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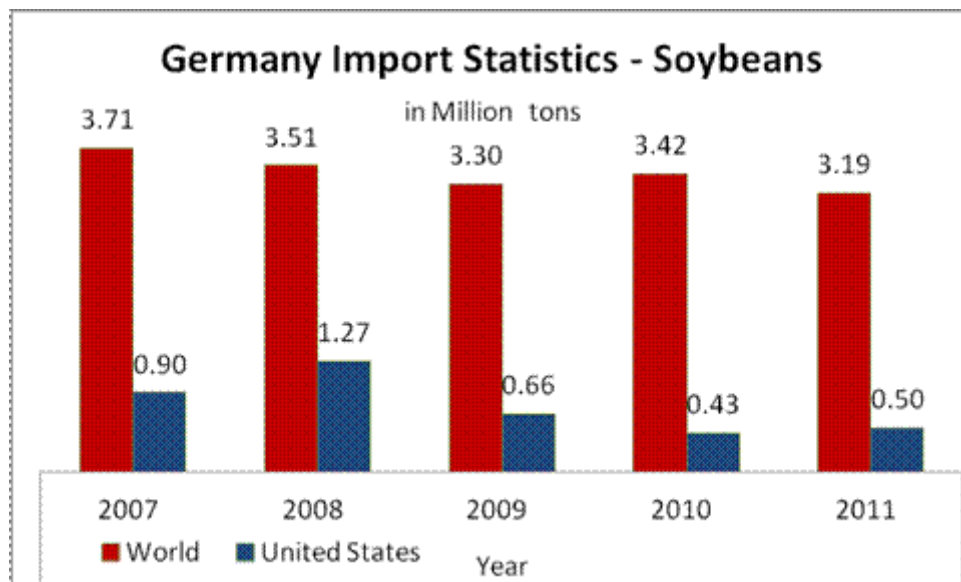
Report Highlights:

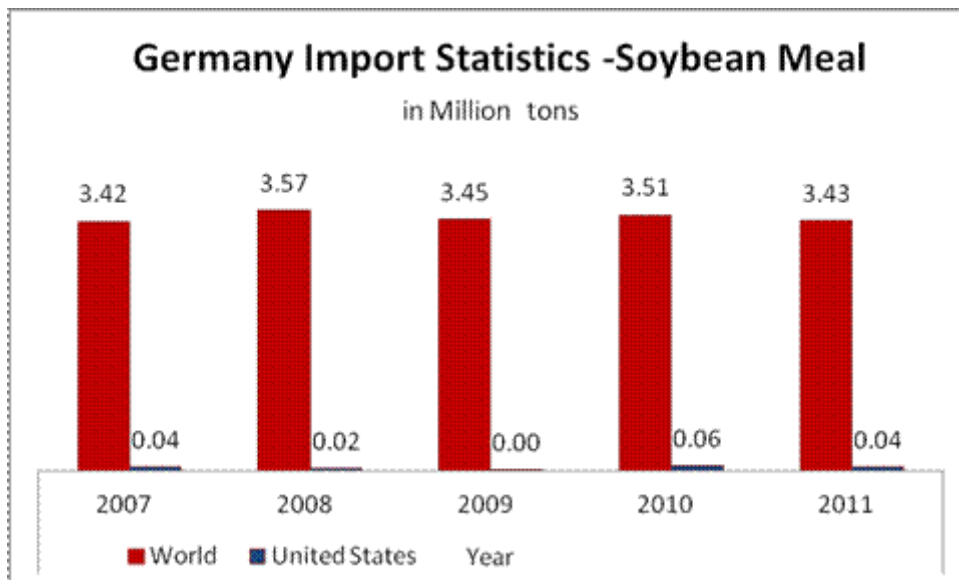
Efforts by the German Green party to end soybean imports are beginning to draw more mainstream political action. In June, the German Ministry of Food, Agriculture and Consumer Protection (BMELV) published a draft 'protein strategy' that calls for, among other things, increased legume production as a substitute for imported soybeans. At the national policy level, the focus is mainly on legume crop research. For the EU's Common Market Policy (CAP), to which Germany is the largest contributor, there is a desire to encourage the domestic production of protein crops as part of the CAP 2013 legislation. This report contains a summary translation of BMELV's protein strategy and a final version is expected to be published this fall.

1. Background information

The Federal Ministry of Food, Agriculture and Consumer Protection (BMELV) is working on a 'protein strategy' to reduce Germany's dependence on soybean and soymeal imports. The BMELV protein strategy can be seen as an answer to an increasingly vocal public debate, led by the Green Party, calling for an end to all German and European soybean imports. As part of the larger political discussion, soybean production outside of Europe is portrayed as environmentally harmful and socially and economically exploitive.

Germany is a major livestock producer and is dependent on imported soybeans and soybean meal as a feed protein source. The livestock sector consumes on average about 4.5 million metric tons (MMT) per year of soybean meal for animal feed. This translates roughly into 2 MMT of protein. In recent years, the production of alternate protein crops has declined in Germany, primarily due to low profitability. The main suppliers of imported soybeans are Argentina, Brazil and the United States. The U.S. share of German soybean meal consumption is estimated to be about 1 million metric tons, or little less than 25%. Some soy trade is indirect. For example, U.S. soybeans exported to the Netherlands are processed and the resulting soybean meal may be exported to Germany as a 'Dutch' product. The graph below shows direct trade only.





Source: www.gtis.com

In October 2010 and September 2011, the German Green Party organized public meetings at the Bundestag to discuss Europe's feed protein imports. The October 2010 meeting was titled, 'Protein Strategy for Agriculture – Improving Self Sufficiency in Protein Feed.' The September 2011 meeting featured a publication in German, titled, 'Biodiversity Instead of Soya Madness.' These events served both as a venue for the Green Party to get public input on the topic as well as a vehicle to spread the Green point of view about the structure of the EU's Common Agricultural Policy (CAP) post 2013.

Several NGO's are also fueling the public debate in Germany. WWF's study 'Meat eats Land' and Oxfam's paper titled, 'EU is exporting – world is starving' tap into the same broad Green Party themes. A common line of argumentation is that the EU's soy imports are per se 'unsustainable' and need to be addressed. While little distinction is made between the relative 'sustainability' of soy suppliers, production in South America is being linked to deforestation. The use of biotech crop varieties (GMOs), alleged high pesticide use in soy production, food sovereignty, and exploitation of small farmers by large multinational corporations have also become established themes in the public discussion. Nearly all of the soybeans used in Germany are produced from biotech varieties.

German industry and producer associations are now also becoming more active participants in the public discussion. The Farmers Union (DBV), the Plant Breeders Association (BDP) and the Union for the Promotion of Oil and Protein (UFOP) plants supported BMELV's protein strategy approach and issued a joint declaration supporting additional protein crop production as part of a 'greening' package for the EU's CAP 2013 legislation. The associations emphasize the importance of long-term research and investment in European protein crop production but are not calling for an end to soy imports.

Additionally, the Association of the oilseed processing industry in Germany (OVID) published a paper demonstrative that European protein production cannot replace soy imports, as it is not economical and not

ecological sustainable. The expansion of protein crops would lead to a decrease of high yielding and profitable crops such as wheat, corn and rapeseed.

Replacing imported soy protein presents BMELF with real-world production and policy challenges. In order to replace the estimated 2 million ton protein need with pulses, Germany would have to grow 7.9 MMT of faba beans or 8.4 MMT of field peas or 5.8 MMT of sweet lupines. Assuming 6 year average yields (2005-2010) this would require an area of 2.5, 2.7, and 4.3 million hectares, respectively. In Germany, 11.9 million ha are currently used for arable crop production. If only one of the three crops in question were to fill the gap, it would require 19, 23, or 37 percent of Germany's available arable land. In contrast, pulses currently make up less than one percent of arable land use in Germany. (Please see [GM12003](#) for more analysis on German protein feed production and use.)

2. German Government Working Toward A Protein Strategy

On the June 14, 2012, BMELV held a public discussion of its draft the Protein Strategy. Around 100 people attended the discussion, among them parliamentarians, delegates of industry associations and NGO's, officials of ministries and agencies, journalists, researchers, etc. This lengthy German language draft document is informally summarized below:

Protein strategy by Federal Ministry of Food, Agriculture and Consumer Protection (BMELV)

Date published: 6/5/2012

Paper Content:

1. Preface
2. Conflicting Priorities
3. Protein strategy objectives
 1. Improve efficiency of ecosystem and protection of resources
 2. Improve/increase protein supply from domestic production
 1. Production residue
 2. Basic feed (grass land and feed forage)
 3. Grain legumes
 4. Optimizing feeding
 3. Fortify regional supply chain

1. Feed
2. Food
3. raw material and energy use
4. Field of action
 1. Agricultural policy framework
 2. Support measures
 1. Research
 1. Departmental research
 2. Affirmative action by BMELV and other organizations
 3. Affirmative action by EU
 2. Breeding
 3. Agro-environmental aid
 4. Pilot project/model region
5. Implementation: Office at the Federal Agency for Agriculture and Food (BLE)
6. Close ties between other strategies and programs
7. Conclusion

Introduction:

With a constantly growing world population, we are facing the following global challenges: food security, supplying resources and power, preservation of our natural environment and biodiversity as well as climate change. These demands are driving a renaissance in the bio-based economy. Important preconditions are responsible economic approaches that are accepted by the people, especially since there is a tendency to view modern agricultural critically. The contradiction of increasing demand and preserving natural resources requires an ambitious strategy. Enhancing cultivation of legumes can make an important contribution.

Benefits/Objectives:

Cultivating legumes has a positive effect on the carbon balance and on soil fertility. Greenhouse gas emission and the use of nitrogen fertilizers can be reduced significantly and, thus, contribute to biodiversity in agriculture. Furthermore, cultivating legumes could provide an impetus for developing innovative food products

from regionally produced crops, for food-conscious and health-conscious consumers.

The effects of Germany importing soy are diverse and can be evaluated very differently by different people. However, it is clearly noticeable that prevailing conditions for soy production in the United States and South America are less sustainable and do not meet the public's demand of protecting the environment, biodiversity and climate. Clearing woodland for cultivating soybeans is not acceptable anymore.

With due regard to international frameworks and conditions the protein strategy aims toward reducing competitive disadvantages of domestic protein plants, as well as filling gaps in research and putting schemes into practice. Agriculture policies, e.g. agro-environmental practices, play a central role. Separating GMO crops from non-GMO crops will increasingly be difficult in the future and will only make non-GMO crops more expensive. However, this is an opportunity for domestic production of legumes. In fact, legumes are not profitable when used in feed, due to the low concentration of protein (significantly lower concentration of essential amino acids e.g. lysine, methionine, threonine and tryptophan) and high concentration of antinutrients in grain legumes; however, there is potential for innovative strategies regarding food and nutrition (healthy foods). Germany faces rising demand for regionally and sustainably produced foods that are traceable, of plant origin and which have a feel-good factor and health factors. So far, within the CAP's framework and national regional government programs, support for domestic protein plants has failed to compensate for competitive disadvantages.

Summary:

Diverse crop rotation is essential for sustainable agriculture in Germany and in Europe. Here, legumes can be a part of this strategy. Different schemes have to be deployed to create better incentives for farmers to grow protein crops in addition to grains and oil seeds. The above mentioned agriculture policies should create an attractive framework for the production of feed. These policy incentives should cover processing, training and consulting. Besides addressing agricultural and economically relevant issues concerning crop science and cultivation, markets and their societal and political settings have to be established. Moreover, structural issues concerning breeding and research of domestic legumes, which had been neglected for the last twenty years, have to be addressed and a solution needs to be found.

In the coming years, BMELV will pursue its objective to increase domestic legumes cultivation at all levels. All available means on national and EU level will be utilized; this will also include research assistance. BMELV will prioritize this matter.

3. Outlook

The Protein Strategy can be easily linked to ongoing projects, as protein crops were already the focus of German national and regional authorities before the protein strategy was made public in June 2012.

- Since 2011, BMELV is supporting a project for the development and production of new food and food ingredients from domestic protein crops with €2.1 million.
- Through 2014, under the breeding research of the Federal Research Institute for Cultivated Plants, there will be projects on the disease susceptibility of lupines.
- The German Agricultural Research Alliance (DAFA) has been given the task to coordinate and develop projects under the initiative: Legumes as a cornerstone for a forward looking German agriculture.

On the German Laender (state) level, in 2011 Bavaria started its initiative 'domestic protein feed.' Different projects are funded with €2 million. The target is to reduce soy imports into Bavaria, especially GMO's, while the focus is to increase Bavarian soybean production. The governor of Bavaria has even traveled to Brazil in his efforts to secure non-GMO sources of soybean. Another southern state, Baden-Württemberg, has a similar project to develop domestic soybean production. The northern State Lower-Saxony is also financing trials with soybeans, which will reportedly be supported by the federal government in the future.

In the coming months, the German Protein Strategy will be part of discussions about the future of Common Agricultural Policy post 2013 in the European Union. Under the category of "Greening," there are calls for an up to 20% binding crop rotation for protein crops in the first pillar of the CAP. The German government is also supporting the idea to plant protein crops produced on set aside areas. 'Set aside areas' areas are among the ideas being floated by the EU Commission as part of the CAP 2013 discussion. In Germany, BMELV Minister Aigner will present the national Protein Strategy in the fall of 2012. Simultaneously, DAFA will present its findings to Aigner and will introduce a research workshop for further findings.