High claims risk persists for soya beans test

Although Brazilian soya bean exports are rebounding, ongoing phytosanitary scrutiny in China is keeping claims risk elevated.

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Brazil remains the world's largest soya beans supplier, accounting for close to 60 per cent of global trade and representing the country's most valuable export commodity. The Brazil–China corridor continues to dominate seaborne flows, with China firmly established as Brazil's leading buyer.

After severe disruption in late 2025 driven by intensified phytosanitary enforcement by Chinese customs authorities, Brazilian soya bean exports to China are now gradually stabilising. However, with production and export volumes forecast to set further records in the 2025/26 season, carriers should expect continued regulatory scrutiny and sustained claims exposure.

Record exports

In 2025, Brazil exported a record 108 million tonnes of soya beans, of which approximately 85 million tonnes (68 per cent) were shipped to China. Production and export volumes are expected to rise further in the 2025/26 marketing year, with the US Department of Agriculture projecting output of around 180 million tonnes and exports of approximately 114 million tonnes.

Against this backdrop, China's General Administration of Customs (GACC) intensified phytosanitary scrutiny of Brazilian shipments towards the end of 2025, citing findings of foreign matter including chemical residues, weed seeds and live insects. This led to the temporary suspension of export licences at several Brazilian facilities and caused congestion and delays at peak season, with vessels stalled and weekly exports falling sharply in early 2026.

In response, Brazil's Ministry of Agriculture (MAPA) introduced a revised inspection framework in March 2026, strengthening sampling and certification procedures. Following bilateral discussions, Chinese authorities subsequently agreed to relax the strict zero-tolerance policy for weed seeds in soya beans destined for domestic industrial processing, allowing shipments previously held back to be released under a more risk-based approach. While these developments have helped stabilise trade flows, the regulatory environment remains subject to close oversight.

Risks and recommendations

Although phytosanitary compliance rests primarily with shippers/cargo interests, delays may compound more typical transit delays. These delays, in combination with parts of the cargo having a high moisture content and temperature at loading increases the risk of mould, caking and discoloration at discharge.

Chinese law recognises inherent vice in theory, but courts continue to apply a strict burden of proof. Demonstrating diligent shipboard practices (particularly proper ventilation and good record keeping) through contemporaneous evidence remains critical.

Gard recommends that Members:

• ensure cargo spaces are properly cleaned and free of residues from previous cargoes
• actively monitor loading operations and suspend loading immediately if contaminants or discouloured, obviously moist or heated soybeans are observed
• consider appointing experienced surveyors to document cargo condition, including temperature at loading

More information can be found in our article Heat damage in soya bean cargoes - the importance of inspections and Master's checklist , which includes detailed recommendations for cargo handling and record keeping.

Outlook

While inspection regimes have become more structured and enforcement more visible, these developments do not of themselves indicate an increase in claims exposure. That said, Gard continues see large claims, notably in China, for heat damage more or less annually, so it's important that members continue taking precautions. Experience suggests that well‑managed vessels with proper documentation and monitoring are in a strong position to defend claims should disputes arise.

Gard will continue to monitor developments and provide further guidance as material changes arise.

We thank Proinde for sharing their report.