

CHAPTER 7

CONCLUSIONS

Overseas imports of soybeans from Brazil, the US and Argentina to Europe are increasing every year. Simultaneously, GMO farming in these countries is being expanded ever further. European farming of protein crops especially soybeans is being pushed by organizations and protein initiatives for economical and ecological reasons. In 2015 soybean acreages expanded drastically due to the additional Greening political measures which came into force. Therefore it is worth asking about the potential of a European non-GMO soybean market.

The aim of this thesis was to work out the principal chances and limitations of a European soybean market under the current agricultural political conditions. Moreover, it should be discussed how many of the imported soybean commodities, of which more than 85% are from overseas, could be replaced by soybeans planted in Europe.

In order to get to the bottom of the interests in this market from the perspective of the market actors, ten interviews were carried out. The result made it clear. European soybeans cannot yet compete with the overseas soybeans in terms of quantity (homogenous commodity lot sizes), price and even quality (mainly protein content). That's why European non-GMO soybeans are not yet of high importance on the most important consumer market, which is the feed market, as large processors favor homogeneous lots and a reliably supply of commodities as to avoid volatile qualities in production.

The greatest constraint comes from the limited availability of arable land in Europe as well as from a lack of early maturing soybeans that are well adapted to the European growing conditions. The restricted availability of arable land lead to a competitive situation with other cash crops such as corn, but according to the results of this thesis, soybean growing's result in lower revenues and are therefore economical less competitive than corn. Thus, output (income) optimizing farmers under today's conditions decide not to replace corn by soybeans.

Furthermore, a limited practice experience in less experienced relatively new soybean growing regions slow down the development of a competitive European soybean market. Moreover, an insufficiently established non-GMO soybean industry hinder the market development due to difficulties of coexisting GMO and non-GMO commodities. Separated product flows in non-GMO processing plants, wholesale and collection points, are segments within the value chain which need to be further promoted for this market development. The zero tolerance regarding GMO traces in seed has been analyzed as a market barrier especially in the plant breeding industry. Thus, the thesis argued to establish a feasible GMO threshold value for seed as is already legal for food and feed. This is mentioned as a political constraint primarily, as well as too little effort towards specifically promoting a regional protein strategy, if more independence from overseas imports will be achieved.

On the other hand, chances for the European soybean market are expected, as long as added value can be generated through special marketing programs, particularly trademarks. This means marketing products at higher prices according to regionality and non-GMO labelling. Therewith, a distribution of additional costs for testing and separation along the value chain could be achieved. Especially the Danube Soya Association is being described as a driving force. They mobilize market agents along the value-added chain, help to create uniform standards, test and monitors soybean commodities to be non-GMO and are finally labeled as such. In this way the non-GMO separation needs to be extended by European regulation to simplify the process to reach a European non-GMO soybean market.

The consumers demand for local or organic products is constantly increasing. Consequently, non-GMO soybean components are being asked for in animal feed. A significant market opportunity for soybeans is that they are not really replaceable (in terms of quality) by any other protein crop without needing to reduce the economic efficiency of animal production. Therefore, the potential for demand is there principally. The analysis of the application of non-GMO feed shows that this is only of importance in smaller amounts in a few countries within Europe. Significant animal producing countries such as the Netherlands and Spain have no interest in non-GMO products.

Thus, the intentions behind the European non-GMO soybean market, such as more independence from overseas imports, are likewise limited to specific regions of Europe. The European soybean production possibilities are economical and geographical limited and would not be able to do much more than satisfy certain consumer niches who are willing to pay the added value for non-GMO products.

According to the acreage analysis, soybeans would need to compete with corn for acreages on reasoned by their very similar requirements on growing conditions. From an economic point of view, the soybean under the current conditions in Europe is nonetheless still far off this capability to compete in most regions, which can be attributed to the continental conditions of Europe. Only in a few countries such as Italy, France, Romania, Serbia where high yield performance been recorded even without political measures such as greening they could still increase their yields.

Similar prognoses can be extracted from the OECD forecasts, so that the prediction for 2025 appears realistic. In these it is expected that Western Europe still will concentrate on cereals production. Eastern Europe however, might partly manage large increases in soybean yields. Even the experts rate the potential of Eastern Europe the highest. Overall, the estimates by experts were about further 20 % of the annual imported soybean which can be replaced by a European soybean production. Expressed in hectares this equals additionally 2.4 mn ha to the present 5 mn ha which are grown in Europe including CIS which would be thoroughly conceivable. However, being autonomous from imports is out of the question under the current conditions of the European agrarian economy.

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