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Report Highlights:

MY 2024/25 European Union oilseed production is forecast to decline by about one percent over the previous year with good yields. This forecast is based on the assumption of average growing conditions, lower, more average yields, but increased area which cannot make up for the lower yields. Feed use of oilseed meals is forecast down despite higher demand from the animal sector, which is projected to be met by more competitive feed grains. Food use of vegetable oils is forecast to grow whereas biofuels use is declining. The new EU Deforestation Regulation will likely impact soybean and products and palm oil markets, but it is unclear how it will impact the overall dynamics of the oilseeds market. The Russian invasion of Ukraine still brings further uncertainties.

Executive Summary:

Oilseeds

Total European Union (EU) oilseed area in marketing year (MY) 2024/25 is forecast to remain almost stable. Rebounding soybean and increasing sunflower plantings nearly make up for the decrease in rapeseed area. Under the assumption of lower average soybean yields compared to the good yields of the current MY, and comparable average yields of rapeseed and sunflower, total production of oilseeds is forecast to decline by one percent. There is still high demand for oilseeds and oilseeds products but falling rapeseed prices and high input costs have led to lower profitability of rapeseed. Consequently, farmers prefer growing of soybeans and sunflower which need less inputs and in the case of sunflower, is more drought tolerant. Additionally, wet planting conditions in the fall prevented some winter crop plantings. As a result, these fields might be sown with soybean in the spring. In most EU regions, growing conditions have been favorable to date. Except for the very southern and eastern regions of the EU, exceptionally high amounts of precipitation led to sufficient soil moisture. Due to very mild conditions in January and February, no winter kill has been reported to date. However, the mild conditions may support pest occurrence and late cold spells may affect the early developed crops. Yield potential will depend on future growing conditions, such as precipitation and temperature.

Oilseed Meals

Following stable crush, EU oilseed meals production is forecast to remain practically flat in MY 2024/25. Total feed use of oilseeds meals is forecast to decline by about one percent. However, increased availability and better competitiveness of grains in MY 2024/25 is forecast to meet the increasing demand for feed driven by the growing poultry sector, and a stabilized swine sector. EU soybean and soybean product imports for MY 2024/25 are projected to fall due to the EU Deforestation Regulation which is scheduled to enter into force on December 30, 2024. It is projected that demand for soybean meal will surpass that which meets the requirements for the EU Deforestation Regulation, and that this will increase the price of product that is available on the market. Consequently, this will make soybean meal less attractive in feed ratios. High demand from the livestock and dairy sector is projected to keep the feed use of rapeseed meal at a stable high level. However, cheap rapeseed meal imports from Russia and Belarus may slow down, making rapeseed meal less attractive. Feed use of sunflower meal is forecast to slightly decline, facing stronger competitiveness from rival meals.

Oils

EU total domestic vegetable oil production in MY 2024/25 is forecast to increase by about 1.5 percent compared to the previous MY. The increase is mainly driven by increased sunflower oil production and the assumption of a five-year average production of olive oil, more than offsetting a decline in rapeseed oil production. With the increasing population through migration, vegetable oil consumption is on a somewhat rising trend. Biofuels production from vegetable oil is declining as Used Cooking Oil (UCO) is increasingly used for biofuels. The use of palm oil is significantly decreasing in food and in biofuels. In food this is because it is regarded as unhealthy due to its high level of unsaturated fats. For biofuels production, its use is affected by the phase-out of those biofuels feedstocks that are associated with high-risk for Indirect Land Use Change (ILUC).

Policy

In February 2022, Russia launched an invasion in Ukraine. The war is putting pressure on global food security mainly due to the high level of exports of feed and grains products from the two countries. The EU adopted several measures to enhance global food security and to mitigate the impact of the war on EU farmers given rising commodity and inputs prices.

The EU Renewable Energy Directive (REDII) requires all biofuels used in the EU, whether produced in the EU or a third country, to demonstrably meet sustainability criteria through compliance certification. In January 2019, the European Commission recognized the U.S. soy industry's scheme certifying U.S. soybeans' compliance ([U.S. Soy Sustainability Assurance Protocol](#)). With this recognition, U.S. soybeans can be used for biofuel production in the EU and can count towards the REDII targets. The REDII also put in place a freeze on the use of high-risk indirect land use change (ILUC) biofuels at the 2019 levels and a requirement to phase them out completely by 2030. Only palm oil falls under this definition and will need to be phased out by 2030. Soybean, rapeseed, and sunflower do not fall under this definition.

In June 2023, the EU adopted the EU Deforestation Regulation, a regulation to prevent products causing deforestation from entering the EU market. The regulation targets products which are identified by the European Commission as the main drivers of deforestation including soybeans and products and palm oil. The regulation will enter into force on December 30, 2024.

Introduction

This report presents the outlook for oilseeds in the EU. The data in this report is based on the views of Foreign Agricultural Service (FAS) analysts in the EU and is not official USDA data.

Disclaimer / Important Notes:

- USDA official numbers in this report include the World Agricultural Supply and Demand Estimates (WASDE) March 2024 release.
- In this report the term "biofuel" includes only biofuels used in the transport sector. Biomass/biofuel used for electricity production or other technical uses such as lubricants or in detergents are included in "industrial use."
- Trade figures are revised according to the most recent data available from Trade Data Monitor (December 2023).
- The term European Union (EU) refers to the current [EU27 member states](#).

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The marketing years (MY) used in this report are:

January - December

Copra complex
Palm kernel complex
Palm oil
Fish meal

July - June

Rapeseed complex

October - September

Soybean complex
Sunflower complex
Cottonseed complex
Peanut complex

November - October

Olive oil

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1. Total Oilseeds

Please find the details for specific commodities in the respective sections of the report.

Note: Total oilseeds include different MYs with different beginning and ending months.

Total Oilseeds – Seeds

Table 1
Oilseeds, Total Oilseeds – Production, Supply, and Distribution

Oilseeds, Total Oilseeds	2022/2023		2023/24		2024/25	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Area Harvested	12,427	12,246	12,528	12,291	0	12,230
Beginning Stocks	3,301	3,301	3,406	3,604	0	2,996
Production	31,875	31,884	33,598	33,015	0	32,640
MY Imports	22,344	22,364	20,610	21,200	0	20,770
Total Supply	57,520	57,549	57,614	57,819	0	56,406
MY Exports	1,531	1,555	1,255	1,605	0	1,420
Crush	48,150	48,150	48,585	48,785	0	48,685
Food Use Dom. Cons.	1,570	1,587	1,585	1,630	0	1,630
Feed Waste Dom. Cons.	2,863	2,653	2,788	2,803	0	2,713
Total Dom. Cons.	52,583	52,390	52,983	53,218	0	53,028
Ending Stocks	3,406	3,604	3,376	2,996	0	1,958
Total Distribution	57,520	57,549	57,614	57,819	0	56,406
(1000 ha, 1000 MT)						

Note: Total Oilseeds includes the following: soybean, rapeseed, sunflower, peanut, cottonseed. The crush number of oilseeds is different to the crush number of meals because cottonseed crush is only included in oilseeds.

Source: FAS EU

Total Oilseeds – Meals

Table 2
Meals, Total Oilseeds – Production, Supply, and Distribution

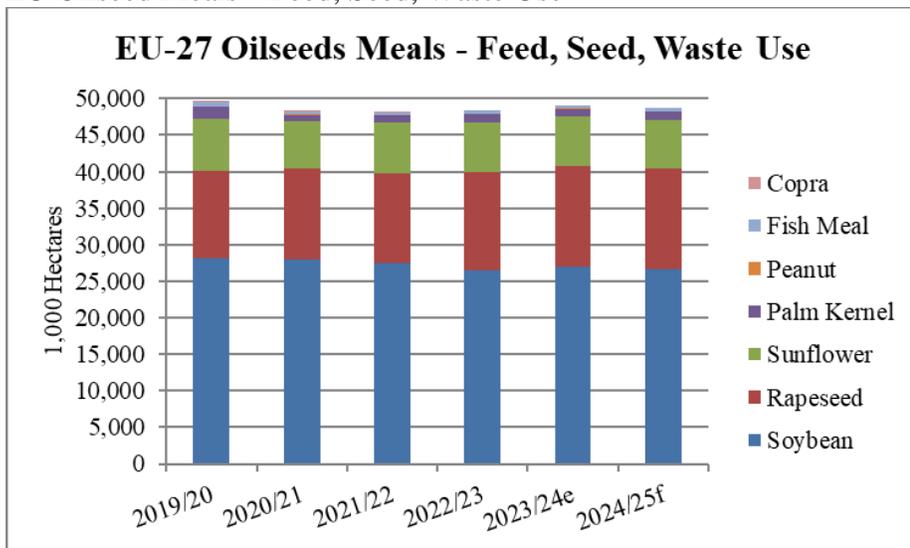
Meals, Total Oilseeds	2022/2023		2023/24		2024/25	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Crush	47,935	47,935	48,435	48,635	0	48,485
Beginning Stocks	1,287	1,287	978	1,557	0	1,787
Production	30,584	30,364	31,013	31,132	0	31,043
MY Imports	21,556	21,556	21,315	21,300	0	20,325
Total Supply	53,427	53,207	53,306	53,989	0	53,155
MY Exports	2,705	2,706	2,340	2,465	0	2,465
Industrial Dom. Cons.	520	570	520	570	0	580
Food Use Dom. Cons.	32	32	32	32	0	32
Feed Waste Dom. Cons.	49,192	48,342	49,320	49,135	0	48,715
Total Dom. Cons.	49,744	48,944	49,872	49,737	0	49,327
Ending Stocks	978	1,557	1,094	1,787	0	1,363
Total Distribution	53,427	53,207	53,306	53,989	0	53,155

(1000 MT)

Note: Total Oilseed Meals includes the following: soybean, rapeseed, sunflower, palm kernel, peanut, fish meal. The crush number of meals is different to the crush number of oilseeds because cottonseed crush is only included in oilseeds.

Source: FAS EU

Figure 1
EU Oilseed Meals – Feed, Seed, Waste Use



e = estimate, f = forecast

Source: FAS EU

Total Oilseeds – Oils

Table 3
Oils, Total Oilseeds – Production, Supply, and Distribution

Oils, Total Oilseeds	2022/2023		2023/24		2024/25	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Crush	47,935	47,935	48,435	48,635	0	48,485
Beginning Stocks	2,792	2,792	2,236	2,183	0	2,194
Production	18,258	18,286	18,352	18,480	0	18,773
MY Imports	9,150	9,135	8,962	9,107	0	9,170
Total Supply	30,200	30,213	29,550	29,770	0	30,137
MY Exports	3,652	3,576	3,071	3,238	0	3,501
Industrial Dom. Cons.	11,320	11,330	11,400	11,265	0	11,185
Food Use Dom. Cons.	12,669	12,843	12,622	12,812	0	12,977
Feed Waste Dom. Cons.	323	281	318	261	0	261
Total Dom. Cons.	24,312	24,454	24,340	24,338	0	24,423
Ending Stocks	2,236	2,183	2,139	2,194	0	2,213
Total Distribution	30,200	30,213	29,550	29,770	0	30,137

(1000 MT)

Note: Total Oilseed Oils includes the following: soybean, rapeseed, sunflower, palm kernel, palm oil, peanut, coconut, olive oil. The crush number of oils is different to the crush number of oilseeds because cottonseed crush is only included in oilseeds.

Source: FAS EU

Figure 2
EU Oilseed Oils, Biofuels Use

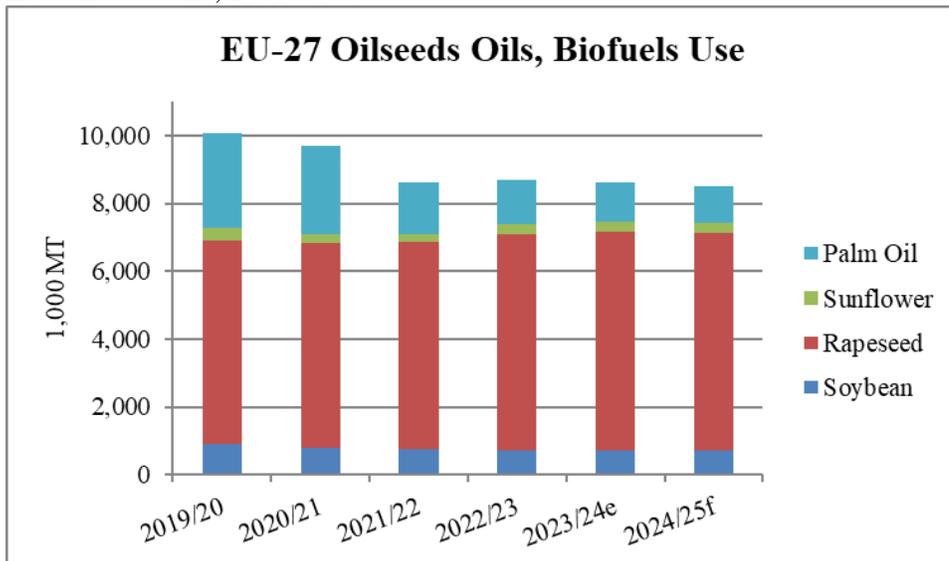
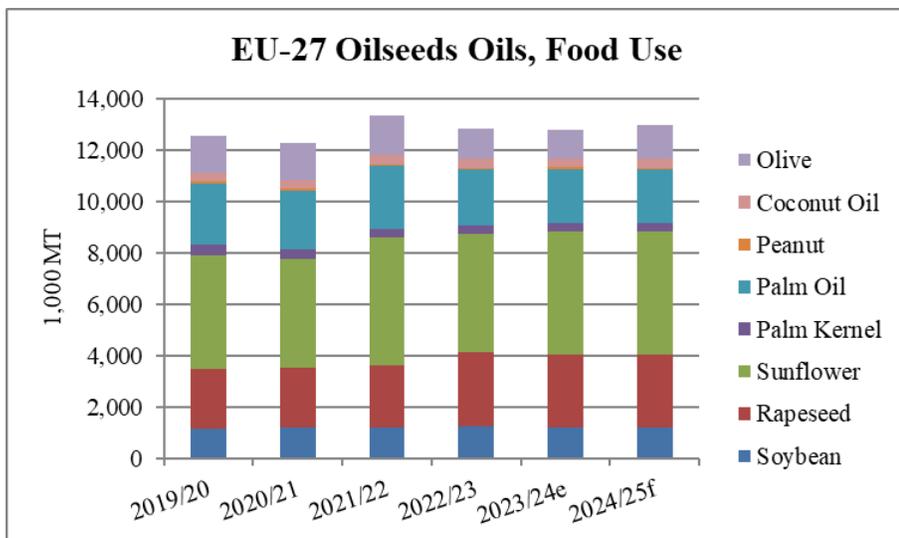


Figure 3
EU Oilseed Oils, Food Use



e = estimate, f = forecast

Source: FAS EU

2. Soybean Complex

Soybean Seed

Table 4
Oilseed, Soybean – Production, Supply, and Distribution

Oilseed, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,130	1,116	1,090	1,035	0	1,110
Beginning Stocks	1,676	1,676	1,255	1,277	0	1,407
Production	2,549	2,608	3,060	3,000	0	3,100
MY Imports	13,141	13,141	13,800	14,100	0	13,500
Total Supply	17,366	17,425	18,115	18,377	0	18,007
MY Exports	231	231	300	300	0	350
Crush	14,300	14,300	14,900	14,800	0	14,800
Food Use Dom. Cons.	230	227	240	220	0	220
Feed Waste Dom. Cons.	1,350	1,390	1,350	1,650	0	1,600
Total Dom. Cons.	15,880	15,917	16,490	16,670	0	16,620
Ending Stocks	1,255	1,277	1,325	1,407	0	1,037
Total Distribution	17,366	17,425	18,115	18,377	0	18,007
Average Yield	2.56	2.34	2.81	2.90	0	2.79

(1000 HA), (1000 MT), (MT/HA)

Source: FAS EU

MY 2024/25

The European Union's (EU) soybean production continues its rising trend, albeit is still much smaller than rapeseed and sunflower production. Soybean planted area is forecast to bounce back after a decline in MY 2023/24. Planted area has the potential to expand in Eastern and Central Europe, while prospects in Southern Europe are more limited due to an increasing dependence on irrigation. The highest increases in area are forecast for Italy, Romania, France, and to a lesser extent in Germany, Croatia, Hungary, Slovakia, and Austria. The major drivers increasing soybean acreage are (1) still favorable margins for farmers; (2) lower input compared to other crops, as soybeans are nitrogen fixing and less dependent on fertilizers; and (3) the demand for non-GMO ("genetically modified organisms" or non-biotech) feed and food use. Soybeans also remain the crop of choice for planting under the nitrogen fixing crops subsidy program which leads to higher planted area. However, due to regulations prohibiting the application of certain pesticides, this does not always result in higher yields and production.

National and cross-national support programs for European sustainable protein, such as Donau Soja, have proved successful in developing regional, non-GMO soybean production for European-based value chains. [Donau Soja](#), founded in 2012, currently has 280 members in 25 countries, linking the non-GMO soy value chain, from seed producers and traders to food producers and retailers. In 2023, Donau Soja certified one million tons of non-GMO soybeans.

Weather conditions during fall and winter 2023/24 were exceptionally wet in most regions of Europe, except for the eastern regions, where winter crops season started off under dry conditions. This delayed or even prevented winter crop sowings. As a result, some of these fields that were planned to be used for winter cropping may be sown with soybean in the spring, increasing acreage. Early spring precipitation has contributed to improved soil moisture in large soybean producing EU member states, including Italy and Romania. Assuming average growing conditions, EU soybean production is expected to increase by three percent in MY 2024/25, which is a result of increased area but lower average yields than in the previous MY, where yields were above average. Yields may be better than currently anticipated if there are favorable growing conditions going forward and the soybean growing skills of farmers improves.

The EU is the world's second largest importer of soybeans and soybean products. Seventy-five percent of Europe's total supply is imported from 3rd (non-EU) countries. The top four soybean suppliers to the EU are Brazil, Argentina, United States, and Canada. Togo is a leading supplier of organic soybeans. The EU's leading importers are the Netherlands, Spain, Germany, and Italy. These four countries are also the main crushers producing soybean oil and soybean meal that is mainly used for animal feed.

Demand for animal feed is the main driver of the EU soybean market. In MY 2023/24, EU poultry production began to gradually recover from the avian influenza (HPAI) epidemic. Pork production also stabilized, aided by the competitive prices of feed grains. For more information see the current FAS [EU Livestock and Products Semi-annual](#) and the current FAS EU [Poultry and Products Semi-annual](#). Soybean is the leading oilseed meal used as animal feed and it is largely imported. It accounts for more than half of the total amount of oilseed meals used in the EU feed mixes. It is a dominant protein source for poultry and swine production.

Despite ample world supply, EU soybean imports for MY 2024/25 are expected to fall due to the entry into force of the EU Deforestation Regulation (see policy section) on December 30, 2024. FAS Posts anticipate that the implementation of the EU Deforestation Regulation will likely restrict the EU sourcing of soybeans and that the extent of this restriction will highly depend on the volume of beans which will be compliant with the EU Deforestation Regulation. In the lead up to the implementation of the EU Deforestation Regulation it is expected that industry actors may opt for building commercial stocks in MY 2023/24 to make available for crushing in the next season. The underlying motivation being the anticipated extra cost related to compliance with EU Deforestation Regulation and possible supply chain challenges. Nevertheless, it remains to be seen how the EU Deforestation Regulation will affect EU trade with North and South America.

With higher beginning stocks but lower imports of soybeans, the projection is for stable crush and decreasing stocks. Crush margins are forecast to be attractive due to projected favorable feed demand related to a growing animal inventory. Currently, stable to higher crush is projected in Germany, Spain, the Netherlands, Italy, and Portugal.

MY 2023/24

Thanks to favorable weather conditions and continuing agronomic investment, soybean yield and overall production increased (production by 15 percent) despite a decrease in area by seven percent from the previous MY. Drought caused low yields in MY 2022/23.

MY 2023/24 imports are expected to increase by about seven percent from MY 2022/23. This is driven by demand from the animal sector (recovering poultry production after avian influenza outbreaks and stabilizing pork production) and demand from the biofuels sector. In the first quarter of the marketing year, EU imports of soybeans increased by 13 percent compared to the corresponding period in MY 2022/23. The share of the United States in total imports reached 65 percent during this period, growing by 28 percent compared to the first quarter of the previous MY. This is due among other factors, to logistical constraints in Brazil that eroded its competitiveness against U.S. origin beans at the beginning of the MY. As of March 23, EU Customs [reports](#) soybean imports reaching nine MMT sourced mainly from the United States (56 percent), followed by Brazil (28 percent). The main importing countries to date were Spain, the Netherlands, Germany, and Italy.

Crush is estimated to increase by 3.5 percent from MY 2022/23 also driven by demand from the recovering animal sector and demand from the biofuels sector. Higher production and growing imports, as soybeans were more readily available than soybean meal, in the first half of the MY are estimated to support higher crush. Growth in crush is reported by Germany, Italy, Spain, Portugal, France, Romania, and Greece. The Netherlands is seeing declines.

A few countries (e.g. Germany, Spain, Italy, Belgium, and the Netherlands) are crushing U.S. soybeans and exporting biodiesel back to the United States. This is driven by the U.S. [Inflation Reduction Act](#) (IRA). It is expected that in the second half of the year, especially after April/May, if South American soybeans become available in good supply on the global market, imports of price competitive soybeans will make the crush margins more attractive relative to those for rapeseed and sunflower seed. Improved demand for both soybean meal for the EU market and soybean oil for domestic use (biofuels) and exports will be the drivers behind this trend.

Soybean Meal

Table 5
Meal, Soybean – Production, Supply, and Distribution

Meal, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	14,300	14,300	14,900	14,800	0	14,800
Extr. Rate (PERCENT)	0.79	0.78	0.79	0.79	0	0.79
Beginning Stocks	658	658	435	588	0	596
Production	11,297	11,100	11,771	11,750	0	11,750
MY Imports	16,012	16,012	15,800	16,000	0	15,550
Total Supply	27,967	27,770	28,006	28,338	0	27,896
MY Exports	740	740	700	750	0	750
Industrial Dom. Cons.	10	10	10	10	0	10
Food Use Dom. Cons.	32	32	32	32	0	32
Feed Waste Dom. Cons.	26,750	26,400	26,800	26,950	0	26,600
Total Dom. Cons.	26,792	26,442	26,842	26,992	0	26,642
Ending Stocks	435	588	464	596	0	504
Total Distribution	27,967	27,770	28,006	28,338	0	27,896
(1000 MT), (PERCENT)						

Source: FAS EU

MY 2024/25

The EU pork and poultry sectors are the main drivers of the EU soybean meal market. In MY 2024/25, soybean meal production is expected to be stable due to steady crush. Most EU member states report stable or higher production, including Germany, Spain, the Netherlands, Italy, Portugal, France, Romania, and Belgium. Poland is the exception with an expected marginal decline in production.

The EU is not self-sufficient in its protein production and imports substantial amounts of soybean meal. EU import origins largely depend on price. The outlook for EU soybean meal consumption remains favorable for MY 2024/25. This is propelled by the gradual recovery of the EU poultry and pork sectors following the avian influenza (HPAI) epidemic and improving controls on Porcine Reproductive and Respiratory Syndrome (PRRS) outbreaks in the swine herd. Projected good availability of domestic feed grains; expected competitive pricing of soybean meal from South America; and increasing animal inventory in the EU is estimated to motivate demand.

However, as the EU begins to implement its Deforestation Regulation on December 30, 2024, structural adjustments in the EU soybean meal market are very likely as reported in the soybean section. It is believed that imports of soybean meal may be more challenging in terms of EU Deforestation Regulation traceability compliance. This is forecast to have an impact on imports. Lower imports are anticipated in the Netherlands, France, Denmark, Sweden, and Ireland while Poland and Italy expect a small increase. As a result, imports are projected to decline by three percent and will likely be replaced by other oilseed meals or higher-protein feed grains and by-products such as Dried Distiller Grains (DDGs). With flat production and reduced imports, total supply of soybean meal in the EU is projected to be lower compared to the current season.

Thus, despite generally favorable demand, consumption is likely to see a small decline of 1.3 percent from MY 2023/24 but to be still above the MY 2022/23 level. Countries reporting lower soybean meal use are France, Denmark, Greece, Ireland, Sweden, and Finland while growth is expected in Spain, Germany, Italy, Poland, Romania, Hungary, and Austria in line with the larger opportunities, particularly in poultry feeds. Ending stocks are projected to decline.

MY2023/24

EU production of soybean meal has grown in the current season by about 5.8 percent due to improved crush. Three out of four major crushers in the EU (Germany, Spain, and Italy) report higher soybean meal output while the Netherlands sees a small decline. An increase in soybean meal output is also reported in other countries such as France, Portugal, Greece, Romania, and Belgium.

Higher domestic supply is estimated to be complemented with stable imports due to more favorable feed demand. As of May 2024, an elevated supply of soybean meal in Argentina (fueled by crushing for biodiesel production and the improved soybean output projected in that region) is anticipated to support EU imports until the end of this season. EU countries expecting to see higher imports are the Netherlands, France, Denmark, and Slovenia, followed by Romania and Greece, balancing the reduction estimated for Poland, Spain, Italy, Germany, and Ireland.

Imports of soybean meal in the first half of the year are lower than a year ago. EU Customs reports imports at nine percent below last year's levels, as of March 23 (10.6 MMT). Leading importers to date are Poland, the Netherlands, France, Spain, and Germany, followed closely by Italy. Imports were sourced from Brazil, with a 63 percent share, and Argentina, with a 19 percent share. In the first quarter of the year (TDM data), EU imports from Brazil grew by 17 percent while those from Argentina declined drastically by 70 percent.

However, the situation is projected to reverse in the second half of the year (May) due to higher, price competitive exportable supplies in South America (with a rebound mainly from Argentina).

Increasing animal inventories and related feed consumption in the EU, in combination with good global availability of soybean meal is estimated to result in a two percent higher feed use in the current marketing year. The competitive supply of soybean meal is projected to press the feed use of other rival oilseed meals as of April/May this season. The situation varies among member-states with the largest consumers, including Spain, France, Germany, Poland, and Denmark estimating larger growth in consumption, followed by Portugal, Romania, and Greece. This increase is offsetting the decline seen in Italy, the Netherlands, Belgium, Ireland, Austria, and Hungary.

Soybean Oil

Table 6
Oil, Soybean – Production, Supply, and Distribution

Oil, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	14,300	14,300	14,900	14,800	0	14,800
Extr. Rate (PERCENT)	0.19	0.19	0.19	0.19	0	0.19
Beginning Stocks	550	550	613	623	0	698
Production	2,717	2,717	2,831	2,800	0	2,800
MY Imports	623	623	400	550	0	540
Total Supply	3,890	3,890	3,844	3,973	0	4,038
MY Exports	922	922	900	900	0	900
Industrial Dom. Cons.	1,100	1,050	1,250	1,100	0	1,125
Food Use Dom. Cons.	1,200	1,240	1,200	1,220	0	1,220
Feed Waste Dom. Cons.	55	55	55	55	0	55
Total Dom. Cons.	2,355	2,345	2,505	2,375	0	2,400
Ending Stocks	613	623	439	698	0	738
Total Distribution	3,890	3,890	3,844	3,973	0	4,038
(1000 MT), (PERCENT)						

Source: FAS EU

MY 2024/25

In MY 2024/25, production of soybean oil in the EU is expected to be stable, in parallel with crush. The Netherlands foresees the largest increase in output compared to other member-states.

Consumption of soybean oil for production of biodiesel is expected to remain strong as incentives under the U.S. Inflation Reduction Act (IRA) are set to expire at the end 2025. The U.S. Inflation Reduction Act prompted increased EU production of soybean-based biodiesel and exports to the United States in MY 2022/23 and MY 2023/24. In MY 2022/23, EU biodiesel exports to the United States more than doubled compared to the previous MY and amounted to one MMT (translating into 1.19 billion liters). In the first four months of MY 2023/24, these exports increased by another 40 percent. In MY 2024/25, Spain and the Netherlands report an increase in consumption for biofuels.

The introduction of the EU Deforestation Regulation is also likely to have an impact on imports of soybean oil. As a result, MY 2024/25 imports are forecast to have a decline of two percent compared to the current season. However, due to the growth in beginning stocks, total supply is anticipated to increase. Food use of soybean oil is forecast to be stable. Higher demand for biofuels production is expected to preempt exports of soybean oil from expanding.

MY 2023/24

In MY 2023/24, EU soybean oil production is estimated to increase by three percent from the previous year. Germany, Spain, and Italy report the largest growth, followed by France, Belgium, Romania, Greece, and Austria.

Due to growth in production, imports are estimated to decline by 12 percent from MY 2022/23. In the first quarter of the MY, imports declined by eight percent, and were sourced mainly from Ukraine, Argentina, and Norway. The major EU importing countries were Poland and Spain, followed by Italy and the Netherlands (EU Customs data).

EU demand for soybean oil has increased because EU sunflower oil and olive oil prices have been very high (due to shortfalls in EU olive oil production) and palm oil remains very vulnerable to criticisms on health and sustainability. The use for biofuels is flat with a slight increase in Spain offsetting the decrease in Germany. The consumption for food is estimated slightly lower. This is a result of reductions in Italy and Poland, mainly due to higher availability of price competitive sunflower oil. In countries like Spain and Germany, soybean oil has limited presence in food uses. Overall, total EU use of soybean oil is estimated to be 1.3 percent higher than in MY 2022/23.

More than one-third of EU soybean oil production is exported as a soybean meal by-product. EU soybean oil is often exported as a discount product to countries in North Africa. Exports of soybean oil are estimated marginally lower in MY 2023/24 since some of the exporting countries (Spain, Germany, the Netherlands) use soybean oil for biodiesel which is afterwards exported to the United States. In the first quarter of the MY, exports were 22 percent lower than in the corresponding period in MY 2022/23 (TDM). The main export destinations are the United Kingdom, Morocco, and Algeria. Leading EU exporters are the Netherlands, Spain, Italy, and Portugal.

3. Rapeseed Complex

MY 2023/24 was another abundant year for global rapeseed production. The European Union once again emerged as the global leading producer, outpacing other major producers, including Canada and China. The EU's production accounted for approximately 22.7 percent of the total global rapeseed production. Despite being the largest producer, the EU's demand for rapeseed consistently exceeded its domestic supply, necessitating imports to meet the needs of oilseed crushers.

Products obtained from crushing, rapeseed oil and meal, drive the EU rapeseed market and trade. Rapeseed oil is a dominant feedstock for biodiesel production, which is motivated by the consumption mandates set by the EU Renewable Energy Directive. Rapeseed meal, a protein rich feed ingredient, has nearly 28 percent share among all oilseed meals used in the EU feed industry. It is used mainly in dairy cattle and swine production, as it is not suitable for poultry.

Russia's invasion of Ukraine has profoundly impacted the global rapeseed market, affecting everything from production costs to trade patterns. These changes are likely to continue influencing the market in the coming years. However, the exact impact will depend on a variety of factors, including the duration of the conflict; the extent of the sanctions imposed; and the response of the global community.

Russia's trade has been reoriented to China, India, and Turkey, but this has only partially compensated for the decline in trade with other countries. Ukraine, on the other hand, despite the very challenging circumstances, remains the second largest supplier of rapeseed to the EU, after Australia.

Rapeseed Seed

Table 7
Oilseed, Rapeseed – Production, Supply, and Distribution

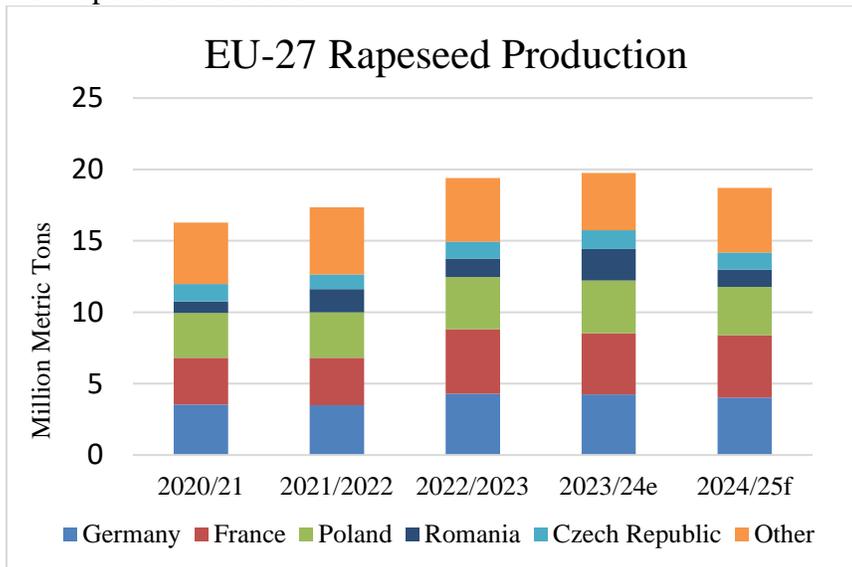
Oilseed, Rapeseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5,936	5,887	6,285	6,196	0	5,900
Beginning Stocks (1000 MT)	828	828	1,833	1,787	0	1,157
Production (1000 MT)	19,620	19,417	20,000	19,670	0	18,800
MY Imports (1000 MT)	6,834	6,841	5,300	5,500	0	5,600
Total Supply (1000 MT)	27,282	27,086	27,133	26,957	0	25,557
MY Exports (1000 MT)	549	549	400	700	0	400
Crush (1000 MT)	24,100	24,200	24,400	24,600	0	24,250
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	800	550	800	500	0	450
Total Dom. Cons. (1000 MT)	24,900	24,750	25,200	25,100	0	24,700
Ending Stocks (1000 MT)	1,833	1,787	1,533	1,157	0	457
Total Distribution (1000 MT)	27,282	27,086	27,133	26,957	0	25,557
Yield (MT/HA)	3.31	3.30	3.18	3.17	0	3.19
(1000 HA), (1000 MT), (MT/HA)						

Source: FAS EU

MY 2024/25

After two years of great harvests global rapeseed area and production is forecast to decline in MY 2024/25. This applies to the EU as well, the current forecast for rapeseed area is down 4.8 percent from MY 2023/24. Production is forecast 4.4 percent lower compared to MY 2023/24.

Figure 4
EU Rapeseed Production



e = estimate, f = forecast

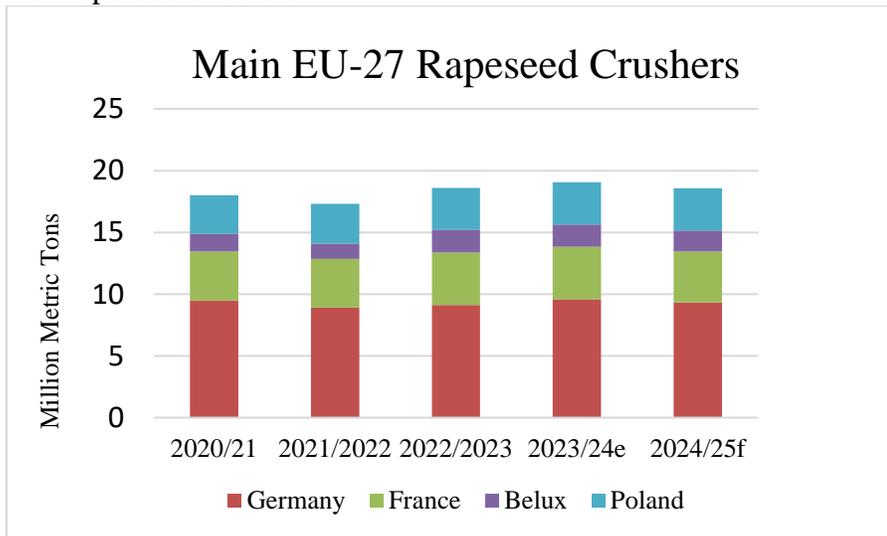
Source: FAS EU

Farmers reduced their planting areas because of lower rapeseed profitability. Increased global supplies from abundant harvests in the previous two years lead to a decrease in rapeseed prices. The EU's ban on the use of neonicotinoids; high prices of substitutes; and declining availability of plant protection products on the EU market results in stagnating yield. Additionally, the EU common agricultural policy contains a four percent area set-aside requirement for biodiversity reasons. Before a derogation was put in place in February 2024 due to farmer protests, it was set to enter into force in 2024, thus affecting planting decisions in fall 2023. This requirement was only lifted after the planting time for winter rapeseed had passed. These factors led farmers to reduce area planted in almost all producing member states.

Weather conditions varied among member states. Germany, Poland, and Czechia had generally decent conditions with minimal winterkill. Polish rapeseed area decreased by 10 percent. In Romania and Bulgaria less favorable weather conditions resulted in spring replanting. In Romania, a combination of several of the above-mentioned factors resulted in the forecast of a dramatic 45 percent drop in production.

Demand for rapeseed is not fading, mainly due to solid use of its crushing products, animal feed and oils. Crush margins are still expected to remain profitable, although to a lesser extent than in the previous marketing year due to the greater availability of cheaper substitutes. The decline in production will need to be offset by imports, mainly from Ukraine and Australia, the EU's traditional suppliers. Import increases will be, however, limited. Production in both countries is forecast to be down slightly. Several member states have bans on imports of Ukrainian agricultural commodities in place, which include rapeseed. Due to the lower supply, crushing is forecast to be slightly reduced by approximately 1.4 percent.

Figure 5
EU Rapeseed Crushers



e = estimate, f = forecast
Source: FAS EU

Domestic use other than crushing is forecast to decline by roughly 10 percent. Total distribution is forecast down by more than five percent. Ending stocks reduction is forecast to be significant and could reach over 50 percent.

MY 2023/24

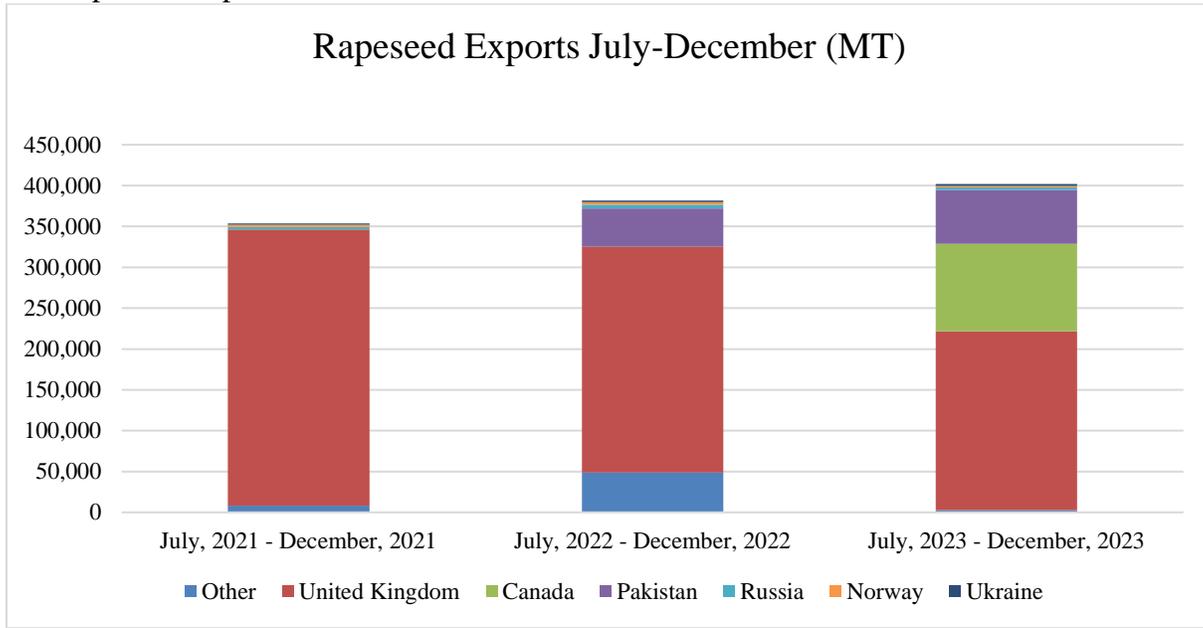
The global and EU harvest for MY 2023/24 can be described as abundant. The EU production exceeded the 5-year average. Increased global supplies and high availability of rapeseed in MY 2023/24 resulted in a decline in prices. This played an important role in farmers' planting decisions for the next season.

In MY 2023/24, the EU rapeseed area increased by 5.3 percent. Production increased as well, but to a lesser extent, by 1.3 percent. Several member states reported record harvests. Due to another great crop in MY 2022/23, the beginning stocks were significantly higher and contributed to an already elevated supply.

Imports in the first six months of MY 2023/24 are at similar levels as in MY 2021/22, which represents a reduction of nearly 20 percent, when compared to MY 2022/23. While Ukraine continues to export large volumes of low-cost commodities, which allows for favorable crush margins, Australian rapeseed exports to the EU declined in comparison to the same period of MY 2022/23. This is due to decreased production; the difficult Red Sea situation; and higher prices. Canadian exports to the EU also shrunk, due to expanding U.S. biofuel production. Rapeseed gained approval for use in biodiesel production in the United States, which induced a sharp increase in U.S. demand and Canada naturally became a major supplier.

According to export statistics for the first six months of MY 2023/24, the United Kingdom remains the main destination for EU rapeseed exports. Its share, however, declined slightly in favor of Canada and Pakistan.

Figure 6
EU Rapeseed Exports



Source: Trade Data Monitor (TDM)

Crush in the MY 2023/24 is estimated to slightly increase by 1.7 percent, because of larger supply; increased demand for oil by the United Kingdom; and high crush margins thanks to competitive Ukrainian imports. Ending stocks are estimated to decrease but will be still well above their average levels.

Rapeseed Meal

Table 8

Meal, Rapeseed – Production, Supply, and Distribution

Meal, Rapeseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	24,100	24,200	24,400	24,600	0	24,250
Extr. Rate, 999.9999 (PERCENT)	0.57	0.57	0.57	0.57	0	0.57
Beginning Stocks (1000 MT)	312	312	298	654	0	876
Production (1000 MT)	13,737	13,794	13,908	14,022	0	13,823
MY Imports (1000 MT)	843	843	950	900	0	600
Total Supply (1000 MT)	14,892	14,949	15,156	15,576	0	15,299
MY Exports (1000 MT)	794	795	780	850	0	800
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	5
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	13,800	13,500	14,000	13,850	0	13,900
Total Dom. Cons. (1000 MT)	13,800	13,500	14,000	13,850	0	13,905
Ending Stocks (1000 MT)	298	654	376	876	0	594
Total Distribution (1000 MT)	14,892	14,949	15,156	15,576	0	15,299
(1000 MT), (PERCENT)						

Source: FAS EU

MY 2024/25

The EU, a leading producer and exporter of meat and dairy products, is not self-sufficient in producing enough protein crops to satisfy demand for animal feed. The largest consumer of rapeseed meal in the EU is Germany. Recent increases in the EU livestock inventory, particularly swine, and the increasing demand for non-GM feed for dairy cows resulted in increased consumption of rapeseed meal in MY 2023/24. This trend is forecast to continue in MY 2024/25. Imports of cheap rapeseed meal from Russia and Belarus are forecast to slow down, because of lower availability of the meal and possible restrictions by neighboring member states. For more details, please refer to the MY 2023/24 narrative below.

Global availability of rapeseed, and thus rapeseed meal, is forecast lower, which is another factor contributing to decreasing EU exports and ending stocks. Ending stocks are now forecast to drop by nearly one third. Exports are expected to drop by nearly six percent. The traditional destinations remain Norway, United Kingdom, and Israel.

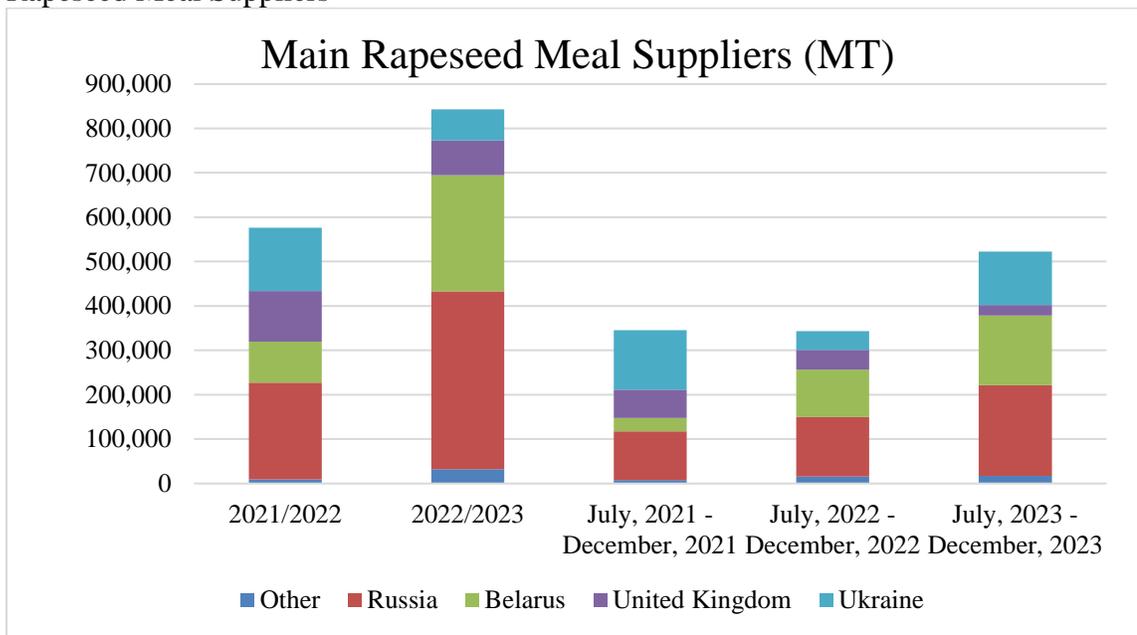
MY 2023/24

The imports of rapeseed in the first six months of MY 2023/24 show a significant increase of 46 percent. The main suppliers of rapeseed meal are Russia, Belarus, United Kingdom, and Ukraine. The biggest increase is from Russia whose exports are mainly to Lithuania and Latvia, who then re-export a portion of this meal to other member states.

The prices of Russian rapeseed meal are so competitive that they limit local production. Latvia is currently introducing a ban on animal feed imports from Russia and Belarus through July 1, 2025, and the Polish government, in response to farmers’ protests, is also joining the call for a ban on imports of agricultural products from Russia. Lithuania’s government did not join with Latvia on imposing restrictions but instead announced increased checks at the border on imported agricultural products of Russian or Belarussian origin. In the second half of MY 2023/24 it is therefore anticipated that the pace of the imports will slow down.

The elevated supply will be partially absorbed by an increased consumption that is induced by an uptick in the EU’s swine inventory. Growing demand for GMO free feed ingredients in milk production, which is required by retail chains (and thus processors) in Germany, Austria, Slovakia, and Czechia, keep the demand for protein rich rapeseed meal solid. The significantly increased supply will most probably contribute to a rise in MY2023/24 stocks, as exports are not foreseen to grow in the same proportion.

Figure 7
Rapeseed Meal Suppliers



Source: TDM

Rapeseed Oil

Table 9

Oil, Rapeseed – Production, Supply, and Distribution

Oil, Rapeseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jul 2022		Jul 2023		Jul 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	24,100	24,200	24,400	24,600	0	24,250
Extr. Rate, 999.9999 (PERCENT)	0.42	0.42	0.42	0.42	0	0.42
Beginning Stocks (1000 MT)	423	423	406	393	0	375
Production (1000 MT)	10,122	10,164	10,248	10,332	0	10,185
MY Imports (1000 MT)	402	402	375	400	0	380
Total Supply (1000 MT)	10,947	10,989	11,029	11,125	0	10,940
MY Exports (1000 MT)	671	671	725	800	0	750
Industrial Dom. Cons. (1000 MT)	6,920	6,975	7,050	7,050	0	7,000
Food Use Dom. Cons. (1000 MT)	2,900	2,900	2,800	2,850	0	2,850
Feed Waste Dom. Cons. (1000 MT)	50	50	50	50	0	50
Total Dom. Cons. (1000 MT)	9,870	9,925	9,900	9,950	0	9,900
Ending Stocks (1000 MT)	406	393	404	375	0	290
Total Distribution (1000 MT)	10,947	10,989	11,029	11,125	0	10,940
(1000 MT), (PERCENT)						

Source: FAS EU

Demand for rapeseed oil in the EU is largely defined by biofuel policy and industry, as most rapeseed oil from crushing is used for biodiesel production. Production and use of rapeseed oil for food consumption remains fairly stable. Political and regulatory support for rapeseed oil as a primary biodiesel feedstock is on the decline. This is because the European Commission set caps for food crop-based biofuels and waste materials that qualify for double counting are becoming more prominent.

For more information on the EU biodiesel market, please see the website of our Office of Agricultural Affairs at the [U.S. Mission to the European Union](#) which contains the latest EU biofuels report and information about the Renewable Energy Directive of the EU: <https://usda-eu.org/sustainability/bioenergy/>. For more information about the EU biofuels market see the [EU Biofuels Annual 2023](#). The 2024 report will be published later this year and will present more detailed information about rapeseed oil and biodiesel production in the EU.

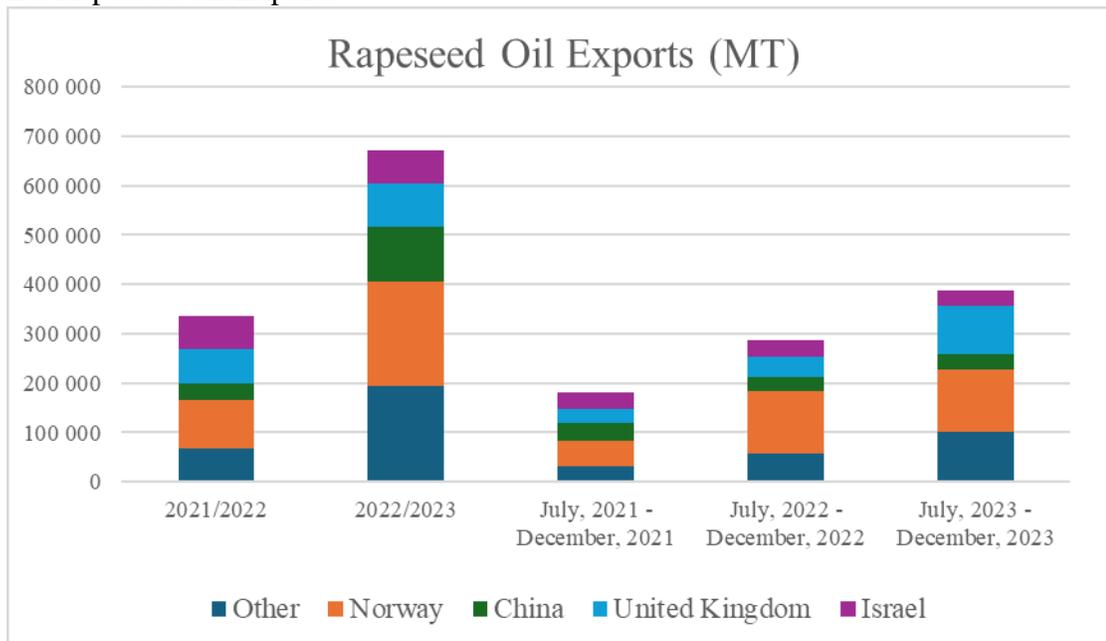
MY 2024/25

In MY 2024/25 the total EU supply of rapeseed oil is forecast to decline due to a drop in production and imports. The decreasing trend of imports from Russia is not foreseen to be fully offset by the other major suppliers, which are Ukraine and Serbia. A slight decline is forecast in the use for biodiesel production, as more producers may turn to feedstocks that qualify for double counting.

MY 2023/24

In MY 2023/24 rapeseed oil production is estimated to have a slight 1.7 percent increase, corresponding with increased rapeseed production and crush. The slightly larger supply of rapeseed oil on the EU market is foreseen to result in increases consumption in both food use and biofuels. It is expected that more rapeseed oil will be used in the biofuel industry to replace palm oil, use of which is being phased out. Imports are estimated to be stable, while exports are estimated to be up due to increased supply and an increased demand from the United Kingdom and Norway. It is expected to outpace the declined demand by China, where the EU supply is being replaced by cheaper exports from Ukraine and Russia. Ending stocks of rapeseed oil are forecast to decline.

Figure 8
EU Rapeseed Oil Exports



Source: TDM

4. Sunflower Complex

The Impact of the War in Ukraine on the Global Sunflower Market

Russia’s invasion of Ukraine on February 24, 2022, significantly impacted global markets. Ukraine is the most important player for the European sunflower products market. The European Union’s demand for sunflower seeds and products outstrips its domestic supply which leads to significant imports.

In MY 2021/22, Ukraine had a record sunflower crop of 17.5 MMT and high stocks of sunflower seeds due to the collapse of marine logistics from March to July 2022 and non-functioning crush facilities due to a safety concerns. After February 2022 the EU imported a record high quantity of sunflower seeds (1.8 MMT), of which about 70 percent were from Ukraine (1.3 MMT). The situation changed and returned to normal in the second half of MY 2022/23 and especially in the first half of MY 2023/24 when farmers from Central and Eastern Europe began mass protests resulting in various restrictions or unilateral bans on imports of Ukrainian sunflower seeds. As of the middle of March 2024, the trade is still in limbo as unilateral national bans or limitations on imports not covered by EU policy, still exist in some member-states.

Ukraine increased its crush in MY 2023/24. As a result of the abovementioned factors, it began supplying the EU with price competitive sunflower meal and oil. According to EU Customs data ([TAXUD](#)), EU imports of sunflower meal increased by six percent and of sunflower oil by 30 percent as of February 28, 2024. Ukraine accounted for 38 percent of the EU's imports of sunflower meal and for 93 percent of sunflower oil imports. Conversely, the EU's imports of sunflower seeds declined by 76 percent compared to a year ago. The main origin was Moldova, although there is speculation that some of these imports originated in Ukraine. Some Eastern European countries bordering Ukraine report transshipments that may be registered as imports and exports from the respective EU country.

Estimates in this report are based on the assumptions for a stable or slightly lower sunflower crop in Ukraine in MY 2024/25 due to expected small growth in planted area and lower yields compared to record yields in MY 2023/24. Under the baseline scenario Ukraine is expected to crush over 95 percent of its sunflower seeds domestically and to continue to be competitive in exports of sunflower oil and meal to the EU.

Sunflower Seed

Table 10
Oilseed, Sunflower seed – Production, Supply, and Distribution

Oilseed, Sunflower seed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	4,982	4,934	4,900	4,800	0	4,960
Beginning Stocks	692	692	213	431	0	341
Production	9,181	9,334	10,200	10,000	0	10,300
MY Imports	1,460	1,460	600	700	0	770
Total Supply	11,333	11,486	11,013	11,131	0	11,411
MY Exports	595	595	450	480	0	530
Crush	9,500	9,400	9,100	9,200	0	9,400
Food Use Dom. Cons.	515	550	515	600	0	600
Feed Waste Dom. Cons.	510	510	510	510	0	510
Total Dom. Cons.	10,525	10,460	10,125	10,310	0	10,510
Ending Stocks	213	431	438	341	0	371
Total Distribution	11,333	11,486	11,013	11,131	0	11,411
Average Yield	1.84	1.89	2.08	2.08	0	2.08

(1000 HA), (1000 MT), (MT/HA)

Source: FAS EU

MY 2024/25

Sunflower continues to be a spring crop of choice for many EU farmers due to its higher resilience to dryness; lower production costs; and less need for nitrogen fertilizers as other spring crops (corn). As of March 2024, farmers are reporting that they will continue to expand sunflower area despite a summer drought in MY 2023/24 in some member-states (Romania and Bulgaria) and a volatile sunflower market in the current year. An additional reason for area growth this spring is more than usual reseeded of failed rapeseed fields and the derogation of the set aside land requirement for biodiversity reasons in the EU common agricultural policy, which allows for the planting of more sunflower. Area expansion still faces limitations due to crop rotation practices and the ban on the use of neonicotinoids in the EU, except in Romania where a derogation is in place. Many producers also see a risk related to still uncertain trade rules about imports of sunflower seeds from Ukraine despite the EU decision for extension of duty-free imports of grains and oilseeds through June 2025.

Currently, Romania and Bulgaria expect the largest area expansion, followed by Spain and Italy. This increase exceeds small declines in France where sunflower had record high area in MY 2024/25 and where area remains at an elevated level. The rest of the member-states expect sunflower area to be stable or slightly lower. As a result, the EU sunflower area is projected to be 3.3 percent higher than in MY 2023/24.

Current expectations for average yields in MY 2024/25 are conservative due to concerns about early spring dryness in certain regions (mainly in Romania, Bulgaria, and Greece) and possible summer heat waves. The volatile market and prices trending lower do not encourage a substantial improvement in input applications. The projected average yields (estimated at 2.08 MT/HA) are steady at the same level as in the current season. However, due to the projected growth in area, production is expected to increase by three percent compared with the current season. This forecast may be modified depending on weather conditions.

Improved domestic supply; expected good availability of exportable sunflower seeds from the Black Sea region; and forecasted favorable demand for sunflower oil, are projected to motivate strong demand for crush in the EU. As a result, EU crush is expected to grow by 2.2 percent. Despite better local availabilities, imports may grow by 10 percent compared to the low levels in the current MY to complement local supply. Despite trade and logistical challenges, the most likely origins remain Ukraine and Moldova which expect good sunflower crops. Imports of sunflower seeds are not subject to the EU Deforestation Regulation unlike soybeans. This may provide an advantage for sunflower seeds in the first months of introduction of the new policy. Crush margins are projected to be more attractive than in MY 2023/24 supported by improved demand for sunflower oil on the EU market. The largest increases in crush are forecast for Bulgaria, Romania, and Hungary, followed by the Netherlands and Italy. France expects stable crush at an elevated level as in the current season while Spain, Portugal, Greece, Austria, and Poland report small declines. EU crushers may face stronger competition than in the past between sunflower seeds and improved world availability of soybeans.

Exports of sunflower seeds are likely to grow above the level in the current season. Improved domestic availability may stimulate exports to traditional markets (Turkey), more likely from Romania and partly from Bulgaria. Ending stocks are projected to rebuild, along with the growth in total supply exceeding that in domestic consumption, leading to slightly higher stocks to use ratio.

MY 2023/24

The latest estimate confirms higher sunflower seed production, 7.1 percent more than in MY 2022/23. While this is significantly lower than earlier expectations, it is thanks to higher average EU yields. Area harvested declined by 2.7 percent. Part of this decline is related to unharvested fields due to high losses countries hit hard by summer drought. High summer temperatures and drought negatively impacted yields in Southeast Europe while very favorable weather contributed to growth in production in France, Hungary, Spain, Italy, Croatia, offsetting decreases in Bulgaria, Greece, and Slovakia. In Romania, the increase in area compensated for lower yields and production remained flat compared to the previous season but below expectations.

Unlike in MY 2022/23, EU imports of sunflower seeds from Ukraine became challenging for several reasons. This includes domestic agricultural policy (farm protests) and continuing logistics issues for exports from Ukraine. In the first quarter of the MY, EU imports declined by 66 percent compared to the corresponding period in MY 2022/23. The latest [EU Customs](#) data (as of February 28), indicates imports at 458,000 MT, 76 percent lower than last year (based on MY starting from July 1-June 30). About 55 percent of imports were sourced from Moldova, followed by 30 percent sourced from Ukraine. These imports, however, were unevenly distributed among member states. Due to trade policy, logistical, and financial reasons, the main importers were Romania and Bulgaria, followed by Spain and Portugal, to support crush in these countries. For the second half of the MY, imports are expected to decline further due to depleting exportable stocks in Ukraine; shrinking production in Argentina which traditionally exports sunflower seeds to the EU in this period; and projected not very attractive EU crush margins in this period. The current estimate for EU imports in MY 2023/24 is at 700,000 MT or 52 percent lower than in the previous season.

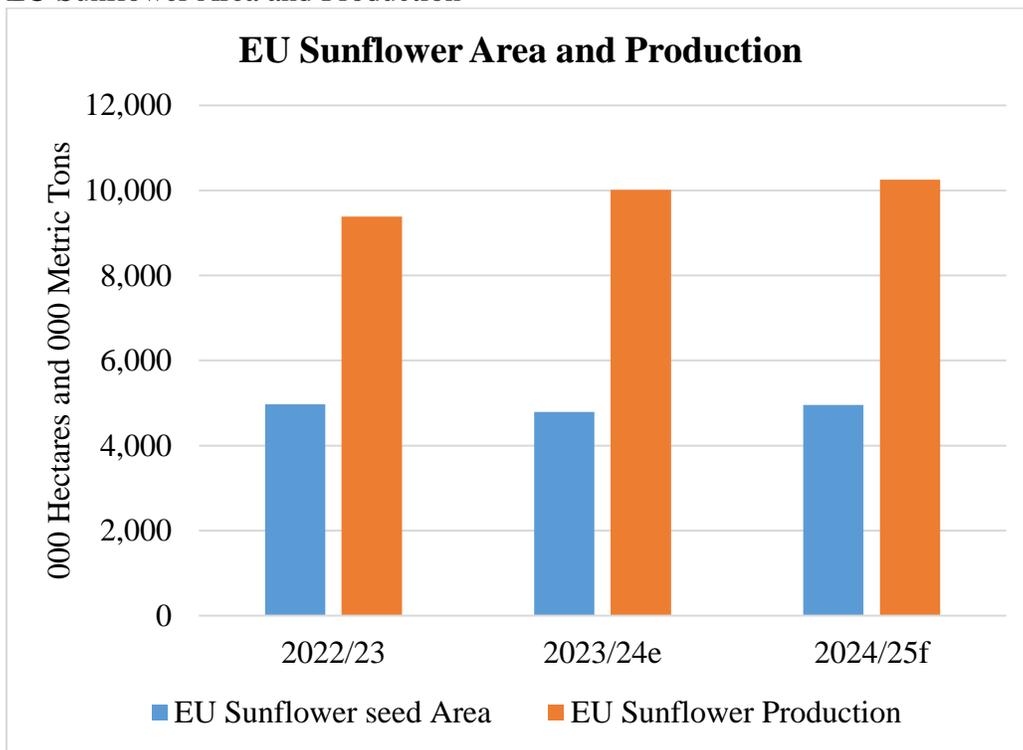
The EU crush in the current MY started strong due to better availabilities and attractive margins although in some member states it could have been even higher if imports from Ukraine/Moldova did not face unilateral trade restrictions. The latest industry data (source: [FedOil](#)) for October 2023 – January 2024 shows a growth in EU crush of 8.5 percent compared to a year ago. The monthly crush in January was the highest for the last five years (since 2018). It is estimated that most of the annual crush was completed in the first half of the year. Crush margins were attractive due to favorable demand for sunflower oil on the EU market. However, in the middle of the season and in the second half of the MY, crush margins are estimated to be under pressure. Margins are impacted by the declining prices of sunflower oil and due to sharply growing imports of price-competitive imports from Ukraine while sunflower seed prices remain relatively elevated in the EU. Prices of sunflower meal are also trending down due to stronger competition with rival meals as well as competitive imports from Ukraine, Russia, and Argentina. Finally, rapeseed crush margins, as a main rival to sunflower crush, will become more attractive due to supported rapeseed oil prices linked to favorable demand for biodiesel in the EU. As of February 2024, margins were lower than in the last four seasons and recently, below those for rapeseed. It is projected that these trends will negatively impact crush for the rest of the MY and that overall MY 2023/24 processing in the EU will decline by 2.2 percent compared to MY 2022/23. Countries reporting growth in crush this year are mainly those with better production such as France, Hungary, Italy, Austria, Romania, Benelux, and Poland. Crush is reported steady in the Netherlands and estimated to be reduced in Bulgaria, Spain, and Portugal.

The food use of sunflower seeds in the EU continues to be on the rise. EU members states report increased application of shelled sunflower seeds in the food industry (bakery, confectionary, in snacks and in baby food) as well as in cooking and in the food service industry. The main driver for this trend is consumer demand for products to achieve a healthier lifestyle. Sunflower seeds are seen as an affordable seed. They are also appreciated for not containing trans-fats; being rich in fiber and protein; and for certain consumers not being subject to biotechnology.

Despite higher domestic supply, EU exports of sunflower seeds are expected to decline. Exports started well in early MY 2023/24. In the first quarter of the year, EU exports of sunflower seeds were 20 percent higher than in the corresponding period of the previous season (TDM data). The main markets were Pakistan (31 percent share in total EU exports), China (17 percent) and the United Kingdom (9 percent). The top EU exporters were Romania and Bulgaria, followed by Croatia (possible transshipments). Gradually, exports have decreased and as of February 28, are only five percent higher than last year (source: [TAXUD](#)). The expectation is that exports will further decline in the second half of the year due to strong competition with Black Sea supplies and shrinking stocks in the EU. Exports may even go below last year’s levels. EU countries with higher supplies are more likely to be motivated by domestic crush than exports.

Despite higher production, ending stocks in MY 2023/24 are estimated to decline due to a smaller total supply affected by lower imports. This may lead to lower stocks to use ratio at the end of the year.

Figure 9
EU Sunflower Area and Production



e = estimate, f = forecast

Source: FAS EU

Sunflower Meal

Table 11
Meal, Sunflower seed – Production, Supply, and Distribution

Meal, Sunflower seed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	9,500	9,400	9,100	9,200	0	9,400
Extr. Rate,	0.5405	0.5399	0.5405	0.5402	0	0.5404
Beginning Stocks	290	290	220	260	0	270
Production	5,135	5,075	4,919	4,970	0	5,080
MY Imports	2,756	2,756	2,700	2,500	0	2,300
Total Supply	8,181	8,121	7,839	7,730	0	7,650
MY Exports	1,001	1,001	650	700	0	750
Industrial Dom. Cons.)	60	60	60	60	0	65
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	6,900	6,800	6,900	6,700	0	6,600
Total Dom. Cons.	6,960	6,860	6,960	6,760	0	6,665
Ending Stocks	220	260	229	270	0	235
Total Distribution	8,181	8,121	7,839	7,730	0	7,650
(1000 MT), (PERCENT)						

Source: FAS EU

MY 2024/25

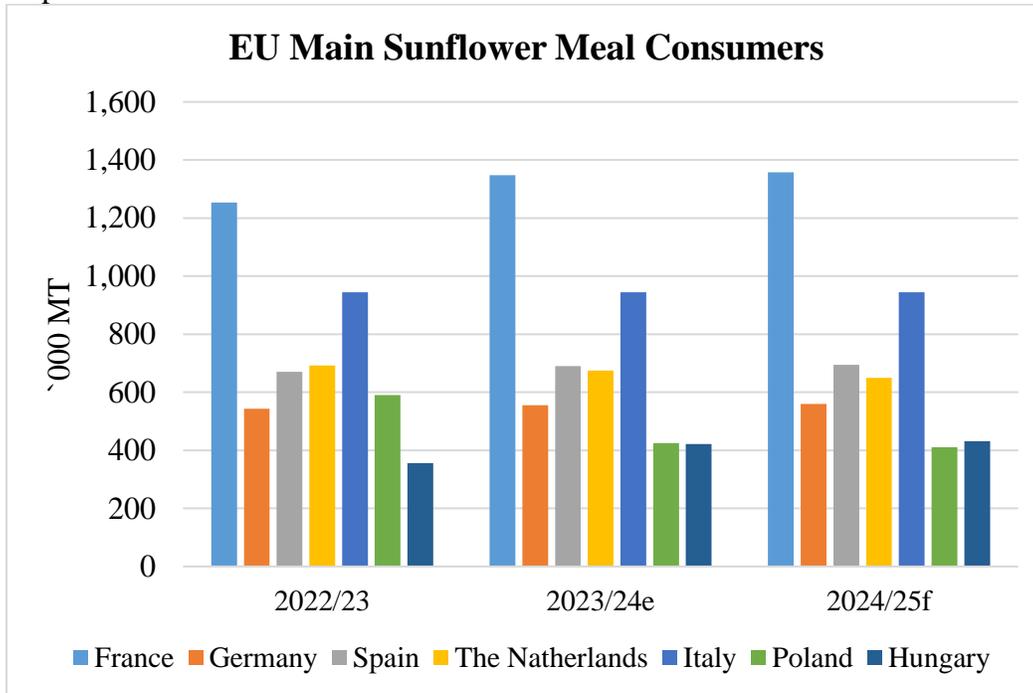
Based on a higher crush forecast in the new season, sunflower meal output is projected to adjust accordingly and grow by 2.2 percent compared to the current MY. Elevated production is projected to be led by France, Hungary, Romania, and Bulgaria, followed by smaller increases in Italy and the Netherlands. These increases exceed marginal declines in Spain, Portugal, Benelux, Poland, Croatia, Greece, and Austria.

Imports of sunflower meal are forecast to decline due to better domestic availabilities and a projected reduction in demand. Due to higher animal inventories and improved overall feed use, demand for meals is forecast to be favorable. However, oil meals may need to compete with abundant and price competitive feed grains supplies while sunflower meal will likely face much stronger competition from rival meals in feed ratios. Sunflower meal is forecast to deteriorate its price competitiveness versus soybean meal, and this is likely to be the main driver for weaker demand. The current projection may need to be adjusted to consider developments in the traditional suppliers (Ukraine, Russia, Argentina). Still, consumption will likely be supported by demand for non-biotech feed, mainly in Western Europe. Another advantage of sunflower meal in comparison with soybean meal will be consistent and reliable supply from domestic production and imports which are not subject to EU Deforestation Regulation. Oilseed meals such as rapeseed meal and sunflower meal that are not subject to the EU Deforestation Regulation stand to benefit as they already have established import supply chains and will not be subject to extra regulatory requirements and costs of compliance.

Lower use and reduced incorporation in feed is expected in the Netherlands, Denmark, Poland, Portugal, Sweden, and Slovenia while France, Hungary, and Spain project an increase in use. The other member states currently report stable use of sunflower meal.

Exports are likely to show small growth due to better availability but are unlikely to grow significantly due to projected continued competition with Black Sea suppliers. Ending stocks are estimated down due to reduced total supply and domestic consumption.

Figure 10
Top EU Sunflower Consumers



e = estimate, f = forecast

Source: FAS EU

MY 2023/24

The EU is estimated to produce a lower volume of sunflower meal, about 2.1 percent less than last season, due to reduced crush. Lower production is reported by Bulgaria, Spain, and Portugal, followed by flat production in the Netherlands, offsetting growth in France, Romania, Hungary, Benelux, and Italy. Crushers in most EU countries will likely opt for rapeseed use in the second half of the current MY due to improving margins compared to sunflower seeds. In some member states it is also likely that crushers will opt for soybeans due to strong demand for soybean oil in the United States.

Imports of sunflower meal accelerated quickly due to a small domestic supply and good export potential of the Black Sea suppliers early in the MY. In the first quarter of the year (TDM data), imports increased by 3.5 percent compared to the corresponding period in MY 2022/23. The latest [EU Customs](#) data (as of February 28), indicates accelerating imports at 1.88 MMT, six percent more than last year (based on MY starting from July 1-June 30). About 38 percent of imports were sourced from Ukraine, followed by 24 percent sourced from Russia, and 23 percent from Argentina. The top importing member states were France, the Netherlands, Poland, and Latvia. It is believed that some of the reported trade with Latvia consists of transshipments.

However, a decline in consumption of sunflower meal is estimated for the second half of the current year when the competitiveness of rival meals is likely to improve. This along with decreasing exportable stocks in traditional suppliers, is estimated to lead to lower annual MY imports compared to MY 2022/23. The current conservative estimate is for imports of 2.5 MMT, or a nine percent decline compared to MY 2022/23. France, Italy, Poland, Latvia, and Bulgaria expect lower imports offsetting projected increases in the Netherlands, Spain, Benelux, Denmark, and Slovenia. The current estimate for imports is subject to adjustment depending on the development of the situation in the Black Sea region.

The EU's use of sunflower meal is projected to decrease by 1.5 percent compared to MY 2022/23. Sunflower meal has been price competitive in the first half of the year and although this is projected to change in the second half of the year, demand is still good due to the rebound of the animal inventories in the EU, especially in the pork industry where the profitability has considerably improved compared to last year. France and Spain report higher sunflower meal use; followed by flat consumption in Romania, Italy, Croatia, Latvia, and Germany; and lower use in the Netherlands, Poland, Benelux, and Portugal.

Reduced total supply in the current MY is estimated to affect exports of sunflower meal that will likely decline compared to the previous season. Additionally, exports face tight competition with price competitive exports from Ukraine and Russia.

As of February 28, EU exports were at 408,000 MT or 37 percent lower than a year ago (source: [TAXUD](#)). Leading EU exporters were Romania, Bulgaria, and the Netherlands. The top export destinations were Morocco (29 percent), China (19 percent), and the United Kingdom (15 percent). The current conservative export estimate may be adjusted later in the year depending on crush and domestic feed use developments.

Sunflower Oil

Table 12
Oil, Sunflower seed – Production, Supply, and Distribution

Oil, Sunflower seed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	9,500	9,400	9,100	9,200	0	9,400
Extr. Rate,	0.4225	0.4255	0.4225	0.4196	0	0.4202
Beginning Stocks	609	609	292	328	0	325
Production	4,014	4,000	3,845	3,860	0	3,950
MY Imports	2,103	2,103	2,350	2,300	0	2,500
Total Supply	6,726	6,712	6,487	6,488	0	6,775
MY Exports	1,221	1,221	800	850	0	1,070
Industrial Dom. Cons.	500	550	500	550	0	550
Food Use Dom. Cons.	4,700	4,600	4,850	4,750	0	4,790
Feed Waste Dom. Cons.	13	13	13	13	0	13
Total Dom. Cons.	5,213	5,163	5,363	5,313	0	5,353
Ending Stocks	292	328	324	325	0	352
Total Distribution	6,726	6,712	6,487	6,488	0	6,775

(1000 MT), (PERCENT)

Source: FAS EU

MY 2024/25

Sunflower oil production is forecast to increase by 2.3 percent because of higher crush. Most member states expect steady or increased production. The highest growth is seen in Romania, Bulgaria, Hungary, and to a smaller extent in Germany and Italy. This compensates for small declines in Spain, Portugal, Poland, Greece, Benelux, Austria, and Croatia. Sunflower oil output in France is projected to be flat compared to MY 2023/24.

Despite better domestic production, imports of sunflower oil are estimated to grow by about nine percent due to projected favorable and stable demand for food and industrial use. This will likely result in a higher total supply in the EU, predetermining further recovery in consumption and stable exports.

Consumption is projected to increase slight to almost 5.4 MMT. This is due to expected affordable prices, both in direct retail sales, and in the food processing sector, as well as in the hotel, restaurant and institutional (HRI) industries due to thriving tourism and travel. The demand for direct consumption is also projected to be supported by the continuing deficit of olive oil, much higher prices of olive oil, and by traditionally higher consumption of sunflower oil in niche ethnic markets. The Netherlands expects the highest growth in sunflower oil food use. Portugal, Benelux, and Poland project marginal declines. Other member states expect stable food consumption.

Sunflower oil continues to be the preferred healthy choice of food edible oil in many countries in Central and Eastern Europe. Industrial and biodiesel use of sunflower oil is likely to be steady on a low level due to its competitive prices and improved availability. The use for biofuels may trend lower in the future due to stronger competition from other vegetable oils and waste fats, including used cooking oils.

The EU's exports of sunflower oil are forecast upward due to better domestic output. However, these exports will not grow substantially due to more favorable local demand and projected competition with supply from the Black Sea region. Ending stocks are estimated to rebuild thanks to improved total supply.

MY 2023/24

Sunflower oil output is estimated to decrease by 3.5 percent from the previous season, in line with lower crush. Spain, Portugal, and Bulgaria report reductions in production; followed by steady output in the Netherlands, Greece, and Croatia; and estimated higher production in France, Romania and Hungary.

Demand for sunflower oil has improved considerably due to declining prices and abundant supply from competitive imports. The EU food industry increased its demand. Softening of sunflower oil prices made retail sales higher, moreover, sunflower oil has substituted for expensive and deficit olive oil. The food service industry and tourist/travel season in leading EU destinations boosted the demand further. The current estimate is for 3.3 percent growth in food consumption compared to MY 2022/23. All member states except for Poland are reporting stable and higher consumption led by Spain, France, Romania, Benelux, the Netherlands, and Germany. Italy, Hungary, Portugal, and Bulgaria see flat use compared to the previous season.

The EU's imports of sunflower oil are estimated to grow considerably in MY 2023/24 versus MY 2022/23 due to abundant and price competitive exports from Ukraine. Although imports in the first quarter of the year were seven percent lower than in the corresponding period last year (TDM data), it accelerated fast and as of February 28 (source: [TAXUD](#)) were at 1.63 MMT, 30 percent higher than last year. Ukraine was the major supplier of sunflower oil to the EU to date (93 percent). EU industry reports indicate that one of the reasons for the sharp growth in sunflower oil imports from Ukraine is the logistical issues in the Red Sea which make Black Sea shipments to Asian markets too costly and as a result shift shipments to the European market (and Turkey). EU Customs reports that leading EU importers to date are Spain, Italy, the Netherlands, Bulgaria, and Poland. It is assumed that part of these imports are transshipments that will be re-exported, and another part are imports of crude oil for further refining and exports. Poland, the Netherlands, Spain, France, and Bulgaria expect higher imports while other member states project stable or slightly lower imports.

Exports of sunflower oil are estimated to decline due to favorable domestic demand and stronger competition from Black Sea region export shipments. In the first quarter of the MY, exports decreased by 12 percent compared to a year ago (TDM data). As of February 28, exports were reported at 37 percent lower than last year (source: [TAXUD](#)) to the top destinations the United Kingdom (19 percent), South Africa (15 percent) and India (11 percent).

Ending stocks are estimated to decline only slightly compared to MY 2022/23 due to stable total supply and growth in domestic consumption.

5. Palm Kernel Complex

Palm Kernel Meal

Table 13

Meal, Palm Kernel – Production, Supply, and Distribution

Meal, Palm Kernel	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	27	27	25	55	0	45
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1,695	1,695	1,625	1,650	0	1,625
Total Supply (1000 MT)	1,722	1,722	1,650	1,705	0	1,670
MY Exports (1000 MT)	17	17	25	20	0	20
Industrial Dom. Cons. (1000 MT)	450	500	450	500	0	500
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1,230	1,150	1,150	1,140	0	1,120
Total Dom. Cons. (1000 MT)	1,680	1,650	1,600	1,640	0	1,620
Ending Stocks (1000 MT)	25	55	25	45	0	30
Total Distribution (1000 MT)	1,722	1,722	1,650	1,705	0	1,670
(1000 MT), (PERCENT)						

Source: FAS EU

Palm Kernel Oil

Table 14
Oil, Palm Kernel – Production, Supply, and Distribution

Oil, Palm Kernel	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	99	99	93	55	0	27
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	589	589	600	585	0	585
Total Supply (1000 MT)	688	688	693	640	0	612
MY Exports (1000 MT)	20	20	10	15	0	5
Industrial Dom. Cons. (1000 MT)	275	270	275	260	0	250
Food Use Dom. Cons. (1000 MT)	300	335	300	330	0	325
Feed Waste Dom. Cons. (1000 MT)	0	8	0	8	0	8
Total Dom. Cons. (1000 MT)	575	613	575	598	0	583
Ending Stocks (1000 MT)	93	55	108	27	0	24
Total Distribution (1000 MT)	688	688	693	640	0	612
(1000 MT), (PERCENT)						

Source: FAS EU

Palm kernel meal is commonly the cheapest of the four leading oilseed meals (i.e., soybean, rapeseed, sunflower, and palm kernel) and the three main feed grains (i.e., wheat, corn, and barley). It is mainly used as cattle feed, but also as swine feed (in particular for sows). In 2024 and 2025, EU imports and use are forecast to decline based on an overall shrinkage of the EU cattle herd (for more information see the [EU Livestock Semi-Annual of 2024](#)) and an ample supply of soybean meal in particular from Argentina. Almost two-thirds of the imported palm kernel meal is used in the Netherlands. However, because the Dutch dairy herd is on the decline, Dutch consumption is forecast to decrease. A potential growth market is Central Europe, where the cattle herd has the potential to expand, but this region is commonly not a market for palm kernel meal.

The market trend for palm kernel oil is similar to that for palm oil. EU imports of palm kernel oil are forecast to stabilize in 2024 and 2025, after declining in 2023, due to lower industrial use. A complicating factor for both palm kernel meal and palm kernel oil imports is the [EU Deforestation-free Supply Chain Regulation \(EUDR\)](#), which will be implemented in December 2024. For more information see the Palm Oil and the Policy and Programs chapter of this report.

6. Palm Oil

Palm Oil

Table 15
Oil, Palm Oil – Production, Supply, and Distribution

Oil, Palm	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	574	574	545	435	0	440
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	4,546	4,546	4,400	4,400	0	4,300
Total Supply (1000 MT)	5,120	5,120	4,945	4,835	0	4,740
MY Exports (1000 MT)	125	125	125	115	0	115
Industrial Dom. Cons. (1000 MT)	2250	2,210	2,050	2,030	0	1,980
Food Use Dom. Cons. (1000 MT)	2,000	2,200	2,000	2,120	0	2,080
Feed Waste Dom. Cons. (1000 MT)	200	150	200	130	0	130
Total Dom. Cons. (1000 MT)	4,450	4,560	4,250	4,280	0	4,190
Ending Stocks (1000 MT)	545	435	570	440	0	435
Total Distribution (1000 MT)	5,120	5,120	4,945	4,835	0	4,740

(1000 HA), (1000 TREES), (1000 MT), (MT/HA)

Source: FAS EU

Due to the lower use by the food sector and biofuel industry, EU imports are forecast to fall to 4.40 MMT in 2024, and 4.30 MMT in 2025. Palm oil stocks are anticipated to stabilize around 0.44 MMT. A large share of the stocked volume is stored in the port of Rotterdam, where storage capacity for edible oils is estimated at roughly 1.2 MMT.

After a record import volume of 7.11 MMT in 2020, the EU has steadily reduced its import volume of palm oil to 4.55 MMT in 2023. During this period, the import of crude palm oil declined from 5.08 MMT to 2.29 MMT, while the import of refined palm oil increased from 2.03 MMT to 2.25 MMT. The main cuts were taken by Indonesia and Malaysia, the two principal suppliers to the EU. From 2020 – 2023, imports from Guatemala, the third largest supplier to the EU, steadily increased. Imports from the top palm oil importing Member States (i.e., the Netherlands, Italy, Spain, Germany, Belgium, Poland, Sweden, and France) all declined, except for Spain and Sweden. Spanish and Swedish palm oil imports were supported by the use as feedstock for the production of hydrogenation derived renewable diesel (HDRD).

As the EU does not produce palm oil, imports are driven by domestic consumption. In 2023, EU palm oil use for food use took the biggest hit with a reduction of about 0.25 MMT followed by the use for

biofuels production with a reduction of 0.20 MMT. For 2024 – 2025, however, the most significant decline is forecast for the use in the production of biofuels, followed by food use.

In 2024 and 2025, the food use of palm oil is forecast to further decline, but at a slower pace than in 2023. After the increase in 2022, the use of palm oil for food processing dropped significantly in 2023 due to the favorable price of other vegetable oils, such as sunflower seed oil. While in the EU, palm oil is widely deemed to be unhealthy due to its high level of saturated fat, it is an essential ingredient for many food products, and often difficult to replace with other vegetable oils. Additionally, its use by the food service industry is forecast not to decline due to the lack of labeling (in retail, food manufacturers advertise the absence of palm oil as a key selling point on their product packaging). In addition to perceived health benefits, sustainability certification is another important factor for acceptance in the food market. The private sectors in the Netherlands, Belgium, Germany, Italy, France, Denmark, and Sweden agreed to ensure a fully certified, sustainable palm oil supply in Europe by 2020. In 2021 (latest data available), 93 percent of European imported palm oil was certified as sustainable (for more information see the of the Sustainable Trade Initiative).

The ambition of the European Commission is to cut the use of virgin vegetable oils for the production of biofuels, and increase the proportion of used oils, animal fats, and by-products from vegetable oil refining. For this reason, biofuels produced from waste fats and oils double count against the blending mandates in many member states. Palm oil use is also affected by the phase-out of biofuels derived from high-risk Indirect Land Use Change (ILUC) crops (see the Policy and Programs chapter of this report). According to the [EU Renewable Energy Directive II \(REDII\)](#) and [EU Delegated Act 2019/807](#), the use of high-risk ILUC biofuels was capped at the 2019 level until 2023, and will be phased out by 2030. It must be noted that the delegated act provides the possibility for producers to certify their feedstock as low-risk ILUC. Palm oil producers are able to certify their feedstock as low risk if they comply with the general sustainability criteria of the REDII and produce through additional “measures” such as cultivation on unused or abandoned land or if the fruit bunches are collected only from small holders (less than two hectares). Several Member States have announced earlier phase-outs of palm oil than the timeline laid down in REDII. In 2021, the French State Council confirmed that biofuels produced from all palm oil-based products are excluded from a tax advantage. Austria, Belgium, the Netherlands, Germany, and Italy followed with the accelerated phase out of palm oil as feedstock for biofuel production. However, these national bans only affect consumption and not production. Therefore, palm oil-based biofuels can still be produced in member states with a ban but will have to be exported either to another member state market or outside the EU. Based on the phasing out of palm oil, the use as feedstock for biofuel production is forecast to further fall in 2024 and 2025. During this period, other industrial uses of palm oil are projected to stagnate around 0.88 MMT. Indonesia (in 2019) and Malaysia (2021) filed a complaint at the WTO accusing the EU of restricting imports of palm oil as feedstock for the production of biofuels. On March 5, 2024, the WTO panel noted that certain aspects of the Delegated Act 2019/807 are inconsistent with WTO rules. The European Commission intends to take the necessary steps to adjust the delegated act (for more information see the [website](#) of the European Commission). For more information about the use of palm oil for the production of biofuels see the [EU Biofuels Annual of 2023](#), published August 14, 2023.

As part of the European Green Deal, the EU will enforce the [EU Deforestation-free Supply Chain Regulation \(EUDR\)](#) beginning December 30, 2024. This regulation will establish rules for commodities identified as the main drivers of deforestation and forest degradation, namely: cattle, cocoa, coffee, palm oil, rubber, soy, and wood. The concerns of EU importers of these commodities are similar to that of palm oil producers' organizations and are mainly related to the geolocation and traceability elements of the EU Deforestation Regulation. In particular for palm oil shipments, these concerns include that they sourced from small plots and many landowners, and that the product is aggregated and transported in bulk. FAS EU Posts anticipate that a portion of the palm oil supply will be in compliance with the EU Deforestation Regulation but that the volume will be limited, and the sourcing will come at a cost. For more information about the EU Deforestation Regulation see the FAS GAIN Report: [European Institutions Finalize Deforestation-Free Supply Chain Regulation](#), published by Brussels USEU on January 12, 2023.

7. Peanut Complex

Peanut Seed

Table 16
Oilseed, Peanut – Production, Supply, and Distribution

Oilseed, Peanut	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Area Harvested	0	0	0	0	0	0
Beginning Stocks	52	52	53	57	0	49
Production	0	0	0	0	0	0
MY Imports	909	922	910	900	0	900
Total Supply	961	974	963	957	0	949
MY Exports	45	69	45	60	0	60
Crush	35	35	35	35	0	35
Food Use Dom. Cons.	825	810	830	810	0	810
Feed Waste Dom. Cons.	3	3	3	3	0	3
Total Dom. Cons.	863	848	868	848	0	848
Ending Stocks	53	57	50	49	0	41
Total Distribution	961	974	963	957	0	949

(1000 HA), (1000 MT), (MT/HA)

Source: FAS EU

Domestic food use consumption is expected to be little changed in MY2023/24 and 2024/25, with few deviations in the trade data. The demand from the food manufacturing sector is driven by consumer demand for healthier snacking options – particularly products that have no additives/preservatives, are sugar-free, or “all-natural”. The main supplier of shelled peanuts to the EU is Argentina, with a 67 percent market share in MY2022/23. The widely reported crop issues that Argentina experienced in 2023 are already revealing themselves in the trade data for the first quarter of MY2023/24. This downturn is partially offset by increased exports from the United States. A better 2024 crop, however, would be expected to lead to a recovery in Argentina’s market share in the EU in MY2024/25. This is particularly the case if demand from China remains low and sales to Russia and Ukraine remain challenging. The United States is the second largest supplier to the EU, with a market share of just over nine percent in 2023. Strong competition from other suppliers and increased import controls for aflatoxins since late 2021 have contributed to the United States’ loss of market share in recent years. For comparison, its share was 25 percent in MY2013/14. This is despite EU imports having grown by more than 200,000 MT over the period.

Trade remains dependent on the ease with which U.S. suppliers can meet EU requirements for pesticide residues, aflatoxin levels, phytosanitary certificates, and private industry standards. After years of consolidation, the EU peanut kernel market is dominated by very few large multi-national processors.

Peanut Meal

Table 17
Meal, Peanut – Production, Supply, and Distribution

Meal, Peanut	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	35	35	35	35	0	35
Extr. Rate	0.43	0.43	0.43	0.43	0	0.43
Beginning Stocks	0	0	0	0	0	0
Production	15	15	15	15	0	15
MY Imports	0	0	0	0	0	0
Total Supply	15	15	15	15	0	15
MY Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	15	15	15	15	0	15
Total Dom. Cons.	15	15	15	15	0	15
Ending Stocks	0	0	0	0	0	0
Total Distribution	15	15	15	15	0	15
(1000 MT), (PERCENT)						

Source: FAS EU

Peanuts for confectionery, snacks, and other further processed product uses remain the focal point for trade. Peanut crushing within the EU has not increased in recent years. There is currently a preference for other meals for animal feed.

Peanut Oil

Table 18
Oil, Peanut – Production, Supply, and Distribution

Oil, Peanut	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	35	35	35	35	0	35
Extr. Rate	0.37	0.37	0.37	0.37	0	0.37
Beginning Stocks	5	5	3	3	0	3
Production	13	13	13	13	0	13
MY Imports	45	44	52	55	0	55
Total Supply	63	62	68	71	0	71
MY Exports	6	6	6	6	0	6
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	54	53	57	62	0	62
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	54	53	57	62	0	62
Ending Stocks	3	3	5	3	0	3
Total Distribution	63	62	68	71	0	71
(1000 MT), (PERCENT)						

Source: FAS EU

Although it undergoes further refinement after crushing, peanut oil must be labeled on EU food packaging as an allergen. This deters its widespread use in food applications. EU peanut oil consumption has declined over the last ten years and is increasingly substituted by other oils. Brazil remains the leading supplier to the EU followed by Argentina and Nicaragua, with imports from Senegal having reduced markedly.

8. Fish Meal

Fish Meal

Table 19
Meal, Fish – Production, Supply, and Distribution

Meal, Fish	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2025	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	400	380	400	375	0	375
MY Imports (1000 MT)	250	250	240	250	0	250
Total Supply (1000 MT)	650	630	640	625	0	625
MY Exports (1000 MT)	153	153	185	145	0	145
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	497	477	455	480	0	480
Total Dom. Cons. (1000 MT)	497	477	455	480	0	480
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	650	630	640	625	0	625
(1000 MT), (PERCENT)						

Source: FAS EU

Denmark accounts for roughly half of the EU's fishmeal production. Spain is the second largest producer. Spanish production is mainly derived from by-products from fish processing, while Danish production volumes depend on the fishery [quotas](#) set by the European Commission and the actual [catch](#) (Danish language). The main fish species which are landed for industrial use are herring, sprat, blue whiting, and sand eel. In 2023, Danish landings of fish for fishmeal production increased mainly due to higher catching volumes of sand eel and blue whiting. Brexit still has implications on the EU fisheries sector, such as lost fisheries rights (for more information see the website of the [European Parliament](#)).

In 2023, EU fishmeal imports grew slightly due to increased imports by the main EU producers (Spain and Denmark) as a result of an expanding sow herd combined with the limited availability of soybean meal. Spanish and Danish piglet production is forecast to further expand in 2024, but the additional demand for proteins is projected to be fulfilled with oilseed meals. EU imports from Peru declined sharply in 2023 and are forecast to further decline in 2024 due to Peruvian fishery restrictions. Lower imports from Peru are forecast to be partly offset by increased imports from Morocco, Norway, and the Faroe Islands. Overall, EU fishmeal imports are anticipated to stabilize in 2024 and 2025.

9. Copra Complex

The EU is a major global buyer of coconut oil. It is used as a healthier alternative in cooking, in production of high-end health foods, snacks, and supplements. Thanks to its moisturizing properties, it is a popular ingredient in cosmetics. More than a half, approximately 60 percent, of the EU coconut supply is imported through The Netherlands.

The Philippines, a major supplier, is currently updating its biofuels legislation to establish a new mandate. This new biofuels mandate is expected to increase the local consumption of coconut oil utilized for biodiesel production. The impact on EU imports may already be reflected in the last quarter of the current MY 2023/24, depending on the exact date of implementation of the new legislation. It is estimated that this policy will cause a significant drop in exportable supplies (30,000 - 60,000 MT) for the remainder of the marketing year. In MY 2024/25, it is forecast that this will lead to further reductions in exportable supplies. The production in MY 2024/25 may also be further reduced by the impact of El Niño. Therefore, a tight EU balance is anticipated in MY 2024/25.

Coconut Oil

Table 20

Oil, Coconut – Production, Supply, and Distribution

Oil, Coconut	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2025	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Crush (1000 MT)	0	0	0	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	80	80	71	70	0	60
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	649	649	645	642	0	625
Total Supply (1000 MT)	729	729	716	712	0	685
MY Exports (1000 MT)	28	29	30	27	0	25
Industrial Dom. Cons. (1000 MT)	260	260	260	260	0	260
Food Use Dom. Cons. (1000 MT)	365	365	365	360	0	360
Feed Waste Dom. Cons. (1000 MT)	5	5	0	5	0	5
Total Dom. Cons. (1000 MT)	630	630	625	625	0	625
Ending Stocks (1000 MT)	71	70	61	60	0	35
Total Distribution (1000 MT)	729	729	716	712	0	685
(1000 MT), (PERCENT)						

Source: FAS EU

10. Cottonseed

Cottonseed

Table 21
Cottonseed, Seed – Production, Supply, and Distribution

Cottonseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
European Union	USDA Official EU27	New Post EU27	USDA Official EU27	New Post EU27	USDA Official EU27	New Post EU27
Area Harvested (Cotton)	309	309	253	260	0	260
Beginning Stocks	53	53	52	52	0	42
Production	525	525	338	345	0	440
MY Imports	0	0	0	0	0	0
Total Supply	578	578	390	397	0	482
MY Exports	111	111	60	65	0	80
Crush	215	215	150	150	0	200
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	200	200	150	140	0	150
Total Dom. Cons.	415	415	300	290	0	350
Ending Stocks	52	52	30	42	0	52
Total Distribution	578	578	390	397	0	482
Yield	1.70	1.70	1.34	1.38	0	1.69
(1000 HA), (RATIO), (1000 MT), (MT/HA)						

Source: FAS EU

Production

The European Union is a minor producer of cotton, representing approximately 1.5 percent of the global production. EU cotton production has declined by more than 50 percent since the implementation of the 2006 Common Agricultural Policy that decoupled payments and reduced support and market barriers for a number of crops, including cotton. The EU bans cultivation of modern biotech cotton varieties, further hurting competitiveness. Only two EU Members States, Greece and Spain grow significant amounts of cotton commercially. Cottonseed production in MY 2024/25 is forecast to rebound 27.5 percent after a low production year. Yields in both Greece and Spain are expected to be average, given the high price of fertilizers, irrigation limitations, and cultivation supplies.

Crush

About 55 percent of cottonseed production in Greece is crushed for oil (and oilseed cake) or retained for seed. In Spain, there is no domestic cottonseed crushing. In 2023, Greece crushed approximately 150,000 MT of cottonseed yielding 25,000 MT of cottonseed oil. Approximately 20 percent of cottonseed oil is used for biodiesel production. Cottonseed oil has traditionally been used in the food and snack-food manufacturing industries. Cottonseed oil is also a popular frying oil for restaurants.

Trade

In MY 2022/23, the EU cottonseed exports increased 22 percent compared to the previous year driven by higher production in Greece. Exports are estimated to decrease significantly by 70 percent in MY 2023/24 due to lower production and yields. Saudi Arabia, Japan, the United Arab Emirates, and Qatar are the leading destinations for EU cottonseed exports. Greece imports small amounts of cottonseed for blending in the domestic industry. Spain's cottonseed domestic demand is satisfied by imports.

There are two basic types of cottonseeds: The dried cottonseed and the non-dried (fresh cotton seed). The main difference is the humidity level as the dried cottonseed usually ranges at 9-10 percent moisture while the fresh cottonseed may be 15 percent. Oil and protein content depending on the season is about 18 percent. Once harvested the seeds are stored in ventilated warehouses to maintain the highest quality.

11. Olive Oil

Olive Oil

Table 22
Oil, Olive – Production, Supply, and Distribution

Oil, Olive	2022/2023		2023/2024		2024/2025	
Market Year Begins	Nov 2022		Nov 2023		Nov 2024	
European Union	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	452	452	213	276		266
Production	1,392	1,392	1,415	1,475		1,825
MY Imports	193	179	140	175		185
Total Supply	2,037	2,023	1,768	1,926		2,276
MY Exports (1000 MT)	659	582	475	525		630
Industrial Dom. Cons.	15	15	15	15		20
Food Use Dom. Cons.	1,150	1,150	1,050	1,120		1,290
Total Dom. Cons.	1,165	1,165	1,065	1,135		1,310
Ending Stocks	213	276	228	266		336
Total Distribution	2,037	2,023	1,768	1,926		2,276

(1000 HA), (1000 TREES), (1000 MT)

Source: FAS EU

N.B.: Post trade and production data include only HS Code 1509.

MY 2024/25

In this report projections for MY 2024/25 are based on five-year average numbers. This is because it is too early to estimate MY 2024/25 as the MY 2023/24 harvest is just finishing.¹ Mild spring temperatures during tree blooming (April and May) and fall precipitation patterns play key roles in determining final yields. While the impact of drought affecting trees may still prevent a full recovery in olive oil production, the ‘off-year’ pattern may set the trees up for a more promising harvest. Within the EU, in areas with a greater presence of intensively irrigated olive groves, the impact of alternative bearing is milder than in other regions with a larger share of rainfed or traditional olive groves.

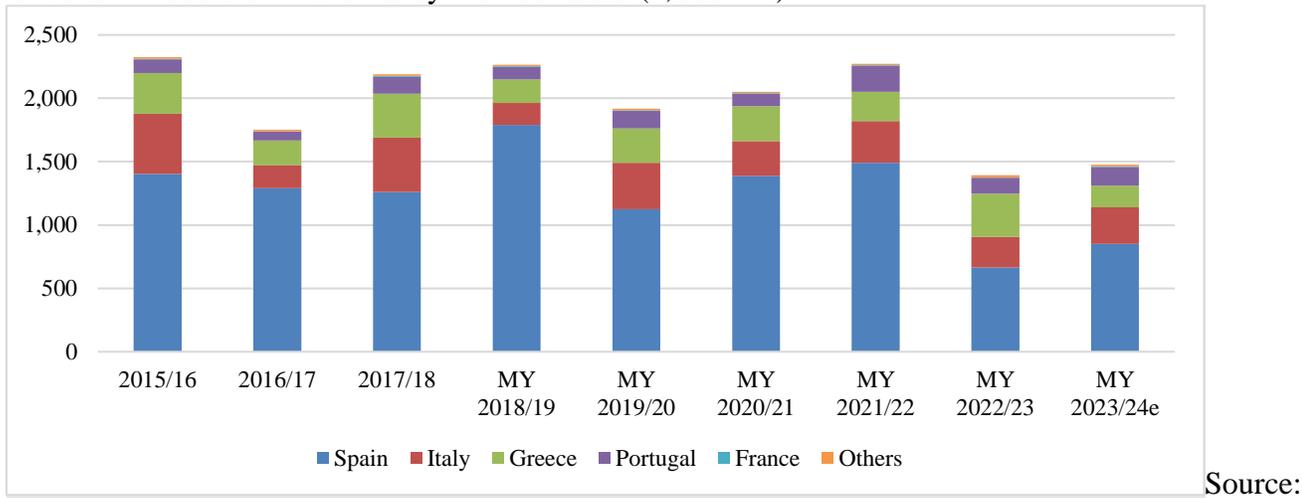
MY 2023/24

Post currently pegs MY 2023/24 EU olive oil production short, but estimates improved output compared to the previous season. Fall precipitation in Portugal and Spain contributed to a slight upward revision of olive oil output compared to the previous season. In the case of Greece, adverse climate conditions, alternative bearing, and phytosanitary issues halved production compared to MY 2022/23 levels.

Additional information regarding MY 2022/23 and MY 2023/24 supply and demand situation can be found at GAIN Report [European Union: EU Olive Oil Production Update](#).

¹ Olive harvest for milling purposes in the EU runs from late October until April although the bulk of the production is normally harvested between November and February.

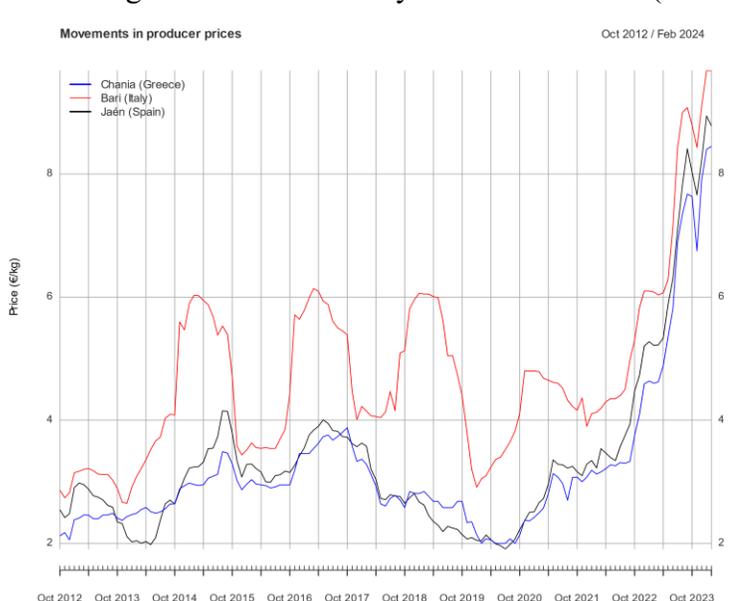
Figure 11
Olive Oil Production in the EU by Member State (1,000 MT)



The EU is the world’s largest olive oil producer, accounting for over 60 percent of global production. The main olive oil producers in the EU include Spain, which produces nearly 70 percent of the bloc’s olive oil output, followed by other major producers, including Italy, Greece, and Portugal. To a much smaller extent, olive oil production also exists in France, Cyprus, Croatia, and Slovenia.

Jaén in Spain, *Bari* in Italy, *Chania* in Greece, and *Tras-os-Montes* in Portugal are the most representative olive oil markets of the European Union. Stemming from the short global olive oil supply, producers’ (Figure 26) and consumers’ olive oil prices (Figure 27) remain at historically high levels.

Figure 12
Extra Virgin Olive Oil Monthly Producers’ Prices (Euro/100 Kg)

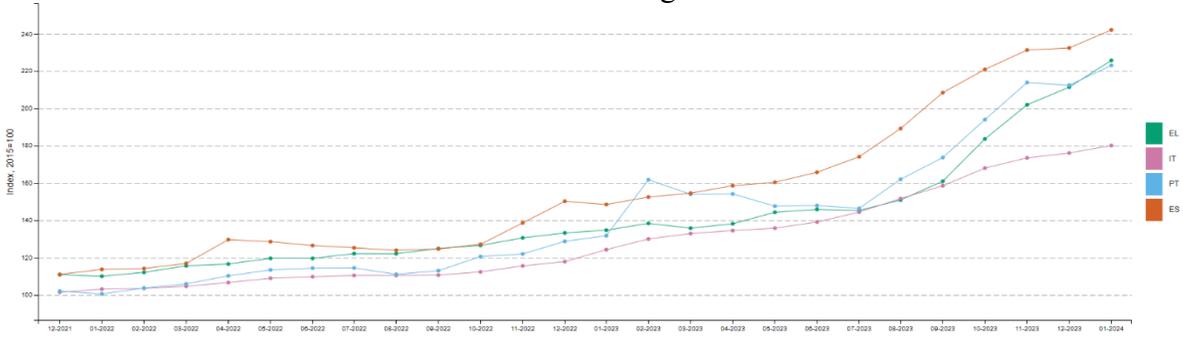


Source: International Olive Council.

Consumption

Escalating global olive oil prices continue to erode olive oil competitiveness, with price-sensitive consumers across the EU moving away from olive oil to more affordable oils such as sunflower or rapeseed oils. However, the inelasticity of olive oil demand, particularly in producing Member States, leads to a comparatively lower reduction in internal consumption than in exports.

Figure 13
Olive Oil Consumer's Prices in Main EU Consuming Member States

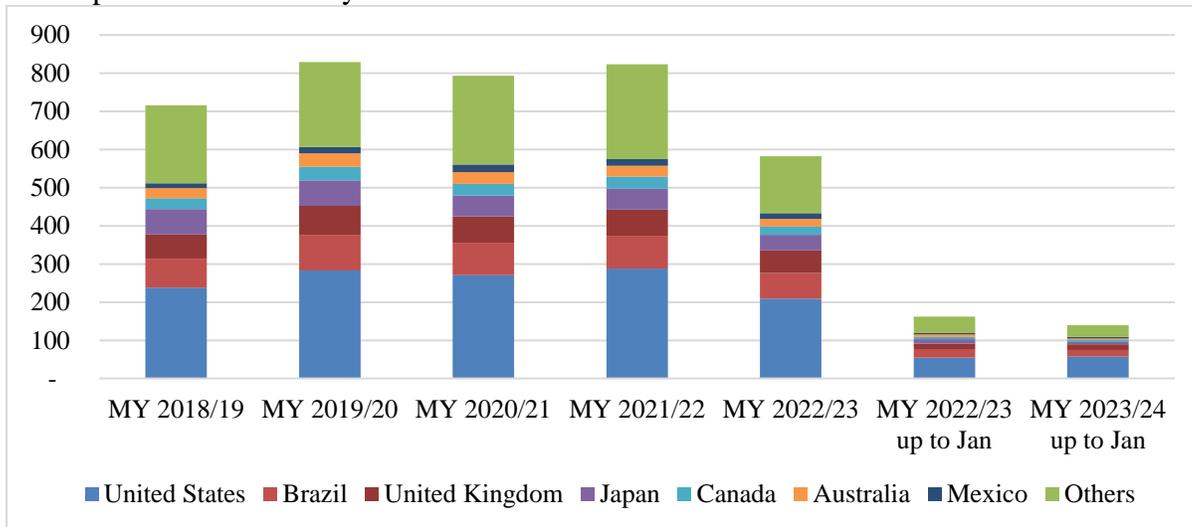


Source: [Food price monitoring tool \(europa.eu\)](https://europa.eu/food/price-monitoring-tool)

Trade

Tunisia² reduced its exports to the EU during the first four months of MY 2023/24. On a positive note, imports from Turkey³ Syria, Argentina, Morocco and Chile grew significantly, countering Tunisia’s decline and alleviating the EU’s shortfall during the same period. EU olive oil exports to third country markets have been negatively affected by reduced supplies and soaring prices, leading to a nearly 15 percent decline since the beginning of the marketing year up to January.

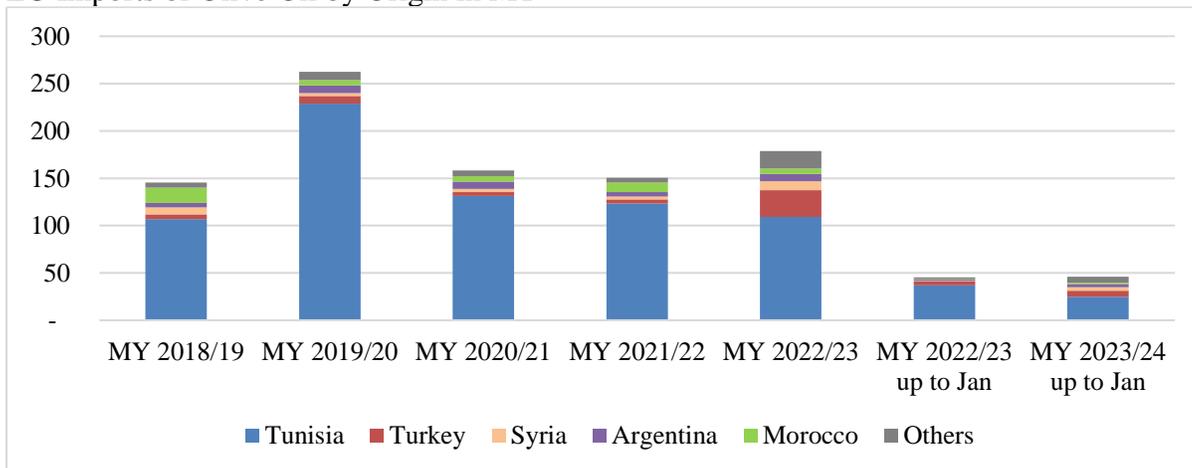
Figure 14
EU Exports of Olive Oil by Destination in MT



Source:

TDM

Figure 15
EU Imports of Olive Oil by Origin in MT



Source:

TDM

² The 56.7 TMT olive oil quota from Tunisia was fully allocated during the [first tender](#) in January 2024 (see **Policy Section** for additional details).

³ Turkey announced a three-month export ban on olive oil in bulk and in barrels due to the shortage of olive oil production in Mediterranean countries. Additional information can be found in the GAIN Report [Turkey Re-Introduces Olive Oil and Pulse Export Restrictions](#).

Stocks

Given the reduced domestic crop and despite the projected reduction in consumption and exports, olive oil stocks in the EU are anticipated to remain tight at the end of MY 2023/24.

12. Policy

Common Agricultural Policy (CAP)

The CAP for 2023-2027 was [adopted](#) on December 2, 2021, and published in the Official Journal on December 6, 2021. EU Member States (MS) were requested to submit [Strategic Plans](#), incorporating MS specific goals and initiatives, by the end of 2021. By December 2022, all national strategic plans were approved by the European Commission. Implementation of the ‘new’ CAP began on January 1, 2023.

In July 2023, the EU allocated €330 million in exceptional support from the CAP reserve fund for crises to help farmers who have suffered damage and productivity losses caused by climate events. In total, 22 Member States qualify: Belgium, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Finland, and Sweden. Spain, Portugal, and Italy are specifically targeted. Qualifying countries may complement this EU support up to 200 percent with national funds. Additionally, the Commission established a €100 million support package for farmers producing cereals and oilseeds in Bulgaria, Hungary, Poland, Romania, and Slovakia. This package was adopted to mitigate the effects of logistical bottlenecks resulting from the imports of certain agri-food products from Ukraine.

In March 2024, following weeks of farmer protests across the European Union demanding less administrative burden and better prices, the European Commission published a legislative proposal to amend certain provisions of the CAP. The Commission acknowledged that the first year of implementation of the current CAP made clear that adjustments are necessary to ensure effective implementation of the National Strategic Plans and reduce red tape. For more information, please see GAIN Report: [EU Commission Proposes Common Agricultural Policy Revisions Following Farmer Protests](#).

Private Storage Aid

[EU delegated regulation 2016/1238](#) lays down common eligibility rules for private storage aid for certain agricultural products including olive oil. The European Commission can provide private storage aid (PSA) for a period of 180 days if there are serious disturbances to the olive oil market in a certain region or if the average price for one or more of the following products is recorded on the market during a two-week period:

- € 1,779/ton for extra virgin olive oil
- € 1,710/ton for virgin olive oil
- € 1,524/ton for pomace olive oil

EU Policy Response to the War in Ukraine

In February 2022, Russia launched an unjustified invasion of [Ukraine](#), which continues to put pressure on global food security as both countries are major exporters of feed and grains products. The grains sector has been impacted by disruptions in trade flows and increased input prices, such as energy, fertilizers, and pesticides.

Since the beginning of the war, the EU has tried to respond to the disruptions in the supply chains for agricultural products, especially grains and feed. For more information about the EU's response until March 2023, please see [GAIN Report European Union: Grain and Feed Annual \(April 2023\)](#).

Following intense pressure from Bulgaria, Hungary, Poland, Romania and Slovakia, the Commission adopted temporary preventive measures on imports of a limited number of products from Ukraine under the exceptional safeguard of the Autonomous Trade Measures Regulation. The measures concern only four agricultural products including rapeseed and sunflower seed originating in Ukraine. From May 2 to September 15, 2023, wheat and corn from Ukraine continued to be released for free circulation in all the Member States of the European Union other than the five frontline Member States. There was no prolongation of the measures after September by the European Union which led to unilateral national bans by Bulgaria, Hungary, Poland, Romania, and Slovakia. Some measures are still in place today.

On January 31, 2024, the Commission published a proposal to renew the suspension of import duties and quotas on Ukrainian exports to the EU for another year. This proposal includes a safeguard mechanism for the most sensitive products: an emergency brake is foreseen which would stabilize imports at the average import volumes in 2022 and 2023. This mechanism would not apply to oilseeds.

Proposed Increased Tariffs on Russian and Belarusian Cereals and Oilseeds

On March 22, 2024, the European Commission published that would increase tariffs on imports of cereals, oilseeds, and derived products from Russia and Belarus into the EU. At time of writing, this proposal was awaiting adoption by the EU Council. The increased duties would apply to imports of wheat, maize, sunflower meal, and other products. The full list of products covered by the Regulation can be found [here](#). The new tariffs will increase to either 95 Euros per ton, or to an ad valorem duty of 50%. Additionally, Russia and Belarus will no longer have access to any of the EU's WTO quotas on grain that offer better tariff treatment for some products.

The Green Deal

On December 11, 2019, the European Commission announced the [European Green Deal](#). The European Commission sees the Green Deal and accompanying strategies as a way of achieving the [Paris Climate Agreement](#) and [UN Sustainable Development Goal](#) commitments. For the food and agriculture sector, the Commission adopted the [Farm to Fork \(F2F\) Strategy](#) and the [Biodiversity Strategy](#) for 2030.

Deforestation-free supply chains

As part of the Green Deal, the European Commission adopted [Regulation 2023/1115](#) aimed to prevent products causing deforestation entering the EU market. The proposal targets products which are identified by the European Commission as the main drivers of deforestation including soybean, palm oil, and related products.

Table 23

Products covered by the EU Deforestation Regulation:

Commodity	HS Codes in the scope of the proposal
Oil palm	1511 Palm oil and its fractions, whether or not refined, but not chemically modified 1207 10 Palm nuts and kernels 1513 21 Crude palm kernel and babassu oil and fractions thereof 1513 29 Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding Crude oil) 2306 60 Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nuts oils or kernels oils 382319 fatty acids, industrial, monocarboxylic; acid oils from refining (excl. stearic acid, oleic acid and tall oil fatty acids) 291590 saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excl. formic acid and acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic and pentanoic acids, palmitic and stearic acids, their salts and esters, and acetic anhydride) 382370 fatty alcohols, industrial 382311 stearic acid, industrial 290545 glycerol 291570 palmitic acid, stearic acid, their salts and esters 382312 oleic acid, industrial
Soya	1201 Soya beans, whether or not broken 1208 10 Soya bean flour and meal 1507 Soya-bean oil and its fractions, whether or not refined, but not chemically modified 2304 Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil

To sell any of the covered products in the EU or export them from the EU, business operators will be required to provide extensive information about the product's origins, including the precise location(s) and general time of production. The requirements for economic operators will start on December 30, 2024. The Regulation establishes a country benchmarking system through which the EU Commission will assess the risk that countries, or parts thereof, produce relevant commodities and products that contribute to deforestation. Products sourced from standard- or high-risk origins must comply with additional risk assessment and mitigation procedures. For more information, please see [GAIN Report: European Institutions Finalize Deforestation-Free Supply Chain Regulation](#).

Trade Policy

EU Free Trade Agreements (FTAs)

The EU is negotiating and has implemented several FTAs with other countries and regions, which include concessions on oilseeds. Additional information is available on the website of the European Commission at: <https://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/>

In June 2022, the European Union concluded negotiations for a trade agreement with New Zealand. The agreement is currently being ratified by the European Union. The trade agreement removes all tariffs at entry into force on EU agri-food exports to New Zealand. However, this is not the case for all agri-food imports into the EU with tariffs rate quotas for some products such as ethanol with 4000 tons at zero duty. More information about the agreement can be found [here](#).

Boeing Case

On November 9, 2020, the European Union announced retaliatory tariffs against U.S. exports following the World Trade Organization's (WTO) ruling that authorized the EU to take such countermeasures due to U.S. subsidies to aircraft maker Boeing. The European Commission published [Implementing Regulation 2020/1646](#) that outlined the list of products subjected to a 25 percent additional tariff. The Regulation entered into force on November 10, 2020. Groundnuts, crude fixed vegetable fats, and oils were included. In June 2021, the European Union and the United States reached an understanding in the large civil aircraft dispute. On July 9, 2021, the European Commission adopted [Implementing Regulation 2021/1123](#) suspending the application of tariffs until July 11, 2026.

Duty-Free Quota for olive oil

In accordance with the Euro-Mediterranean Agreement, a 56,700 MT duty-free quota is open for Tunisian virgin olive oil imports into the European Union. Additional information on this regime is available in the [Commission Implementing Regulation \(EU\) 2020/761v](#). Outside quota or preferential agreements, olive oil imports to the EU are subject to a 124.50 Euros/100 Kg duty.

Aid System for Oilseeds

Farmers do not receive specific payments for growing oilseeds. Except for the olive sector, there is no intervention (i.e., buying, export subsidy or other market support programs) available for oilseeds in the EU. See olive oil section for additional information.

Blair House Agreement

The 1992 Blair House Memorandum of Understanding on Oilseeds (or Blair House Agreement (BHA)) between the United States and the EU was included in the EU WTO schedule of commitments and resolved a General Agreement on Tariffs and Trade dispute over EU domestic support programs that impaired U.S. access to the EU oilseeds market. As noted earlier, there are no crop specific payments for oilseeds-- the BHA is maintained but not in use.

EU Energy Policy and the Renewable Energy Directive

In December 2018, the EU published the Renewable Energy Directive II (REDII) in the Official Journal ([Directive 2018/2001](#)). The REDII was revised in 2023 to account for the EU's new greenhouse gas emissions reduction targets. The revised REDII entered into force on November 20, 2023, with an 18-month period to transpose most of the Directive's provisions into national law in the Member States.

The revised REDII sets out an overall renewable energy target of at least 42.5 percent binding at EU level by 2030. For transport, Member States can choose between a target of reducing greenhouse gas (GHG) intensity by 14.5 percent up to 2030 or ensuring a share of at least 29 percent of renewables in final energy consumption by 2030. The Directive also sets out a binding target on non-crop based advanced biofuels of one percent in 2025 and 5.5 percent in 2030, of which a share of at least one percentage point is from renewable fuels of non-biological origin in 2030. The EU capped crop-based biofuels at the level consumed in each Member State in 2020, with an additional one percent point allowed over present consumption up to an overall cap of seven percent.

The REDII puts in place a freeze on the use of high-risk indirect land use change (ILUC) biofuels at 2019 levels and a requirement to phase them out completely by 2030. In May 2019, the European Commission adopted [Delegated Regulation 2019/807](#) setting out specific criteria on what the EU considers a high-risk ILUC biofuel. The Commission determined that high ILUC-risk biofuel feedstocks are those for which the share of production expansion into land with high carbon stock is higher than 10 percent since 2008 and with an annual expansion of more than one percent. Given the calculations of the Commission, only palm oil falls under this definition and will need to be phased out by 2030. Soy, rapeseed, and sunflower do not fall under this definition. However, the Delegated Act gives the possibility for producers, including palm producers, to certify their feedstock as low-risk ILUC through additional measures. Delegated Regulation 2019/807 also stipulates that the Commission shall review all relevant aspects of the report on feedstock expansion. This could lead to more commodities falling under the definition of a 'high-risk ILUC biofuel' in the future.

The REDII also sets out sustainability criteria for biofuels to count toward the mandatory national renewable targets for transport fuels. The criteria include greenhouse gas savings, exclusion for land with high biodiversity value and high carbon stock, and measures to mitigate ILUC. The REDII requires all biofuel used in the EU, whether produced in the EU or a third country, to demonstrably meet these criteria through compliance certification. In January 2019, the European Commission recognized the U.S. soy industry's scheme certifying U.S. soybeans' compliance. With this recognition, certified U.S. soybeans can be used for biofuel production in the EU and count towards the RED targets. There are currently over a dozen other certification schemes recognized by the EU.

EU Plant Protection Products Policy

Plant protection products (PPPs) along with Maximum Residue Limits (MRLs) and import tolerances, are an increasingly important issue in the EU since there is a significant reduction in the number of active substances approved for use. [Regulation \(EC\) No 1107/2009](#) and [Regulation \(EC\) No 396/2005](#) regulate PPPs and MRLs, respectively. There is a regular review of active substances for which the approval is up for renewal, as well as their associated MRLs. Existing MRLs are also being reviewed through a process known as an ‘Article 12’ review. The link refers to a list indicating the upcoming MRL reviews under this Article 12 process. It is important to note that this list is not all-inclusive. Stakeholders are encouraged to actively engage early on in these review processes by reaching out to the applicant. Together with the applicant, they can ensure that the necessary data is available for review or if trials for data collection are in progress or should be initiated etc., especially if the substance is not used or authorized in the EU. Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities and to check the USEU website for updates of the EU Early Alert.

EU Restrictions on the Use of Neonicotinoids: The EU has prohibited the use of three neonicotinoids (clothianidin, imidacloprid, and thiamethoxam) except for their application in permanent greenhouses since 2018, while a fourth one was banned in 2020 (thiacloprid). [Commission Regulation \(EU\) 2023/334](#) reduces the current EU maximum residue limits (MRLs) for clothianidin and thiamethoxam to the limit of determination (LOD) and will apply as of March 7, 2026. Imported products will then no longer be able to contain residues of these two neonicotinoids. The proposed reduction in MRLs is based on a stated interest in protecting pollinators in countries outside of the EU and is not related to food safety concerns.

Glyphosate: [Commission Implementing Regulation \(EU\) 2023/2660](#) renews the approval of the active substance glyphosate for 10 years, until December 15, 2033. The renewal is subject to certain new conditions and restrictions, such as the prohibition of pre-harvest use as a desiccant and the need for certain measures to protect non-target organisms. The placing on the market of plant protection products containing the active substance remains under the responsibility of Member States.

Agricultural Biotechnology

In the EU, commercial cultivation of genetically engineered (GE) crops is limited to one percent of the total corn area, concentrated in Spain and Portugal. Since 2015, nineteen EU countries have opted out of GE crop cultivation under [Directive \(EU\) 2015/412](#). GE corn is primarily used domestically as animal feed. Feed containing GE soybean is labeled as 'contains GE products.' The corn processing industry uses GE-free corn for food production, often sourced through identity-preserved programs. The EU annually imports 12 to 25 million MT of corn and byproducts, with over 20 percent estimated to be GE. U.S. corn exports to the EU declined significantly since 1998 due to slower GE trait approvals and the absence of an EU low-level presence policy. For more information, please see the [EU Biotechnology and Other New Production Technologies Annual Report](#).

Maximum Levels of Nickel

In February 2024, the EU agreed to establish maximum levels for nickel in oilseeds used as food. These levels will apply from July 1, 2025, onwards. Oilseeds put on the market before that date may remain on the market until their minimum durability or use-by data. The newly established levels will be published as an amendment to [Commission Regulation \(EU\) 2023/915 of 25 April 2023 on maximum levels for certain contaminants in food](#). The Annex to this legislation will include the following addition:

Table 24

Products covered by the new maximum levels of nickel

Product	Maximum level of nickel (mg/kg)
Sunflower seed	8
Peanuts	12
Soybeans	15

Please note that the maximum level does not apply to oilseeds for crushing and oil refining, provided that the remaining pressed oilseeds are not placed on the market as food.

Related Reports

For related reports please search the USDA/FAS GAIN database:

<https://gain.fas.usda.gov/>

Attachments:

No Attachments