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EU Protein Deficiency

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Report Highlights:
The EU suffers from an important protein deficiency and sees this as a vulnerability to price volatility and trade distortions. The EU protein crop production currently provides 30 percent of the protein crops consumed as animal feed; however, it is decreasing. The remaining 70 percent of the protein crops consumed in the EU today, especially soybeans, are imported.

The EU's policy on biotech crops is making the protein deficit problem worse since no biotech protein crops are allowed for cultivation. The EU is a major importer of biotech products, primarily soybean and corn products for use in animal feed and human food. The protein deficiency in the EU would make Europe an important market for the U.S. soybeans and soybean meal if the issue with low level presence of biotech strains could be solved.

General Information:

Introduction

The EU suffers from an important protein deficiency and sees this as a vulnerability to price volatility and trade distortions. Martin Häusler, a Member of the European Parliament (MEP), wrote an own-initiative report called "*EU Protein deficit: what solution for a long standing problem"* and in so doing started a debate on how to solve the problem.

Background

Protein Deficiency in the EU

According to the report by MEP Häusler, the EU protein crop production currently provides 30 percent of the protein crops consumed as animal feed; however, it is decreasing. The remaining 70 percent of the protein crops consumed in the EU today, especially soybeans, are imported. Imports come mainly from Brazil, Argentina and the United States. These imports represent the equivalent of 20 million hectares cultivated land outside the EU, or more than 10 percent of the EUs' arable land. Currently only three percent of EU arable land is cultivated with protein crops.

The largest protein crops cultivated in the EU are field beans (pisum sativum), field peas (vicia pava), and sweet lupins. Soybeans are not largely cultivated in the EU; only around 350,000 ha, compared to 6,500,000 ha of rapeseed.

The EU's policy on biotech crops is making the protein deficit problem worse since no biotech protein crops are allowed for cultivation. The EU is a major importer of biotech products, primarily soybean and corn products for use in animal feed and human food. However, some U.S. shipments have been stopped because of low level presence of unapproved GM events which causes uncertainty for traders. For more information on EU Biotechnology Policy see GAIN FR9043.

The Report

Policymakers and EU industry representatives were very interested in the report when it was released in Brussels. The report revived discussions on several topics related to protein deficiency, such as the meat and bone meal (MBM) ban, international agreements and biotech approval, in addition to introducing a discussion on how to increase EU production of protein crops. The report blames the deficit in protein crops to previously established international trade agreements, especially with the United States, such as the GATT and Blair House Agreements (BHA), saying these agreements made the EU protect its cereal production and, in return, permit duty free imports of protein crops and oilseeds into the EU.

The decrease in production of protein crops in the EU for the last decades, has led to neglecting research and development, training and the acquisition of practical experience in domestic protein crop production.

The report states that increased production of protein crops in the EU would help combat climate change, enhance soil fertility, improve water management, and preserve the diversity of crop varieties. Protein crops and their extended use in crop rotation offer a wide range of agro-environmental advantages such as: fixation of nitrogen, enhancing soil fertility, and improving water management.

Another factor leading to protein deficiency in the EU is the outbreak of Bovine Spongiform Encephalopathy (BSE) a decade ago, which led to a ban on the use of meat and bone meal (MBM) in feed in year 2001.

When the report was discussed at an AGRI committee meeting in the European Parliament (EP) in November 2010, the author gave a short presentation of the situation in the EU and emphasized that the EU is no longer the main importer of proteins. Increasing imports by China are providing alternative to exports to EU countries reducing reliability of EU protein supply.

In the discussions that followed the presentation, several MEPs agreed that protein deficiency in the EU must be addressed and that protein production should be re-introduced into the EU with sustainable measures. Investment in research for protein crops was also advocated because without research the production will come to a halt.

A French MEP said International agreements were concluded when the EU was made of 12 or 15 countries and China was not a major actor, so there should be new discussions. A Belgian MEP called for a denouncement of BHA as it was signed at another time and within another context. A representative from the European Commission said the BHA does not apply anymore considering the production levels of oilseeds and other protein crops.

A German MEP raised the issue of reusing meat waste from abattoirs in animal feed. Another German MEP agreed that the debate on animal protein has to be addressed but with caution. A Swedish MEP said the decision on animal protein should be revisited since the legislation was made in a time of panic after the dioxin chicken and mad cow disease outbreak. She said the problem is solved, and certain decisions have to be reviewed. She agreed meals should not come from the same species but said the situation will not be sustainable if only vegetable proteins are permitted.

Meat and bone meal as a source of protein

Unlike in the US, where protein meals are cheaper and abundant, the EU had been using other sources of proteins, such as MBM. When the Bovine Spongiform Encephalopathy (BSE) was found and caused the big disaster in the EU, this source of protein was no longer available as of 2001.

To prevent the spread of BSE the Commission decided, in 2001, to remove specified risk material from the food chain, applying appropriate rendering conditions for the production of animal by-products and the ban of meat and bone meal (MBM) from mammals in compound feed for ruminants (Regulation (EC) No 999/2001). The amount of MBM consumed in the EU by that time was about 2.5 million tons annually, which equates to 2.9 million tons of soybean meal or to 3.7 million tons of soybeans based on protein equivalency.

Today, all MBM, even from poultry and pork production is banned in feed. However, there seems to be a growing interest, by governments and the private, sector to raise the discussions of reintroducing this material in feed for animals that are not natural vegetarians.

EU Dried Fodder Regime – a means to increase protein production

To increase domestically produced protein for animal feed, the Commission introduced the EU dried fodder regime in 1978. The fodder regime is now part of the Common Market Organization (CMO). Aid is still given to dried fodder processors. This aid is set at €33/ton with a maximum guarantee quantity set at 4,960,723 tons of dried fodder per marketing year.

Before the Health Check of the Common Agriculture Policy (CAP), farmers growing protein crops such as peas, beans and lupines, received €55.57 per hectare as a protein crop premium, with a maximum guaranteed area of 1,648 million hectares in EU15. In the EU12, MS were allowed to make Complementary National Direct payments on a coupled or decoupled basis for a specific crop, including protein crops. As part of the Health Check, protein crops are to be decoupled by January 1, 2012 at the latest. For more information on the CAP Health Check see GAIN E48138

Summary

The protein deficiency in the EU could easily be remedied if the procedure on approval for biotech events worked more smoothly, and the acceptance of Low level presence (LLP) of biotech events were more tolerant. Europe could be an important market for the U.S. for soybeans and soybean meal if the biotech issue could be solved.

The Report was voted and adopted in Plenary in February 2011 and can be found here