



## Soya Bean Gross Margin 2021

The gross margins below are based on two scenarios. One is the optimistic scenario where we will be paying £475 per tonne for UK Hard IP beans from the 2021 harvest. The other is based on the pessimistic scenario, where we will be paying £400 per tonne for 2021 produce.

Autumn 2020 has seen soya prices shooting up for the 2021 harvest, and this is very positive news for UK soya growers. For harvest 2019 and 2020, we typically paid growers around £370 ex-Farm. We always believed the Hard IP soya market would be over £400 per tonne going forward, so we are pleased to see that it is now here, and we would anticipate it staying there.

Recently, we even saw Hard IP beans at £500 per tonne. This is great news, but it also means that it difficult to say exactly where the market will be in late 2021 or early 2022. Either way, the good news is that **current forward values are at the higher level of £475 ex-farm.**

### Optimistic Scenario

**Based on £475/t at 1 tonne per acre with full spray programme.**

	Hectare	Acre
Yield (tonnes)	2.47	1
Value (£/t)	475	475
<b>Total Income</b>	<b>1173</b>	<b>475.00</b>
Seed Cost (£)	136.00	55.00
Fertiliser Cost	62.00	25.00
Spray Cost (£)	74.00	30.00
<b>Total Cost (£)</b>	<b>272.00</b>	<b>110.00</b>
<b>Gross Margin</b>	<b>901.00</b>	<b>365.00</b>

There are a number of positives drivers we can comment on here:-

- In Spring 2020, we began to supply the UK's largest soya flour mill. This is a significant development, since they currently mill several thousand tonnes of Canadian Hard IP soya beans. Over the coming few years, the intention is to switch this supply to UK-grown soya beans, and we now have a reliable, high-volume buyer for UK Hard IP beans at full IP money.
- Other UK buyers are also trying and liking and re-ordering UK soya beans, so marketing is increasingly easy / straightforward.
- The USA / China trade war is beginning to unwind, and soya imports to China (which have been depressed due to Donald Trump, Swine Fever and Coronavirus), are expected to get back on track over the 2021 period. This has led to the rise in soya prices and we do not expect to see values fall back to where they were.

**Pessimistic Scenario**  
**Based on £400/t at 1 tonne per acre with full spray programme.**

	Hectare	Acre
Yield (tonnes)	2.47	1
Value (£/t)	400	400
<b>Total Income</b>	<b>988</b>	<b>400.00</b>
Seed Cost (£)	136.00	55.00
Fertiliser Cost	62.00	25.00
Spray Cost (£)	74.00	30.00
<b>Total Cost (£)</b>	<b>272.00</b>	<b>110.00</b>
<b>Gross Margin</b>	<b>716.00</b>	<b>290.00</b>

Other comments:

- This gross margin assumes a sowing rate of 55kg per acre (136kg per Ha) at £1 per kg for seed. (£1 per kilo is the all-in price, and includes pre-inoculation, delivery etc).
- It also assumes £25 per acre for some modest amounts of P&K fertiliser and some foliar feeding with Manganese, Magnesium & Sulphur during the season.
- It also assumes £30 per acre for a pre-emergence herbicide, a post-em herbicide (tank mixed with a precautionary fungicide), and either a graminicide or a desiccant.
- It also assumes a yield of 1 tonne per acre (2.47 per Ha).

If you have suitable land available for Spring 2021, and would like to discuss Soya production further, please contact us on **02380 696922** or email **[enquiries@soya-uk.com](mailto:enquiries@soya-uk.com)**