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#### **For Immediate Release**

### **New Study Finds COVID-19 Pandemic Has \$4.7 Billion Impact on the Soybean Industry**

*National Oilseed Processors Association and United Soybean Board partner to assess the loss in sales by U.S. soybean farmers and crushers between January and June 2020.*

**WASHINGTON (August 11, 2020)** — The COVID-19 pandemic created substantial losses of more than \$4.7 billion for U.S. soybean farmers and crushers between January and June 2020.<sup>1</sup> The National Oilseed Processors Association (NOPA) partnered with the United Soybean Board (USB) to commission the study, entitled [COVID-19 Losses for U.S. Soybean Crushers & Farmers Report](#).

This 18-page study analyzes five key areas, including the macro-economic impact of COVID-19; direct impact on U.S. fuel and biofuel demand; U.S. livestock production and soybean crushing; loss of value to the U.S. soybean sector; and the sensitivity of world demand to different GDP growth rates. In addition to the \$2.9 billion loss in soybean sales, there was a \$1.5 billion loss of value for soybean oil (17.5% decline in value) and \$220 million loss of value for soybean meal (1.4% decline in value), with the two components totaling \$1.7 billion at a 7.2% decline in value.

“NOPA occupies a unique position in the middle of the food/feed/fuel supply chain. And as such, we are concerned about the negative impact that COVID-19 is having upon our essential upstream suppliers and downstream consumer-facing partners,” said Thomas Hammer, NOPA president. “NOPA and USB jointly commissioned this LMC study to assess and articulate some of the challenges our industry has endured during this crisis. NOPA member companies have and will continue to operate through these trying circumstances to help feed our nation and the world.”

When examining the soybean industry’s end users, demand for biofuels was impacted by the COVID-19 lockdown. However, given this decline in biodiesel output, soybean oil pivoted (to lessen the deficit) by offsetting the loss of supplies of other oils and fats as a direct result of the contraction that occurred in other sectors. For soybean meal demand, which is heavily dependent on U.S. livestock activity, losses peaked in April. The U.S. crush of soybeans fell in May, in anticipation of a slowdown in the demand for soybean meal from livestock producers.

“COVID-19 has been detrimental to the soybean industry for the first part of 2020 and has caused significant erosion in market conditions, as articulated by the study,” said Mac Marshall, USB vice president of market intelligence. “Moving forward, we are optimistic that the resiliency of our U.S. soybean farmers and other facets of the soy value chain will pull us through, and we anticipate a return to more stable markets for U.S. soy in the coming year.”

The study was conducted by LMC International Ltd, an independent economic consulting firm that specializes in global agricultural commodity and agribusiness sectors. These findings are presented with educational intent. A copy of the full study (July 2020) is available under the COVID-19 section of NOPA’s website at [www.nopa.org/covid-19-information-online-resources](http://www.nopa.org/covid-19-information-online-resources).

<sup>1</sup> Derived from the U.S. Department of Agriculture (USDA) World Agricultural Supply and Demand Estimates (WASDE) reports in January and June 2020.

**ABOUT UNITED SOYBEAN BOARD:** USB’s 78 volunteer farmer-directors work on behalf of all U.S. soybean farmers to achieve maximum value for their soy checkoff investments. These volunteers invest and leverage checkoff funds in programs and partnerships to drive soybean innovation beyond the bushel and increase preference for

U.S. soy. That preference is based on U.S. soybean meal and oil quality and the sustainability of U.S. soybean farmers. As stipulated in the federal Soybean Promotion, Research and Consumer Information Act, the USDA Agricultural Marketing Service has oversight responsibilities for USB and the soy checkoff. For more information on the United Soybean Board, visit [unitedsoybean.org](http://unitedsoybean.org).

**ABOUT NOPA:** Founded in 1930, the National Oilseed Processors Association is a national trade organization representing the U.S. soybean, canola, flaxseed, safflower seed and sunflower seed crushing industries. Our members include 13 companies that operate a total of 61 soybean and six softseed solvent extraction plants across 22 states. Products from these companies include meal and oil used in human food, animal feed, fuel and industrial applications. Collectively, our members process approximately 94% of all soybeans in the United States. For further information on NOPA, visit [nopa.org](http://nopa.org).

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