Jamie Fortescue

EU starch industry: A bright future ahead, despite the challenges

The EU starch industry undoubtedly faces some challenges in the times ahead, notably low sugar prices, pressure on the use of pesticides, increasingly extreme weather conditions, increased scrutiny of so-called 'ultra-processed food' and Brexit.

Nevertheless, the outlook remains positive. I believe we are uniquely positioned, as an industry, to make an even greater contribution the EU economy and employment in the future, and a number of recent EU policy developments have contributed greatly to this confident perspective.

One such development is the report published by the FOOD 2030 Independent Expert group on Sustainable Food Systems in 2018, entitled "Recipe for change: An agenda for a climate-smart and sustainable food system for a healthy Europe".

This report identified four clear priorities in its conclusions - nutrition and health, climate and sustainability, innovation and communities and circularity and resource efficiency. EU starch producers are uniquely positioned to contribute to all of these.

The EU Bioeconomy Strategy, is another area where we see enormous potential. 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.

The EU starch industry also produces more than 5 mn t 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


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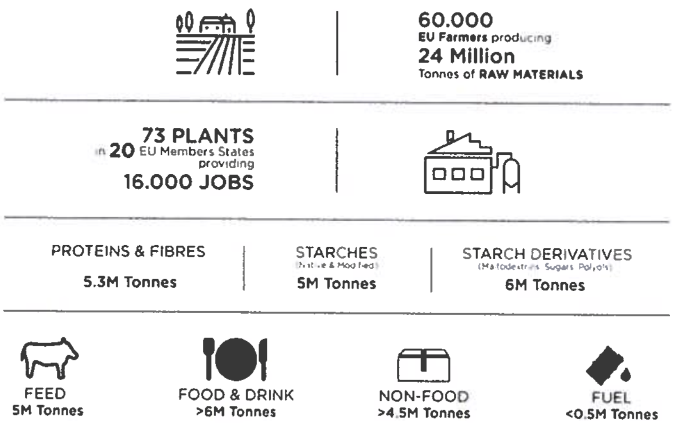
can help accelerate that development.
Finally, the end of the EU sugar regime in October 2017, opens up the possibility of the starch industry increasing its production of the starch-based sugar, isoglucose, which before 2017 was limited to 4% of the total EU sugar production quota. Whilst at today's historically low sugar price the incentive to produce more isoglucose is limited (EU isoglucose production has in fact declined since October 2017) we remain optimistic that the EU sugar price will increase and more opportunities for isoglucose will result. We estimate that EU production of isoglucose has the potential to increase from its quota level of 720,000 t to at least 2 mn t over time. This will benefit not only EU starch producers but also customers, final consumers and EU cereal farmers.
For all these reasons and more, we remain confident of being in a position to work hand-in-hand with the new European Parliament and Commission, and play an important role in helping them achieve their goals for Europe.
Nevertheless, for our industry as for any industry, a stable regulatory environment remains crucial, and a number of current issues remain uncertain for us. This is why, when on October 15 this year Starch Europe presents its Policy Priorities for 2019-2024, our asks to the new European Commission and Parliament will include:
- To deliver a Common Agricultural Policy which assures security of raw material supply & fair competition, including between starch potato producers;
- To promote and protect the EU Single Market;
- To ensure that Research and Innovation Support remains an EU priority;
- To provide clarity on new breeding techniques urgently;
- To promote and implement the EU's updated bioeconomy strategy, in particular market creation measures;
- To implement the EU plant-protein plan, especially in encouraging increased research and promotion activities;
- To maintain import duties for starch products in the absence of an international level playing field, for example in trade negotiations with large lower cost starch producers such as the US and Thailand;
- To ensure a smooth transition to an ambitious and minimally disruptive trading relationship with the UK; the EU 27 starch industry exports up to 900,000 tonnes of products to the UK annually;
- To reduce or compensate for higher production costs, for example those resulting from the EU emission trading scheme, and;
- To base EU and member state health/nutrition policy on robust science;



Tackling all of these issues will be key in ensuring that our industry can continue to grow its contribution.
One particular challenge is addressing consumer concerns about food processing and starch based ingredients with which they are less familiar. This year, the European Starch industry has introduced a number of initiatives to not only increase transparency, but also to actively help inform and educate consumers. One such initiative is the relaunched expanded online information platform, www.starchinfood.eu, where stakeholders and consumers alike can find information on our ingredients, ask questions, and find an overview library of peer-reviewed scientific studies.
Starch Europe and its members are also launching the Beyond Starch campaign, to coincide with Starch Europe's 60th anniversary. This campaign will not only include a conference in Brussels, on 15 October, but will also see actors of the starch industry hold a series of events and activities across Europe, to showcase the industry and its importance in the EU economy.
The European starch industry faces challenges, no doubt. But, with the right policy environment, we feel not only well positioned to face these, but also strongly positioned to be an important partner in creating a more sustainable future for Europe, and a stronger EU economy.

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