED for biodiesel

   In the last 8 years, USSEC has been working with the industry to provide information about U.S. advantages and possibilities versus other soybean meal origin.

7. Most Significant Accomplishment(s):
   - Customers have knowledge of the quality and possibilities of U.S. soybean meal.
   - Industry asks USSEC to participate in their events; giving presentations to help customers better understand soy business and market
   - Soybean meal importers are open to buying U.S. soybean meal if it is competitive.
**MARKET:**

**GERMANY**

*GERMANY* remains an important market for U.S. soybeans. Imports did not surge in late 2018 as in other countries (see the Netherlands and UK), suggesting that price is not the major market determinant. Pressure from the highly concentrated retail sector, supported by both the government and active NGO community, has led to an increasing percentage of non-GM feed in poultry, egg, and dairy production. Non-GM feed for pork production is increasing. Germany is also the largest biodiesel producer in Europe, but soy oil is less than ten percent of the feedstock. Consumer interest in meat substitute/vegan diet is strong and growing.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** 50
2. **Dollar Size of the Investment:**
   - 2017 - $100,000
   - 2018 - $100,000
   - 2019 - $100,000
3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**
   - Meal – 1,906,000 MT | U.S. Share: 0
   - Oil – 9000 MT | U.S. Share: 0
   - Whole Beans – 3,280,000 MT | U.S. Share: 53%
4. **Largest Constraint to Growth:**
   While there are strong negative consumer views on GM soy, it is the retailers that most influence the market with continued and growing pressure on feed companies and livestock producers to use non-GM feed. The government of Germany supports this through various initiatives. Active engagement on biotech related issues is important to maintain current market access levels. As consumer views are based on emotions and not facts or science, counter arguments must address the emotional aspects of the debate.
5. **Best Opportunity for Growth by Market Segment:**
   Growth is possible for use of U.S. soy oil for biodiesel, if market conditions are favorable.
   Growth potential is significant for soy food if non-GM ingredients are used.
6. **U.S. Soy’s Most Significant Competitive Advantage:**
   U.S. Soy needs to demonstrate the overall sustainability of U.S. soy production, including the contribution of GM. Critical to this is fact-based promotion on deforestation (or that lack thereof) for U.S. soy production.
7. **Most Significant Accomplishment(s):**
   Active engagement with industry contacts, both at the company and association levels, keeps the avenues of communication open. Modest support for DVT keeps channels open and provides important access to data and information on current policy trends.
ITALY is situated in southern Europe, with 60.9 million citizens. It is the fifth largest feed producer in the EU with a total of 14.2 million tons commercial feed plus feed on farm.

Related to soybean meal use, Italy uses 3.5 million tons soybean meal a year. Italy is the main soybean producer in the EU with 1.2 million tons, non-GMO. The country imports 2 million tons of soybean meal and 900,000 MT soybeans. There is potential to grow U.S. soybean meal imports following an increasingly strong U.S. whole bean market share. Consumers prefer U.S. soybean meal’s advantages against other origins. However, there are some restrictions related to GMO, especially for poultry production.

1. Number of Years USSEC/U.S. Soy has been in the market: 50 years
2. Dollar Size of the Investment: estimated
   - 2017 - $200,000
   - 2018 - $200,000
   - 2019 - $200,000
   - Meal – 76,000 MT | Share: 4%
   - Oil – Size: 0 | Share: 0%
   - Whole Beans – 2 MMT | Share: 21%. In 2018/2019, imports from U.S. will grow considerably to ~ 70%
4. Largest Constraint to Growth:
   1. U.S. beans could supply the soybean import markets if prices are competitive. Now there are not any restrictions for U.S. beans, since in a few months, U.S. beans could be offered as sustainable options for biodiesel with SSAP-RED.
   2. Restrictions come from the non-GM production, but U.S. farmers can also deliver this product. Quality advantages offer more possibilities.
5. Best Opportunity for Growth by Market Segment:
   1. Soybeans, soybean meal, and soybean oil for biodiesel
   2. Italy could increase soybean meal imports. They are aware of the quality advantages of U.S. soybean meal and the main consumers are very interested in U.S. production
6. U.S. Soy’s Most Significant Competitive Advantage:
   1. Amino acid performance
   2. Regular quality performance
   3. Possibility of sustainability certification for the feed industry, SSAP
   4. Possibility of SSAP-RED for biodiesel
   5. Over the last 8 years, USSEC has been working with the industry in order to provide information about U.S. advantages and possibilities vs. other soybean meal origins.
7. Most Significant Accomplishment(s):
   2. Industry asks USSEC to participate in their events with presentations to help them better understand the soy business and market
   3. Italian market knows they can count on the U.S. as a serious supplier to cover their soybean and soybean meal needs.
   4. Local crushers are very open to crushing U.S. soybeans.
MARKET: NETHERLANDS

The NETHERLANDS is one of two important markets for U.S. soybeans in Europe, with total U.S. exports surging to 1.38 million tons in 2018. The low price for U.S. beans is the primary driver for this, reflecting that the price is the most critical factor in purchases for importers; however, sustainability, freight, and consistent quality are also important. Approximately 65% of imported soy is re-exported either as meal, feed, or livestock products. These export markets are price sensitive and some have strong anti-GM perceptions. Sustainably sourced soy is an important issue, with almost 100% of imports being compliant with FEFAC sourcing guidelines. Increasing discussion that U.S. Soy is deforestation-free will be an important issue in the coming years.

1. Number of Years USSEC/U.S. Soy has been in the Market: 50

2. Dollar Size of the Investment: estimated
   
   2017 - $150,000
   2018 - $150,000
   2019 - $150,000

   
   Meal – 4,158,000 MT | U.S. Share: 0
   Oil – 16,000 MT | U.S. Share: 0
   Whole Beans – 3,480,000 MT | U.S. Share: 49%

4. Largest Constraint to Growth:
   
   Price of U.S. Soy is the most critical factor as the Netherlands re-exports a significant portion of the imported soy. Environmental NGOs have strong influence on policy development and consumer attitudes with increasing attention to deforestation related issues and non-GM is gaining importance in dairy industry.

5. Best Opportunity for Growth by Market Segment:
   
   Currently, no soy oil is used for biodiesel feedstock, so some potential exists for SSAP-RED certified beans. Low GHG values of U.S. soy production will gain in importance as meat companies begin to label that value on packaging and feed/livestock industry addresses GHG goals set by government. Demand for soy foods and vegetable-based protein is growing.

6. U.S. Soy’s Most Significant Competitive Advantage:
   
   Price/freight in comparison to Brazilian beans is the most critical factor in the market along an increasing importance on sustainability.

7. Most Significant Accomplishment(s):
   
   Maintain above global average of market share in beans. SSAP is the largest soy sustainability program in Netherlands and the world.
**POLAND:** This market is a priority for U.S. soybean meal. The country has a strong rapeseed growing and crushing industry, but only two large plants are capable of crushing soy and one is located far inland. Thus, Poland relies on imports of soybean meal – 2.5 MMT of the meal is imported annually with the majority coming from Argentina because the market is still very price sensitive. Growing amounts of higher crude protein soybean meal brought from Brazil and/or Paraguay (so called super hi-pro) and the U.S. (1-3 vessels a year) indicate a portion of the market already appreciates higher protein and quality and is willing to pay for it. With the strongest poultry industry in Europe and huge poultry exports, the Polish market offers long term potential for larger exports of U.S. meal. The table egg industry follows the impressive growth of local poultry meat production and the swine sector, awakening after its original shrinkage (post-socialist restructuring and ASF driven reductions); both offer substantial support to higher soybean meal imports. A highly competitive and powerful compound feed industry provides growing support to top-quality livestock production and is eager to work with U.S. Soy on science based improvements.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** About 29-30 years
2. **Dollar Size of the Investment:**
   - 2017 - $90,000.00
   - 2018 - $91,250.00
   - 2019 - $104,836.00
3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**
   - Meal – Size: 2.4 MMT | Share: 3.58%
   - Oil – Size: 100 TMT | Share: 0%
   - Whole Beans – Size: 60 TMT | Share: 0%
4. **Largest Constraint to Growth:**
   - The attempts of Polish authorities to make Poland GM-free. The country has had a legal ban on GM feed since 2006, suspended every two to four years as a result of an outcry from the local poultry, swine, and feed industries. The government of Poland that has led the country for the last 3.5 years makes populist, not fact-based, economic and social decisions, which includes biotech issues.
   - Argentina’s clear political strategy is to dominate in the Central and Eastern European market, including Poland. Their aggressive tariff policies and preferential trading terms have resulted in giving Argentinian meal an overwhelming majority in these markets.
   - Insufficient knowledge and skills of local feed compounders and livestock growers of the true nutritional and economic advantages of U.S. soybean meal, despite considerable educational and promotional efforts by U.S. Soy. The historic economic and social transition Poland has been undergoing in recent years has resulted in many positives, also encouraging a large fluctuation of employees who learned from U.S. Soy and many new ones need to be trained and/or influenced.
5. **Best Opportunity for Growth by Market Segment:**
   - Meal is the market segment where best opportunity is seen, because:
     - Poland has become the no. 1 producer of poultry meat in Europe (2.9 MMT in 2018) and has been increasing its poultry exports – about 50% currently - to many countries. This is due to its high production and quality standards and competitive cost of production. The country has strong broiler production (1st in Europe), and strong turkey production (already no. 2 in Europe) and growing numbers in ducks and geese (no. 2 or 3 in Europe) with big export markets.
     - Polish compound feed industry is strong and still growing and improving and with many international leaders such as Cargill and DeHeus. About 70% of their production is for poultry, which makes them more focused on high quality feed ingredients.
     - The Polish economy has been growing every year for 26 years in a row, including the years of financial crunch. This year, the GDP growth is close to 5% and the forecast for 2020 is 3.6 to 4.0%, which increases the buying power of the Polish people.
     - Local consumers already consume about 30 kgs of poultry meat per capita a year, which is substantially higher than the European Union’s average and low income of big percentage of Polish families offers potential for the further growth.
     - Low level of integration of Polish poultry sector leaves considerable potential for further growth of Polish competitiveness and the recent
investment in the local poultry sector by international giants, like CP of Thailand, Cargill, and ForFarmers, who know the power of vertical integration is believed to boost cost competitiveness in the industry.

6. U.S. Soy’s Most Significant Competitive Advantage:
- Very strong and still growing poultry sector which means largest and most competitive in the EU broiler production and processing, but also dynamic turkey, duck, and geese industry; quickly growing exports. Currently, close to 50% of national output goes for export to multiple international markets; continued growth of disposable income of the Polish people.
- Well developed and very competitive compound feed manufacturing sector with many international giants, which has been aiming at high quality feed ingredients and away from lowest price; significant investment has been made into ingredient and feed quality technologies and skills.

7. Most Significant accomplishment(s):
- Matching U.S. exporter of bypass soymeal (AGP, Omaha, NE) with Polish importers (initially Blattin-Poland; more recently, ETOS feed company), which resulted in the introduction of AminoPlus to the Polish market and later restoration of the exports after a crisis. U.S. Soy continued providing training to key dairy farmers, the distributor’s nutritional advisors and market influencers. Despite a trend for non-GMO milk policies among Polish dairy processors, AminoPlus exports to Poland are sustained.
- Organized a series of Poland’s Soy Buyers Training Courses for grain/oilseed/protein ingredients traders and purchasing officers of major feed compounders and poultry and swine integrators, followed by educating poultry and pig nutritionists through cutting edge nutritional programs, including showing them the competitive advantages of U.S. Hi-Pro soymeal. This resulted in sustained imports of U.S. Hi-Pro to the Polish market (the volumes are not very high, but each year Poland imports between 1 and 3 vessels). The added bonus is that U.S. Soy has gained nationwide recognition as the provider of unbiased professional information and the faithful partner of Polish livestock and feed sectors.
PORTUGAL, with 10.3 million citizens, is situated in southwest Europe. It is part of the EU and along with Spain, forms the Iberian Peninsula. Feed production is about 3.4 millions tons yearly. Soybean meal consumption is about 800,000 MT annually and, for the most part, it is local production, produced in local crushing plants with soybeans imported from Brazil and the U.S. The main plant in Portugal is managed by Bunge; there are also two smaller plants; one owned for poultry producer Valouro and another for biodiesel producer Iberol. Total soybean crush is 750,000 MT annually. Portuguese soybean meal users are aware of the advantages of U.S. soybean meal.

1. **Number of Years USSEC/U.S. Soy has been in the market:** 50 years

2. **Dollar Size of the Investment:**
   - 2017 - $150,000
   - 2018 - $150,000
   - 2019 - $150,000

3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**
   - Meal – 0 | Share: 0
   - Oil – Size: - 0 | Share: 0
   - **Whole Beans** – 190,000 MT | Share: 33% - in 2018/2019, this quantity will be 540,000 MT, a 93% share for U.S. soybeans

4. **Largest Constraint to Growth:**
   U.S. beans could supply this market if the prices are competitive. No restrictions for U.S. beans and in a few months, U.S. beans could be offered as a sustainable option for biodiesel with SSAP-RED.

5. **Best Opportunity for Growth by Market Segment:**
   Soybean meal and soybean oil for biodiesel

6. **U.S. Soy’s Most Significant Competitive Advantage:**
   1. Amino acid performance
   2. Possibility of sustainability certification for the feed industry, SSAP
   3. In the last 8 years, USSEC has been working with the industry in order to give them information about U.S. advantages vs. other soybean meal origin.

7. **Most Significant accomplishment(s):**
   2. Industry asks USSEC to participate in their events with presentations to help them better understand the soy business and market.
   3. Portuguese market knows they can count on U.S. Soy as a serious supplier to cover their soybean and soybean meal needs.
ROMANIA is a southeastern European nation bordered by Hungary, Ukraine, Moldova, Bulgaria, Serbia, and the Black Sea. Romania has been a member of the European Union since 2007 and is the 7th most populous country in the EU. Although Romania is one of the poorest nations in the European Union, its economy has been growing as much as 7% annually, the highest rate of economic growth in the EU. Currently, Romania is the largest southeast European feed producer and one of the top 10 EU poultry producing countries. With abundant land resources and access to EU non-returnable funds, Romania succeeded in rebuilding its farming sector, becoming EU’s largest corn producer in 2018. This is a key competitive advantage, supporting Romanian’s fast-growing local poultry industry.

This market is a priority for U.S. Soy’s meal and beans exports program. Although Romania is a key soft oilseed producing country in the EU-28 (it is the largest sunflower meal producing country and also grows more than 20% of the EU-28’s rapeseeds), the Romanian feed and livestock industries developed a strong appetite for soybean meal as the main protein source for animal feeding over the past two decades. For the past three years, soybean meal shared over 60% of total protein ingredient consumption, while sunflower meal was 30% and rapeseed meal just 4%. The preference for high protein ingredients was developed for two reasons: first, the revival of the Romania’s industrial feed and livestock sectors after the political, social, and economic transition during the 90s from communism to democracy and a market economy; and second, thanks to the continuous technical support offered by USSEC to end users. In the 90s, the entire market was low quality soybean meal; today, almost all Romanian feed manufactures are using hi pro soybean meal, with a particular interest and growing demand for high quality soy and derivatives originating from U.S.

Currently, Romania has only one crushing plant dedicated to soy processing that is able to produce hi pro. This plant belongs to one of the international oilseeds processors and supplies about half of the total soybean meal consumed locally. For the past three years, there was a fluctuation between the origins of beans imported, with a strong preference for U.S. origin (41%) in 2016, while Brazil has a three year average market share of 54%. After two years of imports of Ukrainian beans, purchases from this origin dropped last year to zero. As for soybean meal, from 2015 – 2018, origins were: Brazil (46%), Argentina (30%), Bolivia (6%), and the United States (4%).

USSEC recruited and has had a consultant involved in Romania since the year 2000, 19 years. Currently, the USSEC representative covers the Southeast European sub region: Romania, Bulgaria, and Greece.

**Number of Years USSEC/U.S. Soy has been in the Market:**

USSEC recruited and has had a consultant involved in Romania since the year 2000, 19 years. Currently, the USSEC representative covers the Southeast European sub region: Romania, Bulgaria, and Greece.

2. **Dollar Size of the Investment:**

   - 2017 - $130,000
   - 2018 - $150,000
   - 2019 - $150,000

3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**

   - Meal – Size: 628 | Share: 4%
   - Oil – Size: 34 | Share: 0
   - Whole Beans – Size: 200 | Share: 41%

4. **Largest Constraint to Growth:**

   The current Romanian feed and livestock companies’ size (volume of feed ingredients consumed) is still a weak point in influencing trading companies to import soy originating mainly from the U.S. or to organize competitive purchase of combined soy shipments, directly from the U.S.

   Presence and involvement of U.S. soy exporters such Perdue and AGP should offer more options to end users and stimulate demand for U.S. Soy.

   Current disease outbreak in the swine backyard population is a threat and will diminish industrial swine farming numbers in the coming years until the eradication of disease.

   There is still a lack of understanding in proper evaluation of quality of soy and derivative products. Educating lab specialists is more complex and takes longer than nutritionists and vets.

5. **Best Opportunity for Growth by Market Segment:**

   Thanks to newly upgraded modern feed and livestock industries, combined with the country’s agricultural competitive advantages (plenty of grains and cheap labor),
proximity to export markets (Western European countries), and political stability confers Romania with an excellent growth potential in meat production for the next decade. Foreign investments should play a crucial role in the growth of meat production in Romania. The Ministry of Agriculture recently predicted that the poultry production should double.

The ongoing challenges of the swine industry will force industrial farming companies to improve biosecurity, farm size, and efficiency. This should result in a significant increase in pork production, taking into account that at this stage, about half of the pork is imported in Romania. Indeed, U.S. Soy should gain an important market share from this, too.

There is still an unexploited soy ingredients market for dairy and aqua (mainly carp fish) in Romania. Several local investors built brand new industrial dairy farms and there are ongoing important investments in fish farming. The development of these industries should bring a significant increase in demand for soy consumption and indeed, growth market share potential for U.S. Soy.

In order to gain a greater market share, USSEC should continue to offer technical assistance to end users from Romania and educate the young generation of professionals on U.S. Soy’s intrinsic and extrinsic advantages that differentiate U.S. soybean meal from its competitors.

6. **Describe U.S. Soy’s Most Significant Competitive Advantage:**

Thanks to higher content in digestible amino acids and energy compared to other origins, U.S. meal is the golden standard of protein ingredients for the Romanian feed industry. The unique composition of U.S. soybean meal helps nutritionists in fine-tuning feed formulation and dollar savings.

Soundness of U.S. soybeans enable crushers to obtain superior quality meal and lower the cost of oil processing, thanks to lower free fatty acids content.

Excellent reputation and reliability due to the long-standing presence of the U.S. Soy Representative in Romania providing technical assistance to importers and end users. It is recognized and appreciated by industry leaders that USSEC played a pivotal role in supporting the inception and development of the Romanian Feed Manufactures Association, which become a hub for educational programs and knowledge transfer.

7. **Most Significant accomplishment(s):**

For many years, USSEC focused on educational programs for the young generation of nutritionists, quality control, and veterinarian professionals. Although this was a long-term approach, the investment proved to pay off. Through these kinds of activities, USSEC succeeded to create dialogue with end users and built loyalty among customers.

Thanks to USSEC’s activities and knowledge transfer programs implemented in Romania, more than 90% of the feed companies have adopted and currently use modern U.S. feed formulation techniques based on ideal protein and amino acid digestibility concepts.

In the long term, these actions have multiple highly positive impacts: helped the purchasing managers to make informed decisions for raw materials selections, enabled the new generation of nutritionists to use modern tools and concepts to differentiate between origins, to recognize the value of U.S. Soy, and increase animal performances and economic efficiency.

Clearly, all these efforts and accomplishments stimulated demand and will continue to translate into increases in market share for U.S. Soy.
RUSSIA – This market has a high potential for the export of U.S. commodity grade soybeans. The export of U.S. soybeans to Russia was steadily growing from 2013-2016 to more than a half of a million MT, however, in 2016, the Russian government imposed a temporary restriction on the import of U.S. soybeans that is still in place. Problems with biotech soy registration is another serious trade barrier for the export of U.S. soy products to Russia. The key drivers of the Russian soy market are the local poultry and swine industries. During the past decade, Russia has one of the fastest growing compound feed industries in the world and ranks among the top ten feed-producing nations. Currently, Russia is importing more than 2 MMT of soybeans annually (with the majority of import from South American countries), and this volume will grow due to the country’s growing demand in high protein feeds and a growth of local soybean crushing capacities. After the lifting of the import restrictions, Russia will have a high potential for the import of U.S. commodity grade soybeans that could be crushed by local oil mills. U.S. soybeans have obvious quality benefits versus domestic soybeans (higher protein level, better uniformity, etc.) and could easily compete with South American soybeans in price, nutritional quality, and logistics. Although short-term dynamics are distributed by trading down impact, long-term fundamental remains positive for Russia. Russia is classified as an emerging market.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** The American Soybean Association (ASA) office in Moscow was set up in the USSR at the end of 1980s, and it continued to operate in Russia after the breakup of the USSR in 1991 until 2002. Later, ASA/USSEC activities were accomplished by a country representatives and consultants. In total, ASA/USSEC have been active with activities in Russia for approximately 30 years.

2. **Dollar Size of the Investment:**

   2017 - $80,000  
   2018 - $95,000  
   2019 - $100,000  

3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**

   Meal –Size: | Share:  
   3.1 (consumption) - 3.7 (demand) MMT | 0  
   Oil – Size: | Share:  
   200 TMT (consumption) | 0  
   Whole Beans – Size: | Share:  
   5.2 (consumption) - 9 (demand) MMT | 0  

4. **Largest Constraint to Growth:**

   New GE soy traits planted in the U.S. are not registered in Russia. There are problems of registration in Russia with new GMOs, caused by a delay in the approval of the GMO safety assessment protocol for feed applications. According to the latest update in July 2019, the methodological guidance for Biosafety will be finalized within the next 4 months of 2019.

   There was a temporary suspension placed on the import of U.S. soybeans imposed on Feb. 15, 2016 due to the presence of quarantine weeds.

5. **Best Opportunity for Growth by Market Segment:**

   The key drivers of the Russian soy market are the local poultry and swine industries. The key customers of soy are Russian feed mills, poultry, and pig operations. According to the Alltech survey, of a total of 39.2 million tons of feed manufactured globally in 2018, Russia is in the top 8 countries worldwide.

   During the past decade, Russia has one of fastest growing compound feed industries in the world. The compound feed production in the last years in Russia was growing 7 to 10% and more each year. All forecasts confirm that the growth will continue. According to Russian statistics, compound feed production has grown up to 29.8 MMT in 2018 with a forecast of 30.8 MMT in 2020. Poultry feeds occupied a 53.7% share and swine feeds have a 38.1% share in the structure of the total volume of compound feed production in Russia in 2018.

   The most specific attribute of the Russian compound feeds market is a high dependence on the grain market. The ration of grains in local feed formulations reaches 70%. Russia aims to be self-sufficient in livestock and poultry production and to expand export of poultry meat. Soybean meal consumption will grow due to the growing demand for high protein feeds.

   Russia has excessive crushing capacities applicable for the processing of soybeans to produce soybean meal that will result in a growing demand for importing soybeans versus soybean meal.
MARKET: RUSSIA

There is no opportunity for growth of import of soybean oil as Russia is self-sufficient with production of sunflower oil, which is the principally consumed vegetable oil.

6. U.S. Soy’s Most Significant Competitive Advantage:

Higher crude protein content and better nutritional characteristics versus local soybeans.

Recognition of nutritional benefits of U.S. Soy, uniformity of quality characteristics, lighter color and reliability of soybean supplies by top Russian crushers versus soybeans of other origin.

7. Most Significant Accomplishment:

USSEC’s activities in Russia are a major contributor to the growth of local soy demand and to the development of the local soy crushing industry, resulting in the growth of imports of U.S. soybeans in 2013-2016, up to a half MMT. USSEC continues efforts to develop the market for U.S. Soy in Russia, especially by working closely with the no. 1 soybean crusher and importer located in the Kaliningrad region (GC Sodrugestvo) and with key end users in Russia and CIS countries and with key compound feed and meat producers (Cherkizovo and other).

The ongoing USSEC efforts in providing information / educating the Russian nutritionists, poultry, and livestock specialists in modern feeding practices, the nutritional benefits of soy derivatives, and the high quality of U.S. Soy in particular are contributing to an increase of soybean meal dosage in local feed formulations and to a potential growth of U.S. Soy demand.

Total import of soybeans to Russia reached 2.35 MMT in 2018. There was no import of U.S. Soy to Russia in FY17-18 due to trade barriers. Although short-term dynamics are distributed by trading down impact, long-term fundamental remains positive for Russia.
MARKET:
SPAIN

SPAIN, with 47 million citizens, is situated in southwest Europe. It is part of the EU and along with Portugal, forms the Iberian Peninsula. Spain is the second largest feed producer in the EU with a total of 31 million tonnes, including feed on farm. Spain is the EU’s top feed producer of feed for swine, No. 1 in cattle, and the fifth largest in poultry. Spain is also the top producer of swine and the EU’s main pork exporter.

Spain is the EU’s biggest consumer of soybean meal at nearly 5 million tons a year, because there is virtually no local oilseed production, just 700,000 MT of sunflower seeds. Spain imports and crushes more than 3 million tons of soybeans in four plants situated in Barcelona, Cartagena, and Bilbao. Spain also imports 2.6 million tons of soybean meal. There is potential for growing U.S. soybean meal due to low market share. Consumers have a good awareness of U.S. soybean meal advantages versus other origins.

1. Number of Years USSEC/U.S. Soy has been in the market: 50 years
2. Dollar Size of the Investment:
   - 2017 - $400,000
   - 2018 - $400,000
   - 2019 - $400,000
   - Meal – 131,000 | Share: 2%
   - Oil – Size: 0 | Share: 0%
   - Whole Beans – 3 MMT | Share: 21% - in 2018/2019, this quantity will be near 2 million tons or about a 66% share for U.S. soybeans.
4. Largest Constraint to Growth:
   1. U.S. beans could totally supply this market if prices are competitive. There are no restrictions for U.S. beans since in a few months, U.S. beans could be offered as a sustainable option for biodiesel with SSAP-RED.
   2. At some point, there could be market restrictions as soybean meal of any origin is sold. Customers are aware of U.S. Soy’s quality advantages, making them more likely to request U.S. origin.
5. Best Opportunity for Growth by Market Segment:
   1. Soybeans, Soybean meal, and soybean oil for biodiesel
   2. Spain is a country with the possibility of growth, meaning there will be an opportunity for more U.S. soy sales.
6. U.S. Soy’s Most Significant Competitive Advantage:
   1. Amino acid performance
   2. Regular quality performance
   3. Possibility of sustainability certification for the feed industry, SSAP
   4. Over the last 8 years, USSEC has been working with the industry to provide information about U.S. advantages and possibilities vs. other soybean meal origin.
7. Most Significant Accomplishment(s):
   1. Customers know about quality and possibilities of U.S. soybean meal – imported or locally produced.
   2. Industry asks USSEC to participate in their events with presentations to help them the better understand soy business and market.
TURKEY’s 2019 total oilseeds production is expected to be about the same as the last marketing year at 3.0 MMT. Despite the efforts of the government to increase oilseeds production, Turkey continues to be import dependent for cooking oil and meal for the feed sector.

Turkey is a growing market for whole U.S. commodity grade soybeans and soybean meal that go into the production of animal feed. Turkey continues to import large quantities of soybeans and soybean meal, with combined imports reaching a record of 3.3 MMT in MY 2017/18. GMO is a major concern in the country and soy is not used for human consumption. Because of GMO concern and non-approved GM traits found in the last 3 shipments from the U.S., shipments from the U.S have stopped this marketing year. Recently, the majority of soybean imports are from South America and the Ukraine for soymeal. There is good potential to grow market share for U.S. soy when the GMO problem is solved.

Domestic soybean production of 100,000 MT continues to be only a fraction of domestic demand.

Turkey has a large oilseed crushing and refining capacity and the industry is continuing to invest in new and modern factories with large capacities to remain competitive in increasingly demanding domestic and international markets. Accordingly, in FY 2018, total crushing capacity was about 9 MMT and refining capacity was 4 MMT.

The Turkish broiler meat industry continued to grow in FY 2018, up about two percent reaching 2.22 MMT, and total feed consumption reached 25 million tons, making Turkey the largest feed producer in Europe. The Turkish poultry industry utilizes a large amount of full fat soy in rations that are produced at their farms. In addition, favorable crush margins will increase soybean utilization. Accordingly, MY 2018/19 total consumption of soybeans is projected to be about 2.8 MMT and is forecast to increase to 3.0 MMT in MY 2019/20.

1. Number of Years USSEC/U.S. Soy has been in the Market: About 25 years

2. Dollar Size of the Investment: estimated

   2017 - $200,000
   2018 - $200,000
   2019 - $200,000


   U.S. currently does not have market share due to market access issues with biotech.

   Meal – Size: 2,030 MMT | Share: 0%
   Oil – Size: 160,000 tons | Share: 0%
   Whole Beans – Size: 2,350 MMT | Share: 1%

4. Largest Constraint to Growth:

   GMO is the largest concern for U.S. imports

5. Best Opportunity for Growth by Market Segment:

   Aqua and animal feed

6. U.S. Soy’s Most Significant Competitive Advantage:

   1. Quality of meal, tech or trade services, and technology offered by the U.S. soy industry is well recognized
   2. Ease of trade processes adopted by the U.S. soy industry
   3. Recognition of the value and quality of U.S. soybeans by the industry
   4. Longstanding presence of U.S. Soy (USSEC) representatives in country and region providing trade support and technical assistance to importers/end users

7. Describe Most Significant Accomplishment(s):

   1. Good collaboration with the industry leaders and players for the industry problems made U.S. the preferred soybean.
   2. USSEC in-country representation and in-country technical support. The trade and technical support provided by USSEC have contributed significantly to the U.S. Soy interests in the country and region and U.S. Soy being recognized as the highest quality soybean.
3. Feed formulation seminars made U.S. Soy value recognition for the profitability of the country.
UNITED KINGDOM – Cargill has the only crushing facility in the UK and their purchases of U.S. soybeans are strongly influenced by price. This is demonstrated by the almost 100% increase in U.S. exports in 2018. A net importer of soy oil, no soy oil is used in biodiesel production. There is a strong consumer trend towards vegetable protein-based diets. There is increasing awareness and sensitivity towards deforestation-free soy.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** 50

2. **Dollar Size of the Investment: estimated**
   - 2017 - $75,000
   - 2018 - $75,000
   - 2019 - $75,000

3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**
   - **Meal** – 1,550,000 MT | U.S. Share: 10,000 (1%)
   - **Oil** – 7,000 MT | U.S. Share: 0
   - **Whole Beans** – 780,000 MT | U.S. Share: 23%

4. **Largest Constraint to Growth:**
   Price is the most important factor in influencing imports.

   There is increasing awareness, particularly in the retail sector, on the connection between deforestation and soybeans. While mostly focused on South America, U.S. soybeans can be caught up in the discussion.

5. **Best Opportunity for Growth by Market Segment:**
   There is a strong and growing consumer demand for meat substitutes and vegetable proteins. Facts and information on sustainability and sustainable soybean production can help inform key decision makers and buyers.

6. **U.S. Soy’s Most Significant Competitive Advantage:**
   Seasonally based price is most significant along with increasing focus on deforestation, GHG value, and sustainability.

7. **Most Significant Accomplishment(s):**
   SSAP usage by market.
The Algerian market is mainly a soybean meal and soybean oil market; until now, this market was fully dependent on imports of around 1.4 MMT soybean meal, dominated by South American origins. In particular, Argentina held the lion’s share at 95 percent for the past 10 years. It is now clear that soybeans will be a high priority since at least three crushing plants will be launched in the next one to two years. This change in the market will represent a huge potential for U.S. soybeans in the near future. At the same time, the emergence of new feed mills and large poultry integrators will bring additional opportunities for valuing the quality of U.S. soybeans. Recently, some interest for full fat soy and extruded pressed soymeals has been noted. Regarding soybean oil, Algeria imports around 750 KMT of SBO annually. The market is price driven and more than 80 percent is imported from Argentina. Imports of SBO will also fall drastically with the emergence of the new crushing plants. However, this drop will only affect South American SBO imports, as imports of US SBO are currently insignificant.

ALGERIA – The Algerian market is mainly a soybean meal and soybean oil market; until now, this market was fully dependent on imports of around 1.4 MMT soybean meal, dominated by South American origins. In particular, Argentina held the lion’s share at 95 percent for the past 10 years. It is now clear that soybeans will be a high priority since at least three crushing plants will be launched in the next one to two years. This change in the market will represent a huge potential for U.S. soybeans in the near future. At the same time, the emergence of new feed mills and large poultry integrators will bring additional opportunities for valuing the quality of U.S. soybeans. Recently, some interest for full fat soy and extruded pressed soymeals has been noted. Regarding soybean oil, Algeria imports around 750 KMT of SBO annually. The market is price driven and more than 80 percent is imported from Argentina. Imports of SBO will also fall drastically with the emergence of the new crushing plants. However, this drop will only affect South American SBO imports, as imports of US SBO are currently insignificant.

1. Number of Years USSEC/U.S. Soy has been in the Market: started in 1985 (34 years) with several interruptions.

2. Dollar Size of the Investment:
   2017 - $30,000
   2018 - $50,000
   2019 - $60,000

   - Meal – Size: | Share: 0%
   - Oil – Size: | Share: 0%
   - Whole Beans – Size: | Share: 0%

4. Largest Constraint to Growth (top 2-3 only):
   Preference for Argentine soybean meal for its higher fat content and darker color
   Algerian market is still price driven, not taking into account higher quality or higher protein content

5. Best Opportunity for Growth by Market Segment:
   - Soybeans: three emerging crushing plants
   - Meal: new emerging feed mills and especially poultry integrated groups will soon value better quality soybean meals. They will also create a demand for FFSB or express meals in the feed industry, which will allow more U.S. origin bean imports
   - Oil: Algeria is moving to a SBO market after having been a sunflower market. Good quality soybean oil comes from local crushing. Sold at a reasonable price, it can easily compete with imported SBO and indirectly favor U.S. origin SBO
   - Aquaculture: a very high potential can be achieved in the mid-term, but volumes are still very low compared to poultry
   - Human: niche market, too small to be taken into consideration at this point

6. U.S. Soy’s Most Significant Competitive Advantage:
   - Logistics, transportation
   - Consistency in overall quality of the soybeans

7. Most Significant Accomplishment(s):
   Change in government policy that allowed private initiative in the feed industry. This change has boosted large private imports and feed and poultry projects.
   The start of three crushing plants that will certainly ensure around 50% U.S. origin market share compared to zero percent currently
MARKET: EGYPT

EGYPT is the fifth most populous market of the 48 USSEC-defined priority markets. Egypt is the 5th world’s largest soybean importer, the 13th world’s largest soymeal consumer, and is the biggest importer of U.S. soybeans in the MENA region.

Overall protein consumption per capita per day in Egypt is still low. In 2013, FAO positioned the overall protein consumption in Egypt at only 103 grams per capita per day; this is projected to increase sharply. In 2016, the UN recorded the population of Egypt at 96 million, but it is forecasted to increase to 116 million by 2030. Egypt’s economy is one of the largest in the Middle East, and is the second largest in Africa.

USSEC has been playing an important role in improving the performance of poultry, fish, and dairy production to lower the cost of production and to increase the consumption per capita. The government ownership in crushing as well as in poultry production, aquaculture production, and dairy production will help for the time being to increase the level of protein consumption per capita per day in Egypt.

Number of Years USSEC/U.S. Soy has been in the Market: more than 33 years

Dollar Size of the Investment: estimated

2017 - $400,000
2018 - $400,000
2019 - $400,000

Current Market Size & Share of U.S. Soy (MY 2017/18):

Meal – Size: 571,000 Million Tons | Share: 4%

Soybean meal market share is low due to developed crushing capacity

Oil – Size: 760,000 Million Tons | Share: 54%

Whole Beans – Size: 3,255,000 Million Tons | Share: 77%

Largest Constraint to Growth:
- Duties/taxes on exports of locally produced SBM is limiting the increase in crushing utilization capacity. Crushing facilities are operating at 65-70% of the actual capacity.
- Government’s import of vegetable oils is limiting the increase in crushing utilization capacity as well. Crushing facilities are operating at 65-70% of actual capacity.

Best Opportunity for Growth by Market Segment:
- Overall protein consumption per capita per day in Egypt is low.
- Poultry and fish are the major consumers of soybean meal production in Egypt. Egypt is among the top 10 aquaculture producers globally. Increase in soy inclusion rate as well as overall improvements in feed milling and formulations by educating local feed mills to increase the inclusion rate of hi-protein SBM.
- Fish production is seen as a low-cost source of animal protein; building demand by demonstrating quality and high nutritional value of soy fed fish.
- Soybean oil is main vegetable oil for use in feed since it has nutrition advantage over sunflower oil – soy has more energy and fatty acid value. Also, animal fat is banned as safety and consumers’ concerns increase about use of animal byproducts in feed increasing the need for soy oil use for energy value in animal feed production.
- There is an increased investment by the government to expand the aquaculture industry for food security purposes.

U.S. Soy’s Most Significant Competitive Advantage(s):
1. U.S. Soy quality is perceived to be superior to other origins
2. Quality of meal produced by U.S. soybeans in Egypt is well-recognized and of a high quality
3. Position of SBO as a healthier alternative
4. Longstanding presence of U.S. Soy (USSEC), which provides technical assistance to importers/end-users.

Most Significant accomplishment(s):
1. Demand building of locally produced SBM & SBO resulted in an increase of U.S. procured soybeans by local crushers in Egypt.
2. Demand building through the aquaculture industry, poultry industry, and dairy industry resulted in an increase of SBM & SBO consumption in Egypt.
**MARKET: MOROCCO**

**MOROCCO** boasts one of Africa’s largest economies and is among the continent’s most politically stable countries. Classified as a ‘basic’ market, the country remains a good market for U.S. soybean meal. With declining oilseed crushing activity, Morocco, the largest U.S. SBM import market in Maghreb and the MENA region, imported about half a million tons of U.S. SBM, over 65% of all MENA region imports, last year.

Morocco is a full soybean complex market (the only country in the region which imports soybeans, SBM, oil, and soy hulls). More than 85% of domestic demand of SBM is met by imports. 90% of SBM used goes to poultry, which represents over 53% of total meat consumed. SBM consumption equals about 65% of all meals consumed and soy oil consumption averages 60% of all vegetable oil consumed. Morocco had the second largest increase in SBM imports in MY 2017/18. Feed industry and producers are more aware today than in the past of U.S. SBM’s profile and its nutritional and competitive advantages, which contribute to good performance and higher end returns.

**Number of Years USSEC/U.S. Soy has been in the Market:**
30+

**Dollar Size of the Investment:** estimated

- 2017 - $200,000
- 2018 - $200,000
- 2019 - $200,000

**Current Market Size & Share of U.S. Soy (MY 2017/18):**

- Meal –650,000 tons | Share: 77%
- Oil – 500,000 tons: | Share: 70 %
- Whole Beans –50,000 tons: | 48%

**Largest Constraint to Growth:**
- Combined shipments of corn from Argentina
- Other competing protein sources (DDGS, hi-pro sunflower and rapeseed meals, etc.)
- Some SBM is still price-sensitive, based on crude protein content, which may favor demand for lower cost alternatives against better nutrient profile, value and quality.

**Best Opportunity for Growth by Market Segment:**

- Increase in compound feed production for poultry over previous year due to increase in poultry meat and table egg consumption
- North African demand for U.S. SBM is growing as population grows and becomes wealthier consuming more protein-rich meat.
- Over 11% increase in turkey meat production (3.6% increase in poultry meat and 5.5% in table egg production in 2018 compared to 2017). 53% of the total population belongs to the middle class with 59% of them living in urban areas
- Low poultry meat consumption (20.5 kg in 2018) with a high growing outlook (4.1% in 2018/2017). Eggs are similar (188 with a 4% growth rate).
- Address long-term issues. Boost poultry consumption.
- Fast food and large distribution stores even though only 92% of broilers and 10% of turkeys are still in the live bird market.

**U.S. Soy’s Most Significant Competitive Advantage(s):**

- Users appreciate U.S. SBM for its nutrient profile & quality
- No logistics issues with U.S. supplies at attractive prices

**Most Significant Accomplishment(s):**

- Maintain/ increase of market share in different segments.
- Promoting the intrinsic and extrinsic advantages of U.S. Soy and providing trade support and technical assistance to importers and end users.
- USSEC’s activities (new and new experts) help maintain market share in one of U.S. SBM’s largest export markets in the region.
- Accompany and provide technical assistance to the modernization and development of poultry and feed industries
- Integration of large dairy operations in the future
- Emerging aquaculture projects
- The start of FFSBM production/use in largest feed mill
MARKET: SAUDI ARABIA

SAUDI ARABIA is the 15th world’s largest soymeal importer. Poultry production is the major consumer of soybean meal; this year, chicken meat consumption is estimated at 1.375 MMT and chicken meat production in Saudi Arabia is expected to reach 700,000 MT in 2019. In 2019, total Saudi chicken meat imports are forecast to reach 675,000 MT. Saudi Arabia is a surplus table eggs producer and a significant exporter to the GCC countries. The Saudi government provides assistance to domestic poultry farms to increase local chicken meat production; they have a target of 60% of self-sufficiency in poultry meat consumption by the end of 2020.

1. Number of Years USSEC/U.S. Soy has been in the Market: over 31 years
2. Dollar Size of the Investment:
   - 2017 - $40,000
   - 2018 - $40,000
   - 2019 - $40,000
   - Meal – Size: 833,000 MT | Share: 10%
   - Oil – Size: 111,000 MT | Share: 20%
   - Whole Beans – Size: 590,000 MT | Share: 25%
4. Largest Constraint to Growth:
   - High government subsidy of feed grains and feed additives.
   - There is only one operating crushing plant in KSA. Another crushing plant is supposed to open in 2022.
5. Best Opportunity for Growth by Market Segment:
   1. Increase in soy inclusions as well as overall improvements in feed milling and formulations by educating local crushers to produce quality meal
   2. Booming compound feed industry as the imports of feed barley by the government are diminishing
   3. There is an increased investment by the government to expand the aquaculture industry for food security purposes.
   4. The Saudi government provides assistance to domestic poultry farms to increase local chicken meat production; they have a target of 60% of self-sufficiency in poultry meat consumption by the end of 2020.
6. U.S. Soy’s Most Significant Competitive Advantage(s):
   - U.S. Soy quality is perceived to be superior to other origins
   - Longstanding presence of USSEC/U.S. Soy which provides trade support and technical assistance to importers and end-users
7. Describe Most Significant accomplishment(s):
   - Demand building of locally produced SBM and SBO resulted in an increase in U.S. procured soybeans by the local crusher.
   - Demand building through the aquaculture industry, poultry industry, and dairy industry resulted in an increase in SBM and SBO consumption in Saudi Arabia.
**MARKET: TUNISIA**

*TUNISIA – This market is a mainly a whole soybean and soybean oil market; nevertheless, soybean meal, full fat soy, and extruded pressed soymeals are the priority. Soy is the first agriculture commodity imported from the U.S. U.S. soybean exports have been steady or slightly increasing over the last few years and total soybean imports have reached 580,000 metric tons. In 2017/18, Tunisia was the second largest market in the MENA region for imported U.S. soybeans. Other origins include Brazil and Uruguay. Carthage Grain, the main soybean importer, is often looking for higher crude protein values with lower prices. Based on more communication and investment, there is a fairly good potential to grow market share for U.S. soybeans based on their advantages (logistics, overall high quality) over time. Integrated poultry groups are considering more use of U.S. origin beans because of the intrinsic and extrinsic advantages which differentiate U.S. soybean meal from its competitors. Since 2012, the new approach of extruded soybean production, allowing better feed formulation with high fat content meals, has been a great success. Ruminant and aqua feeds also have a high potential, although volumes are still small.*

1. **Number of Years USSEC/U.S. Soy has been in the market:** 1989 (30 years)

2. **Dollar Size of the Investment:**
   - 2017 - $150,000
   - 2018 - $200,000
   - 2019 - $200,000

3. **Current Market Size & Share of U.S. Soy (MY 2017/18):**
   - **Meal** – Size: | Share: 0%
   - **Oil** – Size: | Share: 0%
   - **Whole Beans** – Size: | Share: 370.6 (63.8 %)

4. **Largest Constraint to Growth:**
   Increased price of soybean products due to Tunisian dinar’s lower exchange rate and to high crushing margin because of a 15% custom protection for local crushing plant
   1. Limited consumption growth due to economic crisis
   2. Tunisian market still price driven to some extent

5. **Best Opportunity for Growth by Market Segment:**
   Meal: soybean meal in dairy feed has the most important potential, but farm size is a constraint to implement efficient programs. There is an increasing demand for FFSB and express meals in the feed industry, which will allow more U.S. origin beans to be imported during favorable season

   Oil: only a free market can increase a demand for high quality SBO; so far, vegetable oil market is still under government control

   Aquaculture: a real potential, but volumes are still very low compared to poultry

   Human: niche market, too small to be taken into consideration at this point

6. **U.S. Soy’s Most Significant Competitive Advantage:**
   1. Logistics, transportation
   2. Consistency in overall quality of the soybeans

7. **Most Significant Accomplishment:**
   1. Start of the crushing plant has been ensuring a minimum 50% U.S. origin market share
   2. The start of the extrusion plants allowed the local industry to reach self-sufficiency in different soybean meals and is now ensuring that no more South American soybean meal will be imported in Tunisia moving forward
JAPAN – The office in Tokyo was the first international U.S. soy office, and the U.S. soy industry has maintained a constant presence in Japan since 1956. The U.S. enjoys a 74% market share here. Although Japan’s population is rapidly aging, U.S. market share in crush and soyfoods continues to increase. Japan is classified as a ‘mature’ market.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** 63 years

2. **Dollar Size of the Investment:**
   - Average around $1,591,621
   - 2016 – $1,248,710
   - 2017 – $1,480,474
   - 2018 – $1,614,690
   - 2019 – $2,022,610

3. **Current Market Size & Share of U.S. Soy (MY 2018/19):**
   - **Soybeans** – Size: 3.25 MMT % Share: 74.4%
   - **Meal Imports** – Size: 1.56 MMT % Share: 22.1%
   - **Oil** – Size: 0.013 MMT % Share: 12.7%

4. **Largest Constraint to Growth:**

   The decreasing trend on crude protein in U.S. soybeans is a challenge in the Japanese market, which places an extremely high value on protein while acknowledging the entire bundle, is important.

   At present, HOSBO needs to be labeled GMO. This is likely to limit the market potential to the HRI sector unless changed.

5. **Best Opportunity for Growth by Market Segment:** (ie Meal, aqua, Oil, human)

   Whole Soybeans: Japan has a consolidated crushing industry with three major crushing companies that crushed 2.35 MMT in 2018/19. Soy crush is resurging due to weaker crush margins for canola. In 2018/19, over 80% of the soybeans crushed in Japan were of U.S. origin.

   Soyfoods: The country’s soyfoods consumption has been slightly increasing since 2012 due to strong health consciousness. Japan is the largest market for U.S. IP food grade soybeans. The U.S. share has returned to over 50% with additional opportunities.

6. **U.S. Soy’s Most Significant Competitive Advantage:**

   Stable supply and diversified production states helping Japan for risk management
   Long-term relationships

7. **Most Significant accomplishment(s):**

   **Sustainability** interest has increased more than 34 times over the last four marketing years – recognition by Tokyo Olympic Procurement Committee has been instrumental in the increase and the increased use of the SUSS logo on over 300 products

   **Natto Industry Support Program** helped boosting natto demand & maintaining 6-7% growth in five years in a row
Market: South Korea – The Korea-U.S. Free Trade Agreement has helped to make South Korea the #1 market for U.S. soybean oil. With more than 50 million soy consumers, South Korea has a GDP of $1.5 trillion. U.S. Soy has a 70% market share in non-GM food beans. South Korea is classified as a ‘mature’ market. The structure of the market for importing/purchasing soybean meal presents challenges for U.S. soybean meal. While it is widely recognized that U.S. soybean meal has a superior nutrient bundle, it is often priced at a premium compared to other origins, making it difficult to convince entire purchasing groups to import U.S.

1. Number of Years USSEC/U.S. Soy has been in the Market: 40 years

2. Dollar Size of the Investment:

   Average around $477,595
   2016 – $586,319
   2017 – $418,496
   2018 – $427,971
   2019 – $536,347


   Soybeans – Size: 1.34 MMT % Share: 81%
   Meal Imports – Size: 1.85 MMT % Share: 3.6%
   Oil – Size: 0.328 MMT % Share: 86.6%

4. Largest Constraint to Growth:

   TRQ (non-FTA) for non-GM soybeans

   Mandatory GMO labeling is in place with a 3% threshold and there is a growing voice from consumer groups calling for the expansion of GMO labeling for soybean oil.

5. Best Opportunity for Growth by Market Segment:

   Whole Soybeans: Korea effectively depends 100% on imports for crush soybeans. The U.S. market share is 80%.
   Feed and Livestock Sector: 20 MMT of compound feed production in 2018. Swine is the largest segment, followed by poultry, beef cattle, and dairy cattle.

   Food Soybean Sector: 327 TMT of annual demand for food beans. 73% of this demand is met by imports of all non-GM soybeans. U.S. market share was 86% of the imported food beans in 2019.

Korea-U.S. FTA: 5% duty on RBD soybean oil phased out in 2016 and will do the same for crude soybean oil in 2021. This has made Korea the #1 export market for U.S. soybean oil. The agreement also opened the market for variety-specific identity preserved soybeans for soyfood processing. The 2018 TRQ allocation was 28,139 MT for U.S. variety-specific IP soybeans, of which 100% was utilized. The FTA TRQ has been 100% utilized for the last 3 years.

6. U.S. Soy’s Most Significant Competitive Advantage:

   U.S. Soy provides more digestible amino acids and metabolizable energy than competing soy

   U.S. is relatively well prepared for the Positive Listing System (PLS) for chemicals than other origins

7. Most Significant accomplishment(s):

   Based on information shared by USSEC and responding to consumer demands, major importers required the U.S. SSAP certificate on their purchase contract and nearly 100% of the U.S. soybeans exported to Korea are U.S. SSAP verified.

   Korean SBO refiners are convinced with the quality of U.S. soy oil and two of the five major refiners imported only U.S. SBO since 2018.
**MARKET: INDONESIA**

**INDONESIA** - This market is a priority for U.S. Soy’s Food Exports program. This is currently the fourth largest market for whole U.S. commodity grade soybeans, most of which are used in the production of a local staple food, tempe, for human consumption. U.S. soybean exports continue to increase year on year with over 95% market share. With no local oilseed crushing industry right now but with a 1,500 MT/day crushing plant still in the early planning stage, Indonesia imports all its over 4.5 MMT soybean meal demand. The majority of the soybean meal imports are from South America, as importers turn to Argentina for lower prices or to Brazil for higher crude protein values. With time and investment, there is good potential to grow market share for U.S. soybean meal based on its intrinsic and extrinsic advantages, which differentiates U.S. soybean meal from its competitors. Since 2017, market conditions favored the use of full fat soy (FF Soy) in feed formulations and end users have preferred to use whole U.S. soybeans as feedstock for better quality FF Soy. Indonesia is classified as an ‘expansion’ market.

African Swine Fever (ASF) Update: Nov. 11, 2019 - An outbreak of classical swine fever (CSF), also called hog cholera, was noted as the cause of death for 4,000 pigs in the Indonesian province of North Sumatra on Nov. 6. According to further laboratory tests, ASF was detected as well, according to an agriculture ministry official. The impact of ASF in Indonesia is not expected to create issues or have any significant impact in a market that is largely dominated by poultry, followed by aquaculture, beef, and other sources of animal protein sources.

<table>
<thead>
<tr>
<th>1. Number of Years USSEC/U.S. Soy has been in the Market:</th>
<th>The Indonesian representative office was set up on October 1, 1981 – 38 years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Dollar Size of the Investment:</td>
<td></td>
</tr>
<tr>
<td>2016 - $1,239,616</td>
<td></td>
</tr>
<tr>
<td>2017 - $1,377,559</td>
<td></td>
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<tr>
<td>2018 - $1,742,436</td>
<td></td>
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<tr>
<td>2019 - $1,920,055</td>
<td></td>
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<tr>
<td>Meal – Size: 4.9 MMT</td>
<td>Share: 4.6%</td>
</tr>
<tr>
<td>Oil – Size: 30,000 MT</td>
<td>Share: 1.5%</td>
</tr>
<tr>
<td>Whole Beans – Size: 3.3 MMT</td>
<td>Share: 84% (over 95% of total soybean imports)</td>
</tr>
<tr>
<td>Food Grade (IP) – Size: 22,000 MT</td>
<td>Share: 35% (rough estimate as importers/end-users sometimes interchange between commodity soybeans)</td>
</tr>
<tr>
<td>4. Largest Constraint to Growth:</td>
<td></td>
</tr>
<tr>
<td>1. Government’s self-sufficiency and food security policies, and intermittent intervention in trade/imports</td>
<td></td>
</tr>
<tr>
<td>2. Changing consumption trends, e.g. younger generation gravitating towards fast food, cheaper animal protein vs. tempe as a traditional food</td>
<td></td>
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<tr>
<td>3. Price sensitive soybean meal market resulting in demand for low cost</td>
<td></td>
</tr>
<tr>
<td>5. Best Opportunity for Growth by Market Segment:</td>
<td>alternates against better value and quality - competition from non-U.S. origination</td>
</tr>
<tr>
<td>- Total feed production in Indonesia in 2016 was estimated at 17.33 MMT – 15th largest producer globally. 80% of this feed is consumed by the poultry sector, a result of the predominantly Muslim population. With only about a 4.6% share of the soymeal market, the upside potential for U.S. soymeal exports is huge. Feed production has been steadily increasing due to rising meat protein consumption</td>
<td></td>
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<tr>
<td>- Indonesia is among the top 10 broiler and top 10 aquaculture producers globally.</td>
<td></td>
</tr>
<tr>
<td>- Whole soybean demand continues to grow, primarily driven by the tempe industry (human) and increasing demand for Full Fat Soy (animal). Full Fat Soy demand amounts to about 250-300,000 MT of soybeans</td>
<td></td>
</tr>
<tr>
<td>- Indonesia is the second largest aquaculture producer globally, producing over 14 MMT.</td>
<td></td>
</tr>
<tr>
<td>- There is little opportunity for growth in U.S. soyoil imports into Indonesia. Indonesia is the world’s largest producer of palm oil.</td>
<td></td>
</tr>
</tbody>
</table>
MARKET: INDONESIA

- Overall growth potential in food and feed in Indonesia is very good as the economy is still developing and domestic meat protein consumption is still very low for a population of 255 million.

6. U.S. Soy’s Most Significant Competitive Advantage(s):
   1. Recognition of the value and quality of U.S. soybeans by the tempe industry
   2. U.S. Soy Family’s long-term investments in the market through business development programs both in-country and regional, as well as to the United States.
   3. Longstanding presence of U.S. Soy (USSEC) representatives in Indonesia providing trade support and technical assistance to importers/end users
   4. The intrinsic and extrinsic advantages of U.S. Soy

7. Most Significant Accomplishment(s):
   - Indonesian Tempe Promotion Project (ongoing)
     o Promoting more efficient and hygienic methods of producing and packaging tempe, raising quality standards, and increasing consumption
     o Collaboration with local industry stakeholders to promote and give recognition to Indonesian tempe as a ‘heritage’ food, preserving tradition among new generation of consumers
     o Promoting tempe production/consumption in non-traditional tempe consuming regions in the country
   - Assisting and supporting the establishment of the inaugural Indonesia Soy Food and Beverage Network this year, a newly formed organization that we hope will realize its potential and benefit U.S. Soy in the way that the Indonesian Tempe Promotion Project has done for our stakeholders.
   - USSEC in-country representative and in-country technical consultants. The trade and technical support provided by USSEC’s in-country representatives have contributed significantly to U.S. Soy interests in the country, e.g. brand quality recognition and goodwill among importers/end-users
   - USSEC’s array of activities in Indonesia is a major contributor in making and maintaining this market as one of U.S. Soy’s largest export market for U.S. soybeans
MARKET: MALAYSIA

MALAYSIA – U.S. total exports of agricultural products to Malaysia totaled $1.0 billion in 2018. Leading domestic export categories include: soybeans ($233 million), cotton ($105 million), dairy products ($101 million), prepared food ($94 million), and processed vegetables ($56 million). Malaysia’s estimated feed consumed in 2018 totals about 5 to 5.5 million tons. This figure is projected to increase to between 5.5 and 6 million tons in FY 2020. Soybean imports in MY 2019/20 are forecasted at 900,000 MT, a 30,000 MT increase from the previous year, based on this growing demand from the Malaysian livestock feed industry. U.S. soybean imports to date register at 465,000 MT while FY18 in total was 483,162 MT. There is no commercial cultivation of soybeans in Malaysia. Overall, domestic consumption of soybeans in Malaysia is largely dictated by crush demand from the livestock feed industry. The U.S. is the largest supplier of soybeans to Malaysia with a roughly 55 percent market share in 2017/18. There are only two soybean crushers in Malaysia – besides crush, whole soybeans are used for full-fat soy production. In MY 2019/20, soybean meal production is forecast at 485,000 MT, up slightly from the previous year’s estimate. The increase in production is based on the expected uptick in soybean imports and a healthy demand for livestock feed (especially for poultry). Total domestic consumption of soybean meal in MY 2019/20 is forecast at 1.98 million MT, a 30,000 MT increase from the previous year. Soybean meal imports are expected to reach 1.6 million MT in MY 2019/20, a 70,000 MT increase from the previous year. Argentina is the dominant supplier of soybean meal to the country, accounting for 95 percent of all imports in 2018/19. Total U.S. soybean meal exports to Malaysia were only about 37,000 MT via containerized shipments.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** Due to its proximity, the Malaysia market has always been ‘maintained’ out of USSEC’s Singapore regional office and serviced by our regional technical consultants. In 2019, USSEC brought on a local market consultant, Mr. Richard Heng, who became our In-country representative who now focuses on engaging the industry on all the major animal groups as well as with the government on any market access concerns.

2. **Dollar Size of the Investment:**
   - 2017 - $327,892
   - 2018 - $239,794
   - 2019 - $304,789

   - Meal – Size: 37 KMT (tot 1.6 MMT) | Share: 2-3%
   - Oil – Size: NA | Share: NA
   - Whole Beans – Size: 536 KMT (tot est. 880 KMT) | Share: 60%
   - Food Grade (IP) – Size: NA | Share: NA

4. **Largest Constraint to Growth:**
   1. As Malaysia needs to import over 90% of its feed ingredients, the market is very price sensitive and thus generally does not bring in intrinsically superior products for feed use if the price offer is higher than its cheaper competition.
   2. Feed production has been relatively flat growing at rates between 2 to 3% annually, driven mainly by its poultry industry (with over 60% of the population Malays/Muslim, about 22% Chinese, and the rest are other ethnicities). The swine industry is small, and production is constrained by strict zoning laws. While Malaysia aspires to be a major Halal food exporter to the Middle East, which would help increase feed and animal production, progress has been slow for several reasons from higher cost of production to lack of government support.

5. **Best Opportunity for Growth by Market Segment:**
   1. Under the right conditions, Malaysia has the potential to build up its feed and animal industry and realize its goals to be a major exporter of Halal poultry products, especially to the Middle East.
   2. Malaysia’s fisheries and aquaculture industries are important sectors for domestic food production and export earnings. The Malaysian per capita fish consumption is one of the highest in the world at 56 kg/year. Seafood was responsible for 0.23% of the total export value of USD $216 billion in 2017. Total seafood production reached 1.99 million in 2016, of which 80% was derived from fisheries and 20% from aquaculture. Majority of Malaysian exports (about 90%) are related to either
MARKET: MALAYSIA

ASEAN countries or other South and East Asian countries, although there are some exports to the United States. The EU was responsible for $29.7 million USD of exports in 2017, with France and the United Kingdom being the dominant importing countries.

6. U.S. Soy’s Most Significant Competitive Advantage:
   1. Recognition of the value and quality of U.S. soybeans and soybean meal by the end-users, i.e. the intrinsic and extrinsic advantages of U.S. Soy.
   2. Presence of U.S. Soy (USSEC) representatives in Malaysia since the early 1990s, providing trade support and technical assistance to importers/end-users.

7. Most Significant accomplishment(s):
   1. The trade and technical support provided by USSEC’s representatives and technical consultants have contributed significantly to the U.S. Soy interests in the country, e.g. brand recognition and goodwill among importers/end-users.
   2. USSEC’s array of activities in Malaysia continues to be an important contributor in spreading the U.S. Soy Advantage message to our target audiences. It is through these activities that we have been able to foster collaborations with key end users that believe in the quality of U.S. Soy and share the common goal of promoting its value to their customers.
MYANMAR (aka BURMA) – Myanmar livestock feed demand is estimated at 2.5 MMT in 2018, including 1.2 MMT of commercial livestock feed. The Myanmar feed sector is mainly led by foreign companies, which hold about a 60 percent share of domestic sales in Myanmar. The country’s livestock feed demand is forecast to increase to 3.0 MMT in 2019 and 3.7-3.9 MMT in 2020. About 70 percent of feed demand comes from the poultry sector and 25 percent from swine (source: Myanmar Livestock Federation (MLF)). The rest comes from other sectors such as dairy, duck, and quail. Domestic production of oilcakes such as sesame, soybean, and peanut cakes is not sufficient to supply the feed industry. Instead, Myanmar is importing soybean meal, DDGs, corn gluten, feed wheat, bone meal, and other protein source ingredients from the United States, India, Paraguay, India, Brazil, Pakistan, Canada, Ukraine, Moldova, and Argentina. A recent trade source reports that the import of these types of feed ingredients increased in 2018 due to higher domestic prices for yellow corn and other oil cakes. Myanmar does not restrict imports of feed additives and other raw materials such as soybean meal or soybeans, but most recently the government stalled the importation of whole soybeans due to some confusion over whether the imported whole soybeans were going to be used for animal feed or for human consumption; custom duty for soybeans for animal feed is only 1.5% and range between 5 - 10% for other purposes. This has since been resolved through the joint efforts of FAS and USSEC.

African Swine Fever (ASF) Update: On Aug. 16, Myanmar became the 7th nation to declare the presence of ASF after China, Mongolia, Vietnam, Cambodia, North Korea, and Laos – before the Philippines. The impact to the local swine industry is yet to be determined due to lack of reliable official statistics. As with most ASF affected markets, production/consumption of swine is being displaced by poultry and other meat protein sources.

1. Number of Years USSEC/U.S. Soy has been in the Market: USSEC has been operating in Myanmar since late 2011 through the development of our aquaculture program first. As we worked with the larger local feed mills, most were into fish feed production. In 2018, USSEC’s technical consultant, Dr. May Myat Noelwin, for aquaculture (since 2012) became our In-country representative and now focuses on engaging the industry on all the major animal groups as well as with the government on market access concerns.

2. Dollar Size of the Investment:
   - 2017 - $434,409
   - 2018 - $378,583
   - 2019 - $353,290

   - Meal – Size: 174 KMT (tot 450 KMT) | Share: 39%
   - Oil – Size: NA | Share: NA
   - Whole Beans – Size: 21 KMT (tot 55 KMT) | Share: 39%
   - Food Grade (IP) – Size: NA | Share: NA

4. Largest Constraint to Growth:
   a) Having only really opened up its market in the past few years (2015) for international trade, import procedures and regulations are still ‘maturing’ to balance national interests; e.g. Importers of animal feed and feed ingredients must apply for an import permit, and the application takes about one month to be approved. The importing process involves communication with the Ministry of Agriculture, Livestock and Irrigation (MOALI); the Ministry of Commerce (MOC); and the Myanmar Livestock Federation (MLF).

   b) Myanmar is in the process of updating many of its laws and regulations. Recent new laws affecting food and agricultural imports include a Seed Law, a Plant Variety Protection Law, a Pesticide Law, an Investment Law, and a Trademark Law. A new Consumer Protection Law and Food Law are expected soon. In June of this year, a meeting between local soybean producers and government officials brought up the subject of GM and non-GM soybeans. USSEC has ensured that we remain ahead of this subject with stakeholders.

   c) While the swine industry is still lagging, major foreign feed millers have already invested in swine breeding farms which will help develop the industry at a more sustainable pace. With the ASF outbreak, this is expected to stall or slow down efforts to expand the local swine industry.

5. Best Opportunity for Growth by Market Segment:
   a) Soybean meal for terrestrial animal (poultry, swine, etc.) feed – commercial feed projected to reach 3.0 MMT in 2019, 3.9 MMT in 2020. Strong upside
MARKET: MYANMAR

potential barring any interruptions from the constraints mentioned earlier.

b) Soybean meal for aquaculture feed – projected to reach 600 KMTs in 2019. Ample room for education and promotion; more than 40 percent of aquaculture uses raw feed and less than 60 percent uses scientifically formulated mesh, sinking pellets or floating pellets.

c) Soybean for human protein consumption is still in its infancy stage. Most of the soybeans (small crop) going into food come from the Shan State up north.

d) Most of the oil consumed in Myanmar is palm oil (imported), soy oil (imported), and some of the lesser oils, sesame, and peanut (domestic), etc. There is also a blended oil market.

6. U.S. Soy’s Most Significant Competitive Advantage:

a) Recognition of the value and quality of U.S. soybeans and soybean meal by the end-users.

b) Presence of U.S. Soy (USSEC) representatives in Myanmar since 2011 providing trade support and technical assistance to importers/end users

c) The intrinsic and extrinsic advantages of U.S. Soy

7. Most Significant accomplishment(s):

a) U.S. Soy Family/USSEC foresight and early investment (2011) into this growth market engaging the local industry and introducing U.S. Soy early before the liberalization of its politics and market in 2015. The trade and technical support provided by USSEC’s consultants have contributed significantly to the U.S. Soy interests in the country, e.g. brand quality recognition and goodwill among importers/end users.

b) Establishment of a local USSEC office and installing Dr. May Myat Noelwin as our in-country representative. Since her appointment, USSEC has been able to reach out to target groups of buyers (several importers went on a mission to the U.S. and to major regional events to meet with U.S. exporters and learn about the U.S. Soy industry); as well as having a local respected representative to engage with the local industry and government to tackle market access issues – the most recent case (June 2019) being a shipment of containerized U.S. soybeans facing problems awaiting import permit – which was resolved.
PHILIPPINES – For FY2019 and the second year in a row, the Philippines maintained its ranking as the largest U.S. soybean meal export market in the world. The Philippines is one of the most dynamic emerging markets in the Southeast Asia region, with sound economic fundamentals and a competitive workforce that is globally recognized. GDP growth is expected to remain strong and its economy ranks as the 29th largest globally. The Philippines has an excellent relationship with the United States for economic, socio-political, and historic reasons. The country is currently the 33rd largest goods trading partner with the U.S., including U.S. exports of agricultural production. A top export destination for U.S. soybean meal with about a 75% market share, Philippine importers and end users continue to pay a premium for U.S. origination over other origins. The Philippines is also a 95% U.S. soybean market—supplying a local crushing operation and the remainder towards Full Fat Soy production. The Philippines is classified as an ‘expansion’ market.

African Swine Fever (ASF) Update: It has been about two months (September 9) since the ASF outbreak was declared; the Department of Agriculture (DA) has yet to release its zoning plan to contain and eradicate the highly contagious disease affecting hogs. As it has been the latest market to be hit, the impact to the livestock and feed milling industry is yet to be assessed. However, with the Philippines being in the world’s top 10 pork producing countries, production and consumption is expected to be hit negatively.

1. Number of Years USSEC/U.S. Soy has been in the Market: The Philippine representative office was set up on January 1, 1996 – 24 years

2. Dollar Size of the Investment:
   - 2016 - $1,018,946
   - 2017 - $920,061
   - 2018 - $972,832
   - 2019 - $1,068,658

   - Soybeans – Size: 147 KMT % | Share: 90%
   - Meal Imports – Size: 2.12 MMT | Share: 72%
   - Oil – Size: 40 KMT | Share: 0.0%

4. Largest Constraint to Growth:
   1. Biotechnology acceptance is usually a moderate issue. However, as the presence of environmental groups is more pronounced in the Philippines compared with the rest of ASEAN, there are occasional flare-ups on GM issues.
   2. The Philippines is still ironing out its GM events approval process for whole soybeans since establishing the Joint Departmental Circular in 2016, which consists of government experts from the Departments of Agriculture, Science and Technology, Environment and Natural Resources, Health, and interior and local governments.

5. Best Opportunity for Growth by Market Segment:
   1. Soybean Meal: The Philippines is currently the world’s largest customer for U.S. soybean meal. The U.S. has a market share of just over 70 percent.
   2. Swine: The country is ranked 8th in global pork production. Swine feed comprises just over half of total feed production.
   3. Feed Production: Primary sectors are swine (just over half of total feed production), poultry (about 34%), and aquaculture (about 13%). The Philippines is ranked 21st globally in feed production.
   4. Full Fat Soy for Feed Use: The Philippines uses about 250,000 MT of whole soybeans for FF Soy.
   5. Philippines is the 11th largest aquaculture producer globally, producing almost 2.3 MMT.
   6. The human protein market for soy is still very much in its developmental stage as more consumers are gravitating towards U.S. soy beverage and foods for their nutritional and health benefits.

6. U.S. Soy’s Most Significant Competitive Advantage:
   - Recognition of the value and quality of U.S. soybeans and soybean meal by the feed and livestock industry. The Philippines remains one of the few markets that will pay a premium for U.S. Soy over competing products.
MARKET: PHILIPPINES

- U.S. Soy Family’s long-term investments in the market through business development programs, both in-country and regional, as well as to the United States.
- Long standing presence of U.S. Soy (USSEC) representatives in the Philippines providing trade support and technical assistance to importers/end-users
- The intrinsic and extrinsic advantages of U.S. Soy

7. Most Significant accomplishment(s):
   1. USSEC in-country representative and in-country technical consultants. The trade and technical support provided by USSEC’s in-country representatives have contributed significantly to U.S. Soy interests in the country, e.g. brand quality recognition and goodwill among importers/end-users
   2. USSEC’s array of activities in the Philippines is a major contributor in making and maintaining this market as one of U.S. Soy’s largest export markets outside of North America, for U.S. soybean meal
MARKET:
THAILAND

THAILAND – Over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income to an upper-income country in less than a generation. Poverty declined substantially over the last 30 years from 67% in 1986 to 7.8% in 2017 (as measured by the upper-middle income class poverty line of $5.5/day). Compared to the earlier decade, the period from 2015 to 2017 experienced slower growth. Despite facing a number of political challenges, Thailand has made great progress in social and economic issues, resulting in sustained economic growth and impressive poverty reduction. Thailand is the 22nd largest economy globally and two-way trade has grown by more than 36 percent over the past decade. A top poultry meat exporter, Thai chicken meat exports are forecast to further increase to 870,000 MT in 2019 due to anticipated continued growth in exports to Japan and other non-EU markets. Thailand is classified as a ‘expansion’ market.

African Swine Fever (ASF) Update: Thailand has yet to report any ASF outbreaks. In September, it culled about 200 pigs near the Myanmar border as a preemptive measure. Thai authorities have designated 24 provinces as “surveillance areas” for African swine fever and ordered strict animal controls in hopes of preventing an outbreak of the deadly disease that has hit neighboring countries.

Proposed Ban on herbicides Paraquat and Glyphosate, and insecticide Chlorpyrifos: Thailand backed down on a plan to prohibit three pesticides beginning Dec. 1 2019 after coming under pressure from local crop farmers, major Thai food and feed companies, the U.S. government, and lobbyists for chemicals companies. The ban on paraquat and chlorpyrifos will be delayed until June 1, 2020, while Glyphosate will not be banned, but its use will be restricted.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** Thailand’s representative office was set up on April 11, 1994 – 26 years

2. **Dollar Size of the Investment:**
   - 2016 - $787,471
   - 2017 - $828,212
   - 2018 - $662,778
   - 2019 - $801,046

3. **Current Market Size & Share of U.S. Soy (MY 2018/19):**
   - **Soybeans** – Size: 3.8 MMT | Share: 40%
   - **Meal Imports** – Size: 2.9 MMT | Share: 5%
   - **Oil** – Size: 445 KMT | Share: 0.0%

4. **Largest Constraint to Growth:**
   1. Biotechnology acceptance is a moderate issue but primarily as a result of the restrictions placed on the country by their export markets (e.g. poultry, soy beverages, etc.)
   2. Meat protein demand and cost of livestock production for its domestic and export market
   3. Exposure and ability to control animal diseases from widely spreading – there is concern that the African Swine Flu pandemic may spread to Thailand

5. **Best Opportunity for Growth by Market Segment:**
   1. Feed Production: Thailand’s total feed production is ranked 14th largest globally, with primary sectors being swine, poultry, and aquaculture. The largest crusher accounts for more than 50% of the total capacity and supplies about 40% of the total soybean meal consumed in the country.
   2. Broiler Production: Thailand is ranked third and is a major exporter of poultry products to the EU and North Asia.
   3. Aquaculture: Thailand is among the top 15 largest aquaculture producers globally, producing almost a million metric tons and is the largest producer of shrimp in Southeast Asia.
   4. Full Fat Soy for Feed Use: Thailand uses about 900,000 MT of whole soybeans for FF Soy.
   5. Soy Food and Beverage Industry: Thailand has the largest and most sophisticated soy food and beverage industry in Southeast Asia. It’s estimated that per capita consumption of soy beverages in Thailand is about 12 liters per year, ranking it second in the world.

6. **U.S. Soy’s Most Significant Competitive Advantage(s):**
   1. U.S. Soy Family’s long-term investments in the market through business development
MARKET: THAILAND

programs both in-country and regional, as well as to the United States.

2. Longstanding presence of U.S. Soy (USSEC) representatives in Thailand providing trade support and technical assistance to importers/end users

3. The intrinsic and extrinsic advantages of U.S. Soy

7. Most Significant Accomplishment(s):
   - Over a decade ago, USSEC started an initiative to help develop a buying consortium in Thailand comprised of small- to medium-sized feed ingredient importers/end users. Today, the Thai Import Group (as it is known) is the largest buying group in Thailand at over half a million metric tons, and over the course of 2016-2017, bought over 20 Panamaxes of U.S. soymeal. The group currently brings in about 15-20% of its meal requirements from the U.S.
   - USSEC in-country representative and in-country technical consultants. The trade and technical support provided by USSEC’s in-country representatives have contributed significantly to U.S. Soy interests in the country, e.g. brand quality recognition and goodwill among importers/end users
   - USSEC’s array of activities in Thailand is a major contributor in making and maintaining this market as one of U.S. Soy’s major export markets
**MARKET:**

**VIETNAM**

**VIETNAM** – 11th largest market for U.S. whole soybeans and 5th largest market for U.S. soybean meal exports in FY 2019, the country also ranks as the 35th largest economy globally. Vietnam is the U.S.’s 10th largest agricultural export market. Vietnam’s industrial feed production is mainly based on imported raw feed ingredients with total feed produced estimated at 21 million metric tons in 2019. Vietnam is also the world’s 3rd largest aquaculture (feed-based) producer. The aquaculture sector receives strong government support and is geared towards export markets. Led by a communist government, Vietnam is a relatively open and market driven economy. The middle and affluent class will double in size between 2014 and 2020. Overall, Vietnam is quick to adopt new technologies and management systems and generally has open door policies towards foreign investment. In FY18, Vietnam’s demand for U.S. soybeans and soybean meal increased by 120 percent and 156 percent respectively, primarily as a result of the U.S.- China trade dispute, which made U.S. Soy’s value proposition very attractive for its price. Vietnam is classified as an ‘expansion’ market.

**African Swine Fever (ASF) Update:** As of Nov. 13, the total death toll due to the virus and subsequent culling reported publicly is up to 5.8 million pigs. The last set of figures presented was dated from early August and at that time, the death toll was at 3.6 million. The growth of the figures happened in all areas, in some stronger than others. In total, there are now 8,429 reported outbreaks. In terms of total herd, industry estimates vary between 20-30% affected. Feed production is affected but not as negatively as anticipated as poultry, aquaculture, and other livestock production has increased to meet demand for meat protein. However, Vietnam is a top 10 pork producer globally and the preference for pork meat domestically is going to negatively as anticipated as poultry, aquaculture, and other livestock production has increased to meet demand for meat protein. This is further exacerbated by the reported cross border smuggling of pigs to meet China’s demand where prices can be double or even triple.

**Weed Seed (Canada Thistle) Found in U.S. Wheat and Soybean Shipments:** This is a problem that started in the middle of 2018, which eventually led to strict import rules by Vietnam on imports of U.S. wheat and soybeans that disrupted the trade for U.S. products from Dec. 2018 to Sept. 2019. Due to efforts in part by FAS Hanoi, APHIS WDC, and USSEC, the latest Panamax shipment of U.S. soybeans into Vietnam cleared without issue on Nov. 22, 2019.

1. **Number of Years USSEC/U.S. Soy has been in the Market:** The Vietnam representative office was set up on July 26, 1996 – 24 years.

2. **Dollar Size of the Investment:**
   - 2016 - $888,415
   - 2017 - $814,463
   - 2018 - $856,551
   - 2019 - $963,272

3. **Current Market Size & Share of U.S. Soy (MY 2018/19):**
   - Soybeans – Size: 1.75 MMT | Share: 45%
   - Meal Imports – Size: 5.15 MMT | Share: 12.4%
   - Oil – Size: 305 KMT | Share: 0.0%

4. **Largest Constraint to Growth:**
   1. The Vietnamese authority, Plant Protection Department (VNPPD), instituted strict rules on March 1, 2019, in dealing with soybean shipments found to contain Canada Thistle weed seeds to the extent of disallowing cargo entry and rejecting shipments. While U.S. shipments of soybeans and wheat have begun flowing again, we remain cautiously optimistic of the situation.

5. **Best Opportunity for Growth by Market Segment:**
   1. **Feed Production:** In 2017, manufactured feed production in Vietnam was estimated at 20.52 MMT with the primary sectors being swine, poultry, and aquaculture. Commercial feed
MARKET: VIETNAM

production has more than doubled since 2005 and is expected to double again by 2020.

2. Full Fat Soy for Feed Use: Vietnam uses about 300,000 MT of whole soybeans for FF Soy.

3. Aquaculture Production: The country is ranked fourth in global aquaculture, producing about 3.4 MMT. In 2016, USSEC introduced IPRS technology to Vietnam. In 2018, USSEC worked to establish a Gold Standard IPRS, which Vietnamese fish farmers can visit to learn IPRS application in detail.

4. Soybeans: Vietnam has two operational soybean crushing companies with a total combined daily crushing capacity of 4,000 soybeans per day. There is an ongoing rumor that a third plant is in the works.

5. Soy Foods: The soy food and beverage market is growing and U.S. soybeans are imported mainly for use in the soymilk and tofu market. In the past few years, USSEC has been promoting tempe as a food product in Vietnam and this initiative has enjoyed some success as it appealed to vegetarian consumers.

6. U.S. Soy’s Most Significant Competitive Advantage(s):
   - The U.S. Soy Family’s long-term investments in the market through business development programs, both in-country and regional, as well as to the United States.
   - Longstanding presence of U.S. Soy (USSEC) representatives providing trade support and technical assistance to importers/end users.
   - The intrinsic and extrinsic advantages of U.S. Soy.

7. Most Significant accomplishment(s):
   - USSEC in-country representative and in-country technical consultants. The trade and technical support provided by USSEC’s in-country representatives have contributed significantly to U.S. Soy interests in the country, e.g. brand quality recognition and goodwill among importers/end-users.
   - USSEC’s array of activities in Vietnam is a major contributor in making and maintaining this market as one of U.S. Soy’s major export markets.
Market: Nigeria – Nearly 2 years ago, USSEC embarked on a project to take a deeper dive analysis into which markets we were placing the most emphasis on. As a result, USSEC placed all of the major soy importing countries into 4 market categories referred to as Mature, Expansion, Emerging, and Developing. From a very large pool of countries, USSEC prioritized 14 countries which were classified as emerging markets. These markets had several commonalities; 1. Large and growing populations with younger demographics; 2. Improving GDP; 3. Reasonable laws and regulations in place allowing for fairly uninhibited market access to soy products from the United States; 4. Protein deficiencies compared to world standards.

Nigeria was one of the countries where USSEC decided to invest more time, funds, and energy into an effort to significantly improve the soy value chain in that country and open doors for soy imports from the United States to help fill the present and anticipated gaps between what can be locally grown and produced and demand. A robust media campaign to expose and educate people on the need for higher quality protein, along with the development of Soy Excellence Centers are centerpieces in the early years of development of the Nigerian soy value chain.

1. Number of Years USSEC/U.S. Soy has been in the Market: 0-1

2. Dollar Size of the Investment:

By Year 2019-20-21 - ~$3,033,696 - Higher investments in years 1 and 2 as startup years


   Meal – Size: | Share:
   SBM imports are insignificant
   Oil – Size: | Share:
   SBO imports are insignificant
   Whole Beans – Size: | Share:
   SB imports (official) 30,000-50,000 MT; U.S. share: 50%
   Imports across porous land border of 200 to 400,000 MT, which mostly originated from Brazil

   [If applicable]: Food Grade (IP) – Size: | Share:

4. Largest Constraint to Growth:(for U.S. soy exports)

   1. Disaggregated value chain creating myriad training and education issue
   2. Access to affordable credit
   3. Fluctuating currency exchange rates

5. Best Opportunity for Growth by Market Segment:

   1. Poultry sector is growing and demand for more poultry is evident.

6. U.S. Soy’s Most Significant Competitive Advantage:

   1. Commitment to help the value chain improve via Soy Excellence Centers
   2. Campaigns to pull more protein through the populations that will include soy.

7. Most significant accomplishment(s):

   1. Launched due diligence work in May 2019 with a seminar, including over 55 people from across the public and private sectors.
   2. In final stages of making selections for Center Lead Host organization for SEC.
   3. Launched the Information Media Campaign, and deep into the Gap Analysis.