THE DEVELOPMENT OF PLANT PROTEINS IN THE EUROPEAN UNION

OPPORTUNITIES AND CHALLENGES

22 & 23 NOVEMBER 2018 - VIENNA

Commission Report on „The Development of Plant Proteins in the European Union“

Rudolf Mögele, Deputy Director- General,
DG Agricultural and Rural Development, EU Commission

eu2018.at Austrian Presidency of the Council of the European Union

Federal Ministry Republic of Austria Sustainability and Tourism

European Commission

Recalling the work programme on the protein report

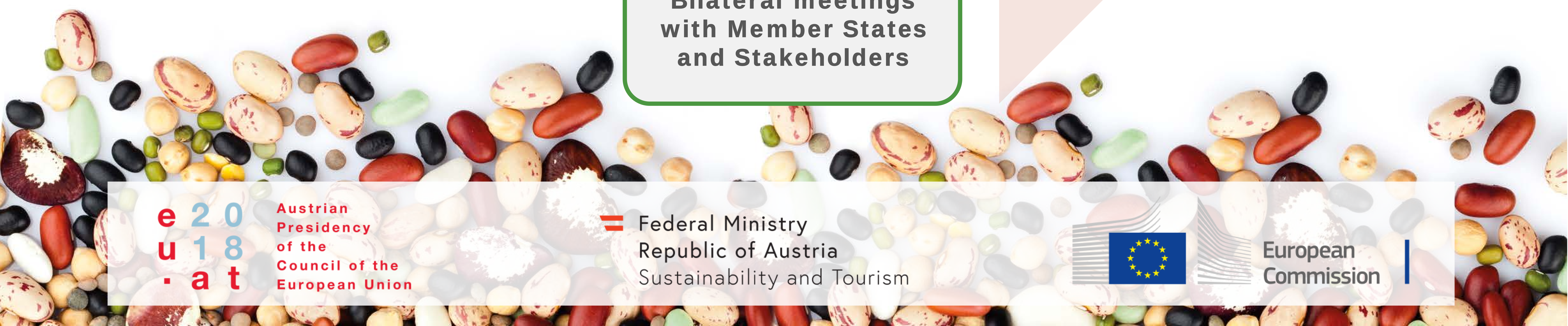
Stakeholder survey with 444 replies from experts

Externally contracted market study

4 Expert workshops
”Research and innovation" in Brussels
”Environment and agronomic practices" in Romania
”Supply chains" in France
”Market segments" in The Netherlands

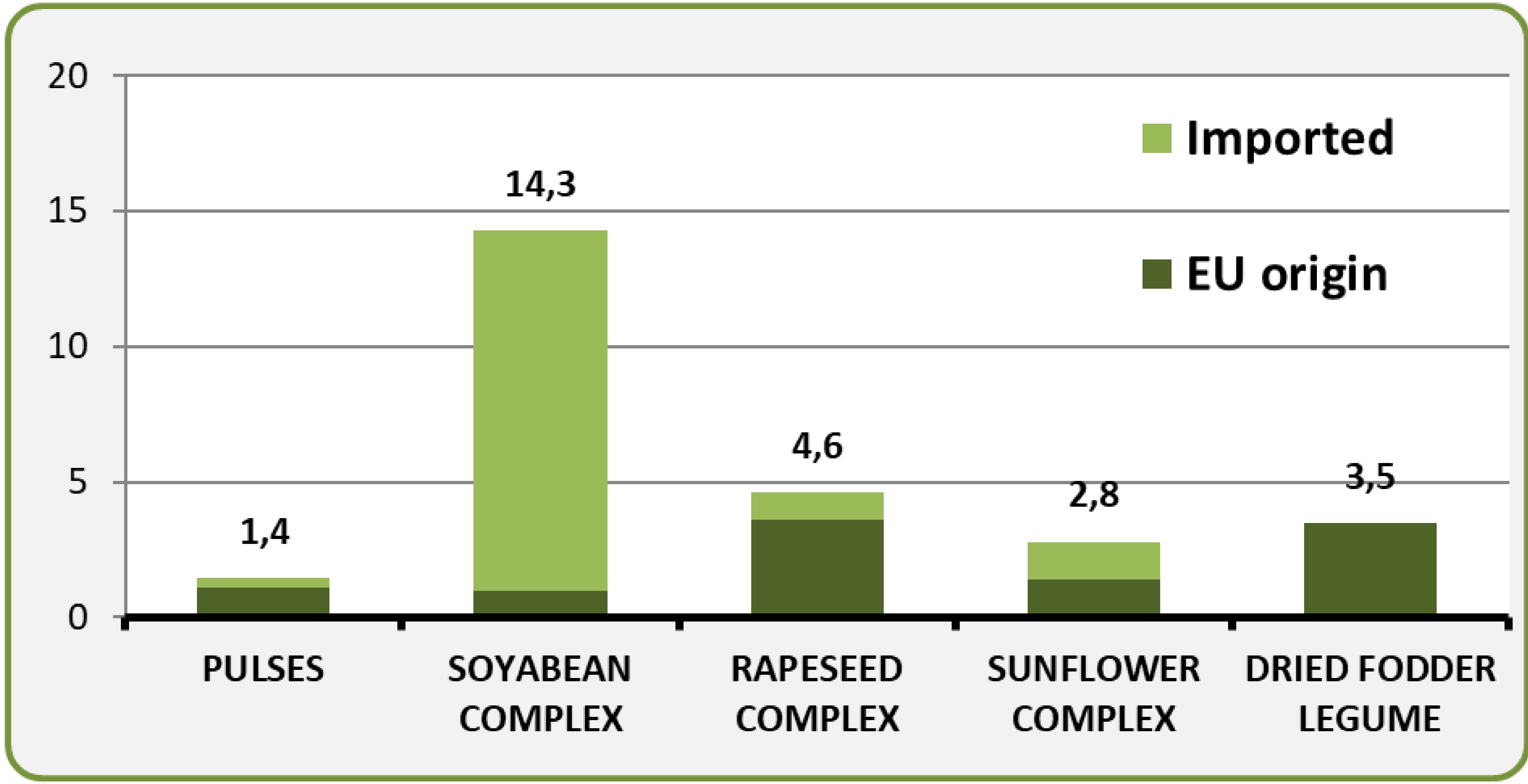
Bilateral meetings with Member States and Stakeholders

Commission report on plant proteins in the EU

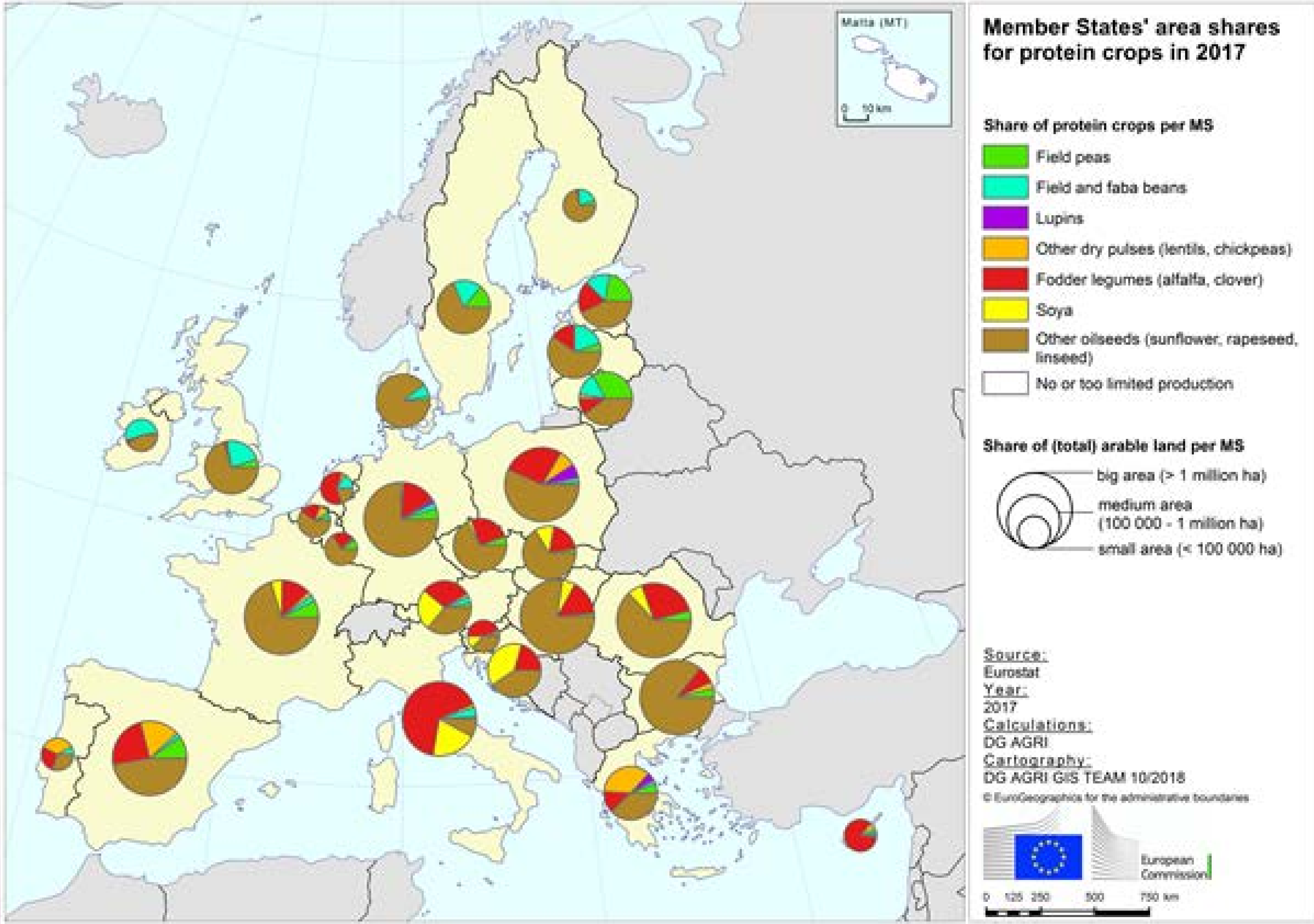


EU use of protein and their sources

(in million tonnes of crude proteins 2016/17)



Area shares for protein crops in the EU



e 2 0 u 1 8 . a t
Austrian Presidency of the Council of the European Union

Federal Ministry
Republic of Austria
Sustainability and Tourism

European Commission

Three main market segments for plant proteins

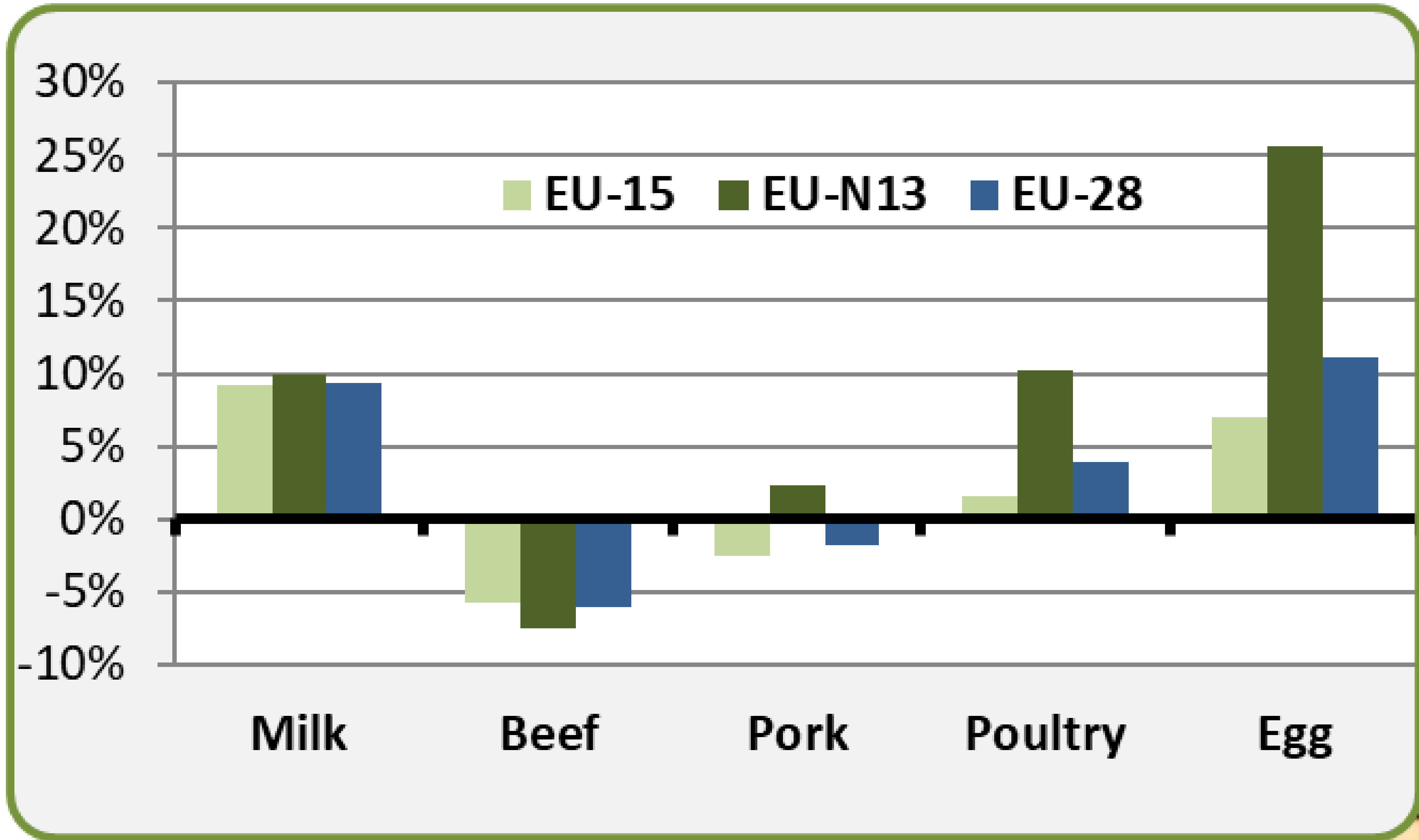
Conventional compound feed

Premium feed

Food

Conventional Compound Feed

- By far the largest outlet for plant proteins (more than 75%)
- Growth rates for compound feed will slow down, to 0,3% per year until 2030
- Higher growth rates for animal products in Eastern Europe
- Most dynamic sectors are feed for poultry and dairy
- Market mainly price driven
- **Limited prospects for EU-grown protein crops**



Premium Feed

- Share of **non-GM feed** is growing dynamically (2012 11% in EU, in 2018 ?)
- Also substantial growth rates in **organic production** of animal products, on average 10%
- Shares of organic dairy production surpass 10% in some Member States
- **Main features**: growing demand for sustainably produced animal products, labelling new regional supply chains but also possibility to use of existing supply chains, sourcing issues/year-round availability not ensured

Premium feed: the example of Austria

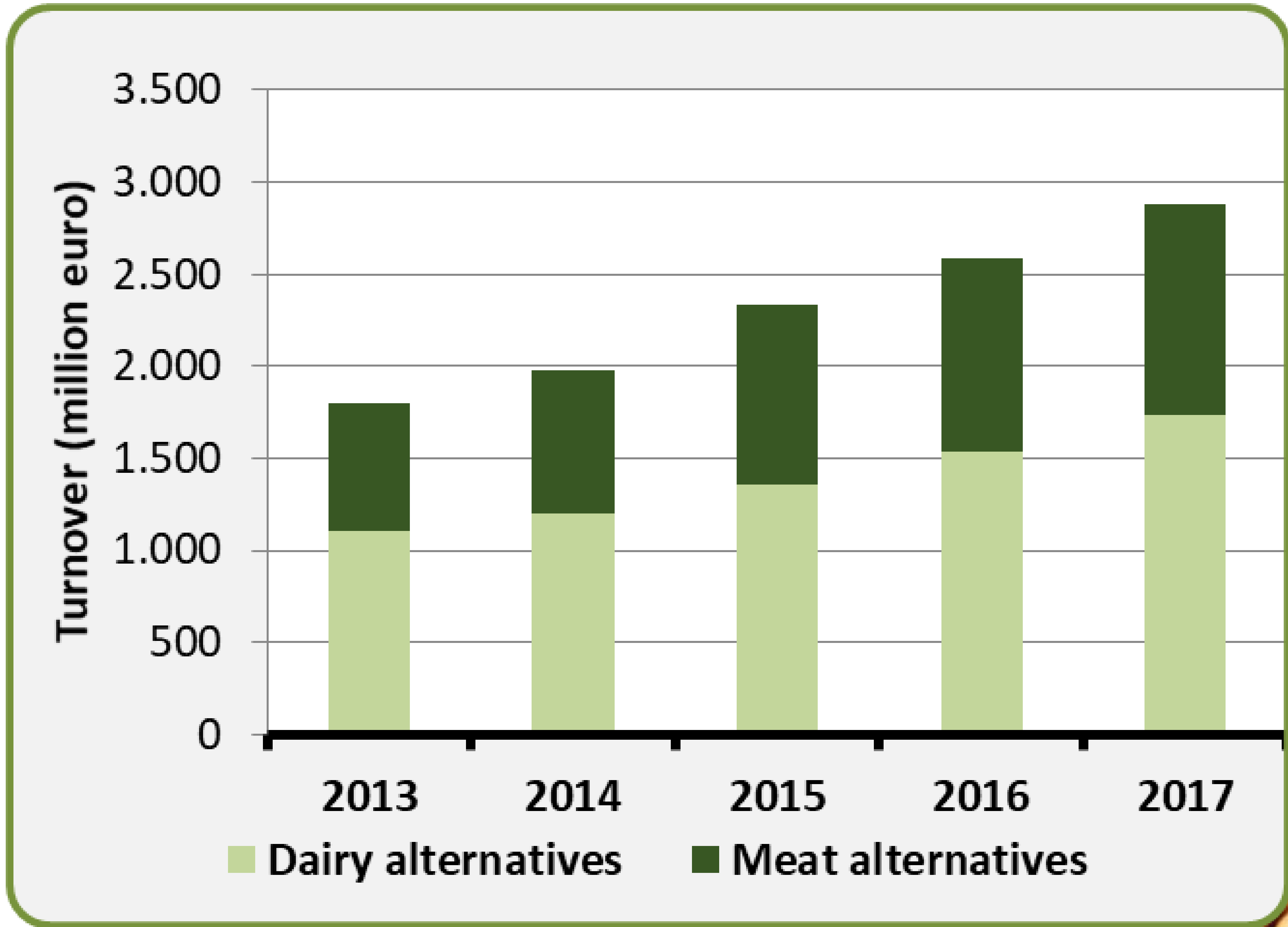
Case study:

- Situation estimated for 2018 for feed used in different animal sectors
- Austria among top users of premium feed
- **Will other Member States follow a similar trend?**

SEGMENT	ORGANIC	GM-FREE
Cattle	21% of cattle	-
Dairy	15% of milk	100% of milk
Laying hens	12% of laying hens	~80-90% of eggs
Broiler poultry	10% of broiler poultry	~100% of chicken
Pig	2% of pigs	8% of pigs
Soya food	-	100%

Food segment

- Small market with promising prospects: e.g. **dairy and meat alternatives** 11% and 14% per year
- **Pulse-rich diets** become more popular through changing diets (in some Member States)
- The different outlets still status of **niche markets**
- Interest of major food companies and retailers
- Trend driven by flexitarians
- **High profit margins** but need to further build supply chains



Agronomic, environmental and climate benefits of legumes

Benefits:

- Fertilising effect in crop rotation
- Increase yields of following crops
- Improve soil condition
- Break pest cycles
- Positive effects on biodiversity

Challenges:

- Yield variability and yield gaps
- Relatively demanding on agronomic practices (pest and weed control)
- Low agronomic expertise
- Environmental benefits not automatic

Policy instruments and initiatives today

- Main **CAP instruments** supporting protein plants:
  Greening: 27 Member States allow legumes on EFA area
  Rural development programmes with AECM
- VCS: 16 Member States use VCS in 2019
  Research: EIP-AGRI (14 programmes) &
  Horizon2020 (4 programmes)
- In addition **Member State initiatives**, e.g.
  national plans in Germany, France and Poland
- National Policy initiatives closely linked to protein, e.g.
  Dutch Food Policy and Danish National Bioeconomy Panel
- **European Soya Declaration**

Conclusions

Main drivers for future development of EU-grown plant proteins:

- Relative competitiveness versus other crops and non-EU plant proteins
- Supply chain development and producer organisations
- Recognition of legume's contribution to environmental and climate targets
- Evolving consumer behaviour and preferences
- Influence of other policies and debates in society (deforestation, SDGs, Renewable Energy Directive, European Bioeconomy Strategy)

Way forward

Five options for further action:

- Use opportunities in proposed future CAP: support Member States in integrating them in strategic plans
- Continue to boost competitiveness through Research and Innovation
- Improve market analysis and transparency
- Promote benefits of plant protein for nutrition, climate and environment
- Increase sharing of knowledge/best practice

eu2018.at Austrian Presidency of the Council of the European Union

Federal Ministry Republic of Austria Sustainability and Tourism

European Commission