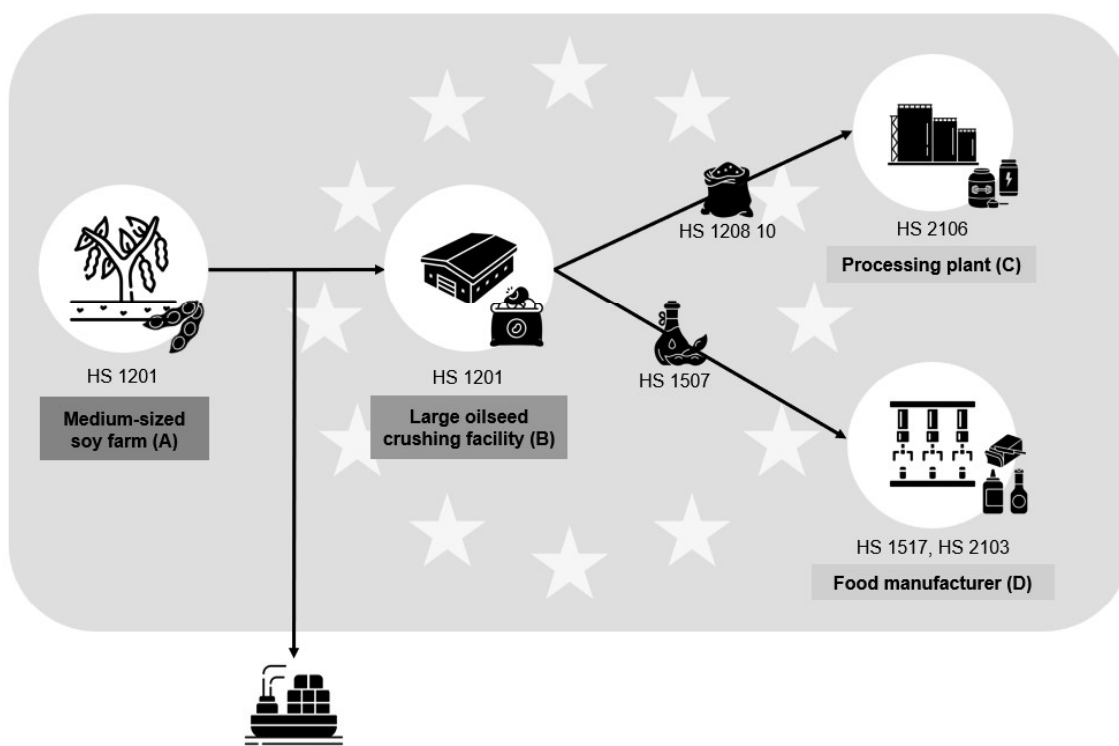


Scenario 4: Supply chain for domestic soy



**Although this supply chain depicts soy, all scenarios are illustrative and the rules depicted generally apply to other relevant products.*

Medium-sized soy farm A, established in the EU, grows soybeans. It sells some of the soybeans within the EU, to large oilseed crushing facility B and exports the rest to a third country. Soybeans, whether or not broken (HS 1201), are a relevant product listed in Annex I of the EUDR. Soy farm A is therefore an **upstream operator (Text Box 1)**, both for placing a relevant product on the Union market for the first time, and for exporting a relevant product. Soy farm A must exercise due diligence. It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal. It must also ensure that the soybeans are covered by DDS submitted to the Information System prior to placing the soybeans on the Union market or exporting them (**Text Boxes 2 and 6**).

As soy farm A is placing batches of soybeans on the market, and exporting, over a period of time, which originate from the same farms, these could be covered by a single DDS valid for up to one year, so long as due diligence has been carried out for all relevant products intended to be placed on the market or exported and all geolocations have been declared (**Text Box 3**). As an upstream operator, soy farm A must also communicate the reference numbers of their DDS to the first downstream operator or trader in the supply chain for their relevant products (Art. 4(7) and Art. 5(3)(a)).

*N.B. If soy farm A used some of the soybeans grown on its own farm for **use in its own business** (e.g. it processed soy beans into soy flour, another relevant product, which was fed to its own chickens) soy farm A would not be an operator for these products: soy farm A would not be placing them on the market as in these cases there is no supply of the relevant products. [In cases where farmers feed soy products listed in Annex I to cattle (relevant products) which are then placed on market, refer to Recital 39 of the EUDR].*

Supply chain actors beyond this point do not need to exercise due diligence or submit due diligence statements. They are not responsible for compliance of relevant products with Article 3 (Text Box 4).

Large oilseed crushing facility B processes the soybeans into soymeal (HS 1208 10) and soybean oil (HS 1507), both of which are new relevant products listed in Annex I of the EUDR and sells them on the Union market. However, because the soymeal and the soybean oil are both made entirely from the soybeans (HS 1201), all of which are covered by a DDS, crushing facility B is a **downstream operator (Text Box 4)**. Given that crushing facility B is supplied directly by an upstream operator, it is a **first downstream operator**, hence it is required to collect and keep DDS reference numbers from that supplier. Crushing facility B is also subject to the general obligations of downstream operators and traders, including record keeping. In addition, large oilseed crushing facility B, as a non-SME, is required to register in the Information System.

N.B.: If crushing facility B adds any other soybeans in the making of the soymeal and soy oil that have not been previously subject to due diligence, then it would need to exercise due diligence on those relevant products for which it is the first placer on the Union market, and submit a DDS for these additional soybeans to the Information System (Text Box 1).

Oilseed crushing facility B sells the soymeal (HS 1208 10) to **processing plant C**, which used the soymeal to manufacture soy protein isolates (HS 2106). As soy protein isolates are not a relevant product listed in Annex I of the EUDR, processing plant C **does not have obligations under EUDR** for this product. Oilseed crushing facility B also sells the soybean oil (HS 1507) to a **large food manufacturer D** who refines the oil and uses it to make a variety of products like margarine or sauces which are not listed in Annex I of the EUDR. **Manufacturer D** is not placing or making available a relevant product on the Union market and therefore is not an operator or trader under the EUDR for those products – and **has no obligations under EUDR**.