

**György Bertalan PÁCZAY \***  
**Another political step towards developing our own GM-free feed**

At the margins of the Council of Agriculture and Fisheries Ministers on 12 June this year, 12 Member States: Austria, Finland, France, Greece, Croatia, Poland, Luxembourg, Hungary, Germany, Romania, Slovakia and Slovenia politically agreed that they would sign a common declaration on enhancing soya and other legumes cultivation. The solemn co-signing of the “*European Soya Declaration - Enhancing soya and other legumes cultivation*” (hereinafter ‘the European Soya Declaration’), a text proposed by the Hungarian and German governments was held on 17 July at the Hungarian Permanent Representation to the EU where agriculture ministers of the parties (state secretaries for a few Member States) took part.



*Ministerial group view following the solemn co-signature of the European Soya Declaration in the conference room of the Hungarian Permanent Representation to the EU in Brussels<sup>1</sup>*

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<sup>1</sup> Press release entitled „Történelmi jelentőségű diplomáciai siker a magyar kezdeményezésre 14 uniós ország agrárminisztere által aláírt Európai Szója Nyilatkozat” of the Ministry of Agriculture of Hungary, in: <http://www.kormany.hu/hu/foldmuvelesugyi-miniszterium/hirek/tortenelmi-jelentosegu-diplomaciai-siker-a-magyar-kezdemenyezésre-14-unios-oroszag-agrarminisztere-altal-alairt-europai-szoja-nyilatkozat> (17.07.2017)

„The Hungarian Constitution highlights my country's GM-exemption, and Hungary announced the 'Alliance for GM-free Europe' initiative in 2015. An important milestone of this unity is today's signed Declaration, with which 13 EU Member States joined the initiative, along with Hungary”,<sup>2</sup> highlighted Sándor Fazekas, Minister of Agriculture of Hungary after the co-signature.

## 1. The presentation of the European Soya Declaration in the European Parliament

At the hearing on 25 September at the European Parliament's Committee of Agriculture and Rural Development, Deputy Minister of Agriculture of Hungary, István Nagy was pleased to announce that Hungary has become the leader of initiatives and programs in the European Union for GM-free protein self-determination.



*Hearing of István Nagy, Deputy Minister of Agriculture of Hungary,  
in the EP Committee of Agriculture and Rural Development<sup>3</sup>*

<sup>2</sup> Press release entitled „Történelmi jelentőségű diplomáciai siker a magyar kezdeményezésre 14 uniós ország agrárminisztere által aláírt Európai Szója Nyilatkozat” of the Ministry of Agriculture of Hungary, in: <http://www.kormany.hu/hu/foldmuvelesugyi-miniszterium/hirek/tortenelmi-jelentosegu-diplomaciai-siker-a-magyar-kezdemenyezésre-14-unios-orszag-agrarminisztere-altal-alairt-europai-szoja-nyilatkozat> (17.07.2017)

<sup>3</sup> The homepage of the EP Committee of Agriculture and Rural Development, in: <http://web.ep.streamovations.be/index.php/event/stream/170925-1500-committee-agri> (17.07.2017)

In his presentation, the Deputy Minister recalled that it is of strategic importance in Hungary's agricultural policy to boost the production of protein feed and to create a toolkit to provide a GM-free protein source for the livestock sector.<sup>4</sup> Clemens Neumann, Director-General for Bio-Based Economy in the German Federal Ministry of Agriculture, emphasized that the common goal is to halt the decline in the production of protein crops and to target the breeding and cultivation of native protein crops in Europe. Both were thankful to the European Parliament, which would draw up an own-initiative report entitled 'A European Strategy for the promotion of Protein Crops - Encouraging the production of protein and leguminous plants in the European agriculture sector' by Jean-Paul Denanot, a French Socialist MEP in the near future.<sup>5</sup>

## 2. Protein crop production in the World, in the EU and in Hungary

What is our position in protein production and feed self-sufficiency in the European Union? What could be done to improve the current – not too rosy – situation? What tools do we have at our disposal? In this article, I try to answer these questions.

Protein crops constitute only a small part of oilseeds, yet soy is one of them, which, based on quantitative indicators, is the first protein in the world. Here I have to point out, although soybean is classified as an oilseed, it contains only 20% of oil, but its protein concentration is the highest, 45-50 %. That is reason why it significantly prevents all other protein crops (this misclassification is made by the so-called Blair House Agreement). It is no coincidence that the price of a given soybean depends on the actual protein content it can provide. Over the last decades, soy production has started to be an incredible development, which has several reasons. The first is that sowing genetically modified crops in soybean production is more common than ever, as these are more resistant to pests, they are better able to withstand water scarcity and therefore produce excellent yields – more than 3 tonnes per hectare currently. More than half of the soybeans sold in the World are GMOs, which characteristic is higher than in any other cereal crop.<sup>6</sup> The soya production of the World continues to be dominated by North and South America. 287 million tonnes were produced by these two regions out of the World's 325 million tonnes of soybean production in 2016.

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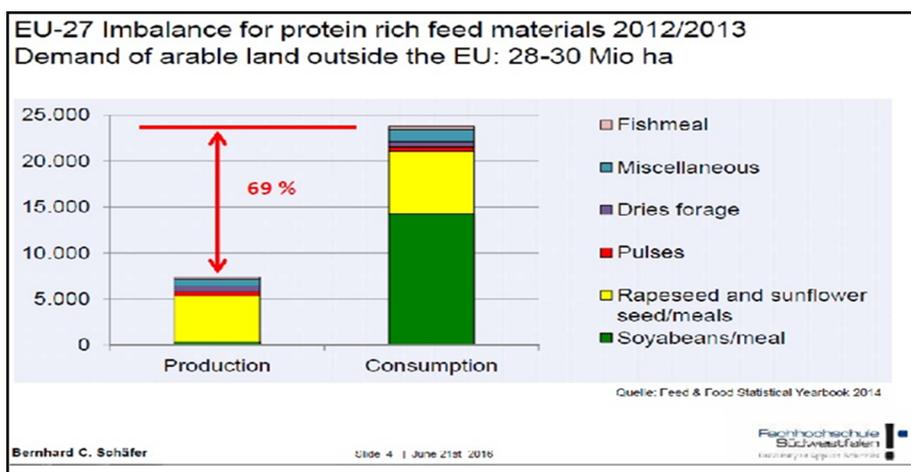
<sup>4</sup> Press release entitled „Nagy István az Európai Parlamentben bemutatta az Európai Szója Nyilatkozatot” of the Ministry of Agriculture of Hungary, in: <http://www.kormany.hu/hu/foldmuvelesugyi-miniszterium/parlament-allamtitkarsag/hirek/nagy-istvan-az-europai-parlamentben-bemutatta-az-europai-szoja-nyilatkozatot> (25.09.2017) and video record on the meeting of the EP Committee of Agriculture and Rural Development on 25 September 2017, <http://www.europarl.europa.eu/ep-live/hu/committees/video?event=20170925-1500-COMMITTEE-AGRI> (find the hearing record between 17:03:24 and 17:49:30)

<sup>5</sup> See the procedure of the report on the following link, in: [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=&reference=2017/2116\(INI\)](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=&reference=2017/2116(INI)) (25.09.2017)

<sup>6</sup> See the first 3 paragraphs of the market report on 14 October 2017 by the website, in: Commoditybasis.com, [https://www.commoditybasis.com/soybean\\_prices](https://www.commoditybasis.com/soybean_prices) (14.10.2017)

The largest producing countries are the USA (109 million tonnes), Brazil (101 million tonnes) and Argentina (56 million tonnes). The USA and Brazil export predominantly soybean, while Argentina is the largest producer of some processed soy products such as soybean oil or soybean meal – which also play an important role in feeding.<sup>7</sup> Other protein crops like leguminous plants, rapeseed or vegetables constitute only a small part of feeds.

The European Union's protein or feed self-sufficiency is astonishingly low, it is only around 31% while the remaining is imported from abroad according to Bernard C. Schäfer, Professor at the South Westphalia University of Applied Sciences in Germany.<sup>8</sup>



*EU-27 Imbalance for protein rich feed materials 2012/2013*  
*Demand of arable land outside the EU: 28-30 Mio ha<sup>9</sup>*

65% of the protein produced in the World is soybean, but only 3% of it – between 0.96 and 1.85 million tonnes in the last 3 years – is produced in the EU. By contrast, according to data from the last 3 years, 36.1 million tonnes of soybean was imported into the EU and 85% of them was genetically modified plant (about 30 million tonnes annually).<sup>10</sup> Other important sources of protein feed are rapeseed (12%), sunflower (5%) and vegetables (4%), but they are rarely used in the EU due to their relatively low protein content.

<sup>7</sup> Commoditybasis.com, Paragraph 4

<sup>8</sup> Bernard C. Schäfer, Grain legumes Chances of Protein Supply and Innovative Cropping Systems

<sup>9</sup> Bernard C. Schäfer: Grain legumes Chances of Protein Supply and Innovative Cropping Systems, Hearing on Improving European Plant Protein Supplies on 21 June 2016 in the EP Committee of Agriculture and Rural Development, in: <http://www.europarl.europa.eu/committees/hu/agri/events-hearings.html?id=20160621CHE00151> (25.09.2017)

<sup>10</sup> Commission Staff Working Document, Brussels 08/03/2016, SWD (2016) 61 final, 3-5.

The above figures clearly show that the EU is in a delicate position with regard to its protein supply, because it is entirely dependent on imports. Ultimately, the European agriculture and food production – because livestock production and meat production would not be anywhere in the EU without the imported feed – is inseparable from the agriculture of some third countries and its performance. Therefore, we have to move towards self-sufficiency from this point urgently.

In this respect, Hungary performs a bit better: about two-thirds of our soybean imports come from Brazil and Argentina, but one third is produced at home, thanks to the first successes of the national feed protein programme. Compared to 45,000 hectares in 2014, GM-free soybeans were harvested from nearly 70,000 hectares last year, which meant 181,000 tons of yield altogether with a 3 tons yield per hectare. *“Considering this data, Hungary would require an import about 370-400,000 tons of GM-free soybean annually”* – confirmed Sándor Fazekas, Minister of Agriculture of Hungary at Kossuth Radio.<sup>11</sup> István Nagy, Deputy Minister presented at an agri-trade event that according to his calculations, the EU's largest soybean exporters bring mainly GM-soy into the EU's internal market, which share is 85% from Brazil and 98% from Argentina.<sup>12</sup> They both emphasized that in addition to soy, other fodder crops such as lupine, lettuce, alfalfa or peas are also underway in the national feed protein program, but only to a very small extent. These are sowed mainly on ecological focus areas, perhaps the most important pillar of the green payment, because they can be accounted with a weighting factor of 0,7 in the greening. I have to also note here that by-products such as the distiller's dried grains with solubles (DDGS), the distiller's wet grains with solubles (WDGS) or the corn gluten feed (CGF) made by bioethanol plants as well as some by-product by distilleries are excellent sources, but these are largely sold in Western Europe due to higher feed-in prices there, yet the demand is high. The increase in domestic maize processing for bioethanol purposes – which is expected to exceed 2.5 million tonnes next year – will, however, enable domestic livestock farmers to benefit more from these protein sources.<sup>13</sup> However, this alone is not enough.

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<sup>11</sup> Interview entitled *„Takarmányfejérje program a GMO kiváltására”* with Sándor Fazekas, Minister of Agriculture of Hungary in 180 perc, Kossuth Radio, 29.09.2017

<sup>12</sup> Press release entitled *„Jelentős növekedés tapasztalható a hazai szójatermesztésben”* of the Ministry of Agriculture of Hungary, in <http://www.kormany.hu/hu/foldmuvelesugyi-miniszterium/parlamenti-allamtitkarsag/hirek/jelentes-novekedes-tapasztalható-a-hazai-szojatermesztesben> (8.12.2016)

<sup>13</sup> See the feeding profiles of the 3 bioethanol plants in Hungary: the Pannonia Ethanol, in: <http://www.pannoniaethanol.com/about> (25.09.2017), the Hungrana, in: <http://www.hungrana.hu/hu/products/46/47/hungrafeed-pro---gluten> (25.09.2017) and the Tisza-TK Projekt Kft (this is still under construction, therefore I can quote here an article entitled *„A gyár, amely több állami támogatást kapott, mint Csányi vágóbídjá”*, in: [http://hvg.hu/gazdasag/201640\\_kozpenzmilliardok\\_izocukorbiznisz\\_kukoricafeldolgozas\\_ami\\_acsovon\\_kifer](http://hvg.hu/gazdasag/201640_kozpenzmilliardok_izocukorbiznisz_kukoricafeldolgozas_ami_acsovon_kifer) (02.10.2016)

### 3. EU's GMO regulation

It is then necessary to address the European Union's policy on cultivation and use of genetically modified organisms. By virtue of GMO regulation in force (amended in March 2015), Member States and regions in federal states may decide to prohibit the cultivation of certain GMOs on their territory,<sup>14</sup> although the cultivation of these is decided (approved or refused) at EU level by using a standard comitology procedure (Member State representatives vote). 17 EU Member States – including Austria, Poland, France, the Netherlands, Germany, Denmark or Hungary at the first<sup>15</sup> – and 4 regions – it is an interesting example to have three regions from the UK: Wales, Northern Ireland and Scotland here.<sup>16</sup> There is, however, no general ban on GMOs used for food and feed purposes, but EU standards contain globally relatively stringent residue limits.<sup>17</sup> Foods or feeds containing GMO traces can be authorized at EU level (by comitology procedure) and if this is the case, they can enter the EU internal market. The best example for this is the lawful import and marketing of various genetically modified soybeans and their processed products into the EU. Therefore, we generally bump into GMOs in the meat of animals we eat, because of higher use of GM-feed in Europe; therefore, GMOs continuously burden European consumers. This situation should be improved in the EU by reviving the supply of its own feed.

### 4. The Danube Soya Convention

A large part of the EU Member States have already taken the first step to reach the above-mentioned goal in 2012. Hungary together with 9 other countries has signed the 'Danube Soya Convention for GM-free area' initiated by Austria (Donau Soja Symposium) on 6 September, which boosted joint research and technical cooperation. The cultivation area of GM-free soybean in the Danube region has increased to 700,000 hectares over the last four years due also to the Danube Soya Alliance, which comprises now 16 member countries (and several regions within), ranging from Bavaria to West Ukraine and from Lombardy to Bulgaria.

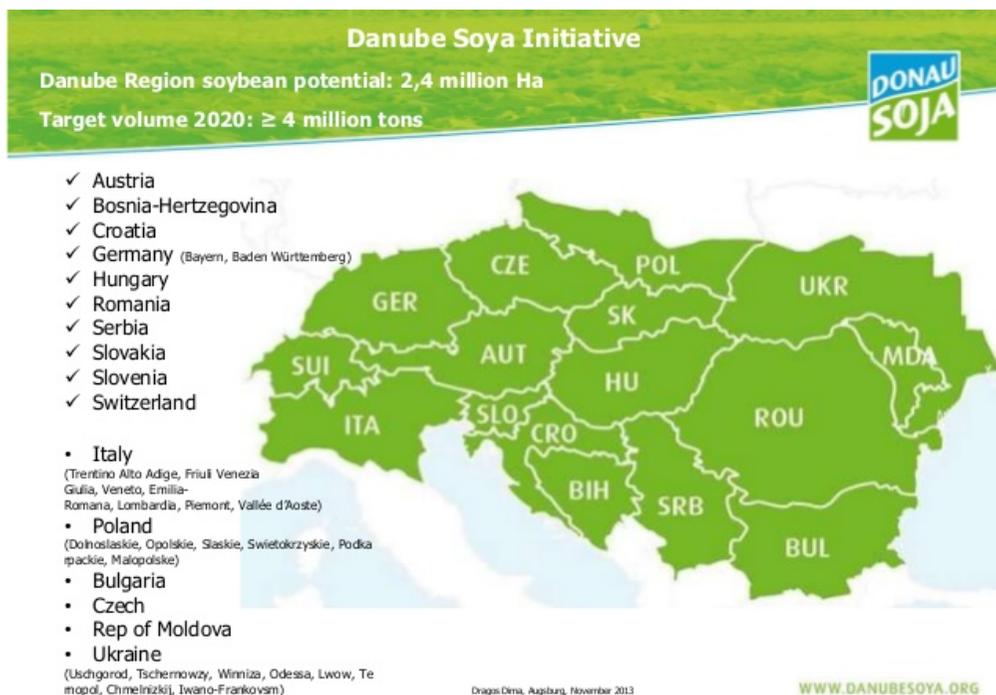
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<sup>14</sup> Directive 2001/18/EC of the European Parliament and of the Council of 12 March 2001 on the deliberate release into the environment of genetically modified organisms and repealing Council Directive 90/220/EEC, Article 26b

<sup>15</sup> Press release entitled „Magyarország vezetheti be elsőként az új uniós GMO-szabályokat” of the Ministry of Agriculture of Hungary, in: <http://www.kormany.hu/hu/foldmuvelesugyiminszterium/kornyeztugyert-agrarfejlesztesert-es-hungarikumokert-felelos-allamtitkarsag/hirek/magyarorszag-vezetheti-be-elsokent-az-uj-unios-gmo-szabalyokat> (09.05.2015)

<sup>16</sup> See the full list on the European Commission's homepage on food safety, in: [https://ec.europa.eu/food/plant/gmo/authorisation/cultivation/geographical\\_scope\\_en](https://ec.europa.eu/food/plant/gmo/authorisation/cultivation/geographical_scope_en) (23.09.2017)

<sup>17</sup> Regulation (EC) No 1829/2003 of the European Parliament and of the Council of 22 September 2003 on genetically modified food and feed (Text with EEA relevance)



*Danube Soya Initiative*<sup>18</sup>

According to the calculations of the Danube Soy Alliance, about 2.4 million hectares could be used in the area concerned for profitable soya production, and the production could reach 2.4 million tonnes in 2020.

## 5. Content of the European Soya Declaration

In the light of the above facts, it is not necessary to explain why the European Soya Declaration was born in July this year. The Hungarian government, as one of the main representatives of the GM-free agriculture in the EU, became immediately the leader of the initiative, and it is of symbolic significance that the declaration has been signed at the Hungarian Permanent Representation to the EU in Brussels. What is this statement about?<sup>19</sup>

The declaration highlights at the outset that it is our interest to create a sustainable, GM-free protein production in the EU, owing to our international and EU obligations. The text refers to Objectives 2 and 15 (out of the total of 17 objectives) of the United Nations' 2030 Agenda on sustainable development goals

<sup>18</sup> Danube Soya, A Program for European farmers, 2nd International Danube Soya Congress, Augsburg, in: <https://pt.slideshare.net/ddima/danube-soya-a-program-for-european-farmers-2nd-international-danube-soya-congress-25-11-2013> (25.11.2013)

<sup>19</sup> Full text of the signed declaration published by the Ministry of Agriculture of Poland

Objective 2 focuses on ending hunger, increasing food security, improving nutrition and promoting sustainable agriculture. In the light of Objective 15, the countries sustainably manage forests, combat desertification, halt and reverse land degradation, as well as halt biodiversity loss.<sup>20</sup> The EU Sustainable Development Strategy adopted by the EU heads of state in Göteborg on June 2001 aims to prevent the over-exploitation of resources, gain more recognition of the value of ecosystem services, and stop the decline in biodiversity.<sup>21</sup>

The fourth paragraph of the Declaration states that leguminous crops occupying a prominent position among protein crops contribute to the diversity of crops that are useful for other cultures, especially for cereals. Furthermore, they reduce the risk of weeds, pests and diseases in crop production systems (therefore, they also reduce the use of plant protection products), fix atmospheric nitrogen and thus reduce the use of nitrogenous fertilizers. However, only 3-4% of the arable land area in Europe is used for leguminous crops. The text also highlights that *“Soybean is the most widely cultivated legume in the world. Originating from China, where it has been grown for thousands of years, the soybean was introduced to Europe nearly 150 years ago. Although still widely thought of as new to Europe, it is also the most widely grown grain legume in Europe where it grows well. Yields in Europe are high and similar to those in USA and Brazil which are the main exporters of soybeans and soybean meal.”*<sup>22</sup>

In the light of all of this, the Declaration sets out the following goals:

(a) development of sustainable soybean and other legumes production in suitable areas of Europe taking into account resources availability; (b) integration of soybean and other legumes cropping into diverse well-planned crop rotations; (c) use of integrated crop protection that follows the ‘as much as is necessary and as little as possible’ principle with priority given to the use of host-plant resistance and tolerant cultivars; (d) maintenance of traditional valued landscapes, landscape features and protection of high nature value biotopes in agricultural landscapes; and (e) development of sustainable soybean and other legume markets in Europe that balance and meet the needs of growers, processors, livestock producers and consumers along transparent value chains.<sup>23</sup>

The Declaration draws attention to the fact that the cultivation of soybean and other leguminous plants can be boosted in many European countries. *“Large areas of these regions are cultivated with wheat, maize, oilseed rape and sunflower in simple cropping systems that lack diversity. Including legumes in these cropping systems strengthens local economies, increases local and regional protein self-sufficiency, and supports protein partnerships. Protein crop production in Europe generally supports rural economies and creates jobs in farming, processing and usage of locally*

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<sup>20</sup> United Nations homepage, Sustainable Development Goals, in: <http://www.un.org/sustainabledevelopment/sustainable-development-goals> (25.09.2017)

<sup>21</sup> European Commission homepage, Environment, Sustainable development, in: [http://ec.europa.eu/environment/sustainable-development/strategy/index\\_en.htm](http://ec.europa.eu/environment/sustainable-development/strategy/index_en.htm) (25.09.2017)

<sup>22</sup> European Soya Declaration, 1.

<sup>23</sup> European Soya Declaration, 1-2.

*produced proteins for food and feed.*"<sup>24</sup> The Declaration acknowledges the results achieved so far under the Danube Soya Convention.

The signatories of the declaration specify the following additional means: (a) provide consumers with information on promoting plant proteins; (b) encourage more precise livestock feeding to increase the efficiency of protein use in feeding; (c) improve the use of protein from grassland; (d) support more effective use of other European protein sources such as rapeseed and sunflower meal, and by-products such as distillers grains; (e) increase locally-adapted legume production, in line with available natural resources, using sustainable production techniques and locally adapted legumes; and (f) strengthen support for certification of sustainably-produced soybeans and meal imported from other parts of the World to meet remaining demand.<sup>25</sup>

## 6. Possible solutions

How can we therefore achieve the growth of protein crop production in the European Union and in Hungary?

It should be noted here that from an economic point of view, soy grown in Europe is still less profitable than other crops in the continent. While the average yield of GM soy is estimated 3.35 tons per hectare by the US Department of Agriculture this year,<sup>26</sup> that is the GM-free soy is said by European Commission's market forecast to be around 2.9 tonnes per hectare, so 10% less, even though we have been able to advance 0.3-0.4 tons per hectare since 2013 which is a good result for GM-free soy.<sup>27</sup> The USA, Brazil (e.g. 13.85 million tons in 2017, see the following figure) and Argentina bring so huge quantities of soybeans and soy meals to the EU internal market that they can sell these cheaper than domestic soybeans.

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<sup>24</sup> European Soya Declaration, 2.

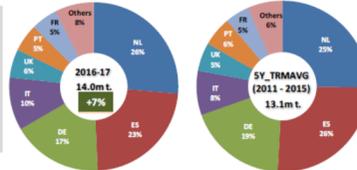
<sup>25</sup> European Soya Declaration, 3.

<sup>26</sup> United States Department of Agriculture, Economic Research Service, Market Outlook for Soybeans and Oil Crops, in: <https://www.ers.usda.gov/topics/crops/soybeans-oil-crops/market-outlook> (25.09.2017) (49,9 bushels / acre = 3,555 t /ha)

<sup>27</sup> Directorate General for Agriculture and Rural Development, Short-term outlook for EU agricultural markets, Latest issue, in: [https://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook\\_en](https://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook_en) (25.09.2017)



### EU soybeans imports



#### Origin of imports

(Thousand tons)	SY_TRMAVG (2011 - 2015)	2016-17	
United State:	3 648	5 087	↑ 39%
Brazil	5 821	5 073	↓ -13%
Canada	1 109	1 064	↓ -4%
Paraguay	1 559	908	↓ -42%
Uruguay	456	678	↑ 49%
Others	467	1 172	↑ 151%

(Thousand tons)	SY_TRMAVG (2011 - 2015)	2016-17	
NL	3 298	3 686	↑ 12%
ES	3 351	3 203	↓ -4%
DE	2 437	2 422	↓ -1%
IT	1 092	1 417	↑ 30%
UK	702	765	↑ 9%
PT	731	741	↑ 1%
FR	598	709	↑ 19%
Others	852	1 039	↑ 22%

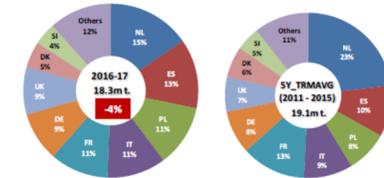
Source: EUROSTAT (COMEXT)



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### EU soyameal imports



#### Origin of imports

(Thousand tons)	SY_TRMAVG (2011 - 2015)	2016-17	
Argentina	8 413	8 824	↑ 5%
Brazil	7 950	6 785	↓ -15%
Paraguay	523	1 220	↑ 133%
Others	2 195	1 495	↓ -32%

(Thousand tons)	SY_TRMAVG (2011 - 2015)	2016-17	
NL	4 404	2 811	↓ -36%
ES	1 910	2 370	↑ 24%
PL	1 570	2 106	↑ 34%
IT	1 813	1 987	↑ 10%
FR	2 393	1 984	↓ -17%
DE	1 612	1 675	↑ 4%
UK	1 299	1 623	↑ 25%
DK	1 167	887	↓ -24%
SI	890	761	↓ -15%
Others	2 022	2 121	↑ 5%

Source: EUROSTAT (COMEXT)



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*EU soybeans and soyameal imports<sup>28</sup>*

<sup>28</sup> European Commission's presentation on oilseeds and protein crops market situation, Committee for the Common Organisation of Agricultural Markets, in: [https://ec.europa.eu/agriculture/sites/agriculture/.../market-situation-oilseeds\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/.../market-situation-oilseeds_en.pdf) (28.09.2017)

It is not possible to prevent the import of GM soy due to WTO rules and the so-called Blair House Agreement, so a significant increase in own production may be the way out. How to do this?

The European Union already provides voluntary coupled support for the production of protein crops. Article 53 (3) of the Direct Payments Regulation states that *“the percentages of the annual national ceiling ... may be increased by up to two percentage points for those Member States which decide to use at least 2% of their annual national ceiling ... to support the production of protein crops.”*<sup>29</sup> Many Member States, including Hungary, make full use of this option, but the 2% threshold also unfortunately stops Member States to spend more resources for a stronger and more effective support for the cultivation of protein crops. In fact, the larger group of coupled support subsidies which amount to 8 and 13% of the annual national ceiling (of direct payments) destined to many of the livestock and some crop production sectors (e.g. beef and veal, milk and milk products, rice, fruit and vegetables) and it can be divided freely between these target groups as well as the share can be modified once a year, while nothing can be transferred from this amount for the cultivation of protein crops. Therefore, it would be desirable to give the Member States more room for manoeuvre to have the right to freely transfer amounts of subsidies from the budget of the other group for the cultivation of protein crops in the post-2020 Common Agricultural Policy. More flexible rules on coupled support subsidies will also be needed because the CAP budget might fall by 10 to 14% because of the Brexit and the EU might barely be able to provide additional subsidies.

The so-called Blair House Agreement concluded between the GATT, the EU and the USA in 1992 together with other agreements in the Marrakech Package during the establishment of the World Trade Organization, is considered today resulting a scandalous situation because the agreement restricts the EU's production potential of oilseed, including soybean which is an error, while other countries, in particular the USA and Canada, may expand their cultivation area in line with developments in World markets. At the same time, EU producers are severely punished if they exceed the limits set in the Agreement. Nor is it possible to maintain the provision, which prohibits EU producers from increasing their stocks of industrial vegetable oils beyond a certain level.<sup>30</sup> That is why EU leaders should at least try to renegotiate the Blair House Agreement, in particular the withdrawal of soy from its scope, even though there is little hope to change this situation by negotiations. The 11th WTO Ministerial Conference in Buenos Aires between 10 and 13 December would be the appropriate forum for this purpose.

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<sup>29</sup> Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009, pages 52 and 53

<sup>30</sup> European Parliament, European Parliament factsheets, External agricultural policy: agricultural agreements under WTO, in: [http://www.europarl.europa.eu/facts\\_2004/4\\_1\\_7\\_en.htm#](http://www.europarl.europa.eu/facts_2004/4_1_7_en.htm#) (25.09.2017)

In addition, the EU should undertake a thorough legal scrutiny of the text of the Agreement because many stakeholders, such as the European Parliament in 2011,<sup>31</sup> believe that the Agreement is virtually inconsistent with the principles of the GATT and puts EU oilseed and protein plant producers in a legally unjustifiable disadvantage. The combat in WTO forums should now begin.

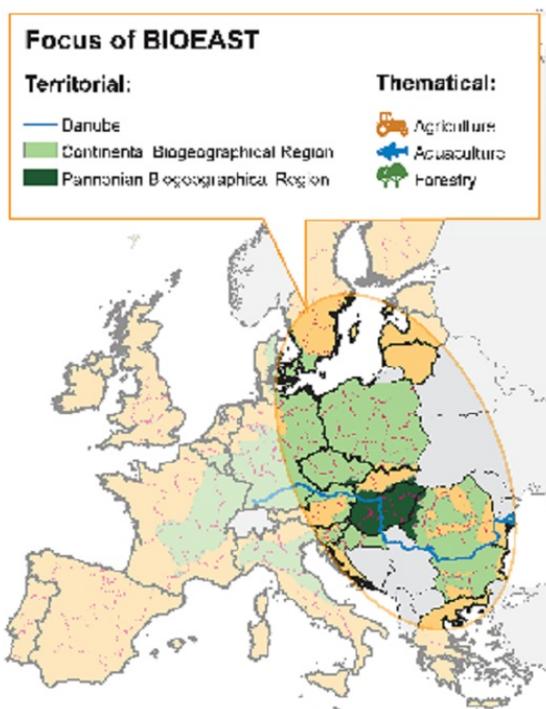
Returning to GM-free soybean yields, there is also a lot to be done in plant breeding. The EU and Hungary have been moving well for years to increase the soybean yield, and in 2016, we have already reached the expected 3 tonnes per hectare (this year it fell by 0,1 tonnes due to the less ideal weather). We should reach the near-breakthrough by joint programmes and closer cooperation in achieving GM-free protein crop breeds having the same yields as those of their GMO counterparts. The resources of existing EU research and development programmes, in particular the Horizon 2020, should be better used up. There are some encouraging developments today. For example, under the Horizon 2020 5.2 sub-programme entitled “*Nanotechnologies, Advanced Materials, Biotechnology and Advanced Manufacturing and Processing*”, the BIOTEC 07-2017 project would achieve ground-breaking results in molecular biology among the new plant breeding techniques. The objective of the project is to make better use of new plant breeding technologies and to create ‘green factories’ for this purpose, in which they would experiment with achieving better crop yields and developing new crops not being used before for protein purposes as well as creating a cheap platform for more efficient sales of these products.<sup>32</sup> The so-called Central-Eastern-European Initiative for Knowledge-based Agriculture, Aquaculture and Forestry in Bioeconomy (BIOEAST) is also a forward-looking project, which is an association established in the framework of a European Innovation Partnership and is eligible for support from rural development programmes. The main objective of the present project, which includes the V4 states and Romania, Bulgaria, Croatia and Slovenia, as well as Baltic, German and even Scandinavian enterprises, is to improve the sustainable growth of knowledge-based agriculture, aquaculture and forestry in the bioeconomy in the CEE regions. One of the topics is to address climate change challenges in the Continental and Pannonian Bio-geographical Regions and, in particular, to exploit the potential for protein crop production.<sup>33</sup>

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<sup>31</sup> European Parliament, Häusling-report (4 February 2011) on the EU protein deficit: what solution for a long-standing problem? (2010/2111(INI), PE 450.760v03-00, A7-0026/2011)

<sup>32</sup> European Commission, Horizon 2020, Nanotechnologies, Advanced Materials, Advanced Manufacturing and Processing, and Biotechnology, Work Programme 2016-2017, in: <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/nanotechnologies-advanced-materials-advanced-manufacturing-and-processing-and> (25.09.2017)

<sup>33</sup> Homepage of the BIOEAST initiative, in: [https://eip.fm.gov.hu/index.php?page=pages&page\\_name=bioeast-kezdemenyezés&language=en](https://eip.fm.gov.hu/index.php?page=pages&page_name=bioeast-kezdemenyezés&language=en) (25.09.2017)



*Focus of BIOEAST*<sup>34</sup>

Referring to the third pillar of greening (climatic and environmental-friendly farming practices), the ecological focus areas, the EU should leave and even encourage farmers to produce protein crops in line with these cultivation rules. However, specific EU regulation (a modification of the implementing legislation)<sup>35</sup> entering into force in the beginning of next year will not allow farmers to use any pesticides or fertilizers on these areas. It should be borne in mind that in many Member States, 100% of coupled support for the cultivation of protein crops was paid to farmers in many Member States. Furthermore, more than half of farmers in the EU chose to plant protein crops in their ecological focus areas according to an EU survey in 2015.

<sup>34</sup> Homepage of the BIOEAST initiative, in: [https://eip.fm.gov.hu/index.php?page=pages&page\\_name=bioeast-kezdemenyazes&language=en](https://eip.fm.gov.hu/index.php?page=pages&page_name=bioeast-kezdemenyazes&language=en) (25.09.2017)

<sup>35</sup> Commission Delegated Regulation (EU) 2017/1155 of 15 February 2017 amending Delegated Regulation (EU) No 639/2014 as regards the control measures relating to the cultivation of hemp, certain provisions on the greening payment, the payment for young farmers in control of a legal person, the calculation of the per unit amount in the framework of voluntary coupled support, the fractions of payment entitlements and certain notification requirements relating to the single area payment scheme and the voluntary coupled support, and amending Annex X to Regulation (EU) No 1307/2013 of the European Parliament and of the Council, Article 1, paragraphs 10a, 10b and 10c

The members of the EP's Committee on Agriculture and Rural Development,<sup>36</sup> but also the leaders of the COPA-COGECA farmer organisation<sup>37</sup> have argued against this amendment – the planting of protein crops would decrease in the EU on the one hand, the chemical and biological composition of the soils on ecological focus areas would not be improved on the other and thirdly, it would not be able to eradicate some weeds (e.g. ragweed, *heracleum mantegazzianum*) without herbicides – the European Commission did not make up its mind. It would be advisable to rationalize the rules and subsequently to erase the general ban on using plant protection products on ecological focus areas from EU legislation.

Finally yet importantly, the European Commission should withdraw or modify its legislative proposal<sup>38</sup> on the Renewable Energy Directive, according to which the share of crop-based biofuels (mainly rape-based biodiesel and maize-based bioethanol) would decrease from 7 to only 3.8% out of the 10% target share of biofuels use in road transport. This is a major problem for our subject, because these traditional biofuel plants also contribute to alleviating the EU own protein supply's scarcity. In Hungary, for example, the 2 bioethanol plants (Pannonia Ethanol and Hungrana), already in operation, produce 605,000 tonnes of totally GM-free protein feed in 2017.<sup>39</sup> If the EU made them unable to produce bioethanol, the protein production of these plants would also decline and would stop. In addition to many other arguments, we cannot allow the adoption of the Commission's legal proposal in the EU legislative institutions in its current form.

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<sup>36</sup> Draft motion for a resolution on Commission Delegated Regulation amending Delegated Regulation (EU) No 639/2014 as regards the control measures relating to the cultivation of hemp, certain provisions on the greening payment, the payment for young farmers in control of a legal person, the calculation of the per unit amount in the framework of voluntary coupled support, the fractions of payment entitlements and certain notification requirements relating to the single area payment scheme and the voluntary coupled support, and amending Annex X to Regulation (EU) No 1307/2013 of the European Parliament and of the Council (7 March 2017), 2017/2571(DEA)

<sup>37</sup> COPA-COGECA, Publications, Press Releases, Copa and Cogeca welcome fact that European Commission will keep rate for Ecological Focus Areas (EFAs) at 5%, in: [www.copa-cogeca.eu/Download.ashx?ID=1644712&fmt=pdf](http://www.copa-cogeca.eu/Download.ashx?ID=1644712&fmt=pdf) (07.03.2017)

<sup>38</sup> Proposal for a directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast), COM (2016) 767 final

<sup>39</sup> Pannonia Ethanol produces 325,000 tons of distiller's dried grains with solubles (DDGS) and 10,000 tons of corn oil, while Hungrana produces 270,000 tons of corn gluten feed (CGF) in 2017, See the feeding profiles of the 2 ethanol plants in Hungary: the Pannonia Ethanol, in: <http://www.pannoniaethanol.com/about> (25.09.2017) and the Hungrana, in: <http://www.hungrana.hu/hu/products/46/47/hungrafeed-pro---gluten> (25.09.2017)

## 7. Conclusions

The political need for increasing and developing protein production and for gapping the lack of protein-self-supply has already appeared in various initiatives in the European Union. Concerning Hungary, we see that the GM-free status is lacking the most in the field of animal breeding although Hungary is a leading country in this field, as the task of creating the GM-free Hungary also scripted into the Hungarian Constitution. In the near future, and here I refer mainly to the recent reform of the Common Agricultural Policy in 2019-2020, primarily lawyers will have the main responsibility to pour this not fully unified but sufficiently strong, political will into legislative texts regulating the activities of citizens and businesses. We, Hungarian lawyers, are also given the task when the time comes, to put firm legal proposals to the table in front of the European Commission, then to the EU co-legislators, the European Parliament and the Council, which give a real chance to European farmers and feed-processors to be able to considerably reduce Europe's protein dependency by their work.