

# Oilseeds and protein crops in the EU

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## **1. OILSEEDS**

Oilseeds such as rapeseed, sunflower seed, soybeans and linseed are grown on more than 11 million hectares in the EU and are used for food, feed, fuel and industrial purposes. Crushing oilseeds provides vegetable oil and meal. Vegetable oil is used in the food industry and to produce biodiesel, as well as having many other industrial uses. Oilseed meals are an important protein-rich animal feed ingredient.

The targets set out in the Renewable Energy Directive<sup>1</sup> with regard to the mandatory use of biofuels in the EU by 2020 have encouraged the use of vegetable oils in the EU. As a result, domestic oilseed production has grown considerably in recent years.

### **1.1. Domestic support**

There are no specific support measures for the production of oilseeds in the EU.

### **1.2. Blair House Agreement**

A Memorandum of Understanding on Oilseeds (often referred to as the 'Blair House Agreement') was negotiated with the US during the GATT Uruguay Round negotiations in 1992<sup>2</sup>. While allowing European Community support for the production of certain oilseeds to continue, it established a number of restrictions on this support. In particular, it placed a limitation on the supported area, which should not exceed 5.482 million hectares<sup>3</sup>.

In addition, a restriction of 1 million tonnes (in soybean meal equivalent) was placed on the quantity of by-products made available as a result of the cultivation of oilseeds for non-food purposes on subsidised set aside land.

As a consequence of the decision taken in the context of the CAP Health Check in 2008 to abolish the specific payment for energy crops and the set-aside regime, there is no longer any restriction on the EU's oilseed area. In the absence of set-aside the clause concerning by-products from land subject to set-aside has no relevance.

In other words, although the Blair House Agreement remains in force, in the context of today's CAP there is no limit on EU production of oilseeds.

### **1.3. Import tariffs**

Import duties are laid down in Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff, as amended.

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<sup>1</sup> Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

<sup>2</sup> The agreement was approved by the Council on 8 June 1993 via Council Decision 93/355/EEC of 8 June 1993 and published in Official Journal L 147, p.25 of 18 June 1993.

<sup>3</sup> The agreement allows for modification of this maximum supported area, further to enlargement of the Union. While the original maximum base area was set at 5.128 million hectares, it was increased to cover the EU15 further to the 1995 enlargement. However, no amendment of the agreement was negotiated to reflect subsequent enlargements.

Tariffs on oilseeds and on oilseed meals are zero, whereas duties on vegetable oils (except olive oil) range from 0 to 12.8%, as set out in the table below.

CN code	Description	Duty
1201 – 12 07	Oilseeds	Free
1507, 1508, 1511, 1512, 1513, 1514, 1515	Vegetable oils, other than olive oil	Free to 12.8%
2304 – 2306	Oilseed meals	Free

## 2. PROTEIN CROPS

The large family of legumes includes plants such as alfalfa (lucerne), clover, peas, beans, lentils, lupins and soy, which are all consumed as both food and animal feed. EU legislation classifies three specific crops as "protein crops".

### 2.1. Protein crop premium

In Council Regulation (EC) No 73/2009 establishing common rules for direct support schemes for farmers, Articles 79 to 81 establish a protein crop premium for the cultivation of peas (CN code 0713 10), field beans (CN code 0713 50) and sweet lupins (CN code ex 1209 29 50).

This protein crop premium of 55.57 €/ha is paid for a Maximum Guaranteed Area (MGA) of 1 648 000 hectares. The area per farmer is reduced proportionately if the MGA is exceeded. The peas, field beans and sweet lupins must be harvested after the stage of lactic ripeness. The protein crop area has not reached the MGA since the Regulation was put in place.

The protein crop premium applied for the last time to the area harvested in 2011. The aid will then be integrated into the Single Payment Scheme, although Member States had the right to decouple the protein crop premium earlier, in 2010 or 2011.

Some Member States provide additional payments for protein crops under Article 68 of Council Regulation (EC) No 73/2009. In addition to the Single Area Payment Scheme (SAPS) Lithuania and Slovenia provide coupled 'top-up' payments for protein crops since 2005.

### 2.2. Import duties

Import duties are laid down in Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff, as amended. Some key tariffs for protein crops are provided in the following table.

CN code	Description	Duty
0713 10	Peas	Free
0713 20	Chickpeas	Free
0713 31 – 0713 39	Beans	Free
0713 40 00	Lentils	Free
0713 50 00	Broad beans and horse beans	3.20%
0713 90 00	Other	Free
1209 29 50	Sweet lupins	2.50%