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Food Retailers Reject GE Soybeans

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Report Highlights:
The Federal Association of the German Retail Grocery Trade (BVLH) has adopted a position paper on the feeding of livestock. The paper says that "the vast majority of companies" would support genetically engineered (GE) free protein feed. BVLH represents all food retailers in Germany,

General Information:
The Federal Association of the German Retail Grocery Trade (BVLH) has published a position paper on the feeding of livestock. The paper says that "the vast majority of companies" would support genetically engineered (GE) free protein feed. The food retailers demand that genetically unmodified plants are used for livestock primarily for their own-private label products. According to BVLH, since the cultivation of GE soy in Brazil, Argentina and the US takes place with herbicide-resistant plants, farmers may become complacent and disregard good agricultural practices. Thus, the position paper deals specifically with the question of how the protein gap in livestock feeding can be closed in the context of broader societal acceptance. BVLH also states that the position paper does not demonstrate a fundamental rejection of GE technology, but that it can be seen as a critical opinion to the cultivation of GE soybeans.

The Position paper of BVLH must be seen as a new cornerstone in a broader debate about the future of livestock production in Germany. Other catchphrases besides GE imports within this debate include domestic protein production, animal welfare and the use of new technologies. The BVLH position paper is therefore, another chapter of this ongoing debate which climaxed at the beginning of 2014 when the German poultry famers association announced an end of their 14 year policy of only using non GE soybeans in poultry feed. However, the German food retailers have lobbied to stop the use of genetically engineered feed starting from January 1st 2015. This has pressured the largest German poultry producer to announce a return to their original non GE feed policy in December 2014 with others following suit. (For more information please see German Biotechnology Report).

The position paper undermines the status quo in the German poultry sector and puts further pressure on the pork, beef and dairy sector. The focus on private label products means that a high volume of non GE feed is needed in the future. The share of private label products in Germany has steadily increased to over 40 percent in recent years and is expected to increase further. This will also affect other European countries since the major German food retailers have expanded across Europe and similar policies will be adopted collectively by these companies.

Replacing GE soybeans in Germany would lead to a number of economic and agronomic challenges to establishing large-scale plant protein production in Germany. These include the variability of pulse crop yields, a lack of soybean varieties developed for the German climate, and strong economic competition for land from other profitable crops, such as wheat. Replacing soybean meal totally with mid-protein (e.g. rapeseed meal) and low-protein feeds (e.g. pulses) would result in a drop in animal producer profitability. Perhaps the most important obstacle, however, is the scale of production needed to meet protein feed demand in Germany. Reaching anything near self-sufficiency would require radical changes in policy, major disruptions to established cropping practices, and shortages of displaced crops.

The German livestock sector consumes on average about 4.5 million metric tons (MMT) per year of soybean meal for animal feed. This translates roughly into 2 MMT of protein. In order to replace this amount of protein with pulses, Germany would have to grow 7.9 MMT of fava beans or 8.4 MMT of field peas or 5.8 MMT of sweet lupines. Assuming 6 year average yields (2005-2010), this would require an area of 2.5, 2.7, and 4.3 million hectares, respectively. In Germany, 11.9 million ha are currently used for arable crop production. If only one of the three crops in question were to fill the gap,

it would require 19, 23, or 37 percent of Germany's available arable land. In contrast, pulses currently make up just one percent of arable land use in Germany.

For more information please see:
Agricultural Biotechnology Annual 2014
Ag Ministry publishes draft 'protein strategy'
Green Movement to End Soybean Imports – An Analysis

Please see below for unofficial translation of BVLH's position paper

Position paper for the strategic development of protein feeding of livestock

In May 2013, primarily European companies in the food retail trade published the "Brussels Soy Declaration". The soy declaration's primarily objective was to strengthen the awareness in South American countries that cultivate and export soybeans. There is a high relevance for European food retailers to be able to maintain a GE free feeding system in their supply chain for animal products (meat, milk, eggs) in cooperation with their individual supply chain partners. The following position is designed to complement and support the Brussels Soy Declaration:

In recent years, the public debate on animal husbandry in Germany has become much more intense. This debate is accompanied by a critical debate about the feeding of GE soybean meal, which is imported mainly from overseas to meet the domestic "protein gap". A key feature of transgenic soybean varieties is for example the resistance to so-called total herbicides. However, the cultivation of herbicide-resistant crops is enticing farmers in many ways to disregard good agricultural practices.

This paper specifically addresses the question of how the protein gap can be closed in livestock feeding in the context of broader societal acceptance.

Currently, the major demand for protein of livestock held in Germany is covered by domestic/European feed grains, by-products of cereal and oilseed processing, as well as basic or roughage feed to ruminants. In addition, this results in a protein gap in Germany, which is mainly covered by the feeding of approximately 4.5 million tons of soybean meal from overseas.

These volumes are distributed as follows on the large sectors of livestock feeding:
1. dairy and beef cattle feeding about 0.8 million tons
2. poultry feeding about 1.2 million tons
3. pork feeding about 2.5 million tons

Brazil, Argentina and the United States are the main countries of origin for the soybean volumes processed in the German feed industry. It should be noted that there has been a rapid increase in cultivating GE soybeans in all three countries since the mid-90s. Of the three countries, Brazil is the only one producing GE free soybeans with about 10 million tons out of the 80 million tons of soybeans produced being completely GE free.

The vast majority of companies in the food retail industry are aware of this situation and are demanding for livestock feed for their own private label products, which dispenses the use of GE feed. In order to address the issue, the companies engage in "Dialogue Forum for more sustainable protein feed". Thus, they live up their claim of more responsible production of animal products and meet the expectations of German consumers with GE-free and GE-free produced food. GE-free feed can also be achieved through a stronger focus on European sources of protein. However, this only works when the cultivation of legumes in Europe is promoted and expanded through appropriate demand impulses.

The proponents of this paper don’t want this position paper to be understood as a fundamental rejection of the GE. Rather, this is an individual consideration, which must be understood as a critical position in relation to the cultivation of GE soybeans.