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The Netherlands Signs the European Soya Declaration

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Report Highlights:

The Netherlands is the second largest soybean and soybean meal importer in world. Due to the tight supply of non-GM and organic soybeans, the Dutch Government signed the European Soya Declaration, which supports European soybean production.

At the EU Agricultural and Fisheries Council of June 17-18, 2017, the following thirteen EU Member States signed the European Soya Declaration: Austria, Croatia, Finland, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovenia and Slovakia.

The signatories support local, regional, national and European initiatives to develop sustainable domestic protein supplies, in particular derived from soybeans. The Declaration also states: “Because of increasing consumer interest in genetically modified (GM)-free products, especially those of animal origin, the signatories are making efforts to bring forward an increasing choice for consumers with respect to GM-free food and feed”.

The Netherlands stands out in this group of thirteen EU Member States. After China, the Netherlands is the second largest importer of soybeans and derivatives in the world, with 4.4 MMT of soybeans (with a value of \$1.74 billion) and 3.1 MMT of soybean meal (\$1.17 billion) in 2016. About forty percent of the imported volume is used domestically. The Dutch crushing, oil refining, food processing, compound feed and intensive livestock sectors are valorizing the protein and oil to higher value products, mainly livestock products, but also processed foods, and non-food products such as biofuels.

The access to soybeans is in particular a competitive advantage for the Dutch livestock sector. While the Netherlands is the second largest soy importer in the world, globally, it also ranks first in exports of eggs and products (with a value of \$0.91 billion). Furthermore, it ranks third for dairy (\$7.23 billion), third for broiler meat (\$2.57 billion), fifth for beef (\$2.85 billion) and sixth for pork exports (\$2.28 billion). The Dutch oilseed and cereal production is only minor, only about ten percent of the fed oilseeds and cereals are produced domestically.

In a letter to the Dutch Parliament of July 7, 2017, the Dutch Agricultural Minister, Martijn van Dam explained the position of his Ministry to sign the Declaration. His main argument is the increasing demand by European consumers for GM-free, organic and vegetable protein based products. Soy traders and feed compounders confirm the tight market for non-GM feedstuffs and report a price premium of euro 50-100 per MT for non-GM feed grade and euro 100-150 per MT for non-GM food grade soybeans. Organic soy is quoted at twice the price, and this premium is paid for most other organic feed ingredients.

Traders estimate the European non-GM soya market at about fifteen percent of the total feed grade market, with a lower percentage for the Dutch market. The share of organic feed grade soya is estimated to be lower than five percent. This is also reflected by the market share of organic products sold by Dutch supermarkets; 2.8 percent for meat, 3.8 percent for dairy and 13.2 percent for dairy products (Bionext Trendrapport 2015). Despite the market share being relatively limited, the premiums paid offer an interesting market for foreign producers of non-GM and organic feed ingredients.