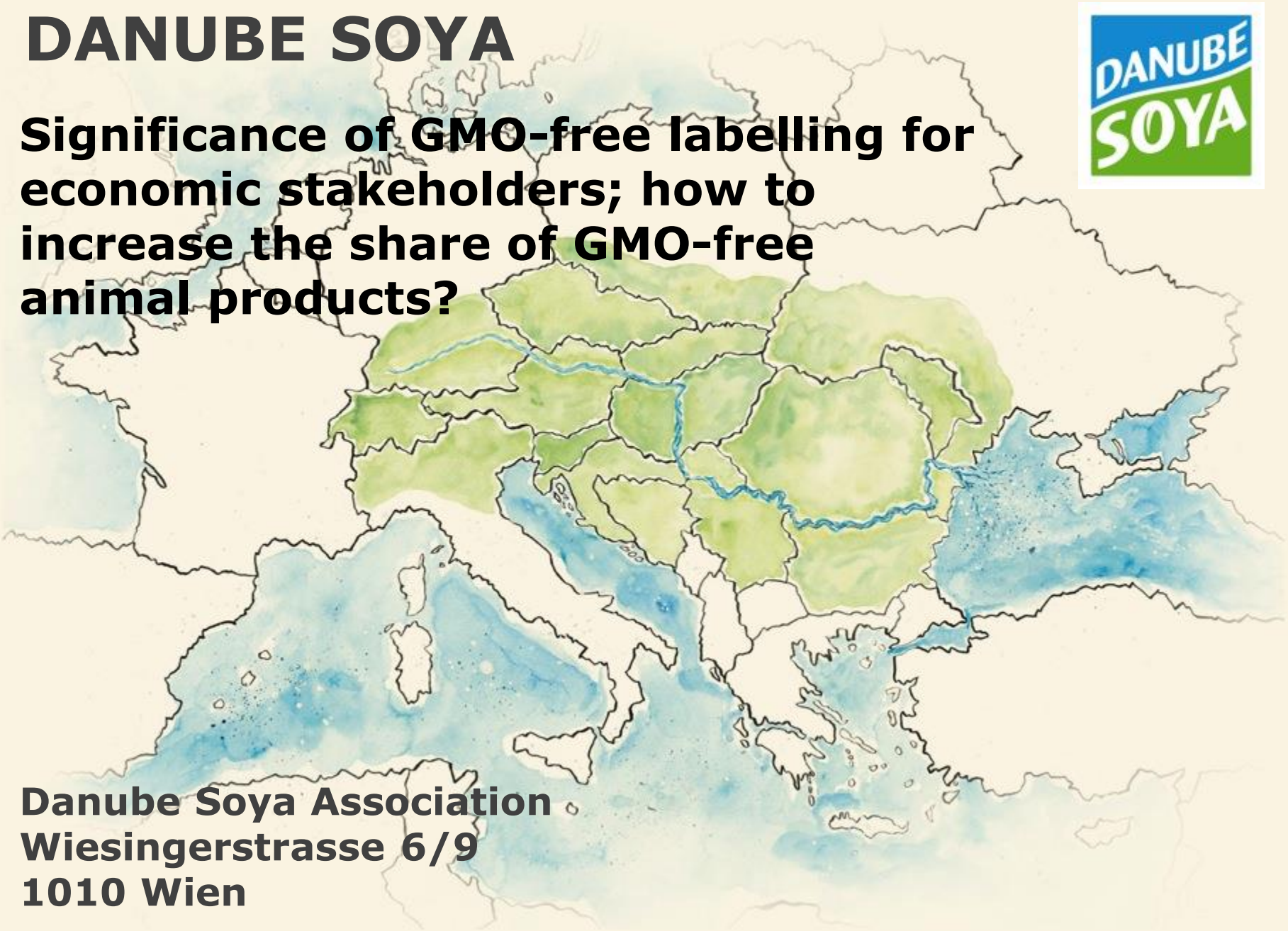
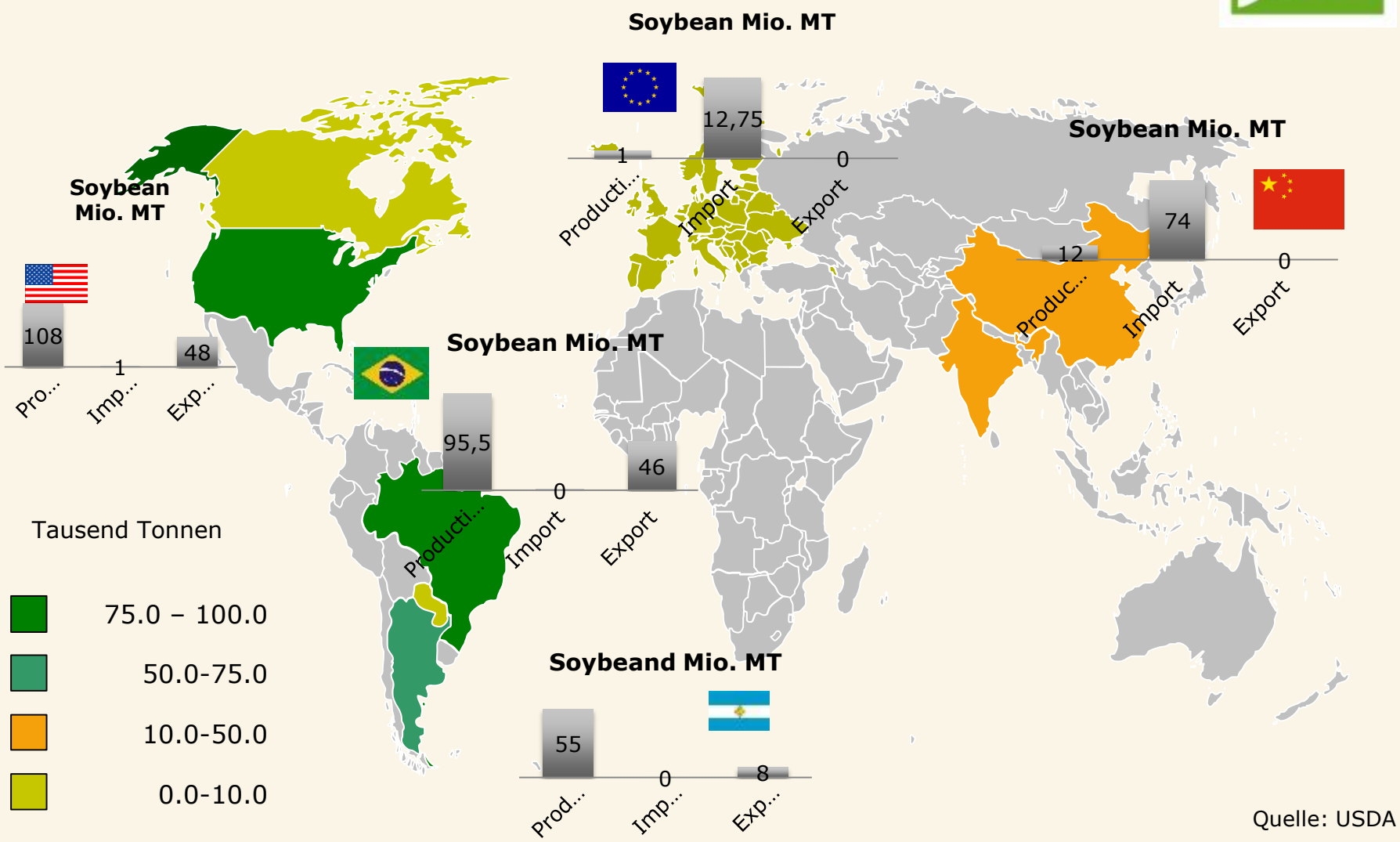
DANUBE SOYA

Significance of GMO-free labelling for economic stakeholders; how to increase the share of GMO-free animal products?



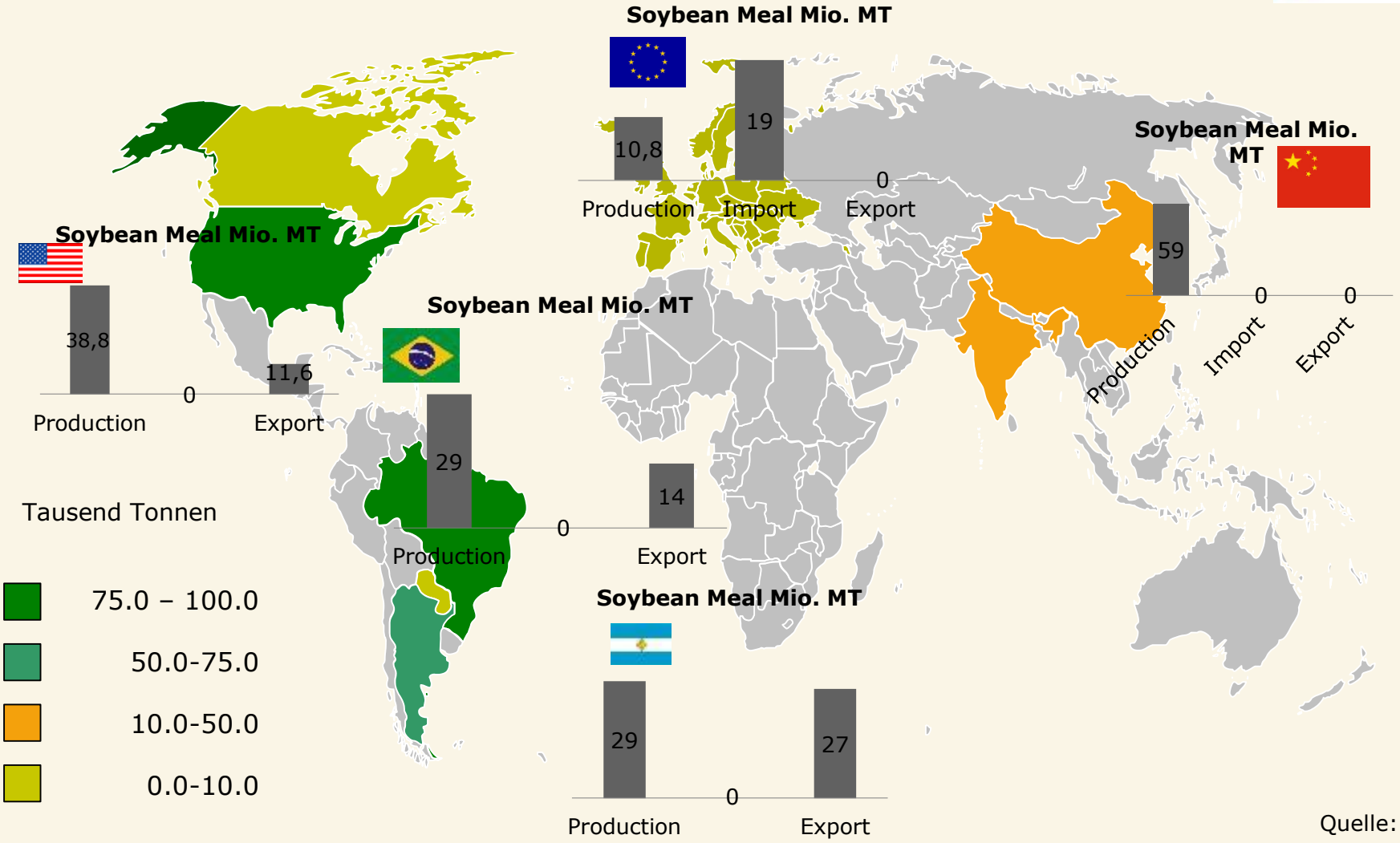
Danube Soya Association
Wiesingerstrasse 6/9
1010 Wien

Soya Beans Imports and Exports



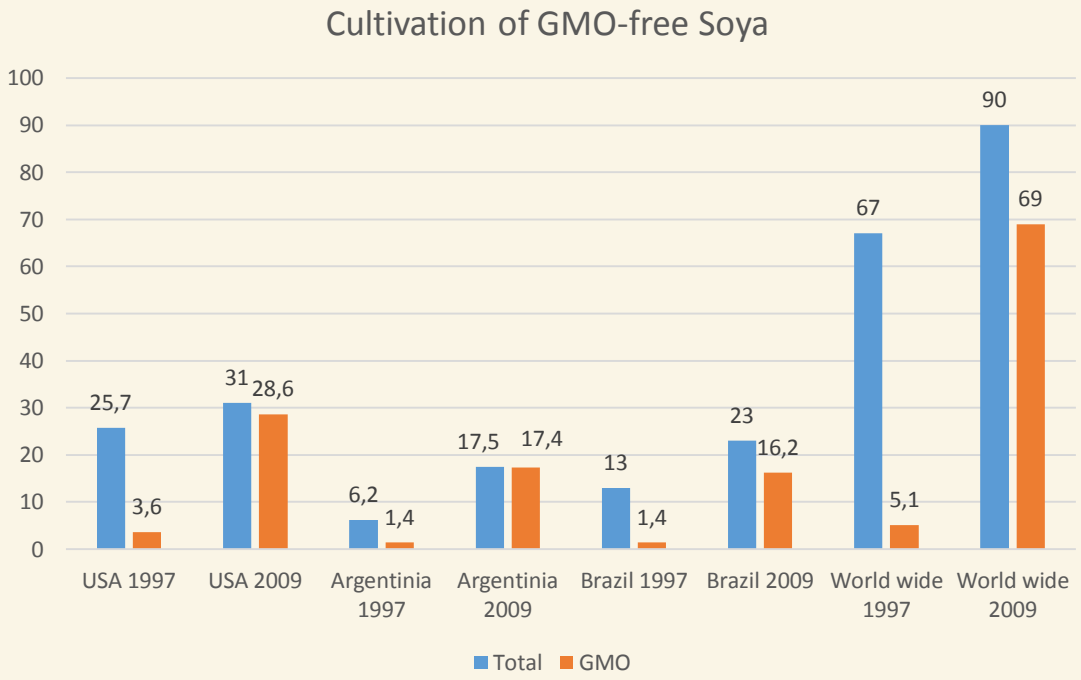
Quelle: USDA

Soya Bean Meal Import and Exports

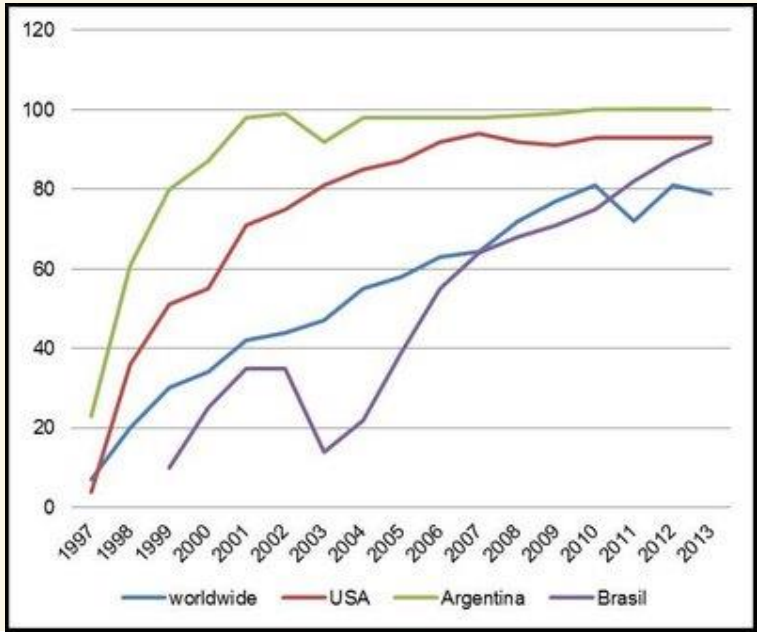


Quelle: USDA

Cultivation of GM Soya



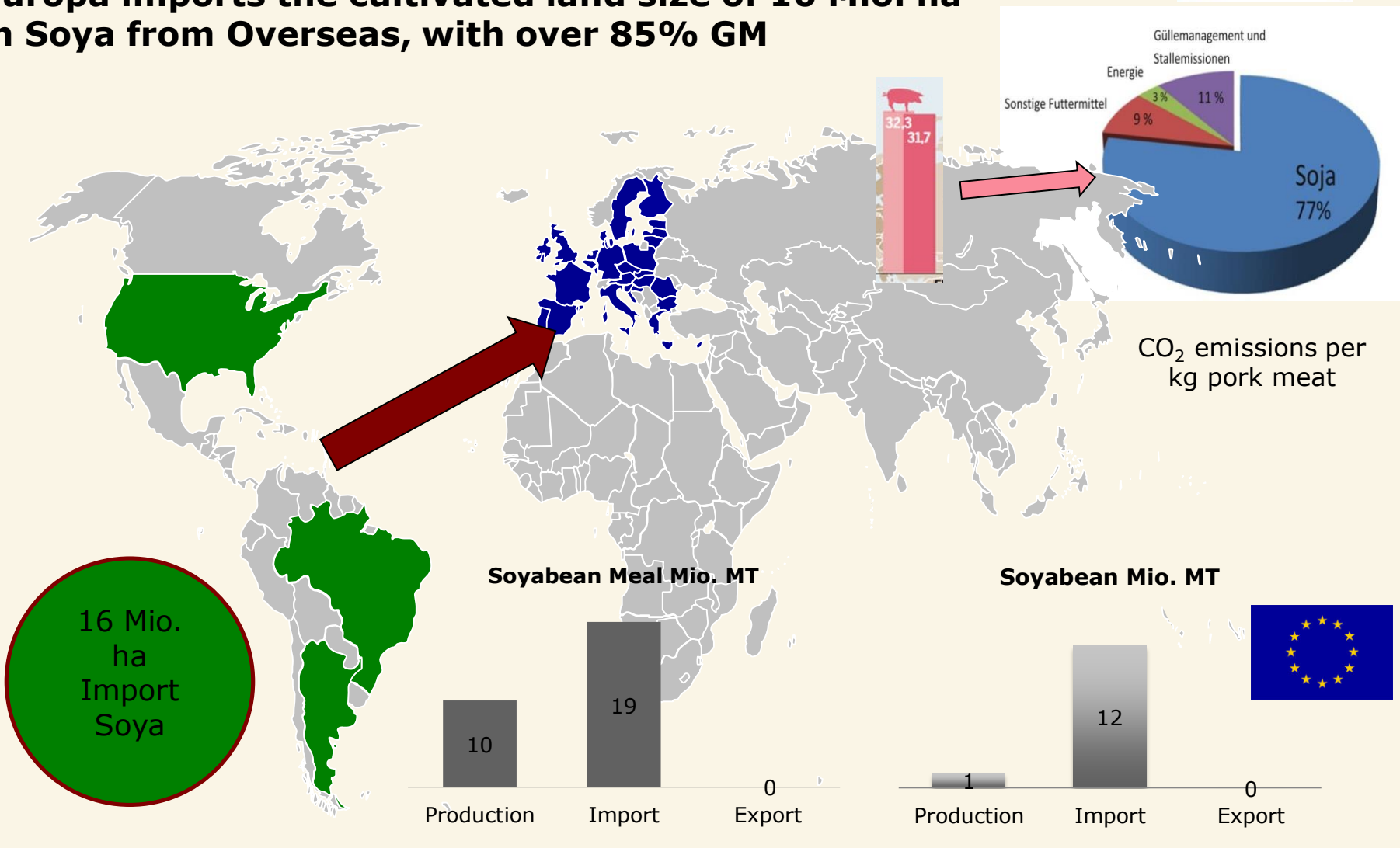
GMO Ratio
80 % in 2013



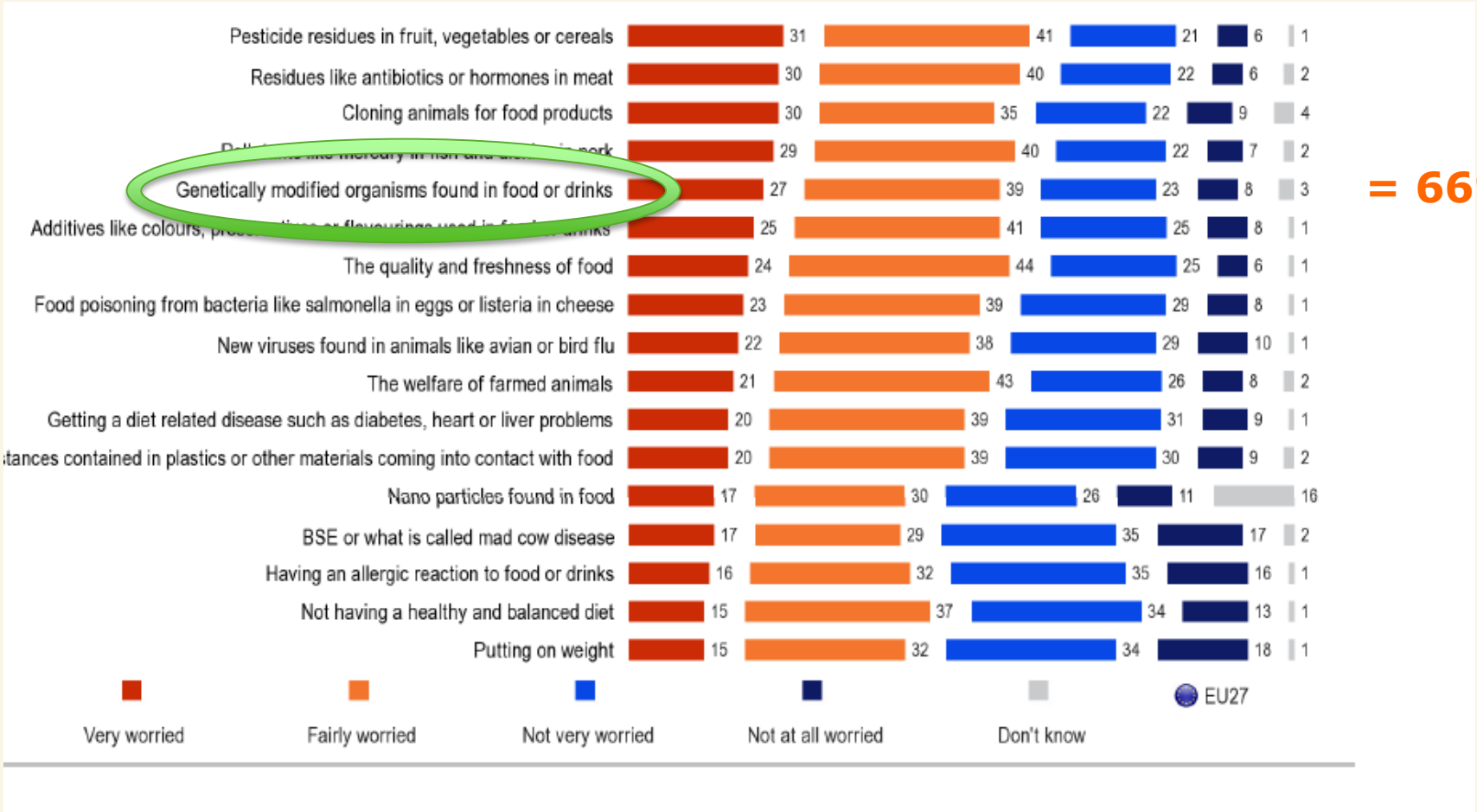
Source: GMO-compass.org

Closer look at Europe

Europa imports the cultivated land size of 16 Mio. ha in Soya from Overseas, with over 85% GM



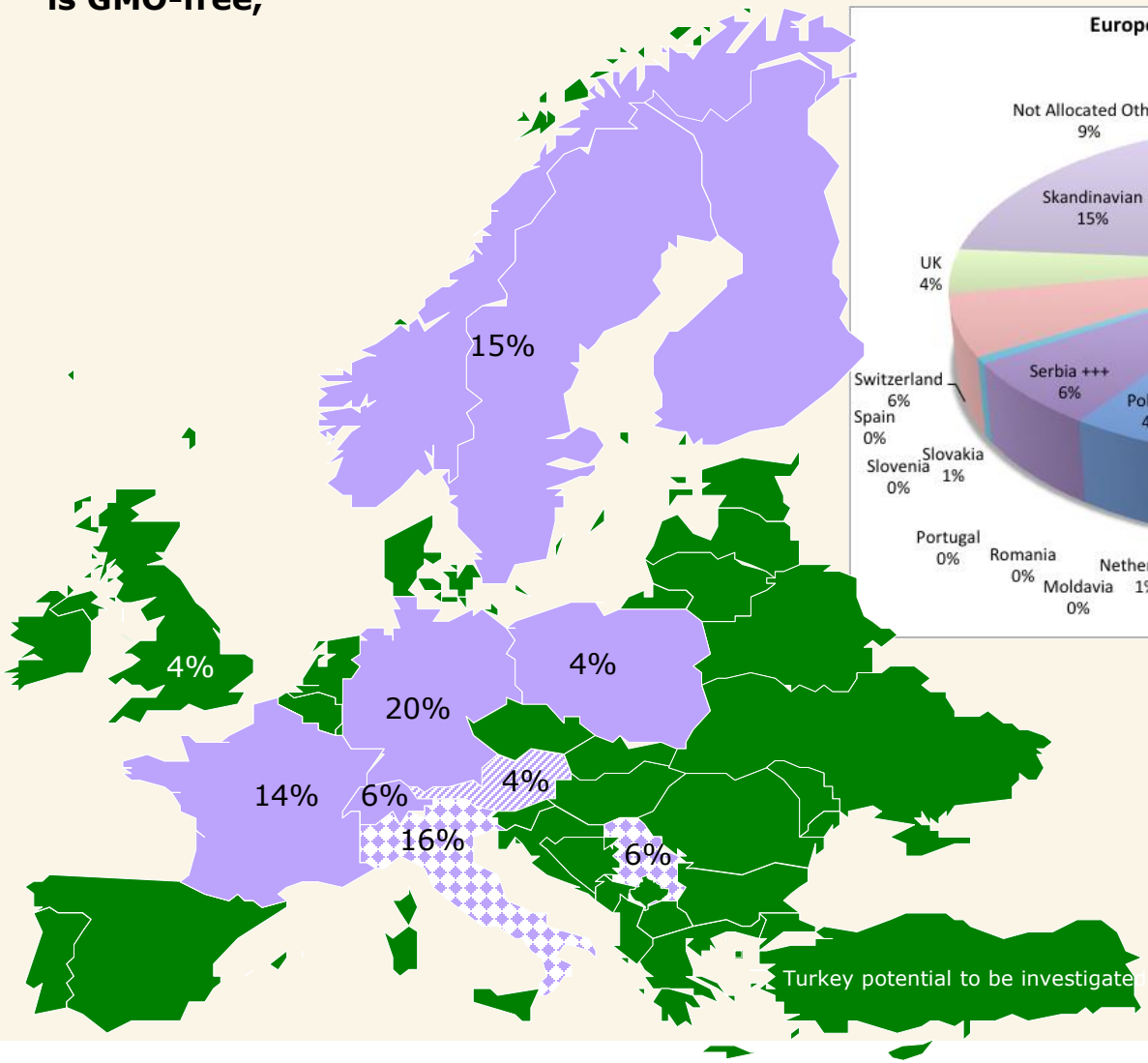
Closer look at Europe

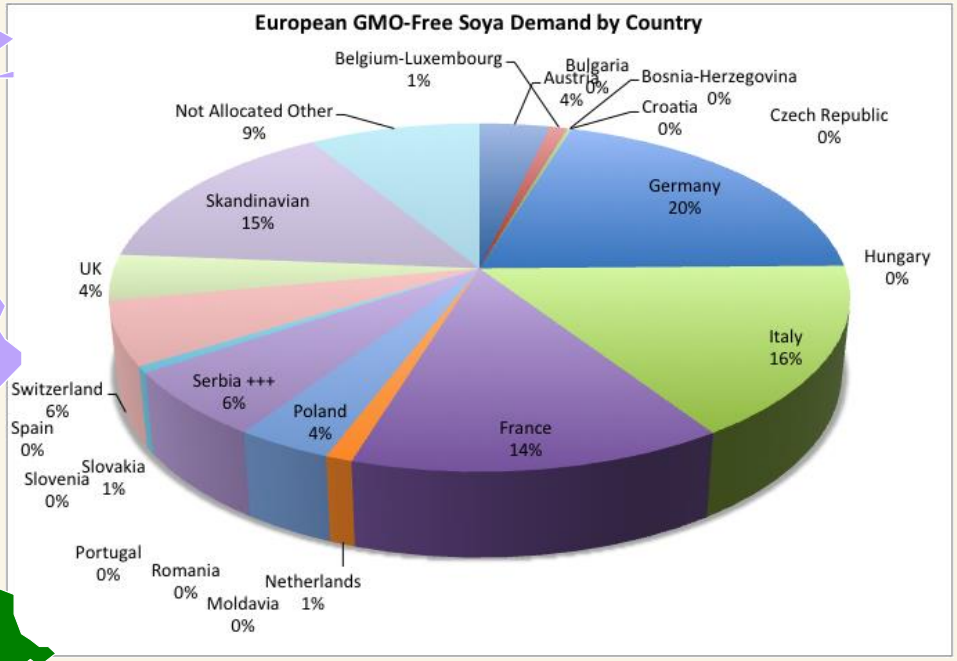


= 66%

GMO-free Soya Demand in Europe: 5 Mio. To (7 Mio. T Soya beans equivalent)

15% (5 Mio. tons) of Europe Soya demand is GMO-free,





Primarily self-sufficient cultivation, some imports

Primarily import need

Could be self-sufficient but Main production exported for food, import for feed

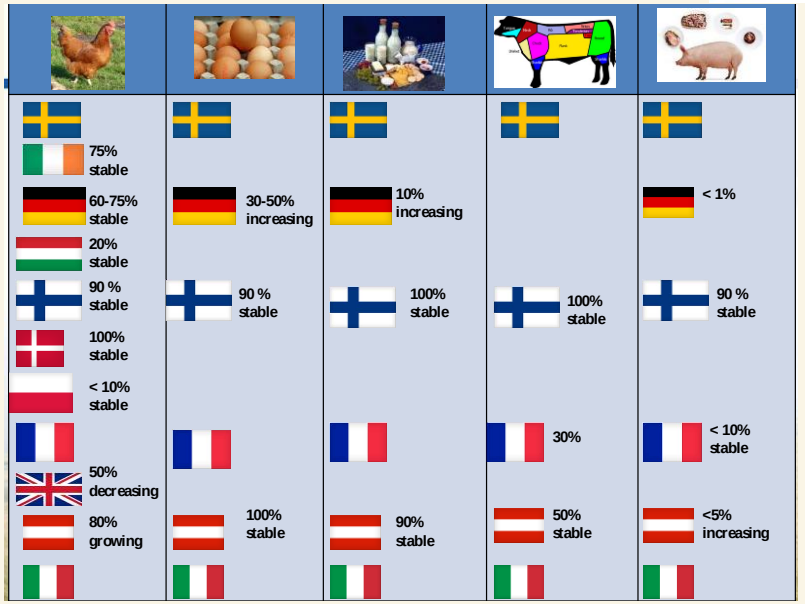
Main demand drivers for GMO-free Soya in livestock per country

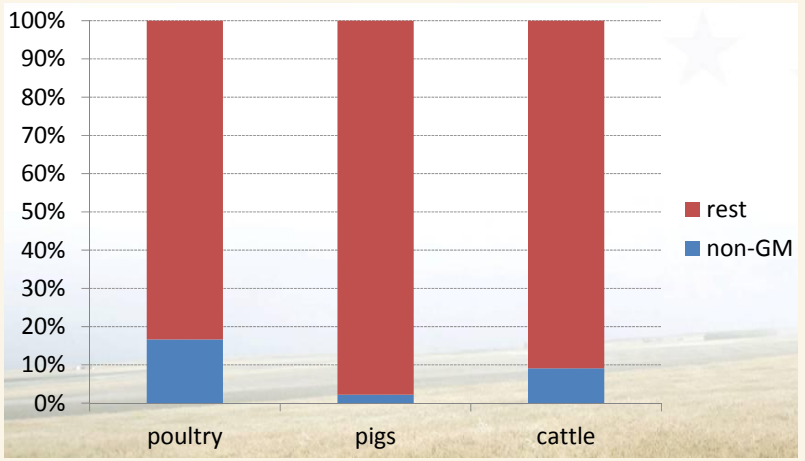
- Egg production & poultry meat is the main driver for non-GM at EU level, upon request of **retailers**.
- Increasing demand for non-GM feed for cows, upon request of **dairy companies**.
- Smaller demand for non-GM feed for pig production.

Austria, Swiss, Germany, France and Italy: GMO-free claims on animal products

- Different rules
- This demand can trigger demand for non-GM feed in other countries for export reasons

High-Prot demand in Non-GM even higher than in total feed market





Source: FEFAC 2014

Common European Standard on GMO-free Labeling Situation

REGULATION (EC) No 1829/2003 of the European Parliament and of the Council of 22 September 2003 on genetically modified food and feed

(16) (...) Thus, products obtained from animals fed with genetically modified feed or treated with genetically modified medicinal products will be subject neither to the authorisation requirements nor to the labelling requirements referred to in this Regulation.

- Lack of Information (for consumers) about GM in Feed

Labeling of Feed => receiving competitive advantage

- Regional agriculture

Solution? How to increase the share of GMO-free animal products?

- Availability of GMO-free products and feed
- Reduced of costs of GMO free products
- Common European Standard on GMO-free if no GM labeling will be in force
- Information Consumers

Danube Soya creating a brand from farm to consumer

Danube Soya beans are….

… from the Danube Region

… GMO free

- EU (ILO) social & labour standards
- EU Pesticide Legislation
- Agricultural Land, only before January 2008

AREA DEFINITIONS:
GERMANY: Bavaria, Baden Württemberg
ITALY: Trentino Alto Adige, Friuli Venezia Giulia, Veneto, Emilia-Romana, Lombardia, Piemont, Vallée d'Aoste
POLAND: Dolnoslaskie, Opolskie, Slaskie, Swietokrzyskie, Podkarpackie, Malopolske
UKRAINE: Uschgorod, Tschernowzy, Winniza, Odessa, Lwow, Ternopol, Chmelnizkij, Iwano-Frankovsm

Danube Soya is...

Danube Soya Certification

FEED

FOOD

Traceability
Inspection
European processors
Short Transport
Consumers benefit

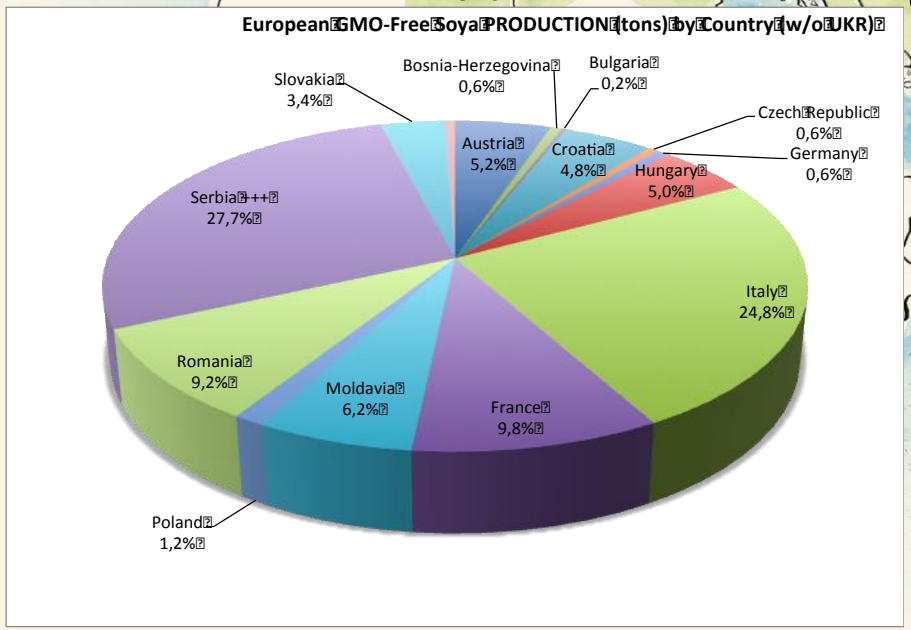
Link Consumer and farmer

GMO-free Soya Production in Europe (tons)

15% of Europe Soya demand (5 Mio. meal / 7 Mio. beans) is GMO-free, estim. 1/3 (2.5 Mio. Tons soya beans) can be currently supplied by European cultivation

By focusing the cultivation In the Danube region (including Ukraine) The European GMO-free meal demand of 5 Mio. Tons and a general production of 8-10 Mio tons soya meal can be provided from Europe by 2020

Availability of GMO-free and regional soya



Source: USDA, EuroStat, 2014, own work

Soya production Potential in Europe and Yields

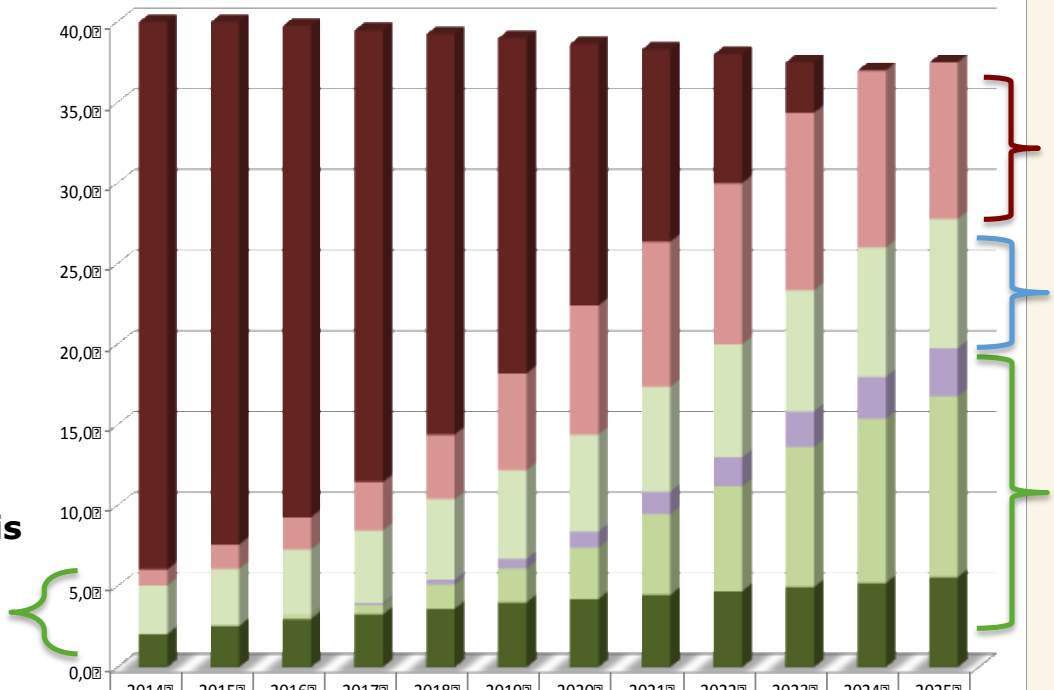
By the potential of the Danube Soya countries including Ukraine Europe is able to source their protein demand in soya by 50%(18-20 Mio tons) within 10 years !

- **Impact factors EU: yield development (Eastern Europe) and more attractive subsidy framework**
- **Impact factors Ukraine: GMO-free demand EU, geo-political change situation**

Ton Volumes Soya Cultivation Actuals & Forecasts	Soya tons 2012	Soya tons 2013	Yield	Soya tons 2014	Yield	Soya tons 2015 Estim.	Yield	Soya tons 2020 Estim.	Yield	Soya tons 2025 Estim.	Yield
	ton	ton	Avg Yld	ton	Avg Yld	ton	Avg Yld	ton	Avg Yld	ton	Avg Yld
Average Yield excl. Ukraine			2,3		2,5		2,7		2,8		2,9
Average Yield incl. Ukraine			2,1		2,3		2,3		2,6		2,9
Austria	104.100	82.800	1,97	118.000	2,69	134.700	*2,69*	200.000	3,30	200.000	3,30
Bosnia-Herzegovina	11.800	10.800	2,40	14.200	2,40	15.800	2,40	31.900	2,40	39.900	3,00
Bulgaria	4.300	700	2,40	4.800	2,40	30.000	*1,50*	176.400	2,40	367.500	3,00
Croatia	96.700	113.100	2,40	110.000	2,20	144.000	*2,40*	152.200	2,40	225.000	3,00
Czech Republic	13.100	13.500	2,08	13.900	1,93	20.000	*2,00*	16.800	2,80	16.800	2,80
Germany	14.400	15.000	2,88	13.300	2,30	27.600	2,30	28.000	2,80	28.000	2,80
Hungary	67.700	78.800	1,86	113.700	2,69	169.500	*2,69*	519.100	2,80	692.200	2,80
Italy	422.100	624.800	2,84	564.600	2,35	780.000	*3,00*	1.091.000	3,30	1.091.000	3,30
France	104.200	110.300	2,57	222.000	2,98	259.600	*2,95*	264.000	3,00		3,00
Moldavia	141.400	100.800	2,40	140.000	2,55	156.000	2,40	235.000	2,40	349.500	3,00
Poland	4.600	6.600	2,40	28.200	2,00	38.000	2,00	38.800	2,00	38.800	2,00
Romania	104.300	149.900	2,22	209.000	2,42	314.100	*2,42*	884.600	2,40	1.638.000	3,00
Serbia +++	281.000	385.000	2,41	630.000	3,50	648.000	3,00	711.900	3,00	711.900	3,00
Slovakia	41.800	39.600	1,36	78.200	2,34	57.000	1,90	123.500	2,80	168.000	3,20
Slovenia	500	500	4,50	400	4,00	800	4,00	800	4,00	800	4,00
Spain	1.300	1.400		2.600							
Switzerland	3.100	3.800	2,70	10.500	2,70	11.200	2,80	11.200	2,80	11.200	2,80
Total Danube Soy Region	**1.310.900**	**1.625.700**		**2.048.800**		**2.546.700**		**4.221.200**		**5.578.600**	
Total 1 (Danube Soy Region & EU-Rest w/o Ukr	**1.416.400**	**1.737.400**		**2.273.400**		**2.806.300**		**4.485.200**		**5.578.600**	
Ukraine	2.405.000	2.774.000	2,05	3.906.000	2,17	4.665.500	2,17	9.180.000	2,55	13.224.000	2,90
Total 2 (DS Region & EU-Rest w Ukraine)	**3.821.400**	**4.511.400**		**6.179.400**		**7.471.800**		**13.665.200**		**18.802.600**	

Vision 2025. Europe has the potential to become self-sufficient by 50% of current soya meal demand

Sourcing of the european Protein (Soya) Feed Demand Scenario until 2025



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Non certified GMO Soya	34,0	32,4	30,5	28,0	24,8	20,8	16,2	11,9	8,0	3,1	0,0	0,0
Certified GMO Soya (RTRS)	1,0	1,5	2,0	3,0	4,0	6,0	8,0	9,0	10,0	11,0	11,0	9,7
Overseas GMO-free Soya (ProTerra)	3,0	3,5	4,0	4,5	5,0	5,5	6,0	6,5	7,0	7,5	8,0	8,0
Potential European GMO-free other legumes/better land use	0,0	0,0	0,0	0,1	0,3	0,6	1,0	1,4	1,8	2,2	2,6	3,0
Potential Ukraine GMO-free Soya (incl. Danube/Euro Soya)	0,0	0,1	0,3	0,6	1,5	2,1	3,2	5,0	6,5	8,7	10,2	11,2
Potential European GMO-free Soya (incl. Danube/Euro Soya)	2,1	2,6	3,0	3,3	3,6	4,0	4,2	4,5	4,7	5,0	5,2	5,6

Current GMO-free demand in Europe is covered 1/3 by European production.

Rest of demand may be covered by certified (RTRS) sourcing

Current ProTerra certified production from overseas can bridge part of the gap

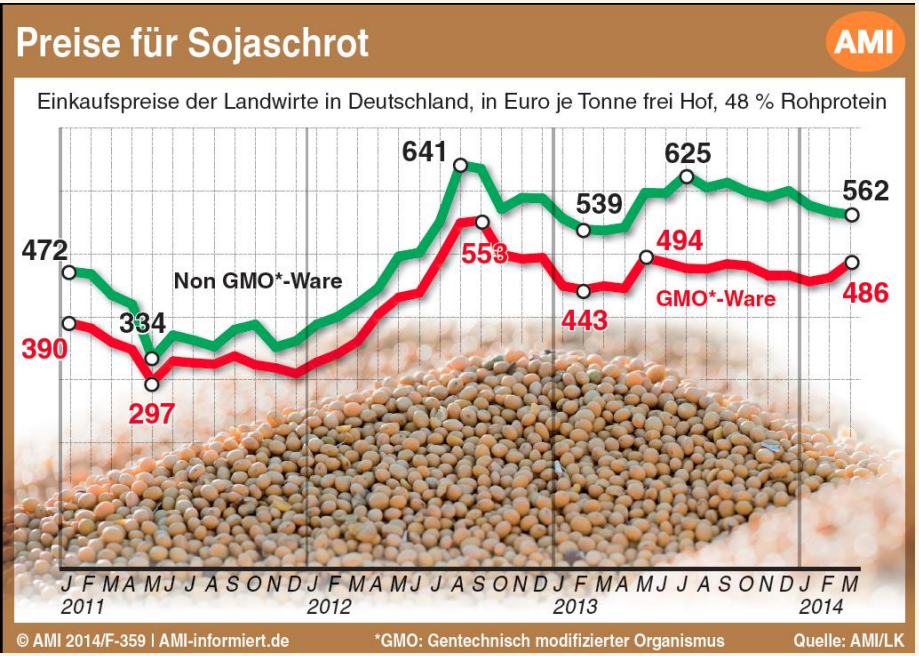
European protein production is able to fulfil 50% of protein feed (current soya basis).

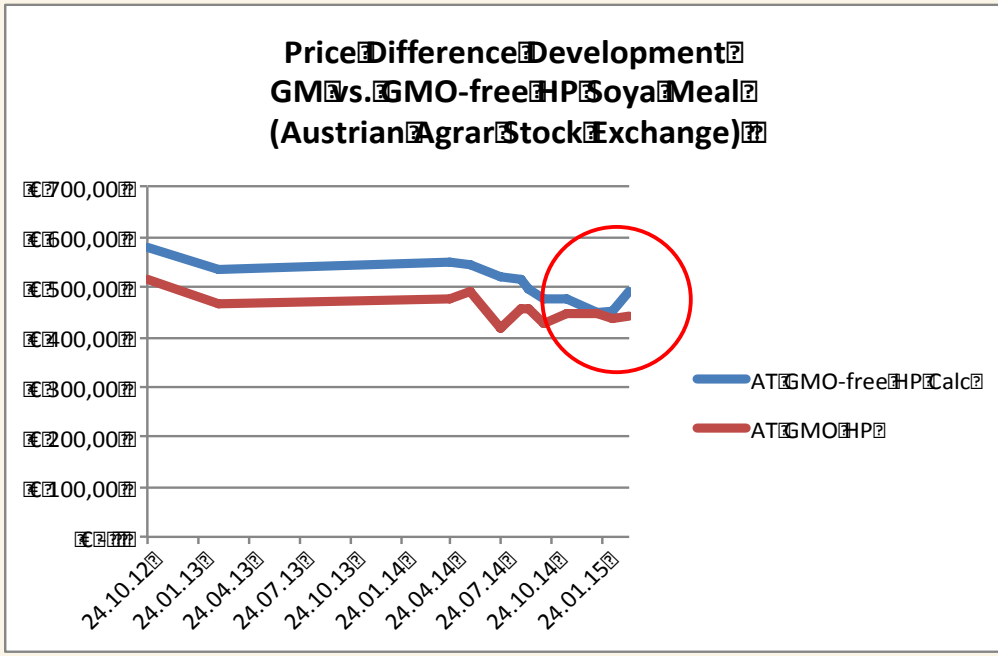
By pushing also other legumes and better use of land (grass) in a long run even higher self-sufficiency is possible

GMO-free soya Price Premium situation changes

Reduced of costs of GMO free products

While in the past years GMO and GMO-free premium difference was in favour for imported GMO soya meal the situation changed 2015 the first time ever in Q1! This enables GMO-free production to become even competitive with GMO soya from overseas.





Source: Austrian Agro Stock Exchange

Harmonization of a GMO-free standard

- AT, DE, SL, FR, IT (South Tyrol) – existing comparison
- Existing systems and their experience can be used as a good basis
- Approaches in all the countries similar or even identical
- Remarkable differences in certain details (control, exemptions)
- Regional and/or European harmonization important
  - For producers /export, consumers, competition
- Harmonization at a well-balanced high level of reliability (e.g. control)
- **Aim**: comparable criteria, reliable and transparent control system, one label, compatible with EU framework and WTO
- **The challenge**: a fine tuned-balance: scientifically solid, clear, transparent, understandable, fair, strict but not hindering implementation

The way forward in the Danube Region

- Project for the development of harmonized draft standards for the whole Danube region (Danube Soya, funded by German GIZ) Initiated by Danube Soya Declaration and Slovenian Minister in 2013 and support by all regions
- Project lead: Environmental Agency Austria, Dr. Helmut Gaugitsch
- Based on existing examples (AT Codex Alimentarius Austriacus, DE, SI etc.)
- Moderated, expert driven process
- Workable, efficient and inclusive setting:
  - Technical working group, members selected based on their expertise
  - Review by the competent authorities (e.g. Ministries of the countries)

- **Advantage**: scientifically and technically well-designed, inclusive, broad, stakeholder participation, harmonization
- Finalized Standard: Autumn 2015

Information Consumers

Markets: Austria, Switzerland and Germany

- Nov. 2013: 80% of all laying hens in Austria (Billa, Penny, Spar, Hofer)
- Dec. 2013: Coop and UFA/fenaco poultry feed mill Sursee (compulsory for all Coop-Naturafarm-laying hens from 2015)
- Dez. 2014 Poulet Coop
- Jan.2015: Fa. Hütthaler
- Jan. 2015: Fa. Schirnhofer
- Mid of 2015: laying hens Switzerland Coop

Thank you for your attention!

Mag. Ursula Bittner, MBA

bittner@donausoja.org
www.donausoja.org

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