

Brazilian soybean harvest set to hit another record high

UFOP raises concerns about cropland expansion – EU Commission classifies soybean oil as iLUC feedstock

Berlin, 22 January 2026. – South America is further consolidating its share of the global soybean market in this crop year. Brazil is expected to record another bumper crop, whereas the Argentine crop is projected to fall short of the previous year's output.

Brazil, the US and Argentina are the world's main producers of soybeans, collectively accounting for 80 per cent of global production. China follows a long way behind with a market share of 5 per cent. According to a USDA estimate, Brazil is expected to harvest an all-time record of 178 million tonnes of soybeans in the current crop year, which compares around 171.5 million tonnes in the previous year. Based on a 1.7 million hectare expansion of soybean area to 49.1 million hectares, Brazil is consolidating its position as the world's number one soybean producer ahead of the US. In the US, the soybean harvest was already complete by the end of 2025, totalling around 116.0 million tonnes. This translates to a year-on-year decline of roughly 3.1 million tonnes.

Argentina, which ranks third among the world's most important producers, is also projected to record a slightly smaller harvest than in the previous year. According to Agrarmarkt Informations-Gesellschaft (mbH), the country is expected to harvest 48.5 million tonnes, a decrease of around 2.6 million tonnes compared with the previous year. In contrast, the latest USDA estimates indicate that China's harvest will rise around 0.3 million tonnes from the previous year, reaching 20.9 million tonnes.

The Union zur Förderung von Oel- und Proteinpflanzen e.V. (UFOP) has voiced concerns about the continued expansion of cropland for soybean cultivation in Brazil, adding that even at this stage, it is clear that the European Regulation on deforestation-free products (EUDR) is ineffective, even though it has not yet formally entered into force. What is the use in proving crop area origin, if at the same time additional land is being cleared for soybean cultivation elsewhere? The UFOP interprets this situation as the reason behind the Brazilian Association of Vegetable Oil Industries' (ABIOVE) decision to end the soybean moratorium. The move was prompted by the adoption of a new law in the state of Mato Grosso which provides for the abolition of tax breaks for signatories to the moratorium. The UFOP hopes that the Supreme Federal Court will revoke the law in the ongoing judicial review.

In this context, the UFOP has drawn attention to the European Commission's report on changes in global production of relevant food and feed crops, submitted on 20



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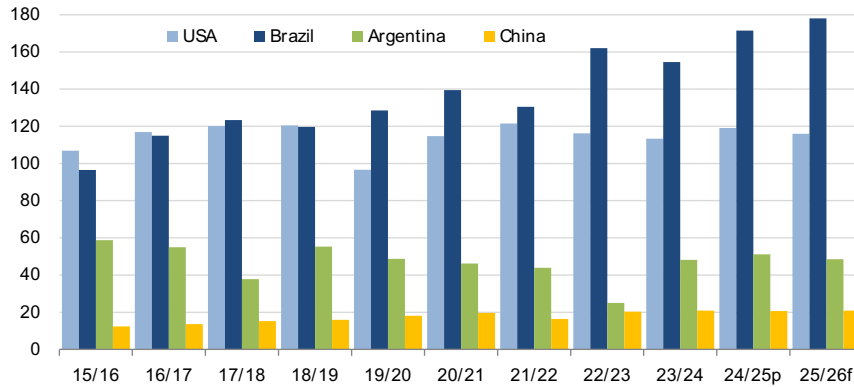
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INFORMATION
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January 2021. Based on the evaluation of global land-use dynamics, the EU Commission concludes that soybean oil must be classified as an iLUC feedstock – as is already the case with palm oil. This means that from 2030 at the latest, biofuels derived from soybean oil, like palm oil fuels, can no longer be counted towards quota obligations in the EU. The UFOP has pointed out that Belgium and Denmark have already excluded soybean oil. However, from UFOP's perspective, this should be viewed critically, as soybeans are not grown to produce soybean oil as a feedstock for biofuels, but to produce animal feed. For this reason, biofuel legislation is not the right field of law.

Soybean harvests of the main producers
in million tonnes



Source: USDA, AMI

Note: p = preliminary, f = forecast

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Quick information on UFOP e. V.:

The Union for the Promotion of Oil and Protein Crops e. V. (UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein crops in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new utilisation possibilities in the food, non-food and feed sectors. UFOP public relations aim to promote the marketing of domestic oil and protein crop end products.