Union zur Förderung von
Oel- und Proteinpflanzen e. V.

UFOP policy paper

for the amendment of the Renewable Energy Sources Directive (2018/2001/EC) – RED III - sustainable biofuels from cultivated biomass are part of it!

1. Sustainable biofuels from cultivated biomass in a globally networked bioeconomy

In globally networked flows of agricultural raw materials and products, biofuels have a special role model function. This was and is the subject of intense political debates about the sustainability requirements and their documentation as a prerequisite for crediting them against quota obligations and thus for market access. The “drivers” are the EU targets for climate protection by 2030 and the achievement of climate neutrality by 2050 at the latest. Sustainable and greenhouse gas-optimised biofuels are currently and in the medium term the option introduced on the market as a contribution to climate protection in North and South America as well as Asia. In these regions they are also expressly a control instrument for the income-supporting supply and price development for agriculture.

The legal requirements anchored in EU law must also be implemented in third countries, including the certification systems approved by the EU Commission. This refers to the steadily tightened and expanded regulations of the European Union (RED II 2018/2001/EC) for the verification of a sustainable value chain from the field or the plantation to the companies in the mineral oil industry. The access authorisation for the market is granted with the sustainability certificate. The declared amount of biofuel can then be offset against the company-specific energy quota obligation, in Germany or Sweden against the greenhouse gas reduction obligation. This legally prescribed certification or verification chain only exists in this form for biofuels.

The introduction of the CO_2 footprint for agricultural products is being discussed in a very critical and demanding manner, not least because society is becoming more aware of global climate change and its consequences. Above all, the younger generation urges the public to act: Framework conditions and consumer behaviour must change, because time is running out. It now depends on how this period is used.

The commitment to climate protection policy can be seen in concrete terms in the national legislation of the member states and the sector-specific targets anchored there, which are to be met by 2030. However, politicians must also resolve the issue of avoiding the relocation of negative environmental effects to third countries. So-called "carbon leakage effects" are avoided with biofuels as a result of sustainability certification. The following applies to all biofuel origins: market access is linked to proof of a specific greenhouse gas reduction for the end product. In Germany, the introduction of the greenhouse gas quota instead of an energy quota obligation has led to a market- and demand-driven efficiency competition.

Indirect land use effects cannot be proven with regard to the cause and effect relationship in relation to the specific area. This finding confirms the long and ineffective “iLUC discussion” on biofuels. In contrast, the expansion of cultivated areas at the expense of the biotopes necessary for biodiversity and climate

protection as a result of the overall global increase in demand for agricultural raw materials is undisputed. The main triggers are the flow of raw materials towards Asia and, in particular, the demand from China, which has been boosted by an increase in purchasing power.

The heads of government of the EU-27 set the framework and pressure for action with the resolution of December 2020, in which the EU climate protection target for 2030 was raised from 40% to at least 55%. The EU climate law is the first tangible result of the transformation process to be accelerated with the Green Deal, which will include all areas of life and the economy.

The EU Commission has made it clear that the EU is going ahead with climate protection, even if not all industrialised countries follow this level of ambition. Ecological extensification is announced for agriculture, but this will be combined with an opening for the approval of innovative methods in plant breeding. It seems that the important argument of the gain in time that can be achieved in the development of crops adapted to climate change is recognised. New breeding technologies such as CRISPR/Cas9 & Targeted Genome Editing are used in third countries. The raw materials are grown and marketed for food and non-food purposes. A policy that is balanced in terms of practical constraints and arguments is now urgently required.

Agriculture is directly affected by climate change. A relocation of production facilities, as is the case with other branches of industry, is of course not possible. This is why agriculture is standing up to the challenges of ambitious climate protection in adapting production systems. The sustainability requirements anchored in RED II are guidelines and provide direction – also for third countries, but so far "only" for cultivated biomass with the purpose of using biofuels in the EU.

The short-term amendment of the RED II announced in the package of measures for the Green Deal again offers the option of designing an internationally effective “level playing field” for global competition appropriately and fairly. The German Advisory Council on Global Change (WGBU) has recognised this and made the following recommendation: "Sustainability standards, as they already apply to the promotion of bioenergy and biofuels, should be extended to other uses of biomass"[1].

The regulations anchored in EU laws for sustainability certification for liquid and in future also for gaseous and solid biomass sources are immediately effective and open up the possibility of on-site inspections by the responsible bodies. These regulations are therefore more effective than corresponding regulations in trade agreements for compliance with the Sustainable Development Goals (SDGs). The WTO proceedings initiated by the governments of Malaysia and Indonesia against the decision of the EU to restrict the use of palm oil with the implementation of RED II are clear evidence.

2. Thinking and evaluating system services of innovations and value chains holistically

The supply of sustainably produced protein for animal and human nutrition is a central challenge. The EU's large protein deficit in protein feed has repeatedly been confirmed by the EU Commission and can be seen from the quantities imported from third countries. Soy, in particular, has been the subject of criticism and has repeatedly been the plaything of economic interests between the governments (USA/China) and the EU. This also affects the EU's security of supply and, associated with it, the question of improving the EU's own production of protein plants.

Improving the security of supply with feed protein produced sustainably in the EU must therefore be the basis for justifying the further eligibility of biofuels made from cultivated biomass. Flowering plants such as rapeseed or sunflowers have the potential to make a noticeable and valuable contribution in connection with the expansion of crop rotations with grain legumes. The absence of genetic engineering

[1] 1) Source: Land turn in the Anthropocene: From competition to integration https://www.wbgu.de/de/publikationen/publikation/landwende

is a unique selling point of these crops, which, as a result of the labelling of products made from milk, eggs, etc., also leads to a "regional link". The sustainability certification for the use of biofuels creates the necessary transparency according to origin and greenhouse gas efficiency, in line with the EU Commission's farm-to-fork strategy.

In recital (116), RED II provides for the greenhouse gas emissions caused by production and use to be split between biofuel and protein components (allocation). However, the greenhouse gas-reducing substitution effect is not taken into account. This arises by avoiding cultivation in third countries and importing soy, for example, if cultivated biomass from European cultivation such as rapeseed or sunflowers are processed for biofuel production. With the production of GMO-free feed protein, the land pressure in the exporting countries is reduced. That would be a positive "iLUC effect".

If this substitution effect were recognised, the domestic or European raw material cultivation – this also includes the production of bioethanol from grain – would properly enter the greenhouse gas competition. With this approach, not only competitiveness, but also added value for agriculture and thus the expansion of crop rotations would be strengthened and promoted, also in line with the farm-to-fork strategy.

The products created in the supply chain are sustainably certified. This is not only the biofuel or feed content of the processed raw materials, but all by-products such as glycerine, for example. This approach would therefore also serve as a model for third countries. Because in order to be able to fulfil the internationally binding goals of the Paris Climate Protection Agreement, the signatory states must develop analogue and globally binding sustainability concepts, the basis of which must be transparent and comprehensible evidence of greenhouse gas reduction. It is now about the "path" to be standardised to the climate protection contribution to be taken into account.

UFOP therefore calls on politicians to develop these options and approaches holistically together with business so that sustainable biofuel production from cultivated biomass can continue to play an important role as a model of a networked and sustainably oriented bioeconomy strategy in the future. This approach also improves acceptance in agriculture and society.

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Quick information on UFOP e. V.:

The Union for the Promotion of Oil and Protein Plants e. V. (UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein plants in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new recycling opportunities in the food, non-food and feed sectors. UFOP public relations aim to promote the marketing of domestic oil and protein plant end products.