**Background**

Soybean is a variety with the largest imports among all agricultural products in China. China’s soybean imports only recorded 10.42 million tons in 2000 but grew to 58.4 million tons in 2012. Soybean imports reached 63.38 million tons in 2013, accounting for 60% of the world’s total volume of trade.

China’s soybean industrial development has become the global focus of the insiders.

Based on soybean production, crushing, market and its product market, the major crushing enterprises’ operation in 2013, this report is an in-depth study of the future soybean demand in China as well as the development tendency of China’s soybean crushing industry in order to help the insiders fully and deeply understand soybean industry development situation, problems and the future development prospects.
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Part Two. Analysis of China Soybean Crushing Industry in 2014

2.1 China’s Soybean Crushing Capacity at 464,000 MT/day, Rate of Operation at 50%

According to our latest data, there are around 280 scaled soybean crushing enterprises at the end of 2014, with the total soybean crushing capability of 464,000 tons per day or so, and annual soybean crushing capability of 138 million tons or so. While, affected by the continuous decline of domestic soybean production, some small and medium scaled soybean crushing enterprises are discontinued or running at half capacity. In fact, there are only 115 or so normal running soybean crushing enterprises in China, with the crushing capability of 337,000 tons per day, and effective crushing capability of about 100 million tons. In 2013/2014, the practical soybean crushing capability is 68 million tons or so, covering about 67% of China soybean effective crushing capability.

Map 2.1, Distribution of Main Soybean Crushing Enterprises in China
2.2 Soybean crushing projects under construction and in contemplation

Soybean Crushing Project constructed and put into operation in 2014:
1) Liaoning Yingkou soybean crushing project of Heilongjiang Longjiangfu Company, 3,000 tons per day of soybean crushing capability;
2) Wuhan Zhonghai Grain & Oil Processing base of Herun Group, 2,000 tons per day of rapeseed and soybean crushing capability, 600 tons per day of refined oil, the largest edible oil producing base;
3) Louis Dreyfus (Dongguan) feed protein Co., ltd. Project, 3,000 tons per day of soybean crushing capability;
4) Shandong Sanwei Oil Group, 7,000 tons per day of soybean crushing capability;

Currently, there are 18 soybean crushing projects under construction and in contemplation, and it is predicted that that will increase 99,000 tons per day of soybean crushing capability.

2.3 21 soybean enterprise groups account for 80% of China's effective crushing capacity

Currently, there are 21 enterprise groups (two or more soybean crushing enterprises owned), controlling 103 soybean crushing enterprises, with total crushing capability of 310,000 tons per day, accounting for 66% of China's total soybean crushing capability, and 87% of China's effective crushing capacity.

Specifically, crushing enterprises number under the control of Yihai Kerry Group is the most, which is 18 enterprises, with the crushing capability of 42,600 tons per day; and the same numbers for COFCO is 15 enterprises and 49,400 tons per day, which makes COFCO the strongest crushing capability Group.
Map 2.2, Distribution of COFCO Controlled Soybean Crushing Enterprises

Map 2.3, Distribution of Yihai Kerry Controlled Soybean Crushing Enterprises
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Map 2.9, Distribution of Cargill Controlled Soybean Crushing Enterprises
2.4 Shandong, Heilongjiang, Jiangsu, Guangdong and Shanxi are the top 5 soybean crushing regions

According to the data on soybean crushing capability in regions, the top 5 soybean crushing regions are Shandong, Heilongjiang, Jiangsu, Guangdong and Shanxi province, with daily crushing capability of 92,000 tons, 60,200 tons, 53,600 tons, 48,000 tons and 33,000 tons.

Table, China Soybean Crushing Capability Trend in Regions (2009-2014)

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<th>Regions</th>
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Unit: tons/day