The trouble with soy

the threats to small-scale producers across Europe

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The trouble with soy: the threats to small-scale producers across Europe

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Author: Chris Chancellor

Report coordinator: Szocs Boruss Miklos Attila

Contributors: REDES-Friends of the Earth Uruguay and Friends of the Earth Europe (FOEE)

Editing and layout: Ramona Duminicioiu

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### Acronyms

<table>
<thead>
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAP</td>
<td>The Common Agricultural Policy of the European Union</td>
</tr>
<tr>
<td>COCERAL</td>
<td>European Association of cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply trade</td>
</tr>
<tr>
<td>CEE</td>
<td>Central and Eastern Europe</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<td>ECVC</td>
<td>European Coordination Via Campesina</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FEDIOL</td>
<td>Represents European Vegetable Oil and Protein meal Industry in Europe [1]</td>
</tr>
<tr>
<td>FEFAC</td>
<td>European Feed Manufacturer’s Federation</td>
</tr>
<tr>
<td>GM</td>
<td>Genetically Modified</td>
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<tr>
<td>RTRS</td>
<td>Round Table for Responsible Soy</td>
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<tr>
<td>UN SDGs</td>
<td>United Nations Sustainable Development Goals</td>
</tr>
<tr>
<td>VGGTs</td>
<td>UN Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests</td>
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Key Terms

food security when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life [2].

food sovereignty the right of people to define their own food, agriculture, livestock and fisheries systems and policies [3].

agroecology a set of ecological, social and political principles within the wider framework of food sovereignty, as defined by the 2015 Nyeleni Declaration [4]. Key pillars include the use of ecological systems in production, autonomy over seeds, land and other key resources, and a rejection of corporate food system control.

peasants women and men cultivators, livestock keepers, pastoralists, forest dwellers, artisanal fishers, Indigenous Peoples and other rural and urban small-scale food providers [5].

land concentration the process by which larger amounts of arable land become controlled by fewer and fewer individuals or legal persons.

land speculation the process by which investors acquire control over land, either directly or indirectly, with the aim of profiting from future appreciation of its value.

land grabbing land grabbing is the control of larger than locally-typical amounts of land by any persons or entities for purposes of speculation, extraction, resource control or commodification at the expense of peasant farmers, agroecology, land stewardship, food sovereignty and human rights [6].

soy derivatives products for which soybean is an input, such as meat, egg and dairy products for which the animals have been fed a soy-based diet.

supply- or value-chain the various stages of production that soybean goes through before reaching the final consumer in derivative form.

processors companies involved in crushing, refining and transforming soy into end products such as animal feed, food, cosmetic and chemical products [7]

traders large international conglomerates that buy, collect and transport agricultural commodities to crushing plants or processing industries [8]

retailers companies that provide final soy or derived products to the individual consumer.
Context

This report has been prepared by Eco Ruralis, with the support of the European Coordination Via Campesina (ECVC).

ECVC is a European grassroots organization which currently gathers 26 national and regional farmers, farm workers and rural organizations based in 17 European countries. Rooted on the right to Food Sovereignty, our main objective is the defence of farmers’ and field workers’ rights as well as the promotion of diverse and sustainable family and peasant farming. These principles in turn, demand food and agricultural policies based on legitimacy, fairness, solidarity and sustainability. These are necessary to ensure food security, food safety, public health, employment in rural areas and to tackle the issues of the global food crisis and climate change. ECVC is the regional member of La Vía Campesina, the largest grassroots international peasant movement. Together we strive for societies where agriculture serves the needs of the communities rather than financial markets or corporations.

Eco Ruralis is a Romanian peasant associated founded in Cluj-Napoca, Romania in 2009. The association is made up of peasant farmers who practice organic and traditional farming based on environmentally-conscious principles. Eco Ruralis stands for farmers’ rights to practice non-industrialized sustainable agriculture. We envision a society that is environmentally sustainable, economically fair and socially just where peasant agroecology is the central part of our food system. To this end, we aim to aid the capacity of peasants to collectively defend themselves against unfair and unequal actions taken by corporations and governments. In addition, we wish to actively support a movement of young farmers that will preserve traditional farming practices and assert their control over food production and land rights.

As part of this support, the Right to Land Programme at Eco Ruralis monitors, analyses and reports on policy developments in Romanian and European agriculture. In recent years, the idea of expanding soybean production within the European Union (EU) has been sown and continues to grow. In 2017, the European Soya Declaration was signed by several Member States, outlining official plans to support greater soybean production, particularly in Central and Eastern Europe (CEE). Since then, the European Parliament has produced an own-initiative opinion piece on protein crop expansion in Europe, as well as a draft report. The European Commission is also producing a report on the topic of a European protein plan.

Given the troubled history of commodity soybean production in Latin America, this has raised alarm bells for peasant farmers and those that believe in a more equitable and sustainable food system rooted in agroecology. Whilst there has been a focus on marketing the sustainability of these plans, many of the same powerful actors are involved; they are forwarding a storyline of efficiency and productivity that has underpinned the unsustainable industrial food system. This is troubling for the peasant farmers of the region striving for food sovereignty.

This report aims to articulate the worries that peasant communities and civil society have regarding the current plans, and set out an alternative pathway to resolve the plant protein issue in a truly sustainable and equitable manner.
Executive Summary

The EU must address its plant protein deficit and its agricultural footprint in Latin America.

- The EU is highly dependent on soybean imports for its domestic consumption, primarily from Latin America. 80% of EU soybean seed was imported in 2016/17.
- The majority of this soybean in the EU is used in the livestock sector. Essentially 100% of the EU's processed soymeal ends up in animal feed.
- Soybean derivatives therefore have a high soybean footprint. It is estimated that 1kg of retailed broiler meat requires 1,089 kg of soy to produce.
- This requires a large amount of land in producer countries. It is estimated that total EU consumption of poultry meat requires 3,193,000 hectares of land for the production of soybean used in feed.
- Industrial soybean plantation developments in Latin America, including those with sustainable labels attached, have had severe environmental and socio-economic impacts. Reports of deforestation, agro-chemical pollution, and direct or indirect evictions of rural peasants and indigenous peoples have become commonplace.

Transplanting industrial-scale soybean or other protein crop production into Europe is not the answer.

- Momentum is growing for support of increased protein crop (mainly soybean) production in the EU. The European Soya Declaration of 2017, led by the Donau Soja Association, sets the tone for wider European Commission and European Parliament calls for a European protein plan.
- The plans aim to encourage the uptake of soybean and other protein crop production. There is no effort to challenge the damaging agro-industrial food system that dominates, meaning business as usual with a handful of extra commodity crops, primarily soybean, added to the mix.
- The plans make big noise about sustainability and resilience but seem to have a narrow understanding of what this means. The European Soya Declaration focuses on headline-hitting topics such as GM and deforestation without thought for the wider socio-economic and environmental impacts of encouraging further industrial commodity crop production. This actually threatens food security and sustainable ecosystems, which are the two Sustainable Development Goal topics that the declaration claims to work towards.
- There is a danger that unequal supply chain dynamics will emerge. The European Soya Declaration and Donau Soja Association point to Central and Eastern Europe as the region with the greatest potential for expansion, whilst the biggest markets lie in Western European livestock powerhouses such as the Netherlands and Germany.

Agribusiness corporations and financial speculators are viewing the CEE region with interest in the context of protein crops, threatening peasant producers in the region.

- Cheaper, highly fertile and supposedly underutilised land in CEE, combined with EU subsidies and free market principles, is attracting corporations and speculators to invest in agricultural land in the region. Western European corporations are investing through their subsidiaries, and asset management firms are also advertising the profits to be made from protein crop production in CEE.
- These investments are primarily export-oriented, creating little local benefits. Production is aimed at supplying big non-GM food markets in Western Europe such as Germany, Austria and Switzerland.
- Agribusiness corporations or their subsidiaries implement an agro-industrial model in search of quick profits. High mechanisation means little local employment opportunities: at one site in Romania, 800 hectares of soybean is worked by just 2 employees plus 2 engineers.
- Encouraging the spread of this type of model threatens to further marginalise small-scale peasant producers and family farms. CEE still harbours significant peasant populations, yet they are finding their livelihoods increasingly unviable in an economic and policy context that favours corporate-controlled food systems.

Agroecology and the concept of food sovereignty should shape EU policy on protein independence.

- Employment is higher in small-scale agroecological enterprises. One study on small-scale farms in the UK found an average of 3.2 full-time employees per hectare, as opposed to a national average of 0.026.
- Small farms are actually more productive than large industrial-scale producers. In 21 EU countries, the Standard Gross Margin (SGM) per hectare is greater than that for large farms (more than twice as large in 9).
- Food sovereignty explicitly aims to challenge the corporate dominance of food systems. The increasing concentration of land and food supply-chain markets in corporate hands is unhealthy for people and planet, and EU policy needs to reflect this.

- Agroecology explicitly aims to protect the environment in a sustainable manner. Agroecological principles focus on minimising external inputs, nurturing on-farm biodiversity and investing in the longevity of local ecosystems.

**The Opportunity**

The fact that the EUs protein deficit (and its impact on communities and ecosystems in Latin America) is on the table as a hot political topic is progress. However, a policy framework based on current agro-industrial production systems, and one that fails to challenge the concentration of corporate control over our food system, is not a real solution and threatens peasant producers across the continent.

EU decision-makers must grasp this political moment, and take the opportunity to lead the way towards more sustainable European food systems. They can do this by placing small-scale acroecological producers at the centre of EU food and farming policy, such as the CAP and future protein plan. This is not only viable, but is necessary for the wellbeing and vitality of Europe’s current and future generations.
Introduction

Soybean has become one of the most important agricultural commodities in the world. Demand is fuelled mainly by the industrial livestock industry, which uses soy as a high-protein ingredient for compound feed. Over the past three decades, its production has intensified dramatically, particularly in Latin America. This production has provided opportunities for some; host governments have been attracted by economic wealth generation, and stakeholders across the chain have tried to capture the benefits of lucrative prices on the world market. However, industrial soybean production has also brought with it drastic environmental and social consequences. The transformation of landscapes to make way for soy cultivation has fuelled worrying levels of deforestation [9]. This has often been accompanied by violent displacement of indigenous peoples and rural communities [10]. The use of herbicide-resistant genetically-modified (GM) varieties has led to dangerous levels of chemical application [11]. This has in turn had serious consequences for human health, biodiversity, water quality and the ecosystem services that they support.

Attempts to regulate the industry have had little success so far. Given that soy is such a financially valuable crop, actors across the entire supply chain have scrambled to maintain access to profits. From seed producers to retailers, powerful players in the industry have vested interests in its continued expansion. These interests have been difficult to integrate with social and environmental reform. Initiatives such as the Roundtable for Responsible Soy (RTRS) have provided stalemates and a business-as-usual scenario rather than effective solutions [12].

The European Union (EU) imports huge quantities of soy, mainly for its meat, egg and dairy industries. It is the second largest importer of soy in the world after China [13]. Concerns over the sustainability of supply from Latin America, economically as well as environmentally and socially, have led the region to look for alternatives.

In recent years, the idea of domestic soybean production has gained some attention. In July 2017, the European Soya Declaration was signed by 13 EU member states, laying the foundation for expansion of soy production in Europe. The principal motivations given are a reduction of import dependency as well as security of a non-GM supply for animal feed. In addition, benefits in terms of nitrogen fixation and crop rotation are present. The initiative has also aligned itself with the United Nations (UN) Agenda 2030 and the EU's Sustainable Development Strategy. Goals 2, on hunger and food security, and 15, on sustainable land and resource use, are the specific sustainable development goals (SDGs) targeted [14]. Since then, the European Parliament has created a draft report on the topic of encouraging EU protein crop production, and the European Commission is also preparing a report on a European protein plan. The connection with sustainability has meant that the plans have received little or no critical attention. Particularly overlooked are the effects on Europe's rural areas and the communities that construct their livelihoods there. As an organisation made up of small-scale peasant producers, this oversight concerns us greatly. EU visions of sustainability, food security and rural development have once again underplayed the importance of small-scale and family farms. We believe any attempt to address the sustainability of agricultural production must explicitly place small-scale producers at the centre. If this is not done, we risk following the same damaging path of neo-liberal industrial models of agriculture that we are currently being led down. It should also be emphasised that the location of production in Europe does not provide immunity to the damaging consequences of soy production seen elsewhere. This is a very real concern as many of the players involved are the same ones that dominated the chain in Latin America, which has been far from a model of sustainable production.

This report will therefore aim to critically assess the plans for increasing domestic soybean production within Europe, and give a peasant perspective on the matter. The report will proceed as follows: (1) an exploration of the attractiveness of soy as a commodity crop, as well as the troubled environmental and socio-economic history of its industrial production; (2) a section introducing the European soybean context, both in terms of the current 'protein deficit' and the European Soya Declaration that has been designed to address it; (3) an investigation of the actors involved in European soybean expansion, and the visions they have of how to do this; (4) a section bringing together the main causes for concern as a result of observations in the previous section; (5) recommendations on the pathway towards a truly sustainable and inclusive solution.
The lures and liabilities of soybean

The soy seduction

So what is the deal with soybean? How can a commodity linked with so much social and environmental destruction be so popular? Soybean is being hailed as a wonder crop by advocates, providing win-win opportunities for those who produce it. European soy cultivation is being presented as a tool through which to promote sustainable agricultural practices and create rural development. This image is far removed from the social and environmental harm that has occurred in major producing nations until now. So why, then, is soy so attractive? There are a number of reasons that it is such a prized commodity crop:

Packed with protein
Firstly, soybeans are high in protein and have a favourable amino acid profile [15] for use in animal compound feeds [16]. Soy has therefore become an attractive input for the feed processing and livestock industry, allowing very quick growth rates to be achieved in animals [17]. The rising demand for meat and dairy from growing middle classes is presented as providing an ever expanding market for the soybean chain to produce for [18]. This demand, and further projected demand for livestock products, drives continual soy demand as a source of protein in compound feed.

Prices pack a punch
Partly as a result of demand from the feed industry, soybean prices have also been lucrative. This is of particular interest to the dominant traders, but also for anyone across the chain, including producers themselves. Investors looking to the future see soybean as a highly profitable commodity; global trends such as population growth and a growing preference for meat consumption are seen as profitable opportunities. The relatively recent involvement of institutional money in the soy commodity market has also contributed to price rises for soy and its derivatives [19].

Freedom to flex
It is also treasured by commodity traders for its ability to be ‘flexed’ [20]. This basically means that it can have multiple purposes; in this case the main three are: food, feed and biofuel [21]. Traders are then able to choose which market to target in a flexible manner, depending on factors such as price and favourable policy conditions. If soymeal prices are high, sell to the feed industry. If existing biofuel subsidies allow for higher profit margins, then move sales in that direction. The advantages of this sort of flexing for industrial producers and traders are reflected by calls from Farm Europe, a Brussels-based think tank, to include biofuels in the EUs future protein strategy [22].

The ability of soy as a single crop to provide for the feed, food and energy industries allows investors to have a diversified portfolio, without actually having to invest in different commodities. These commodity markets also allow businesses to tap into discourses surrounding the food and climate crises we face today. Justifications for industrial soy production have been argued along the lines of food security and climate change mitigation, conveniently side-stepping calls for much needed food system reform.

Nitrogen for nothing!
Other than its high protein content, the fact that soybean is a legume also encourages uptake amongst farmers. This is because it fixes atmospheric nitrogen, and thus can bring benefits for soil fertility. It also means, in theory, that conventional farmers can decrease nitrogen fertiliser use, reducing both their costs and their environmental impact. This is one of the aspects highlighted by the European Soya Declaration, which emphasises the dual benefits of using soy in crop rotations; economically and for soil improvement. In the EU, this property has been recognised as an ecological service. The CAP greening measures provide incentives for soybean production, or any other legume for that matter. Regulation (EU) No. 1307/2013 requires that any farm holding larger than 15 hectares should dedicate at least 5% of the area as an ecological focus area [23]. The planting of nitrogen fixing crops, such as soy, counts as an activity that fulfils this requirement.

Sustainable soy: a tainted history

The interest around sustainable soy seems rational when viewed in these terms. Yet this charming narrative goes against the troubled history of the soy industry, including attempts with sustainable labels attached. Global production occurs mainly in Latin America’s Southern Cone, and has been connected with vast deforestation, environmental degradation and abuses of indigenous and rural peoples. Box 1 illustrates this context.
Box 1. Impacts of soybean cultivation in Uruguay and the Southern Cone

By REDES-Friends of the Earth Uruguay

Since 2003 the Southern Cone of America is the region with the highest production of soybeans worldwide. The soybean cultivated area in the region began to grow from 17 million hectares in 1997 to 58 million in the 2015/2016 harvest. The main producer in the region is Brazil with some 100 million tons produced in that harvest in some 33 million hectares, followed by Argentina with 58 million tons produced in 20 million hectares. The 172 million tons produced in the 2015/2016 harvest in this region represented 54% of the world production of soybeans.

This great expansion responds to several factors but its main driver has been the increase of China's demand for soybeans. This country went from importing 100 thousand tons in 1992 to 82 million tons in 2016, which has boosted the market, causing the price to go from around USD 200 per ton in the 1990s to about USD 350 currently, but reaching peaks over USD 600 in 2012.

The soybean expansion has been characterized by: the use of GM seeds, the greater use of agro-chemicals and the use of a no-till sowing system as well as the intensification of the use of agricultural land, the abandonment of the rotational systems between agriculture and pastures toward the implementation of continuous agriculture systems and the advance of agricultural crops in areas with less aptitude for agriculture and greater risk of erosion. This has boosted the development of a technological package associated with soybean cultivation, which, together with high international soy prices, made its large-scale production very profitable. The sophistication of modern biotechnology has been promoting a productive modality that has caused a regression in the management and conservation of agroecosystems.

Particularly in the Northeast of Argentina, Paraguay, Bolivia and several Brazilian biomes, the expansion of the crop has unleashed serious conflicts with peasant and indigenous communities and led to the deforestation of millions of hectares in the region. The main developers of this have been companies that attract investment funds and manage large areas, either under lease or by acquiring land.

Currently, soybean is the main agricultural crop in the country (Uruguay), covering more than 85% of the area of summer agricultural crops; and it is concentrated in the large producers' hands: in the 2012/13 harvest, the producers who planted more than 2000 hectares (some 115 companies) represented 6% of the total of the producers and concentrated 60% of the soybean production in Uruguay.

The large companies demand for access to agricultural lands has pushed up the land price of both leases and purchases. From 2002 to 2012, the purchase value of land multiplied by 9 and the lease value by more than 6. These price rises generate competitiveness difficulties for small and medium scale producers in other agricultural sectors forcing them to leave the production or to move to lower quality lands. Thus, the area occupied by dairy production has been reduced by 15% (some 150,000 ha) in the last decade and livestock systems have decreased by 30% the area occupied by pastures for fattening livestock.

According to the last Agricultural Census, between 2000 and 2011: 21% of all agricultural farms, 31% of the farms with less than 100 hectares, and 40% of those with less than 20 hectares, disappeared. This data reflects the accelerated process of concentration in fewer and larger companies. Along with this process of productive exclusion there are two others: The first is that producers are becoming rentiers and/or service providers. In the first process, the medium and large scale "traditional" producers abandon the productive management of their fields because they find it more attractive to just lease their farms to the "sowing pools" (pooles de siembra). The second process is transforming those that remain living in rural areas into service providers for large companies: a process of proletarization of the rural population. This makes the rural population increasingly alienated from the practice of territorial management.

Big transnational corporations, such as the North American Cargill (Crop Uruguay), Archer Daniels Midland (ADM), and the European Louis Dreyfus (LDC), operate in all the Southern Cone countries, on both the provision of inputs as well in the grain storage and commercialization. These three companies have an important
participation in Uruguay and have made investments to increase their grain storage capacity in the country from 3.8 million tons in 2004 to 5.9 million tons in 2013. However, during this period the annual production of grains went from 1.1 to 7 million tons, which shows this is a critical agribusiness sector where large companies with investment and financial capacities and international business networks play a predominant role. These global players have a great competitive advantage when it comes to commercializing commodities, such as soy, on the international market.

Nowadays, almost 100% of the cultivated area is planted with GM soybeans. The GM varieties, tolerant to the glyphosate herbicide, authorized for cultivation are GTS 40-3-2, commercially known as RR soybean (Roundup Ready) and MON89788xMON87701 whose commercial name is Intacta RR2 PRO, both by Monsanto. From 2000 to 2014 the imports of glyphosate multiplied almost 10 times, from 1.5 million litres to 14.8 million; the herbicide 2,4-D has also increased considerably in this period, multiplying by 13 because it is used together with glyphosate in the fallow periods after soybean harvest to eliminate glyphosate-tolerant weeds. The use of small planes and big machinery (mosquitos) to apply pesticides on large crop areas affects mainly the rural population.

The increase in the intensity of the agro-chemical use in Uruguay, as well as in the region, is one of the issues causing greater conflict at a territorial level where populations do not feel protected by the state and governments that in general have failed to protect the right to health of the population.

In Latin America, which supplies the bulk of EU soybean imports, schemes aimed at greening soybean supply-chains have mostly proven to mask the same old story [24]. The concept of responsible soy, built largely by the Roundtable for Responsible Soy, has been used to distance soy products from the social, environmental and economic problems that industrial soy supply chains have brought [25].

In Paraguay, for example, much was made about the sustainable soy revolution that was to occur here. Several sustainable commodity discourses were presented; deforestation would be stopped, carbon emissions would tumble, rural development would thrive, the economy would boom and the world would be fed. Everyone would be a winner. In reality, the same firms dominated the entire chain. Capital and land intensive producers moved in, and the landscape became dominated by soy monocultures [26]. Heavy mechanisation meant that employment opportunities were only available to a few highly skilled managers or equipment operators [27]. As land became more and more concentrated in fewer hands, social conflict became common. Rural peasants displaced from the lands they depended on struggled in vain to stand up to the new powerful landlords [28].

The consequences extend beyond the social arena as well. Whilst reducing deforestation in Brazil was being hailed as a success for the RTRRS, the Paraguayan Atlantic Forest was being decimated to make way for soybean expansion, directly or indirectly. Herbicide resistant GM varieties have allowed heavy Roundup applications, polluting local water resources and damaging biodiversity in local ecosystems. Chemical application has also had severe consequences for human health [29].

The example of Paraguay demonstrates the way in which sustainable soybean production is compromised by the industry behind it. On the surface, soybean itself is just a crop; it possesses attractive traits as well as challenging ones in terms of its cultivation, just like any other. The problem is that it now comes with a lot of baggage. It can no longer be seen as a simple staple crop, and must be considered in the context of the agro-industrial complex that has formed around it [30]. Seed supply, agrochemical inputs, processing, trading and marketing all present hugely profitable sectors that are dominated by a handful of powerful firms [31]. This structure is always likely to produce unsustainable outcomes, as profit and output takes priority over social and environmental protection.

Genuine efforts to improve the sustainability of our food system must recognise this, and thus place rural communities at the centre. Peasant producers engage with and invest in the land in a radically different way to corporate agribusiness holdings and their subsidiaries or farm managers. They treat land as ecological and social capital rather than as a commodity, and thus should provide the backbone of truly sustainable agricultural systems.
Europe’s domestic soy scenario

In response to concerns over volatile soybean commodity prices, as well as pressure to secure sustainable supply-chains, alternative solutions have been sought [32]. The EU is highly dependent on imports for both raw soybean as well as processed soy meal, which are considered as key inputs to industrial meat, egg and dairy production in Europe. Because of this, the favoured option seems to be to start producing soybean and other plant-protein in Europe. This section will lay out how things stand with domestic soy production at the moment, and present the recent agenda for increased cultivation. It will then introduce some of the main proponents of this initiative and their reasons for engaging.

The current state of play

Imports

The EU currently imports the majority of its soybean related products. In the marketing year 2016/17, the USDA reports that 80% of EU soybean seed, and 65% of soybean meal, was imported [33]. The second figure can be misleading as much of the domestically produced meal also uses imported raw soybean. There is therefore a clear deficit at the aggregated EU level. According to the latest FAOSTAT data, the volume of soybean products being imported has remained relatively constant in the period 2003-2013, with a peak in imports in 2007 and a marked drop in 2009 (see Figure 1). Imports reached their lowest levels in this period in 2013. However, rising prices mean that total expenditure on soybean imports has almost doubled since 2003, despite the decrease in volume imported [34]. Prices have since fallen again due to record worldwide harvests.

![Figure 1. EU soybean imports 2004-2013. Source: FAOSTAT [35].](image)

Domestic production

In the last decade, EU domestic production has been increasing year on year. Between 2008 and 2016, domestic soybean harvest has almost tripled, going from 764 thousand to nearly 2.5 million tonnes [36].

![Figure 2. EU-28 (with addition of Serbia) soybean production 2008-2016. Source: Eurostat. [37].](image)
Production is predicted to continually rise, particularly in France and the Danube region. The USDA report cites favourable public policy as the main driver behind this expansion. Farm Europe also cite EU policy as a reason for increases in soybean cultivated area [40]. For example, growing soybean counts as an ecological focus area on-farm under the Common Agricultural Policy (CAP). This is attractive to many farmers as it can also bring additional income. Further than this, coupled payments for protein crops serve as financial incentives for soy production in some member states.

The Central and Eastern European region has been earmarked by investors and policy makers as the region with greatest potential for expansion. Vast areas of ‘uncultivated’ or ‘underutilised’ land are seen as providing the potential for greater soybean production, as seen in Table 1.

The productive area used to accommodate this growth has risen by 544.12 thousand hectares, an almost threefold expansion [38]. As demonstrated in figure 3 below, this growth has occurred in all of the main producing countries. Expansion continues through 2017 with the exception of Italy, whose total land cultivated with soy has remained at a lower level after the regional drop in 2016.

![Figure 3. EU-28 (plus Serbia) soybean cultivated area 2008-2017. Source: Eurostat [39].](image)

<table>
<thead>
<tr>
<th>Country</th>
<th>Soy cultivated area 2013 (ha)</th>
<th>Potential soy cultivated area (ha)</th>
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<tbody>
<tr>
<td>Bulgaria</td>
<td>&lt;1000</td>
<td>125,000</td>
</tr>
<tr>
<td>Republic of Moldova</td>
<td>60,000</td>
<td>75,500</td>
</tr>
<tr>
<td>Romania</td>
<td>70,000</td>
<td>717,500</td>
</tr>
<tr>
<td>Ukraine</td>
<td>1,100,000</td>
<td>???</td>
</tr>
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Table 1. 2013 and potential soy cultivated area (ha) for selected CEE countries [41].
The European Soya Declaration

The European Soya Declaration outlines a vision for domestic protein production within the European Union. Signed in July 2017 on the side-lines of the EU Agricultural and Fisheries Council, the declaration was supported by 13 EU member states: Austria, Croatia, Finland, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovenia and Slovakia [42]. It focuses on the need to improve self-sufficiency of soybean supply by increasing cultivation within Europe. Soybean is presented as a crop that can aid 'more sustainable and resilient agricultural systems in Europe' [43].

Another of the central arguments is that, as a legume, it provides nitrogen fixing services and can reduce the need for chemical fertilisers. Furthermore, its potential for integration into crop rotations is seen as an opportunity to diversify current farming systems. The declaration links these objectives to the Agenda 2030 SDGs, connecting it with the discourse on sustainable development. It focuses on: Goal 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) and Goal 15 (Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss [44]).

Who’s in?

As mentioned above, the drive to develop and expand soy production in Europe has the political backing of 13 EU member states. However, the drivers behind the scheme extend beyond the political realm. Across the soy chain, corporations, investors, trade groups, associations and NGOs, amongst others, have played a role in lobbying for European soy production.

The big traders

Many of the biggest agro-industrial corporations are heavily entrenched within the move. Archer Daniels Midland, Bunge, Cargill and Louis Dreyfus, also known as the ABCD traders, dominate global agricultural commodity trading [45]. As would be expected, they have also been the four main players in the Latin American soybean chain, and dominate the crushing and trade sectors in Europe [46]. All are investing in expanding their activities in Europe as part of the recent push for domestically produced soy. They are not the only ones; many other investors see demand for soy-hungry livestock products as an opportunity to cash in on the protein crop market in Europe while it is still young. Agricultural investment firms are looking into farmland investment or development of farmland suitable for protein production for sale to farming firms. These marketers and investors have it in their interests to push for political support and public funding opportunities. The non-GM and sustainability discourses attached also provide an outlet to escape criticism of their supply chains, whilst also providing access to new profitable niche-markets.

Trade groups

In addition, trade groups such as the FEFAC favour increases in European soy production. COCERAL and FEDIOL, also support the expansion of soybean cultivation within Europe [47]. These federations are composed of companies involved in industrial soybean processing for the animal feed market. Soybean is thus an important input for many of their members, and they highlight the reliance on soybean imports as a problem.

The Donau Soja Association

One of the most active promoters of European-sourced soy has been the Donau Soja Association. Unlike the industry actors mentioned previously, this association specifically targets soy, and its main agenda is to create increases in non-GM soy cultivation in the Danube and wider European region. They describe themselves as a non-government, non-profit organisation, and are essentially an interest group with over 250 members from across the European soybean chain [48]. They support research in breeding and cultivation of soy, and are also intimately involved at political and industry levels, having co-written the European Soya Declaration. The association then also owns and operates separate brands, Donau Soja and Europe Soya. These brands operate product labelling schemes with a set of private standards. The label makes two main guarantees: that the soy is produced in the Danube or European region, and that it is non-GM [49].

NGOs and civil society

The plans have also attracted support from some NGOs and civil society organisations. These have mainly engaged based on advocacy for specific individual topics such as deforestation, animal rights and non-GM supply chains. Examples include some of the big international organisations such as Greenpeace and WWF, who have been vocal critics of the destruction that the soybean industry has created in Latin America. National sections of these organisations have registered as members in the Donau Soja Association, for example.
The plans to increase European soybean production indeed seem appealing on the surface. They attend to sensitive issues of public concern such as deforestation in the Amazon, GM production and European import dependency. Many of the supporters of these plans from civil society have engaged because of their focus on these issues. However, the unsustainability of the soybean industry to date is rooted in the structure of the wider food system, which has marginalised small-scale peasant producers to the benefit of a handful of large agribusiness companies. This section will lay out some of the actors involved in these plans, presenting the reasons that certain organisations might support them on sustainability grounds, but in the end showing that the lack of structural change means that the same sorts of problem will remain.

**NGOs and Civil Society**

NGOs and wider civil society have been raising concerns over the destructiveness of Latin American soy production for some time and rightly so. Organisations such as the World Wildlife Fund (WFF) and Greenpeace have been particularly active in exposing and publicising the environmental harm created by the soy value-chain, as demonstrated in Boxes 2 and 3. In the light of these issues, the shifting some of the production to Europe seems an attractive prospect.

**Box 2. WWF**

WWF have led extensive campaigns on the impact of soy on ecosystems and vulnerable wildlife species in South America. They have also been active in exposing the hidden soy present in everyday products [50].

They suggest that the best global tool available for combatting the destructive practices of soy corporations is the multi-stakeholder RTRS. However, they also point to the potential of other measures such as expanding agriculture on already degraded lands and switching to alternative sustainable protein sources [51].

**Box 3. Greenpeace**

Greenpeace have been a big voice in exposing the destruction the soy industry has brought to Amazon rainforests, as well as the reliance on GM varieties. They have exposed the European complicity in this process and revealed the damaging practices of soy giants such as Cargill [52].

They led the coalition of civil society organisations that negotiated with industry players to create the Amazon soy moratorium, in which traders agree not to source soy from suppliers who have deforested land within the specified moratorium area.

National sections of WWF and Greenpeace have registered as members of the Donau Soja Association, which is at the forefront of promoting greater European soybean production.

Fighting the injustice and environmental destruction seen in South America is indeed a pressing objective. Producing for EU domestic protein demand with domestic supply is certainly a pathway to do this. However, increasing EU domestic production does not guarantee sustainability. This depends on the way in which domestic production is carried out; there is no guarantee that the negative consequences seen in South America will not shift together with the site of production. Ultimately, it is problems with the wider food system, such as inequality of access and concentration of corporate control that need to be addressed.

Without challenging the dominance of corporate-driven industrial agriculture, the same problems are going to persist regardless of location.
South America is paying the price for Europe’s hungry factory farms – with vast monocultures of pesticide-soaked, GM soy where forests used to be.

Soy production is one of the biggest drivers of deforestation in South America. It causes widespread environmental damage, increases the use of pesticides, contributes to food insecurity, and is associated with violence and human rights abuses amongst local communities and farmers. As Europe is the leading importer of soy from South America, it must be held responsible for the expansion of soy production and the problems it causes. We use these as a cheap and protein rich animal feed in factory farms across the continent. The largest user of soy in the EU is intensive pork farming, followed by poultry farming.

Political action to address these problems has been shockingly absent. The most recent attempt to address the issue came in a document from agricultural ministers from several EU countries called the “European Soya Declaration”. The declaration calls on European governments to address Europe’s huge dependency on imported soy, and suggests measures to tackle meat overconsumption. Respectively, it encourages governments to increase the production and use of sustainably produced animal feed, and encourages citizens to move to more plant-based-protein diets.

While the declaration addresses some important problems, it leaves itself open to pitfalls and risks seemingly suggesting to open up parts of Europe to similar problems to those that have plagued South America. It sees the greatest potential to increase soy production in central and Eastern Europe – home to the majority of the EU’s remaining small-scale peasant farmers, whose existence is already precarious. It models the expansion without a socio-economic impact assessment, potentially putting small-scale farmers at risk of being driven out by large, agribusiness-fuelled soy monocultures. It also lacks much-needed steps to go further, and tackle the destructive impacts of factory farming, based on the same industrial model as monoculture soy production.

Friends of the Earth Europe believes that Europe cannot properly tackle climate change and a number of other environmental problems without addressing one of the root causes of global deforestation – the huge use of soy for animal feed.

Legumes such as peas, broad beans, lupins, soya (grain legumes), alfalfa, clover, sainfoin (fodder legumes) are all grown in Europe, but production is far below demand. Lower prices for imported protein crops compared to other crops is one of the main reasons for the reduction in cultivation. Several drivers are behind this: trade rules, Common Agricultural Policy (CAP) and reduced demand.

Friends of the Earth Europe calls on politicians to rethink the role of industrial livestock production and meat consumption and take urgent steps to tackle production and consumption levels. This would lead to reducing the need of importing soy from the South. The upcoming reform of the Common Agricultural Policy is an opportunity to set new goals for a different food and farming system in Europe, supporting agro-ecological methods of production, re-localising food distribution and bringing food and farming much closer to the people who eat.

This section has introduced some of the lines along which NGOs have engaged in the European soy movement. The focus is mainly on the GM issue and avoiding further deforestation in the supply-chain. These are important issues, but focusing on them individually masks the wider picture. Firstly, as Friends of the Earth point out, there are serious social ramifications, especially in Central and Eastern Europe, that have not even been considered at policy level. Peasant producers risk being further marginalised if industrial soy supply-chains expand in the region. In addition, environmental damage relating to agro-chemical use and intensive cultivation do not disappear. Industrial-scale crop rotation and the fact that soy is a legume may help to fix nitrogen, but they do not fix these wider issues.

For these reasons, truly sustainable food systems can only be based around small-scale agroecological production. Looking at state and corporate actors and their visions for soybean expansion in the region suggests that this is not the approach being put forward.
States

Ministries of Agriculture across the EU have been concerned with soy primarily as a strategic issue. Dependence on soy imports from abroad leaves their supply subject to price volatility on the global commodity market. This in turn leaves the livestock sector vulnerable, a key sector for the EU’s agricultural powerhouses such as the Netherlands and Germany. Others stressed the importance of securing supplies of non-GM soybean for feed in order to respond to increasing consumer demand for GM-free supply-chains (see Boxes 5 and 6).

Box 5. Hungarian Ministry of Agriculture

The Hungarian Minister for Agriculture, Sándor Fazekas, put emphasis on the declaration as an important milestone for non-GMO agriculture in Europe: ‘Europe’s agriculture, and especially the animal husbandry sector, is heavily dependent on genetically modified soy imported from South America, which raises several questions requiring solutions for European government and citizens. The countries that have signed the Declaration have assured their support for the promotion of the cultivation of legumes for food industry and feed purposes’. Source: Hungarian Ministry of Agriculture Press Office [53]. Praise was also reserved for the Danube Soy Alliance, which is seen as responsible for the increase in soy cultivated surface area in the region since its formation in 2012.

Box 6. Dutch Ministry of Economic Affairs

The Dutch are the second biggest importers of soy in the world after China. Soy supply is of strategic importance given its world-leading position in egg, dairy, broiler meat, beef and pork exports [54]. The Dutch State Secretary for Economic Affairs, Martijn van Dam, also cites consumer demand for non-GM plant-based proteins as the major motivation for signing the European Soy Declaration [55]. Due to a tight market for non-GM soybean, the potential increase in supply brought about by expansion in Europe is seen as beneficial.

As is evident, GM-free supply and economic issues to do with trade seem to be the central issues. Mention of social impacts, despite the declaration’s focus on the SDGs, are severely lacking. The issue of rural development is rarely brought up, and when it is, it is presented vaguely (see Boxes 7 and 8).

Box 7. Austrian Federal Ministry for Agriculture, Forestry, Environment and Water Management

Austria has a strong reputation for its anti-GM stance, and indeed this has been the focus of their engagement with the European Soy Declaration. The Austrian Development Agency has thus entered into a strategic partnership with the Donau Soja Association in order to promote a GM-free soy region in the Danube. This is seen as an opportunity for rural development in the Central and South-eastern European region [56].

Box 8. Romanian Ministry of Agriculture and Rural Development

Romania is perhaps the EU country with the greatest expansion potential. Favourable weather conditions, highly fertile soils and cheaper ‘underused’ agricultural land are all reasons for this. The main reason given by the Romanian Ministry of Agriculture and Rural Development for signing the European Soy Declaration was to facilitate increased production in the country and reduce reliance on imports [57]. In relation to rural development, soybean expansion is seen to create jobs, thus utilising rural labour and bringing social benefits [58]. How this is supposed to happen is not elaborated on. It is also important to point out that Romania has a history of GM soy production. Upon EU accession, this production had to stop. However, there is still a nostalgia surrounding GM soy among both farmers and politicians. For example, when the then Minister of Agriculture Daniel Constantin signed the Donau Soja Declaration in 2013, he stressed that this ‘should not affect any future decision regarding the cultivation of protein crops’ [59]. It seems that if EU legislation were to change, Romania would welcome back GM soy varieties.
In addition, the vision of soy expansion is based on a continuation of the technical-industrial agricultural model. The focus is on increasing output through increased input use and mechanisation. In many of the countries with higher production potential, basically all located in CEE, an export-oriented approach is envisaged to cater for the high demand from western European countries such as the Netherlands, Germany, Austria and Switzerland (see Boxes 9 and 10). This includes non-EU countries such as Serbia and Ukraine, who are both major producers of soy. These countries are highly relevant, because a big part of the European soybean expansion will rely on non-EU European producers.

**Box 9. Serbia - Vojvodina Development Agency**

Serbia produces a significant amount of non-GM soybeans in the fertile Vojvodina region. A project between the German Development Agency (GIZ) and the Serbian Ministry of Agriculture, Forestry and Water Management has promoted soy production here in recent years. Europe’s protein deficit is seen as an opportunity for regional ‘sustainable economic development’ [60]. The Vojdovina Development Agency is keen to attract foreign-direct investment in the region, advertising it as holding: ‘…all the ingredients you need to successfully service the fast-growing global consumer markets.’ Source: Vojvodina Development Agency [61]

**Box 10. Ukrainian Ministry of Agrarian Policy and Food**

Ukraine is hugely relevant given the EU’s intention to link up with non-EU European states for protein partnerships. This year it produced 4.6 million MT of soybean (see figure 4), a significant proportion of which was destined for the EU. As is evident, production has expanded rapidly over the past decade. The Ukrainian Ministry of Agrarian Policy and Food has announced its intention to expand production further, with advanced technologies at the centre [63]. The wider Ukrainian agricultural sector is characterised by huge farmland concentration. 60% of Ukrainian farmland is controlled by large farm enterprises [64], and the scale here is massive; a ‘small’ farm could be anything up to 3000 hectares [65]. Mergers and acquisitions by powerful players have put 15% of Ukrainian agricultural land in the hands of just 10 agroholdings [66]. Much of the land is ruled over by local oligarchs, although recently, speculative investments from corporate traders and foreign hedge-funds have risen rapidly [67]. These are the players in control of expanding soybean production in Ukraine.

Figure 4. Ukrainian soybean production 2004-2017. Source: Index Mundi. [62]

This fixation on increasing outputs through so-called ‘modernisation’ is more of the same old story. The CAP is already heavily biased towards those operating a large-scale industrial model, with direct payments in particular incentivising consolidation of arable land by large agribusinesses. This has already been recognised as a problem by the European Parliament, which has recently adopted an own-initiative paper on the topic [68].

This section has explored some of the reasons that relevant European states have given for subscribing to the European Soy Declaration. Despite the focus on the SDGs in the declaration, they do not appear to be of central concern in communications by the different ministries. It is clear that interest in domestic soy production is driven more by strategic trade interests, relating to both self-sufficiency as well as a reaction to increasing consumer demand for non-GM products. This is important for major producers of industrial livestock products.

There is very little mention of food security or social issues. When topics like rural development are covered, they are referred to with the logic that stimulating soy supply-chains can create jobs in rural areas. This is not something that just happens automatically. In fact, the heavy mechanisation of industrial soy production suggests there would be limited opportunities for rural populations, especially given the need for highly-specialised technical knowledge [69].
This is a threat to small-scale peasant producers given the marginalising discourse of ‘modernisation’ that is present; a model focused on increasing output by upping the use of agro-industrial inputs and mechanisation is being forwarded. This is the same industrial model that has landed us in the food system crisis that we face today.

**Corporations and investors**

The preference for the industrial model is further demonstrated by the heavy involvement of corporate agribusiness enterprises in initiatives such as the Donau Soja Association (See Boxes 11 and 12). This is troublesome given the history of the corporate soy industry elsewhere. The potential for these issues to reproduce themselves in Europe is very real, particularly in CEE. Referring to the presence of various EU laws is not good enough given weak application in some regions, as well as the proven ability of these corporations to circumvent the laws in place [70]. In addition, damaging agricultural trends such as land concentration have been occurring within legal frameworks; the problem lies more fundamentally with the corporate approach to food systems. This section will demonstrate some of the major corporate actors engaging with European soy production, including agri-business investors, in order to highlight the threats posed to peasant communities.

**Box 11. Archer Daniels Midland**

ADM are perhaps the most active of the ABCD traders in the European soy market. In the last two years, they have invested heavily in soy processing facilities at two major German sites: Straubing and Spyck. The local subsidiary ADM Spyck GmbH is a member of the Donau Soja Association. These investments are seen as a stimulus for farmers; ADM have actively been trying to encourage producers in France and the Danube region to take up soy production [71]. ADM aims to provide European-origin non-GM soy meal for the livestock industries in Germany, Austria and Switzerland, which it will certify against the Donau Soja standard [72].

**Box 12. Cargill Inc.**

The largest agricultural commodity trader in the world, Cargill is present throughout the European grain and oilseed sector. From mills and silos to trading and processing, Cargill controls much of the relevant infrastructure throughout the soy supply chain. They are members of the Donau Soja Association and seek to supply European-sourced soy in response to increased consumer demand [73]. In recent years they have invested heavily in acquisitions in Eastern Europe, especially in Romania and Ukraine [74]. Their dominance across the agricultural supply chain allows them to essentially control land, although often indirectly. In Romania, Cargill is estimated to control approximately 240,000ha of land through contract farming [75]. In Ukraine, Cargill has invested in shares in domestic agribusinesses. In 2014, they purchased a 5% share in UkrLandFarming, which is heavily involved across the agri-supply chain, and possesses the largest land bank in the country at 670,000ha [76].

Bunge are also investing in crushing and oil processing facilities for soybean in the Netherlands and France [77]. Emerging trading giant Glencore is also a Donau Soja Association member through its Hungarian subsidiary *Glencore Grain Hungary Kft.* These traders are amongst the major players in the South American soy supply-chain, along with Louis Dreyfus. They penetrate the entire chain in ways that lack transparency, meaning they have the power to decide what gets grown, where, how, and for which markets [78]. This means that they in turn benefit from the increasing industrialisation of agriculture. It also means that they have a huge influence over land and resource use. Given that economic profit is their priority, this has led to serious environmental consequences and suppression of small-scale producers. Their influence in European soy chains is no different, and their presence in the Donau Soja Association provides them with further opportunities to dominate. Such an arrangement paves the way, regardless of decreased deforestation and non-GM status, for environmental and social destruction. In addition to the trading giants, agribusinesses from across Europe are starting to invest in soy cultivation. With cheaper and more fertile land being located in places such as Romania, both national and foreign agribusiness investors are concentrating their activities there (see Box 13).
Orgapic and Agro Iulia are agribusinesses registered in Romania, but controlled by Clemens Tonnies, owner of German football club FC Schalke 04 and head of the Tonnies Group, one of the largest pork producers in the world. These firms are controlled through the umbrella firm Agro Solum SRL [79]. Both are members of the Donau Soja Association. Together they operate about 7,000 ha in the counties of Iasi and Botosani in north-eastern Romania through lease arrangements [80]. In one commune at Sipote, they are reported to cultivate 800ha with organic and conventional soybean, with only 2 employees, plus 2 engineers, actually active in production due to heavy mechanisation [81]. All of this is produced for export, handed over to the KTK-Gruppe for marketing in Germany [82]. There are some additional controversies with their conduct in the region. Orpapic SRL are implicated in a scandal involving their huge debts, despite receiving large amounts of state funding. In 2014 they reported losses of €300,000, despite receiving annual subsidies of over €600,000 [83]. In the same year, Almos Agrorom, another German-owned enterprise, filed insolvency claims against Orgapic for debts totalling nearly €22,000 [84]. In addition Agro Iulia stand accused of falsely claiming state subsidies for land that another company, Agrina Trust, claims to have lease agreements for [85].

Financial capital is also becoming a major source of funding. This is part of a wider trend in global agriculture, which again threatens peasant communities and their livelihoods. Such investments are welcomed by the likes of the European Commission, who point to the benefits for productivity that it can bring [86]. Yet the idea that this finance is needed for increased productivity and food security is a misguided one. By contrast, the influx of financial capital has marginalised peasants and disconnected producers from the land. Small-scale producers across the globe have been left impoverished and food insecure as a result. This is not a sustainable model economically either, and there is potential for huge debts to accumulate. Eventually, the bubble of highly capitalised agriculture is going to burst, with extreme consequences for food security (see Box 14).

KTG Agrar were previously the largest agricultural group in Germany. They cultivated around 46,000ha of land in Eastern Germany, Lithuania and Romania [87]. In 2016, the group was made insolvent, with debts amounting to €394 million [88]. This debt is the result of an intensely growth-focused strategy sourcing huge amounts of finance from bank loans and third-party investors. The group were participants in the Donau Soja initiative prior to their insolvency [89], and actually held a minority stake in Agro Iulia (presented in Box 13). They were investing heavily in soybean value-chains before their collapse, looking to take advantage of what CEO Siegfried Hofreiter called the ‘bio-boom’ [90]. With high demand for non-GM soy and low supply, it was the most profitable field crop and prices were expected to remain high. In 2014, KTG Agrar upped their soybean cultivated area to 8,000ha, from 2000ha the previous year [91].

Geo Farms is a group of firms registered in the city of Brasov, central Romania, with an office also listed in Liechtenstein. They are also partially owned by Liechtenstein-based firm Geo Consult AG [92]. They work on consolidating and ‘modernising’ arable land in the Central and Eastern European region, and selling it to investors. In the last 2 years it has acquired and sold around 20,000ha in the region, mainly in Romania [93]. Their primary advertising strategy is based on both the current and future value of soy markets. They advertise industrial soybean production in the CEE as the place for investors to put their money. In their own words: ‘protein sources are the new gold bars’ [94]. They are not members of the Donau Soja Association, but Matthias Kroen, the CEO of Donau Soja, forms part of their investment advisory team [95].
The interest in arable land in CEE for soy production also brings opportunities for land agents and asset management firms who are able to facilitate farmland investments. Many of these advertise farmland in the region as a safe bet for investors because of projected increases in protein demand; especially for soy of European and non-GM origin (see Box 15, 16).

The profitability of soybean production also allows them to generate revenues in the meantime, whilst they wait for the value of their holdings to appreciate. This process will result in more land being transferred from the hands of peasant producers and into the portfolios of investment funds and corporations.

Box 16. Cibus Farmland Club

A ‘Dutch-Romanian coalition of agricultural engineers, consultants and suppliers’ [96], Cibus Farmland Club offers investors service packages in farmland procurement and management in Romania. Seeing the opportunity in the farmland investment boom and rising food demand, particularly plant protein, they encourage foreign investors to speculate on farmland in CEE: ‘shortage of protein sources will continue and generate enormous margins for producers who occupy this market early on’ [97]. They state that ‘countries in the CEE region offer a great pipeline of investment opportunities’, with Romania holding ‘one of the best cards in the world’ [98].

Peasant producers

The heavy presence of corporations and financial investors, as exposed above, threatens the vitality of rural communities and small-scale agroecological producers. Because plant protein supply is such a big and powerful industry, soybean especially, the impact is going to be widespread. European peasants have not been consulted on the issue, and have voiced their opposition to the expansion of industrial soy production across Europe (see Box 16).

Peasant producers across Romania have also expressed their concern with the plans. They are very aware that Romania’s fertile soils, favourable weather conditions and cheaper land prices are attractive for agribusiness investors [100]. Romanian peasants have already felt the effects of increasing corporate control over arable land, and see their way of life becoming increasingly difficult to maintain as a result [101]. They fear that the expansion of the lucrative soy industry in the hands of corporate agribusiness would accelerate this process (see Box 17).

These kinds of accounts are becoming more and more common, and this trend cannot be allowed to continue. Peasant farmers have not only been the backbone of global agriculture until today, but they provide the future too.

Small-scale agroecological production is gaining recognition as the only way to feed the world in a truly sustainable manner [102]. Industrial agriculture, focused on technical models and output maximisation, has drained the world’s soils of their fertility. It has directly and indirectly destroyed the environment, contributed to global warming, forced peasants from their lands and distributed its products in an unequal and wasteful way.

The crisis facing the global food system provides an opportunity for us to radically change the way we produce and distribute food, and the solution is staring us straight in the face. Supporting smaller-scale agroecological enterprises increases the vitality of rural areas, creates employment, and creates investments in the ecological health of farmland and surrounding areas [103]. They can also be more innovative and efficient users of agricultural space than industrial farms; the inverse relationship between farm size and productivity has long been recognised [103].

Therefore, European protein strategies should focus on enabling small-scale agroecological producers to create viable enterprises and livelihoods. The implementation of a corporate-industrial model with a sustainable veneer avoids dealing with the core problem, which is the model itself.
Box 16. Cibus Farmland Club

A 'Dutch-Romanian coalition of agricultural engineers, consultants and suppliers' [96], Cibus Farmland Club offers investors service packages in farmland procurement and management in Romania. Seeing the opportunity in the farmland investment boom and rising food demand, particularly plant protein, they encourage foreign investors to speculate on farmland in CEE: 'shortage of protein sources will continue and generate enormous margins for producers who occupy this market early on' [97]. They state that 'countries in the CEE region offer a great pipeline of investment opportunities', with Romania holding 'one of the best cards in the world' [98].

Box 17. European Coordination La Via Campesina (ECVC)

La Via Campesina is the largest peasant movement in the world. It represents the voices of around 200 million peasant farmers across the globe. Its European representative, ECVC, are fiercely opposed to the European Soya Declaration [99]. They see the declaration's reference to the sustainable development goals as a mask for the continuation of the harmful industrial agricultural model. They also highlight the focus on expansion in Eastern Europe as threatening the region's peasant producers. 'All the sustainability talk in the European Soy Declaration is a very dangerous cover. Look at the actors who are positioned behind it; these are the same powerful corporate traders that have destroyed peasant communities in South America! They bring heavy mechanisation, out-of-control chemical use and land grabbing. This means low local employment, biodiversity destruction and marginalisation of agroecological peasant agriculture. Peasants in CEE are especially at risk because land there is cheaper and more fertile.' Ramona Duminicioiu – Member of the ECVC Coordinating Committee

Box 18. Eco Ruralis

'All over Romania people are being forced to leave the villages. We cannot compete with big corporations who take money from the state. They promise that they will bring jobs and develop the local area, but this is false! They export the produce and keep the profit for themselves. Industrial soy production in Romania threatens the existence of our peasants! We have very good land, and it's cheap compared to the rest of Europe. We have heard about the impact in South America and we don't want this to happen here!' Dan Cismas, Romanian agroecological peasant producer, Eco Ruralis Coordination Committee Member
Corporate control over arable land

The first major concern relates to control over land. The concentration of control over arable land has already been recognised as a problem. In 2015, a report commissioned by the European Commission revealed the extent of farmland grabbing and concentration within the EU [105]; 3.2% of farms own 52% of the EUs arable land [106].

Figure 5. Farmland concentration in the EU. Source: TNI. [107].

In March 2017, the European Parliament adopted an own-initiative report which detailed the dangers of this concentration and the consequences for farmers and wider society [108]. The report was voted through by an overwhelming majority, highlighting how urgent and serious a problem it has become. It urged action in order to counteract the trend, and demanded access to land for new-entrants and young farmers; facilitating both new-entrants [109] and farmland succession [110].

Small-scale peasant producers are increasingly forced out of business by the market dominance of these firms [114], or forced to become part of the corporate chain in order to survive. They are often left with no choice but to lease or sell their lands and search for employment in other sectors, which drives rural depopulation [115]. This situation will be worsened by supporting a European-sourced soybean supply-chain that is dominated by these big traders. Large agribusiness firms moving into the soy market also drive further land concentration by acquiring land for production. As the previous section has shown, many of these investments involve western European firms or investors setting up subsidiaries in Romania and other CEE countries. Many financial investors also use this method as a form of speculation. They implement a technical-industrial model of farming, mainly for export to Western Europe. Such a model is out of touch with the reality facing the food system today, and brings many serious social and environmental consequences [116]. Mechanisms such as the VGGTs need to be implemented by European Member states in order to combat this process (see Box 19).

Super Soy: Debunking the myth

The previous section presented some of the key actors involved in EU plans to increase soybean output. The only major initiative currently active is that of the Donau Soja Association, but their multi-stakeholder platform is filled with the same sorts of powerful interests that have led our food system to the edge. Soy in itself is not the problem, but the agro-industrial machine that comes with it poses a very real threat. This section will draw together the significance of this heavy corporate presence for small-scale agroecological producers across the EU, particularly in CEE. It will present the major concerns that we have regarding industrial soybean expansion. The EU has to think and act seriously on these issues as it constructs its protein strategy following the European Soya Declaration. Failure to do so will only result in a continuation of today’s dangerously out of touch agro-industrial model.

Figure 6. Proportion of key agricultural market capture by elite groups. Source: IPES Food. [113].
Industrial agriculture is perhaps the main driver of land and resource tenure disputes across the globe. Europe is no exception. Soy is one of the most, if not the most important commodity crop traded worldwide, both in terms of volume and money. EU farmland regulation is therefore vital in preventing unhealthy levels of farmland concentration, grabbing and speculation. The FAO’s VGGTs provide a framework for creating sustainable and just policies. Some relevant aspects include:

- **4.1**: ‘States should strive to ensure responsible governance of tenure because land, fisheries and forests are central for the realization of human rights, food security, poverty eradication, sustainable livelihoods, social stability, housing security, rural development, and social and economic growth.’
- **11.8**: ‘Given the importance of small-scale producers for national food security and social stability, States should ensure that when facilitating market operations of tenure transactions, they protect the tenure rights of small-scale producers.’
- **12.2**: ‘Considering that smallholder producers and their organizations in developing countries provide a major share of agricultural investments that contribute significantly to food security, nutrition, poverty eradication and environmental resilience, States should support investments by smallholders as well as public and private smallholder-sensitive investments.’
- **13.4**: ‘…States should refrain from using land consolidation where fragmentation provides benefits, such as risk reduction or crop diversification…’

**Box 19. The VGGTs and European Soy**

Rural development?

One of the arguments of the European Soya Declaration is that domestic soybean production can help to bring about rural development. The logic is that investments in the soy sector can create jobs in rural areas, which in turn brings about social benefits. As seen in previous section, several EU Member States go along with this logic. This justification is one of the longest standing myths sustained by proponents of the industrial agricultural model. This is especially the case with industrial soybean production, which is heavily mechanised.

As can be seen with the firms investing in soy in CEE countries such as Romania, the high mechanisation means that very few employment opportunities are available. The roles that are available often require highly specialised knowledge in order to operate the machinery, which excludes many rural labourers. Thousands of hectares of land are cultivated with very few employees; this is how industrial agriculture makes its profit. This situation breaks the link between rural communities and the land, with land becoming merely another input in the production process. Instead of developing rural areas, this actually drives people towards the cities. Corporate-industrial dominance of European agriculture is already forcing a mass depopulation of rural areas. This is largely because it has not actually brought about rural development, instead deepening rural poverty and driving problems with farm succession [118]. The new generation simply cannot afford to carry on. By contrast, peasant agroecology represents more than just a production system, but also a way of life, providing both the employment and sense of community that keeps people in rural areas [119].

In addition, markets for European-produced soybean are located mainly in western Member States. This means that profit-seeking agribusinesses set up operations in CEE and export the produce to marketers and retailers in the west. The benefits are then enjoyed by the owners of the producer firm and the retailers that they sell to, which are often part of the same group. The cases of Orgapic and Agro Iulia in Romania are just a couple of examples of a wider trend that will continue to spread if this issue is not addressed. Rural areas have little to gain under such an extractive structure. Farmland in CEE is in danger of becoming the new destination for outsourced soy production to feed the EU’s out-of-control livestock industry. This geographical imbalance is exemplified by the producer members of the Donau Soja Association. As of September 2017, all 10 were located in CEE, with 7 of these in Romania. There are now 7 producer members: 1 in Serbia, 1 in Hungary, 1 in the Czech Republic and 4 in Romania (see figure 5). Many of these are satellites of western European investors.

However, the reference to foreign ownership should not be interpreted as nationalist. It is included here to show the extractive structures in place in the EU agricultural sector. In Romania, there are many positive cases of peasant agroecological farms set up by foreign nationals [120].
of cultivation for both environmental and human wellbeing.

Another issue relates to the pressures put on farmland ecosystems by corporate controlled supply-chains. The intense demands of the hungry industrial livestock industry mean that soy or other protein crops will be produced on vast areas of land, which destroys biodiversity. Whilst they are rotated, the fact remains that large areas during one growing season are covered in simply soybean. This is not our idea of crop biodiversity. In spite of the nitrogen-fixing properties of soybean, this also does not provide a panacea in terms of soil health and fertility; the degraded soils in Latin America’s soy plantations are a case in point.

A recent report by the United Nations Convention to Combat Desertification [121] paints a very worrying picture; soils are being contaminated, degraded and eroded at an alarming rate. The report estimates that the productivity of 20% of the world’s arable land is in consistent decline. It points the finger at the industrial nature of our food system, which puts short-term production and profit before real sustainability. The EU must open its eyes and ears to these facts when designing its future protein strategy, and base it around small-scale agroecological producers and short supply-chains.

Soy for food security?

The web of traders and financial investors that are set to dominate the EU soy supply chain also presents a problem for food security. The European Soya Declaration actually presents food security as one of the main aspects that it will contribute to, and its focus on Goal 2 to end hunger emphasises this. An
ever increasing population requires greater levels of food production, and the industrial model is the only way to achieve this efficiently, so the logic goes. This is a very outdated framing of the problem. The claim that soy production needs to constantly be expanded to feed an ever hungrier world is based on this misconception.

Firstly, the crisis we are facing is not just one of supply; in fact it is largely one of distribution. Today there is huge overconsumption, and yet at the same time 815 million are undernourished [122] (see figure 8). The domination of food markets by a select group of agribusiness firms is the central reason for this.

In the case of soy, this is even more relevant because of where it ends up. Within the EU, only a very small amount of soy is used for direct human consumption. It is mostly imported for the production of compound foodstuffs for livestock [125]. An estimated 97% of the world’s soymeal is fed to animals [126], and in the EU basically 100% of the processed soymeal is used for animal feed [127]. The production of soy is therefore more concerned with feed security, rather than with actual direct food security [128]. This is a very important distinction; it shows that this is more a matter of food preference rather than creating access to food for the vulnerable. In fact, EU meat consumption has levelled off and is projected to decline slightly and then level off again in the long term [129]; the growing demand comes from rapidly developing populous countries such as China [130]. This raises questions about the destination of future EU meat, egg and dairy produce. Is projected need for more soymeal merely going to be to support the industrial livestock industry’s exports? Rather than addressing the food security of poor and marginalised people, is this just making more meat available to middle classes elsewhere? If so, this clearly has little to do with food security.

A further issue for the food security argument is that industrial meat, egg and dairy production is an incredibly inefficient way of producing food. The amount of soy required to produce a given unit of meat, egg or dairy product is very high, as can be seen in Table 2. The production of this soy of course requires huge areas of arable land.

Because profit and output is the priority, a huge amount of fodder is needed for ever quicker and more ‘efficient’ growth of the animals, which requires large areas of prime agricultural land to produce. This disconnected approach does not create effective distribution; instead it leads to massive overconsumption and scandalous amounts of food wastage by some, whilst others face chronic hunger and malnutrition.

The EU protein strategy must therefore also think beyond the production phase and look at issues of consumption and distribution. Measures to reduce demand for livestock products need to be taken to reduce the pressure on agricultural land as well as on human health. In addition, policies to support the development of short food-supply chains can aid the distribution of local produce and incentivise small-scale agroecological producers, who are currently excluded by a food and farming system that rewards and favours corporate-industrial agribusiness and retail enterprises. Simply expanding the industrial-scale production of soybean and other protein crops is not the answer.

<table>
<thead>
<tr>
<th>Product</th>
<th>Embedded Soy (g/kg)</th>
<th>Soy cultivated area for total EU consumption (1000 ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef</td>
<td>456</td>
<td>617</td>
</tr>
<tr>
<td>Pork</td>
<td>508</td>
<td>2,002</td>
</tr>
<tr>
<td>Broilers/Poultry</td>
<td>1,089</td>
<td>3,193</td>
</tr>
<tr>
<td>Other Meat</td>
<td>1,436</td>
<td>252</td>
</tr>
<tr>
<td>Eggs</td>
<td>35*</td>
<td>1,134</td>
</tr>
<tr>
<td>Consumption milk</td>
<td>33</td>
<td>295</td>
</tr>
<tr>
<td>Cheese</td>
<td>246</td>
<td>614</td>
</tr>
</tbody>
</table>

Table 2. Embedded soy and land area required for production of soy for selected EU meat, egg and dairy products (*g/egg) [131].

The EU protein strategy must therefore also think beyond the production phase and look at issues of consumption and distribution. Measures to reduce demand for livestock products need to be taken to reduce the pressure on agricultural land as well as on human health. In addition, policies to support the development of short food-supply chains can aid the distribution of local produce and incentivise small-scale agroecological producers, who are currently excluded by a food and farming system that rewards and favours corporate-industrial agribusiness and retail enterprises. Simply expanding the industrial-scale production of soybean and other protein crops is not the answer.
The problems with putting corporate agribusiness in charge of domestic protein independence have been made clear. Corporate control over land, lack of rural benefits, environmental destruction and false discourses on food security all provide barriers to sustainable protein independence. For too long these problems have been ignored in our food system because it was believed there was no better alternative. But there is: small-scale agroecological production. In fact, not only is it a viable path, it is a very necessary one. Eco Ruralis believes that any efforts towards protein self-sufficiency in Europe must be based around small-scale agroecological producers. This does not mean upscaling peasant producers in order to be incorporated into exploitative soy value-chains controlled by commodity traders and input providers.

To clarify, we support:
- efforts towards greater self-sufficiency in sustainable plant-protein the EU (not just soy!)
- ending GM soybean imports
- removing the burden of EU agricultural demand on tropical rainforests, other valuable ecosystems, and the local communities they support
- more widespread and diverse cultivation of legume varieties in the EU to improve soil quality and reduce chemical fertiliser use

However, we feel that this cannot be achieved in a truly inclusive and sustainable manner under the corporate industrial model that currently dominates EU agriculture. The discourses present in the European Soya Declaration and European Parliament communications fail to challenge this system. We believe that, whilst being a multi-stakeholder association, initiatives like the Donau Soya Association still provide a platform for continued corporate domination under a sustainable banner, given the heavy corporate presence in their membership. Eco Ruralis rejects this corporate structure, and re-enforces our belief that small-scale agroecological production provides the key to unlocking the EU’s protein independency.

The evidence is starting to mount that small-scale agroecological farming is not only socially and environmentally superior, but economically too:
- **Employment** is much higher in small-scale agroecological enterprises, and workers are attracted by the more meaningful nature of the work. One study on small-scale farms in the UK found an average of 3.2 full-time employees per hectare, as opposed to a national average of 0.026 [132].
- Small-scale peasant producers also invest in the **farmland ecosystem**, rather than treating it as another commodity, preserving and enhancing soil quality and environmental wellbeing.
- **Productivity** is actually greater for small-farms across the EU, both in terms of production and economic returns. In 21 EU countries, the Standard Gross Margin (SGM) per hectare is greater than that for large farms [133]. In 9 of these countries, including Romania, SGM per hectare for small farms is at least twice as big as that of larger farms [134].

In order to take advantage of this superiority, we recommend the following to policy-makers:
- place small-scale agroecological producers at the centre of the new CAP and protein strategy
- focus protein strategies around encouraging diverse intercropping of local varieties for short-supply chains
- encourage the use of pasture for agroecological livestock production
- strengthen the position of small-scale agroecological producers vis-à-vis large agribusiness and supermarkets
- invest in supporting agroecological food systems through inclusive research and development, training and market intervention across the supply-chain, not only at the level of production (e.g. agroecological inputs, processing, marketing)
- end direct-payments based on size of holding to avoid incentivising industrial-scale production and land concentration
- apply the FAO’s Voluntary Guidelines on the Responsible Governance of Tenure on Land, Fisheries and Forests within EU Member States (see Box 19)
- create an EU land observatory in order to increase transparency of land transactions and discourage protein-market speculation
- stricter regulation of markets across our food system to ensure that domination by a handful of firms is abolished and prevented
- look beyond food security and adopt a food sovereignty approach to food systems, which challenges concentration in food systems markets
- introduce measures to tackle the over-consumption as well as wastage of meat, egg and dairy products in the EU.
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The fact that the EUs protein deficit (and its impact on communities and ecosystems in Latin America) is on the table as a hot political topic is progress.

However, a policy framework based on current agro-industrial production systems, and one that fails to challenge the concentration of corporate control over our food system, is not a real solution and threatens peasant producers across the continent. EU decision-makers must grasp this political moment, and take the opportunity to lead the way towards more sustainable European food systems. They can do this by placing small-scale acroecological producers at the centre of EU food and farming policy, such as the CAP and future protein plan.

This is not only viable, but is necessary for the wellbeing and vitality of Europe’s current and future generations.