

Annual Report Soy Network Switzerland 2023

for the attention of the General Meeting

prepared by Stefan Kausch, Managing Director of the Soy Network Switzerland Association
Basel, 18 March 2024

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Sustainability is a team sport

The European Union (EU) is now regulating the trade in raw materials such as palm oil, soy, beef, coffee, cocoa, rubber and wood through the Deforestation Regulation EUDR 2023/1115. From 31 December 2024, EU market participants will have to prove that their products and raw materials are deforestation-free. What does this mean for the Swiss Soy Network?

As only a small amount of feed soy is exported to the EU by Swiss companies, the Swiss Soy Network is hardly affected. Nevertheless, we are looking to Europe with great interest because EUDR requires increased cooperation between the players in supply chains. The relationships between the players in the value chains are being rebalanced, and many questions regarding the implementation of the EUDR requirements remain unanswered:

1. Data: Who owns the data, how is it collected, how is it exchanged between the players? What does the IT infrastructure look like?
2. Costs: What investments are needed to ensure deforestation-free supply chains¹? How are the costs shared among the stakeholders concerned, how much can be passed on to the end consumer? How do the stakeholders harmonise to share best practices and thus save costs? Can existing certification systems be utilised?
3. Side effect: Are small producers (e.g. in palm oil cultivation²) losing their market access? Are they switching to less risky raw materials or countries?

Despite the uncertainties surrounding implementation, EUDR is a welcome training ground for how challenges can be tackled and solved. Namely, together and in close cooperation between the players along the supply chains. The Swiss Soy Network is an excellent example of how such teamwork for greater sustainability can work.

I was very pleased to be part of the Soy Network Switzerland for two years. I wish all members continued momentum, fun and success in "team sport sustainability" and thank you very much for the pleasant and goal-orientated cooperation.

Salome Hofer



President Soy Network Switzerland

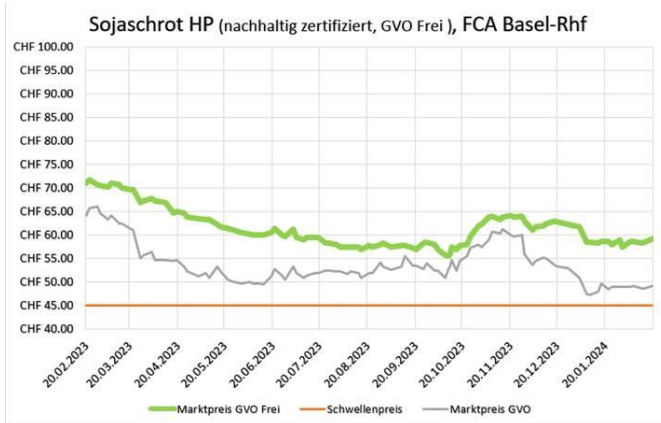
¹ The European Commission's impact assessment estimated that the EUDR compliance-related costs for companies across commodities are likely to be up to US\$2.5 billion/yr

² Estimated approximate Total Cost to meet EU DR Compliance EURO 2,440 / farmer by SPKS (Indonesian Independent Oil Palm Smallholder Union)

Price and production development

After the price boom in 2021 and 2022, prices for soy meal recovered strongly in 2023. 100 kilograms of certified, GMO-free soy cost around CHF 60 at the end of the year.

Graphic: Price development for soy extraction meal Feb. 2023 - Jan. 2024



Global soy bean production rose to over 400 million tonnes. Brazil has the largest market share with over 160 million tonnes. According to Donau Soja, a new record harvest of 12.2 million tonnes of soy was harvested in Europe³.

Graphic: Development of European soy cultivation 2013 - 2022

Soya area development in Europe (2013-2022 forecast)



Source: Donau Soja

The reason for the increase in yield (production/ha) was the expansion of soy cultivation areas in Ukraine by 20%, as well as the favourable distribution of precipitation and dry periods in the EU. The favourable precipitation and harvest conditions were also felt in Austria and Germany. Although the area under cultivation decreased (Austria minus 6.4%; Germany minus 12.8%), harvest volumes increased by 9.4% (Austria) and 9.6% (Germany). The harvest in Germany was 140,000 tonnes, in Austria 267,000 tonnes.

³ https://www.donausoja.org/wp-content/uploads/2023/11/20231128_Market-Report_November_Ernte_DE.pdf

Deforestation-free and climate-friendly supply chains

1. Concern EUDR

The EU Deforestation Regulation (EUDR) came into force on 29 June 2023. With the introduction of due diligence obligations, non-SMEs must ensure from 30 December 2024 and SMEs from 30 June 2025 that their products destined for the EU market are not associated with deforestation. This includes cattle, cocoa (including chocolate), coffee, palm oil, soy, rubber and wood.

The following tariff lines are affected for feed soy:

- 1201 Soy beans, whether or not crushed
- 1208 10 Soy bean flour
- 1507 Soy-bean oil and its fractions, whether or not refined, but not chemically modified
- 2304 Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soy-bean oil

According to Swiss Impex, Switzerland exported around 3,000 tonnes of soybeans (equivalent) under these tariff lines in 2023. This is low compared to cocoa or coffee, where the impact on the industry is many times greater.

2. First cross-industry event

The Platform for Sustainable Cocoa, the Swiss Soy and Palm Oil Networks and the Coffee Interest Group addressed the challenge of deforestation at the “Gurten” in Bern on 28 June 2023. At this first cross-industry event, around 150 people discussed what the new EU regulation on deforestation-free value chains means for Switzerland and the affected commodity sectors, what has already been done and what solutions are needed to ensure transparency and sustainability in the supply chains of these agricultural commodities.

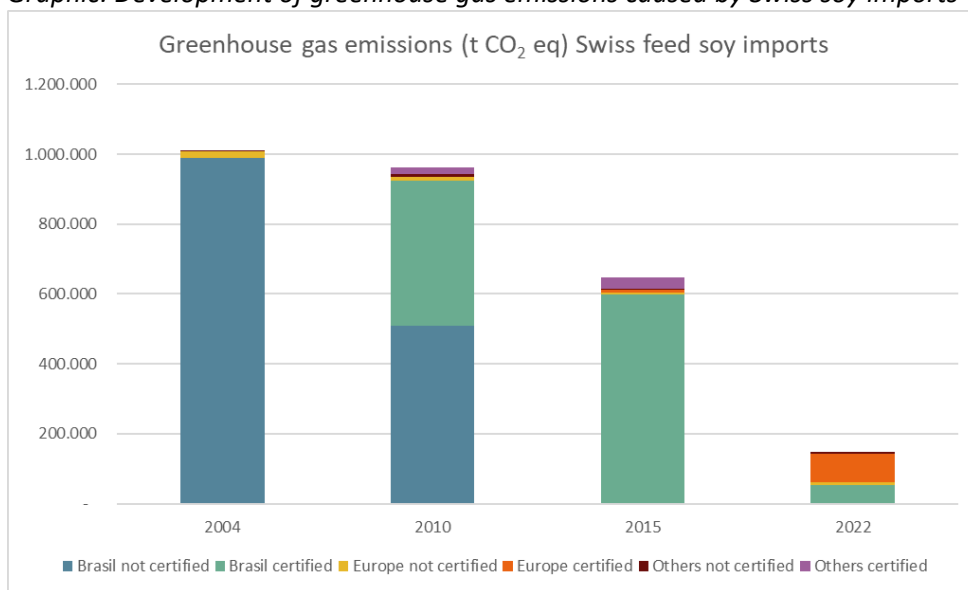
Picture: Cocoa, soy, palm oil and coffee industry together against deforestation on the “Gurten”



3. Greatly improved ecological footprint

With the help of data and surveys from Blonk Consultants (Agrifootprint 5.0⁴), ProTerra⁵ and Donau Soja⁶, we have calculated the greenhouse gas emissions associated with Swiss soy imports. The trend towards certified feed soy and the European origin has reduced greenhouse gas emissions by around 85% from 1,010,000 tonnes of CO₂ equivalents in 2004 to 147,000 tonnes of CO₂ equivalents in 2022.

Graphic: Development of greenhouse gas emissions caused by Swiss soy imports



Source: Soy Network Switzerland

This reduction is a welcome development for the soy network and a good example of how responsible sourcing can help to minimise the environmental impact of an industry.

⁴ <https://portal.blonksustainability.nl/tool/22/>

⁵ <https://www.proterrafoundation.org/news/environmental-footprint-of-proterra-certified-brazilian-soybean-products/>

⁶ <https://www.donausoja.org/wp-content/uploads/2023/02/DS-LCA-Sojabohnen.pdf>

Supplier visits

The Swiss meat, dairy and egg industries source the majority of their feed soy from Germany and Italy. A delegation of members of the Soy Network visited three suppliers and selected producers as part of a five-day excursion. The trip yielded the following findings:

- The area under soy cultivation in Europe is increasing. The crop is attractive to **farmers** because it requires few inputs (no fertiliser, no insecticides and fungicides) and is therefore as profitable as wheat (in Germany) and maize (in Italy). Farmers have their farms certified if the bureaucratic effort is low and they receive a premium for certified and GMO-free goods (premium or discount of between €4-20 per tonne).
- The freedom from deforestation and conversion of areas worthy of protection with a cut-off date of 2008 is a criterion of the guiding **standards** that goes beyond the legal level in the EU. Otherwise, the added value of the guiding [standards](#) compared to the legislation or the suppliers' own programmes is low: the majority of the standard criteria are covered in the EU via [cross compliance / conditionality](#). Nevertheless, the certifications are important as they monitor the legal requirements and ensure a level playing field outside the EU.
- The increasing requirements resulting from European legislation ([Green Deal](#), [EUDR](#), [CAP 2023-2027](#)) are both an opportunity and a risk for **standard organisations**. On the one hand, there is a risk that they will lose their unique selling point (e.g. segregated flow of goods); on the other hand, new opportunities arise (e.g. support for companies in fulfilling their due diligence obligations).

Pictures: Impressions of ADM in Germany and Cereal Docks and Oleificio San Giorgio in Italy



Media

In the reporting year, the Soy Network was mentioned in 55 media reports, 41 of which were in German and 34 in print (source: Argus). A Swissinfo article also appeared in Portuguese, Russian and Ukrainian. The predominant topic was European origin.

Pictures: Selected media contributions

SWI swissinfo.ch

Schweizer Perspektiven in 10 Sprachen

Wissenschaft >

Die Schweiz setzt weiter auf Futter-Soja aus Europa

NZZ

Anders als das Abkommen mit Indonesien sieht das Efta-Abkommen mit dem Mercosur offenbar keine Sonderkontingente für wenig umweltschädlich hergestellte Waren vor. Beim indonesischen Palmöl gab es ein zentrales umstrittenes Produkt, das zum Teil aus allgemein anerkannter zertifizierter Produktion stammt. Im Fall des Mercosur wäre das am ehesten Soja. Doch Soja als Speise- und als Futtermittel wird in der Schweiz hauptsächlich vom Sojanetzwerk Schweiz importiert und stammt bereits zu über 95 Prozent aus nachhaltiger Produktion und nicht aus Rodungsgebieten. Zudem kommt eine vom World Trade

Montag, 24. April 2023 02:04

Natur und Umwelt

Futter-Soja mit verbessertem Fussabdruck

Von: ots/f24.ch

Wie aktuelle Berechnungen zeigen, konnten die beim Anbau von Futter-Soja entstehenden jährlichen Treibhausgase (THG)-Emissionen seit dem Basisjahr 2004 bis heute schrittweise um 85% reduziert werden. Diese Reduktion ist ein weiterer Meilenstein im Engagement des Soja Netzwerk Schweiz.



Feed imports 2023

1. Soy

According to Réservesuisse, a total of 218,603 tonnes of feed soy were imported into Switzerland in 2023. Of this, 212,309 tonnes came from Europe, meaning that the proportion of European soy was 97.1%. Imports of feed soy from Brazil fell to 6,294 tonnes or 2.9%. At 123,275 tonnes, Italy was the main soybean-growing country in Europe. This corresponds to a share of 58%. Ukraine accounted for 15% and Austria for 8.5% of European feed soy.

Table: Imports of feed soy 2023

Customs tariff number	Import in tonnes	Designation
2304.0010	210'789	Oil cake and other solid residues from the extraction of soy bean oil, whether or not crushed or agglomerated in the form of pellets, for animal feed
1201.9010	3'558	Soy beans, whether or not crushed, for animal feed, other than for oil extraction
1201.9021	4'256	Soy beans, whether or not crushed, for oil extraction, for animal feed
Total	218'603	

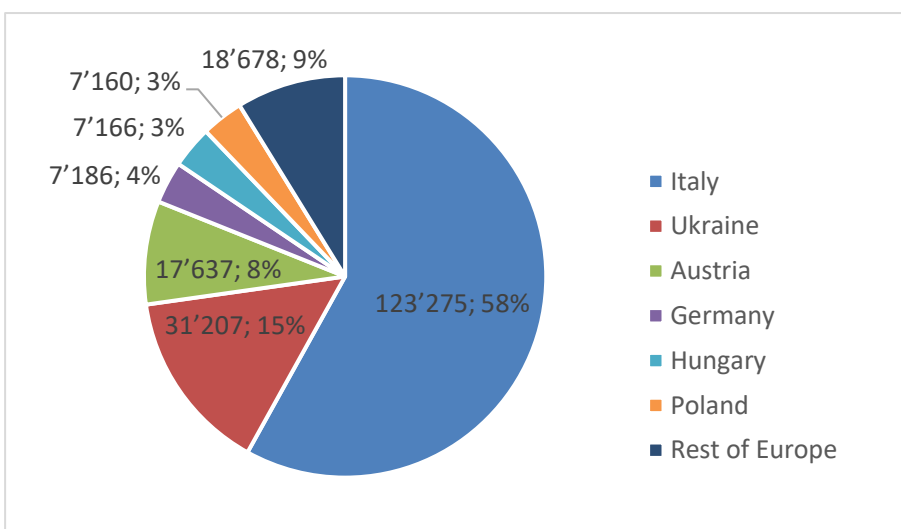
Source: Réservesuisse

Table: Origin of feed soy imports in 2023

	Import (tonnes)	Share (%)
Total Europe	212'309	97.1
Total Brazil (incl. BR soy beans processed in NL)	6'294	2.9
Total imports 2023	218'603	100.0

Sources: Soy Network / Réservesuisse

Graphic: Countries of cultivation for soy imports in 2023 (in tonnes)



Source: Soy Network / Réservesuisse

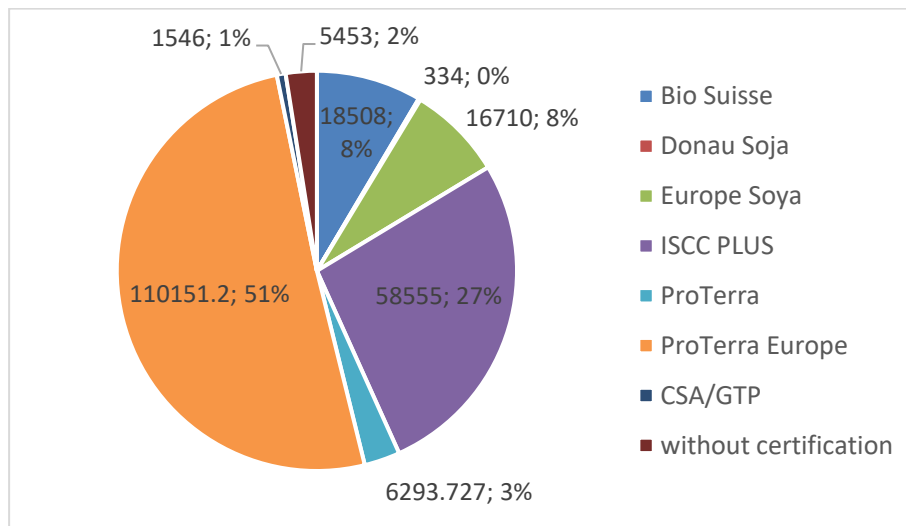
13 procurers reported import figures to the soy network. At 217,551 tonnes, they covered 99.5% of Swiss feed soy imports. The certified share among the procurers was 97.5%. ProTerra, ISCC PLUS, Bio Suisse and Europe Soy were the most frequently applied leading standards. The target of at least 90% market coverage with feed soy certified to recognised standards was therefore achieved again this year. 75% of imports correspond to the segregated procurement model, 25% are mass balance.

Table: Shares of the lead standards in imports of feed soy in 2023

	Import (t)	Share (%)
Bio Suisse	18'508	8.5%
Danube Soy	334	0.2%
Europe Soy	16'710	7.7%
ISCC PLUS	58'555	26.9%
ProTerra	6'294	2.9%
ProTerra Europe	110'151	50.6%
CSA/GTP	1'546	0.7%
without certificate	5'453	2.5%
Total imports	217'551	100%

Sources: Bio Suisse, Donau Soja, Procurer Swiss Soy Network

Graphic: Soy imports 2023 according to leading standards (in tonnes)



Sources: Bio Suisse, Donau Soja, Procurer Swiss Soy Network

Compared to 2022, imports of feed soy fell by 19%. The reasons for the decline in imports are on the one hand, compulsory stock surpluses from the crisis situation (war in Ukraine) were reduced. Due to the extensification of dairy farming, more rapeseed meal is being fed instead of soy and the declining pig population also had an impact.

2. Cereals and broken rice

Significantly less feed grain and broken rice was imported in 2023 compared to the previous year. According to Réservesuisse, a total of 256,319 tonnes of wheat, 29,532 tonnes of barley, 17,504 tonnes of oats and 3,544 tonnes of broken rice were imported into Switzerland. Total grain imports (wheat, barley, oats) decreased by 109,662 tonnes (-27%), with imports of wheat falling by 19%, barley by 60%, oats by 23% and broken rice by 69%. Countries of origin of wheat, barley and oats were France and Germany. Broken rice was mainly imported from Brazil, with a small quantity from Italy.

A total of 304,096 tonnes of grain and 2,742 tonnes of broken rice imports were reported for 2023 by 16 procuring companies in the soy network. In comparison with the data from Réservesuisse, the coverage is thus 100% for wheat, 88% for barley, 90% for oats and 77% for broken rice. Except for one, all procurers were able to meet their targets. The targets for maize gluten and dextrose were postponed by one year to 2024 due to a lack of supply in Europe.

Wheat, barley, oats

16 procurers state that they imported a total of 259,708 tonnes of wheat in 2023. 6715 tonnes of which without proof of "without siccation with synthetic pesticides". This represents a target achievement rate of 97.4% for wheat.

12 procurers imported a total of 28,661 tonnes of barley in 2023. Almost 12% of this was procured without proof of "without siccation with synthetic pesticides". The target achievement level of 95% was therefore not reached.

In 2023, procurers of the Swiss soy network reported a total of 15,728 tonnes of oat imports. Almost 95% of these were procured with the corresponding proof of freedom from siccation. The network's objective for oats was therefore achieved.

Balance sheet and income statement

BILANZ	31.12.2023		31.12.2022	
	CHF	%	CHF	%
AKTIVEN				
Flüssige Mittel	102'344.51	99.8	57'145.01	100.0
Post	102'344.51		57'145.01	
Aktive Rechnungsabgrenzungen	182.20	0.2	0.00	0.0
Umlaufvermögen	102'526.71	100.0	57'145.01	100.0
TOTAL AKTIVEN	102'526.71	100.0	57'145.01	100.0
PASSIVEN				
Verbindlichkeiten aus Lieferungen und Leistungen Kreditoren	61'371.50 61'371.50	59.9	10'931.60 10'931.60	19.1
Kurzfristiges Fremdkapital	61'371.50	59.9	10'931.60	19.1
Vereinsvermögen zu Beginn Geschäftsjahr	46'213.41		31'043.22	
Vermögensrück-/vorschlag	-5'058.20		15'170.19	
Vereinsvermögen 31.12.	41'155.21	40.1	46'213.41	80.9
TOTAL PASSIVEN	102'526.71	100.0	57'145.01	100.0

ERFOLGSRECHNUNG	IST 01.01. - 31.12.2023		Budget 2023		IST 01.01. - 31.12.2022	
	CHF	%	CHF	Abw. %	CHF	%
Ertrag						
Statutarische Mitgliederbeiträge	162'500.00	100.0	160'000.00	2	153'310.00	100.0
Total Ertrag	162'500.00	100.0	160'000.00	2	153'310.00	100.0
Aufwand						
Medienanlass, Medienreise	0.00		-2'000.00	-100	-1'176.05	
Website, Newsletter, Faktenblätter	-1'261.25		-5'000.00	-75	-357.90	
Mitgliederversammlung	-862.15		-4'000.00	-78	-2'449.00	
Studien	-1'717.85		-5'000.00	-66	0.00	
Buch- und Kontoführung	-2'000.75		0.00		-1'119.86	
Total Kommunikation	-5'842.00	-3.6	-16'000.00	-63	-5'102.81	-3.3
Stichprobenkontrolle	-18'125.90		-18'000.00	1	-14'679.55	
Benchmark, Witness Audits	-4'954.20		-7'000.00	-29	-7'600.00	
Total Qualitätsmanagement	-23'080.10	-14.2	-25'000.00	-8	-22'279.55	-14.5
Vereinsleitung	-49'332.35		-50'000.00	-1	-51'004.55	
Kommunikation	-28'359.60		-20'000.00	42	-19'882.75	
Qualitätsmanagement	-16'539.05		-15'000.00	10	-12'540.33	
Supply Chain Management	-40'383.00		-30'000.00	35	-26'048.62	
Spesen	-4'022.10		-1'000.00	302	-1'281.20	
Total Geschäftsstelle	-138'636.10	-85.3	-116'000.00	20	-110'757.45	-72.2
Total Aufwand	-167'558.20	-103.1	-157'000.00	7	-138'139.81	-90.1
Vermögensrück-/vorschlag	-5'058.20	-3.1	3'000.00	-269	15'170.19	9.9

Report of the statutory auditor

SMP · PSL | swissmilk

Sojanetzwerk Schweiz
St. Johannes Vorstadt 3
4056 Basel

Bern, 27. Februar 2024

Revisionsbericht 2023, Sojanetzwerk Schweiz

Im Auftrag des Vereins Soja Netzwerk Schweiz hat der Unterzeichnende die Jahresrechnung für das Kalenderjahr 2023 geprüft.

Die Einnahmen und Ausgaben der Erfolgsrechnung sind belegt. Diese weist einen Ausgabenüberschuss von **CHF 5'058.20** aus.

Die Bilanz schliesst beidseitig mit **CHF 102'526.71** ab. Die ausgewiesenen Aktiven und Passiven sind ordnungsgemäss belegt und sauber geführt.

Gestützt auf die Ergebnisse der Kontrolle beantragt der Unterzeichnende, die Erfolgsrechnung vom 1.1.2023 - 31.12.2023 und die Bilanz per 31.12.2023 zu genehmigen.

Der Revisor

Reto Burkhardt
Schweizer Milchproduzenten SMP

Members and Executive Board

No new members joined the association in the reporting year. The membership base therefore remained stable. As at 31 December 2023, the Soy Network Switzerland has 33 members:

Aachtal Futter AG, Agrokommerz AG, Agrokorn AG, ALDI SUISSE AG, Bell Schweiz AG, Bio Suisse, Branchenorganisation Milch (BO Milch), Cerador AG, Coop Genossenschaft, Denner AG, Egli Mühlen AG, Emmi Schweiz, Ernst Sutter AG, fenaco Genossenschaft, GalloSuisse, Granovit AG, Heinz & Co. AG, IP-SUISSE, Kunz Kunath AG, Lidl Schweiz, Meliofeed AG, Migros-Genossenschafts-Bund, Nungesser AG, Schweizer Bauernverband (SBV), Schweizer Milchproduzenten (SMP), Suisseporcs, Transgourmet Schweiz AG, UFA AG, Verband des Schweizerischen Getreide- und Futtermittelhandels (VSGF), Vereinigung Schweizerischer Futtermittelfabrikanten (VSF), Volg Konsumwaren AG, Weber & Hermann AG, WWF Schweiz

As at 31 December 2023, the Executive Board of the Association is composed as follows

- Salome Hofer (President), Coop Cooperative
- Fortunat Schmid (Vice-President), fenaco cooperative
- Andrea Rota, Federation of Migros Cooperatives
- Michel Darbellay, Swiss Farmers' Union SBV
- Thomas Kopp, Association of the Swiss Grain and Feed Trade VSGF
- Christian Oesch, Association of Swiss Feed Manufacturers VSF

Four Board meetings were held in 2023.