



2019-2024

Starch Europe is the trade association which represents the interests of the European Starch Industry both at European and international level.

STARCHEUROPE POLICY PRIORITIES

WWW.STARCH.EU

TODAY'S EU STARCH INDUSTRY

The European starch industry extracts starch, proteins and fibers from EU agricultural raw materials (primarily cereals and starch potatoes, but also barley, rice and peas) and processes them into a vast range of ingredients for the food, feed and other industries.

Starch is the most important carbohydrate in the human diet. For food applications, which represent 60% of starch applications in the EU, the starch industry develops plant-based ingredients which enhance a food's texture, taste and nutritional values.

In industrial applications, starch-based ingredients are widely used in the pharmaceuticals, cosmetics, paper & packaging, and chemical industries.

Starch fibre and protein rich products provide specific functionality to a wide range of food, specialised feed and compound animal feed applications.



**€7.4 billion
Industry
Turnover in 2018**

OUR EU INDUSTRY IN NUMBERS



60.000
EU FARMERS producing
24 Million
Tonnes of **RAW MATERIALS**

73 PLANTS
in **20** EU Member States
providing
16.000 JOBS



PROTEINS & FIBRES

5.3M Tonnes

STARCHES (Native & Modified)

5M Tonnes

STARCH DERIVATIVES (Maltodextrins, Sugars, Polyols)

6M Tonnes



FEED
5M Tonnes



FOOD & DRINK
>6M Tonnes



NON-FOOD
>4.5 M Tonnes



FUEL
<0.5M Tonnes

POSITIVE OUTLOOK

Starch Europe believes the EU starch industry is uniquely positioned to be an important partner to the new European Parliament and Commission in creating a more sustainable future for Europe, and a stronger EU economy. Four recent EU policy developments form an essential part of the basis for this assumption:

FOOD 2030

The FOOD 2030 Independent Expert group on Sustainable Food Systems published its report in 2018 entitled: “Recipe for change: An agenda for a climate-smart and sustainable food system for a healthy Europe”. EU starch producers are uniquely positioned to contribute to all four of the priorities identified in the report’s recommendations, namely nutrition and health, climate and sustainability, innovation and communities and circularity and resource efficiency. The EU starch industry is a near-zero waste industry, entrenched in agricultural communities, producing ingredients to make food more sustainable.

THE EU’S BIOECONOMY STRATEGY

The EU starch industry is one of the pioneers of the bioeconomy producing ingredients for food, feed, fuel and industrial applications. The EU textile and paper industries were amongst the first users of starch products as an industrial level ingredient. Since then, starch has been competing to replace fossil-fuel based ingredients in many other industrial applications for decades. Starch Europe is an active supporter of the EU bioeconomy strategy and strongly welcomed its continuation and strengthening in 2018.

THE EU PLANT PROTEIN PLAN

The EU starch industry produces more than 5 million tonnes of protein and fibre products each year, including wheat gluten, wheat feed, corn gluten meal, corn gluten feed and potato, pea and rice proteins. As the EU tries to reduce its reliance on imports of proteins and an increasing number of EU consumers are seeking to replace animal proteins with plant-based proteins, demand for the proteins produced by the EU starch industry looks set to increase. The EU plant-protein plan published in 2018 can help accelerate that development.

THE END OF THE EU SUGAR REGIME

Until the end of the EU sugar regime in October 2017 production of the starch-based sugar, isoglucose, was limited to 4% of the total EU sugar production quota. With the end of the sugar regime in 2017, the EU starch industry estimates that EU production of isoglucose has the potential to increase from its quota level of 720,000 tonnes to at least 2 million tonnes over time. This will benefit not only EU starch producers but also customers, final consumers and EU cereal farmers.

OUR PRIORITIES IN BRIEF

- Deliver a CAP which assures security of raw material supply & fair competition
- Promote and protect the EU Single Market
- Ensure that Research and Innovation support remains an EU priority
- Provide clarity on new breeding techniques urgently
- Promote and implement the EU’s updated bioeconomy strategy
- Implement the EU plant protein plan
- Level the international playing field
- Ensure a smooth transition to an ambitious trading relationship with the UK
- Acknowledge higher regulatory compliance costs
- Base EU and member state health/nutrition policy on robust science

OUR POLICY PRIORITIES

In order to increase the European starch industry's contribution to the EU economy, we seek a partnership with EU decision makers on the following policy dossiers:



DELIVER A CAP WHICH ASSURES SECURITY OF RAW MATERIAL SUPPLY AND DOES NOT DISTORT COMPETITION

Fundamental to the future of the EU starch industry is the reliable supply of safe and high quality sustainable EU agricultural raw materials at affordable prices. Whilst Starch Europe welcomes the market orientation of the CAP, we are concerned that the proposal for the new CAP (2021-2027), which increases Member State subsidiarity, may distort competition between farmers and industries across Member States.

Coupled support in some Member States to growers of starch raw materials (notably starch potatoes), or indeed to the growers of raw material with which the starch industry competes (notably sugar beet) may in certain cases be justified for objective reasons but it must not create distortions in the market.

RAW MATERIAL USAGE



WHEAT
8.5M TONNES



POTATOES
7.5M TONNES



MAIZE
8M TONNES



PROMOTE AND PROTECT THE EU SINGLE MARKET



From the perspective of EU agri-food producers, including its starch producers, the Single Market is the most significant achievement of the European Union. It must be a priority of EU decision makers to champion and defend it.

Unfortunately divergent Member State legislation (on for example country of origin labelling) and divergent national implementation of EU law (for example in the implementation of the draft updated Unfair Commercial Practices Directive, and notably proposed different national rules on how to address 'alleged dual quality') is potentially undermining this great achievement. These recent trends towards protectionism and fragmentation should be halted and reversed.



ENSURE THAT RESEARCH AND INNOVATION SUPPORT REMAINS AN EU PRIORITY



Ongoing innovation has been fundamental to the EU starch industry's development and growth since the industrialisation of the starch extraction process in support of the development of textile industry in the 16th century. EU support in stimulating research and innovation must remain a priority going forward notably through:

- Adoption of the Commission's proposal on Horizon Europe to dedicate 10 billion euros to food, agriculture, rural development and the bioeconomy
- Implementation of the R&D recommendations of the FOOD 2030 Independent Expert group on Sustainable Food Systems, and the Circular Biobased Europe public-private partnership.



PROVIDE CLARITY ON NEW BREEDING TECHNIQUES URGENTLY



Starch Europe acknowledges growing consumer concerns about pesticide use in the agricultural raw materials we source and is working with farmers to reduce such use to the extent possible. The most effective way to reduce EU farmer's reliance on pesticides is to provide much needed clarity on new breeding techniques.

The recent ECJ ruling on mutagenesis makes increasingly clear that the EU's GMO directive is no longer fit for purpose. In the absence of clarity on new breeding techniques, EU farmers and starch producers will, in order to compete globally, continue to need access to existing authorised pesticides, where cost efficient alternatives do not yet exist.



PROMOTE AND IMPLEMENT THE EU'S UPDATED BIOECONOMY STRATEGY



Positioned at the cross-roads of all the outlets of the bioeconomy, the EU starch industry is continuously innovating to meet changing customer needs and consumer expectations for new biobased solutions for food, feed and materials. Starch Europe welcomes the new impetus given by the Commission's 2018 Action Plan in its Communication: "Bioeconomy: the European way to use our natural resources" to realise the vast potential of the bioeconomy in the EU, including the need to:

- Provide stakeholders with a stable, long-term and predictable legal framework.
- Include renewability as a criterion of Green Public Procurement and Eco-label schemes.
- Promote existing EU standards, labels and other emerging incentives for bio-based products.



IMPLEMENT THE EU PLANT PROTEIN PLAN

There is a growing trend in EU Member States to encourage the consumption of plant-based foods and drinks as part of a balanced diet because of their nutritional benefits and low environmental footprint. We call on the Commission to recognise the contribution of the processing industry in implementing the action areas of the EU plant protein plan adopted in 2018, notably its support to research and promotion activities.

OUR PROTEINS & FIBRES



5.3M TONNES
Proteins & Fibres



VERY HIGH PROTEIN CONTENT (60% - 90%)

1.1M TONNES

MEDIUM PROTEIN CONTENT (15% - 30%)

4.2M TONNES

 **FOOD & DRINK** (35%)

 **FEED** (65%)

 **FEED** (100%)



LEVEL THE INTERNATIONAL PLAYING FIELD



International competitors in the starch industry continue to benefit from a combination of greater economies of scale, lower production and/or raw material costs and/or lower regulatory compliance costs compared to EU producers. Until such time as these differences are eliminated, import duties on starch products need to be maintained if the EU starch industry is to continue to remain competitive and able to innovate.

The absence of an international level playing field for starch producers needs to be recognized in all ongoing and future EU FTA negotiations, particularly those with significant starch production, for example the US and Thailand.



ENSURE A SMOOTH TRANSITION TO AN AMBITIOUS TRADING RELATIONSHIP WITH THE UK



The EU 27 starch industry exports almost 900,000 tonnes of ingredients to the UK each year. Post-Brexit, the UK is expected to represent by far the EU's largest starch export market. It is of utmost importance that transitional arrangements are in place to ensure minimum disruption in EU27/UK trade in starch products ahead of the adoption and implementation of an ambitious Free Trade Agreement between the EU and the UK.



ACKNOWLEDGE HIGHER REGULATORY COMPLIANCE COSTS

The main input costs of starch production are the cost of agricultural raw materials and the cost of energy (energy represents approximately 15% of the total starch production cost). Both costs tend to be higher in the EU than elsewhere in the world. Whilst the causes of these higher costs are partly economic, they are also linked to EU policy decisions and consumer attitudes (no use of GM agricultural raw materials, higher compliance costs in order to meet EU rules on e.g. mycotoxin levels, pesticide residue levels, REACH, the EU Emission Trading Scheme).

These EU policy decisions may have been well intentioned and, where they facilitate the functioning of the EU Single Market and/or help improve sustainability and environmental performance in line with the United Nations Sustainable Development Goals and the 2015 Paris climate change agreement, are welcomed. However these policy decisions should not increase business uncertainty and production costs, and if they do, the cost they incur to EU starch producers, compared to their international competitors, must be recognized.

Starch Europe welcomes the EU's Carbon Leakage List for the phase IV of the Emission Trading Scheme, for example, which recognizes the need to protect the EU starch sector from 3rd country producers with lower energy costs.



BASE EU AND MEMBER STATE HEALTH & NUTRITION POLICY ON ROBUST SCIENCE



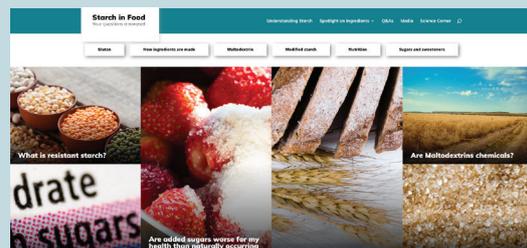
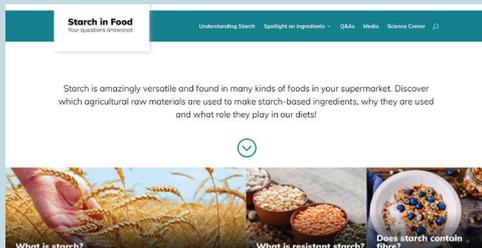
Carbohydrates, of which starch is the most common in the human diet, form the main basis of the human being's required energy intake. The most important fuel for the human brain is glucose, the main source of which is starch. That said, excessive intake of carbohydrates, like sucrose, glucose fructose syrups and starch, if not combined with sufficient physical activity, may lead to health problems, notably obesity.

The importance of a sufficient level of plant-based protein and fibres intake in a balanced diet is widely recognised.

Starch Europe fully recognizes the need for humans to maintain a healthy lifestyle and is fully supportive of all initiatives to promote it. Crucial to ensuring this is the provision of scientifically sound information to consumers in a format and language which they can easily understand. EU decision makers should promote industry efforts in this field such as www.starchinfood.eu.

Starch Europe hopes that EU decision makers will continue to ensure that EU health/nutrition policy is based on robust scientific evidence.

WWW.STARCHINFOOD.EU



STARCH EUROPE POLICY PRIORITIES 2019-2024

Starch Europe is the trade association which represents the interests of the EU starch industry both at European and international level. Its membership comprises 27 EU starch producing companies, together representing more than 95% of the EU starch industry, and in associate membership, 7 national starch industry associations.

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