

Strategic Partnership of “Donau Soja” and the Austrian Development Agency reach for a non-GM and sustainable soya production in Ukraine

13 April 2017 - The international association «Donau Soja» and the Austrian Development Agency (ADA) started a strategic partnership to build sustainable, inclusive and well-functioning value chains for non-GM and organic soya in Ukraine, Serbia, Bosnia and Herzegovina, Moldova. In a period of 5 years, the 9 Million Euro project (Donau Soja and ADA each support the project with about EUR 4.5 mln) will bring benefits for the domestic market, food producers, consumers and the environment in Ukraine, as well as strengthen international trade and economic relations between Western and Eastern Europe.

European farm and rural development would benefit from better crop rotation using more legumes

As an essential ingredient in animal feed and increasingly in human nutrition, soya plays a significant role in food security. Europeans use on average approx. 61 kg of soya per person per year through the consumption of animal products – 85% of all soya used in Europe is imported from overseas, primarily from Brazil and Argentina. The intensive cultivation of soya in these respective countries is associated with a number of environmental problems, such as forest and soil degradation causing high CO₂ emissions. In contrast, most European farms are practically free of legume crops such as soya. Increasing cultivation of local soya improves crop rotation, reduces nitrogen fertiliser needs and supports investments in soya processing and production and therefore supports regional economies and rural development.

The European Committee on Agriculture and Rural Development and individual member states have pointed out the importance of reducing the European protein deficit. *“We share the idea that a more balanced supply and consumption of domestic protein crops as part of an integrated strategy that responds to new challenges like climate change, biodiversity loss, depletion of soil fertility, and pollution of groundwater is needed in Europe. It also helps lower price volatility for agricultural products on the world market. At the same time, increased soya production in Europe contributes to securing existing and creating new jobs in Ukraine and other countries targeted by this strategic partnership”*, said **Florian Kohlfürst, Attaché, Austrian Embassy in Kyiv**.

Ukraine has a major role to play in securing more sustainable soya supplies for Europe

Ukraine's role in a balanced European protein market is significant: Ukraine is the number 1 soybean producer in Europe with the potential to double its soybean production as well as soybean processing in the next 5 years. With this potential Ukraine can strengthen its domestic economy as well as develop the export of high value added and higher quality soybean products to Western European markets.

*«In 2016/2017 4,3 mln t of soybeans were produced on 1,9 mln ha in Ukraine, which is a new record since the independence of our country. Average yield was 23 dt/ha and it is the highest in the last 27 years. – says **Olena Kovaliova, Deputy Minister of Agrarian Policy and Food of Ukraine**. – In the context of the world organizations' forecasts regarding further increase of global demand for protein feed, and especially significant deficit on geographically close Western European markets, the soybean sector has all the potential through efficient production and processing to generate added income in Ukraine”*.

More and more European consumers demand local, non-GMO and sustainable products.

*“Although we find a growing demand for safe and sustainable products in Ukraine, we often lack reliable instruments to identify safe, responsible and sustainable producers and bring their products to the market in a way that consumers can recognise. Soya as an important source of protein for animals and humans needs better recognition in Ukraine. With the Europe Soya and Donau Soja labelling and certification system we can support the best agricultural and food producers and help them reach a new level of recognition sustainable and responsible production and European food quality in the eyes of consumers. We can furthermore improve the image of Ukrainian businesses abroad and meet local demand at the same time”, says **Inna Iliencko, Donau Soja representative in Ukraine**.*

More than 10,000 Beneficiaries will benefit from the 5-year project

“The strategic partnership between Donau Soja and the Austrian Development Agency makes an important contribution to the improvement of local and regional economic development in rural and structurally weak areas, and will also lead to reliable investments along the soya value chain. In this way, many participants will benefit: Consumers can rely on secured quality and quantity. Producers and processors will see a number of economic benefits in terms of increased competitiveness, access to new markets, long-term purchasing agreements and a higher market price. Approx. 10,000 people will benefit from this partnership. We are glad that by supporting this strategic partnership we are able to contribute to economic development, poverty reduction and that we create perspectives for the people in Ukraine!”, **Martin Ledolter, Managing Director Austrian Development Agency (ADA)**.

Donau Soja and Europe Soja Standard ensuring high quality, GMO-free and sustainable soya in Ukraine

Donau Soja, an international non-profit organization which closely works with the industry as well as environmental and consumer protection organizations, provides effective instruments to respond to the growing demand for sustainable food and feed - the Europe Soya / Donau Soja labelling and certification system based on essential characteristics: non-GMO, compliance with EU regulations concerning the use of pesticides, additionally a ban on desiccation (no pre-harvest glyphosate & diquate), and European origin.

“In response to the growing demand of sustainable food by consumers, it is expected that certified non-GM soya volumes in Europe will increase in 2017 by 10% and will reach 8 Million tons by 2019 (currently 6.5 Million). The growth in the non-GM soya volume is fuelled by consumers and retailers in Europe – especially in Germany, Austria and Switzerland, supported by Hungary and Serbia livestock industries, that require non-GM fed animal products. Soybean production in the EU-28 is 100% non-GM and can only cover 1/3 of the European demand. This constitutes an important opportunity for Ukraine to develop meaningful and high-volume export relations. The ambition of Donau Soja is twofold: 1. To help Ukrainian producers develop pan-European value chains for conventional non-GM and organic soya of controlled (certified) quality and 2. To support developing regional and local value chains – from high-quality soya, to high-quality feed and animal products for Ukrainian producers. To achieve this goal, Donau Soja proposes a strategy for both, the supply side (producers of soybean, processors and food industry) and the demand side (soya users from the animal sector and consumer interests). We hope to support Ukrainian producers to enter quality food and feed production under controlled quality schemes, which will benefit sector development in field crop and livestock production”, says **Matthias Krön, President of Donau Soja Organization**

With the signing of the Donau Soja Declaration by the Ministry of Agrarian Policy and Food of Ukraine in 2015, Donau Soja started its activities in Ukraine. Since then 6 Ukrainian companies, such as ATK, Grain Alliance, Svarog West Group, Agroprodservice PAE, Donau Agro LLC, Agrosem LLC as well as 2 NGOs (Ukrainian Soya Association and “Organic Ukraine”) joined the Association. In 1.5 years up to 40 thousand tons of soybean were certified as Donau Soja and over 12 thousand tons of Donau Soja were exported from Ukraine to Hungary.

*“Our company already for more than 5 years is building expertise in non-GM soybean production. We provide our knowledge and technology to many soybean producers in Ukraine, also small and medium. As the result, we are also specialized in export of non-GM soybeans of own production and from our partners with the total volume of app 200 thousand ton of soybeans per year. With the precise control over supply chain and zero GM tolerance we can ensure the non-GM statues and high quality products from and for our partners. Our commitment is not only to claim our products “non-GM” as it is everywhere done in Ukraine, but to confirm these statues with “Europe Soya” certification. With this year launch of the new soybean crushing capacity for 1,500 tons per day and high requirements on sustainability of soya and in cooperation with Donau Soja as our partner we will help Ukrainian soybean producers to create added value with the access to Western-European market. Illegal GM seeds presence in Ukraine without control and punishment adds complexity and lowers competitiveness of such projects in Ukraine. – says **Dmitriy Motuzko, commercial director “AdamPolSoja”, ATK**. - We believe, that geographic proximity of*

Ukraine to western-European countries and growing demand for non-GM in Europe, as well other countries can boost added value for Ukrainian agribusiness. But we need to ensure high standards and quality.”

Donau Soja Donau Soja is an international, non-profit organization based in Vienna with already more than 270 members in 21 countries. The brands DS and Europe Soja stand for soya bean cultivation in the Danube region and Europe and promotes a non-GM, sustainable and regional protein supply. Soya farmers comply with EU plant protection regulations and EU labor and social standards (ILO). Furthermore, their land usage is limited to fields cultivated for agricultural purposes prior to 1 January 2008. Prominent European institutes and organizations support this ambitious initiative. Food retailers, large agricultural trade houses, the animal feed industry, oil mills and numerous processors, as well as environmental organizations such as Greenpeace, Global 2000 and WWF. Different agricultural ministers of Danube countries have demonstrated their support by signing the Danube Soya Declaration. They recognize the need for added value in the Danube region and Europe, to bolster an independent European supply of protein. For more information see: www.donausoja.org

Austrian Development Cooperation supports countries in Africa, South Eastern and Eastern Europe as well as the Caribbean in their sustainable development. Austria contributes to poverty reduction, peacekeeping, environmental protection and resource conservation worldwide. Long-term programmes and projects provide help towards self-help.

The Federal Ministry for Europe, Integration and International Affairs plans the strategies. The Austrian Development Agency (ADA), the operational unit of Austrian Development Cooperation, implements programmes and projects together with public institutions, civil society organizations as well as enterprises. For more information see: www.entwicklung.at

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