


DISCUSSION PAPER

Informal Meeting of EU Ministers of Agriculture

9 April 2024

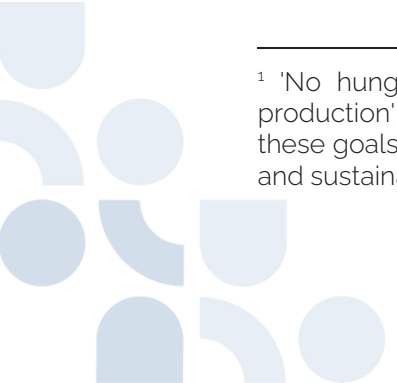
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In the context of uncertainties, such as current geopolitical tensions, and given the European Union's dependence on certain key resources or raw materials, the Commission has defined its concept of “open strategic autonomy” as “the EU's ability to make its own choices and shape the world around it through leadership and engagement, reflecting its strategic interests and values”. Food can be considered one of these strategic interests¹, with proteins as a crucial part of it, especially in the light of the need for food security and food sovereignty.

¹ 'No hunger', 'Good health and well-being' and 'Responsible consumption and production', are 3 of the UN's 17 SDGs. With these, UN countries commit to achieving these goals by 2030. The Farm to Fork strategy is also strongly committed to healthy and sustainable food.



Towards more open strategic autonomy on proteins

Why more open strategic autonomy on proteins?

Europe today relies (heavily) on **imports** for its plant protein sources, for both animals and humans. To illustrate, the graphs in the annex show our European dependence on soy, and this mainly for animal feed². This, largely economic, dependence on imports has not only an economic, but also a significant environmental, climatic (including through land-use change in the country of origin) and health impact. Responsible production and processing is crucial to produce these protein crops with respect for environment and climate. For these reasons, more open strategic autonomy on proteins at European level is desirable, and the Belgian presidency would like to emphasize this.

Our **own farmers** can also benefit from the production of plant (or new) proteins as an **alternative revenue model**. For this, it is crucial to approach the **whole protein chain** within policy strategies around proteins. Creating a **value chain** from farm to consumers means adding value to each link in the chain, e.g. by ensuring a fair income for each player. Both European, national and regional policies can stimulate the creation of these value chains and interest in those products. Merely focusing on production-enhancing policies is often insufficient to create long-term value chains, although it is often essential to help farmers get started in this difficult cultivation. Commitment to (the creation of) value chains can, in the long run, provide a full revenue model for each link in the chain, without government support.

Finally, given Europe's high dependence on protein imports and the importance of an **open trade policy**, Europe will in the near future remain dependent on imports. Therefore, our trading partners should be diverse in order to achieve risk-spreading in the case of compromised trade flows, while respecting a **level playing field** both intra-EU and with EU trading partners, preserving the

² Note: The EU deforestation law will attach stricter conditions to imports of commodities such as soy.

functioning of the EU internal market. This is important as, in terms of (phyto)sanitary and environmental standards, the level of protection in the European Union is amongst the highest in the world.

What is needed to seize these opportunities on domestic protein supply?

In this exercise, it is necessary to look at how we can become less dependent, foremost by introducing new crops and fostering already existing protein crops, while guiding farmers towards more responsible cultivation of protein crops. To seize the opportunities for the EU, the farmer, the environment, climate and health, a **chain-wide and interdisciplinary approach** is crucial and requires cooperation. A **long-term vision** towards a clear goal can help in this context and clear indicators to monitor and quantify progress can be a tool. These realistic and ambitious indicators are preferably also set together with the stakeholders.

Policy has **instruments** at its disposal, such as research, raising awareness and supporting production, investments and structural cooperation (e.g. on innovation). It is important that these instruments are coherent and complementary to each other, on the one hand, and focus on cooperation within the chain, on the other. Only subsidies for investment in research and development in cultivation are not sufficient in the long term. Breeding, advice, knowledge acquisition, chain development and cooperation with regard to these protein crops must be deployed simultaneously.

The Common Agricultural Policy (CAP) already offers several instruments to this end, such as agri-environmental measures, eco-schemes and coupled support that can be used to encourage the cultivation of protein crops (including in crop rotation and in mixed cropping). Investment support can also be adapted to this purpose, e.g. by supporting investments aimed at self-composing concentrated feeds (e.g. milling and mixing plants) or investments for sustainable processing and marketing of protein products. Demonstration projects, operational groups, information and advice are also in line with this. However, apart from European Innovation Partnership (cooperation), there are **few instruments aimed at cooperation within the entire chain**.

Besides protein crops, by-products from agriculture or other sectors can also be valuable sources of protein for humans and animals. In addition, current by-products and protein crops can be valorised even higher via innovation (cf. the cascade of value retention). Protein transition and **circular economy** go hand in hand. Instruments are therefore also best targeted at partnerships that go wider than just agriculture.

All the above is only achievable in cooperation with other policy areas. After all, sustainable and responsible protein production (and consumption) also benefits other policy areas such as environment (biodiversity, water and soil), climate and health, all having their own possible instruments and beneficiaries. The same goes for cooperation in the chain.

In addition to the CAP, the European Union's trade policy also plays a key role. It must be coherent, fairly diverse in terms of number of trading partners, and make sure to not put European sustainable production at peril. The European Union must advance on **fair trade** and therefore quotas and mirror clauses are interesting measures to benefit local production that merit further exploration.

Finally, it is not only about changing supply, but also about **changing demand**. After all, everything starts with the consumer and his (future) demand, after which the whole value chain builds on this demand to provide a sufficient supply. In doing so, we should be mindful of value chains that meet the guidelines of a healthy, balanced and environmentally and climate responsible diet, with respect for the farmers income.

Previous EU initiatives on open strategic autonomy on proteins

The EU has already devised many outlines and instruments to put open strategic autonomy on proteins on the agenda and develop it in concrete terms. The issue has also been raised several times by member states at the Council.

Already in 2018, the European Parliament called for a more robust European policy with the increase of European plant protein production and the improvement of diversification of European imports from third countries³. In response, the European

³ EUROPEAN PARLIAMENT RESOLUTION of 17 April 2018 on a European strategy for

Commission prepared a report in November 2018⁴, assessing the current market situation for plant proteins and also analyzing the opportunities for further development of this sector.

On 23 March 2022, building on this report, the European Commission announced a review of EU plant protein policy in its Communication on Food Security and Resilience of Food Systems⁵. This review takes into account both market realities and the need for a transition of the food system towards greater resilience and sustainability. The review will therefore consider all elements in the puzzle, including import dependence of plant and alternative protein production in the EU, protein demand in the livestock sector and the share of plant proteins in the human diet. The aim of that approach is to increase food security and reduce environmental and climate impacts in line with Green Deal ambitions.

In 2022 and 2023, a resolution⁶ and a report⁷ on European food security and the long-term resilience of European agriculture came from the European Parliament, also highlighting the importance of a comprehensive European protein strategy. These initiatives emerged within the broader context of the COVID-19 crisis, the war in Ukraine, the effects of climate change, inflation, high input and food prices, and potential risks to European food security.

In addition to the previous initiatives, in November 2023, the European Parliament also released a report setting out an initial vision for a European Protein Strategy⁸. Given the importance and potential of plant proteins in relation to the transition to sustainable food systems, circular economy and food security, the European

the promotion of protein crops – encouraging the production of protein and leguminous plants in the European agriculture sector (2017/2116)

⁴ REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT on the development of plant proteins in the European Union (COM/2018/757)

⁵ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS of 23 March 2022 on safeguarding food security and reinforcing the resilience of food systems (COM/2022/133)

⁶ EUROPEAN PARLIAMENT RESOLUTION of 24 March 2022 on the need for an urgent EU action plan to ensure food security inside and outside the EU in light of the Russian invasion of Ukraine (2022/2593)

⁷ EUROPEAN PARLIAMENT REPORT on ensuring food security and long-term resilience of the EU agriculture (2022/2183)

⁸ EUROPEAN PARLIAMENT REPORT on a European Protein Strategy (2023/2015)

Parliament calls for the elaboration of a comprehensive European protein strategy based on a few pillars and also calls for specific policy actions. Among other things, the report points to the opportunities such a strategy would offer regarding European food security, European strategic (protein) autonomy, diversification of agricultural income, reduction of EU import dependence for protein products, and the circular and bioeconomy (e.g. bioenergy).

As is clear from the initiatives mentioned above as well as from the Versailles Declaration of 10 and 11 March 2022⁹, the European Union wants these initiatives to take a **more holistic approach**, looking at **both supply and demand**, on the one hand, and **all alternative sources of proteins**, both plant-based and the so-called new proteins (microbial, algae, insects, cellular...), on the other. Working simultaneously on protein supply and demand should benefit our farmers' economic situation, competitiveness, environment and climate and open strategic autonomy. The focus here is on diversifying trade flows while increasing our own production of protein sources for our livestock feed, increased use of feed from within the EU, a greater role of our livestock farming within the circular economy and more protein diversity in our diet.

Conclusion

In order to realize this open strategic autonomy on proteins and immediately provide opportunities for our farmers, the European Union has an important role to play in defining **clear targets** for this European protein production and consumption (for humans and animals), on the one hand, and to offer a **coherent set of instruments** (within the CAP, but also from environment, climate, trade, promotion, innovation, research...) towards these targets, on the other. In that respect, also a reflection on allocating sufficient and, if necessary, additional funding is appropriate. These instruments are preferably aimed at (cooperation within) the **entire value chain**. The actors and activities related, directly or indirectly, to the production, processing, distribution, preparation and consumption of proteins are enormous. Therefore, challenges need to be addressed in a system-wide and interdisciplinary way. In other words, a holistic view of proteins within food systems is needed in order to taking into account the challenges all the actors

⁹ EUROPEAN COUNCIL, The Versailles Declaration, 10 and 11 March 2022

within the chain are facing. Here, predictability and thus a clear direction of these policies and associated instruments is crucial, to ensure the long-term viability of the sector in terms of both prices and outlets. However, this transition to more strategic autonomy will take time. Consequently, it is important to hedge risky dependencies and also take into account sufficient diversification on international trade flows of important plant proteins to the Union.

Moreover, in addition to open strategic autonomy, other **goals** and opportunities of more own proteins, such as the well-being of our farmers, circular economy, environment, climate and health, should be considered at the same time.

Questions for discussion

In light of the above, the Belgian Presidency invites participants to share their views on the following questions:

1. *Within the framework of open strategic autonomy, is it essential to review the European protein supply, as part of a broader protein transition, and what **targets** should be set at European level for this?*
2. *What **policy instruments** can European policy (within the different policy areas such as agriculture, trade, environment, climate, health, research and innovation...) further use to accelerate this protein diversification, which is the main goal of the different protein strategies, and thus ensure more open strategic autonomy on proteins?*

Kindly note that speaking time is limited to a maximum of **3 min.** per delegation.

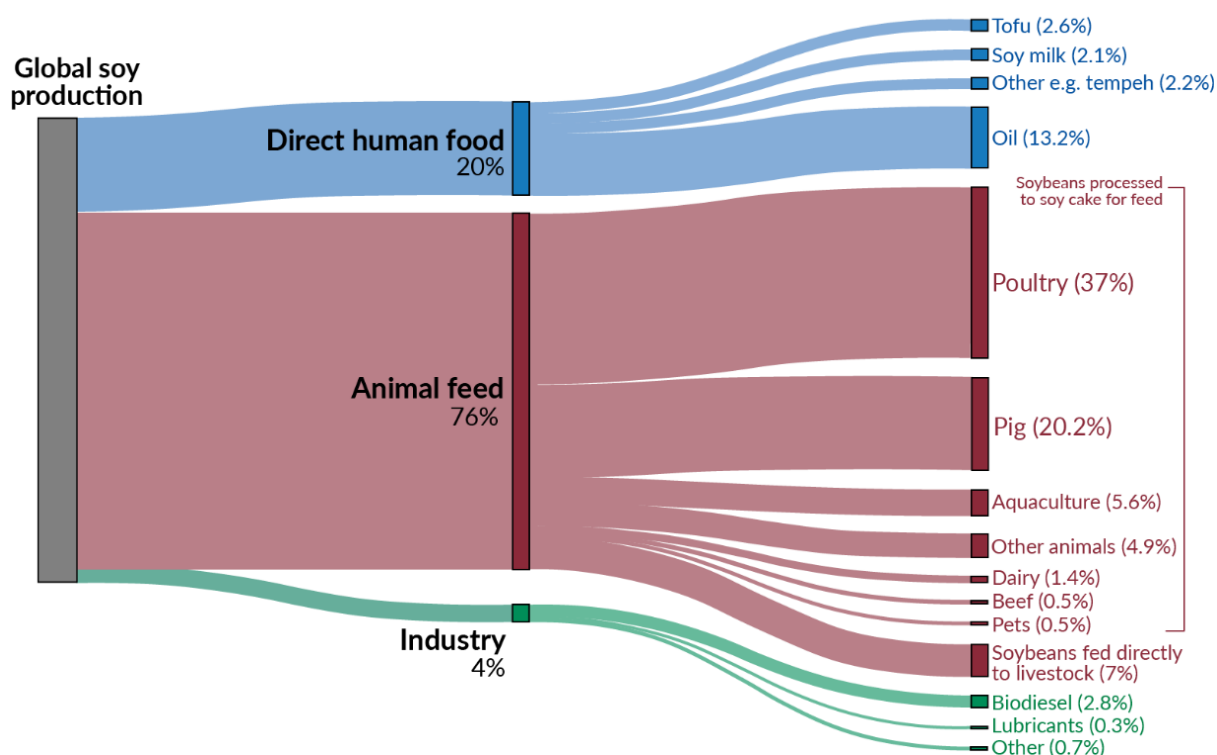
Annex

Table 1 – Protein balance for feed in EU-27 (2020-2021)

Category	Total feed use (x million ton protein eq.)	Feed use of EU origin (x million ton protein eq.)	Rate of self sufficiency (%)
Cereals	16.7	14.7	88
Oil seeds (full fat)	0.5	0.5	100
Legume seeds (pulses)	0.8	0.7	92
Soybean meal	12.5	0.4	3
Rapeseed meal	3.7	2.7	72
Sunflower meal	2.5	1.3	51
Other co-products	4.5	4.2	93
Non-plant sources	1.9	1.8	94
Roughage	31	31	100
Total	73	56	76

Source: European Commission

Figure 1 – Allocation of global soy production to its end uses by weight (2017-2019)



Source: Food Climate Resource Network (FCRN), University of Oxford; and USDA PSD Database (via Our World in Data)