

ENSA's position paper on the EU Protein Strategy

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Over the past few years, the plant-based food market in Europe has experienced significant growth. Sales of plant-based foods have surged by more than 21% since 2020, resulting in a current market value of € 5.8 billion¹. In 2021 and 2022, despite economic shocks caused by the COVID-19 pandemic, the Russian-Ukrainian conflict, global trade tensions, inflation, and extreme weather conditions, the plant-based market grew by approximately 6%, indicating a growing consumer demand for integrating more plant-based foods into their diets. Recent market projections indicate that the global plant-based food market is set to triple in size, growing from approximately € 10.3 billion in 2023 to € 32.9 billion by 2033¹. The shift towards more flexitarian/plant-based diets is being driven by a number of factors, ranging from health and environmental concerns to ethical considerations.

The European Commission has acknowledged the crucial need to transition towards more plant-based diets in order to promote healthy, sustainable, and resilient food systems that can effectively address food security challenges. This recognition is reflected in key initiatives such as the Farm to Fork Strategy, Europe's Beating Cancer Plan, and the analysis of the key factors driving food security. However, the absence of a comprehensive EU policy framework hinders the development of the plant-based sector. We therefore urge **the European Commission to put forward a comprehensive EU Protein Strategy that sets a roadmap to harnesses the potential of EU plant protein production, including for direct human consumption**. Although promoting the production and consumption of EU plant-based proteins such as legumes, nuts, seeds, and foods made from these crops would be a positive step towards building a sustainable and resilient food system, **a more comprehensive approach is essential in the long-term to offer consumers a wider range of plant-based alternatives to animal-based foods and ensure long-term resilience**.

In the following sections, we highlight the key principles and measures that a concrete Protein Strategy should encompass to facilitate the production and uptake of plant proteins and the foods derived from them, thereby promoting the achievement of the EU's environmental, climate, and food security goals.

Empowering farmers to grow plant crops for direct human consumption.

The impact of climate change and environmental degradation on food production is a serious threat to food security worldwide, including in the EU². To tackle this challenge, the Protein Strategy should prioritise sustainable agriculture practices and promote the cultivation of plant-based proteins for direct human consumption. Currently, agricultural production utilises half of all habitable areas globally with a high part

¹ Future Market insights. 2023. [Plant-based Food Market](#).

² WWF. 2023. [Farm to Fork. Systematic changes is key to European food security and resilience](#).

dedicated to livestock production³. This has led to various environmental challenges such as soil degradation, freshwater pollution, and biodiversity loss. Promoting the cultivation of leguminous crops, for instance, can fix atmospheric nitrogen in the soil and reduce the need for synthetic nitrogen fertilizers⁴. Furthermore, diversifying crop production can enhance soil health by increasing organic matter and microorganism, which can improve pest and disease cycles⁵.

The transition to plant protein production for direct human consumption will not only have positive environmental outcomes but also bring about socio-economic benefits for farmers. As outlined in the 2018 Report on the development of plant protein in the EU⁶, growing plant crops for human consumption offers the highest profit margins for farmers compared to conventional and premium feed. Expanding the variety of plant crops grown also diversifies farmers' income streams, protecting them against economic volatility. This allows farmers to spread their risk and avoid negative impacts of crop failures or market fluctuations.

ENSA's members predominantly source their crops from within the EU, with Sweden, France, and Italy being the primary suppliers of oats and soybeans, for example. To ensure that all plant-based meat and dairy alternatives in Europe are sourced from European crops, it is crucial to increase the variety and amount of crops grown directly for human consumption within Europe. This can be achieved by supporting and incentivising farmers to shift from animal feed production to growing plant proteins for human consumption, through a food protein balance sheet, as well as a combination of economic incentives and investments in research and innovation:

- A food protein balance sheet can help farmers identifying which crops are being used by the food industry and redirect some of their production towards crops for human consumption.
- Subsidies provided through EU instruments such as the Common Agricultural Policy (CAP) and the EU's Promotion Policy should support farmers producing more plant-based proteins for human consumption.
- Research and innovation can help identifying and developing new, sustainable sources of plant proteins, which are crucial to expand the production of plant-based foods and meet the increasing consumer demand. So far, only 5.5% of the Horizon Europe funding for food research has been allocated towards alternative proteins for food, without any specific calls for proposals on plant proteins. To promote the production of plant proteins for human consumption, the EU must increase its funding allocation for R&I in alternative proteins.

Promoting healthy and sustainable diets with higher intakes of plant-based protein.

The EU protein strategy should include measures to encourage the production and uptake of plant-based foods. Plant-based alternatives to dairy and meat products play a significant role in promoting the shift towards diverse and balanced diets that are rich in fruits, vegetables, pulses, legumes, nuts, and a moderate intake of animal products, as envisioned by the EU. In addition to providing a viable option for those who do

³ Makkar, H.P.S. 2018. [Review: Feed demand landscape and implications of food-not feed strategy for food security and climate change.](#)

⁴ Billen, G. et al. 2020. [Reshaping the European agro-food system and closing its nitrogen cycle: The potential of combining dietary change, agroecology, and circularity.](#)

⁵ Zani, Barneze, Soratto, Francis. 2022. [The effect of crop rotations on soil. Reference Module in Earth Systems and Environmental Sciences.](#)

⁶ European Commission. 2018. [Report on the development of plant proteins in the European Union.](#)

not consume animal products, plant-based alternatives can also encourage flexitarian consumers to diversify their diet. Fortified plant-based alternatives are indeed rich in vitamins, minerals, and fiber that are vital for maintaining good health. Plant-based foods are known for their low levels of saturated fat and absence of cholesterol, which can have a positive impact on cardiovascular health. They are also rich in antioxidants that protect cells from free radical damage⁷.

As plant-based alternatives are a relatively new addition to the market, consumers may not be familiar with how to prepare or incorporate them into their diets. This lack of familiarity can act as a barrier to the adoption of more plant-based diets that include plant proteins. The Protein Strategy should establish a framework to tackle these challenges and offer consumers adequate information and education to be able to incorporate plant-based alternatives into their diets.

- One way to help consumers understand the purpose and use of these products is by allowing the plant-based food sector to continue using animal-derived denominations for their products. For instance, terms like “plant-based burger” have become widely accepted and help consumers recognise the intended use of these products.
- Promoting education measures is another effective way to familiarise consumers with plant-based alternatives. For instance, incorporating plant-based milk and yoghurt alternatives into the revised EU School Fruit, Vegetables and Milk Scheme can provide children with the educational opportunity to discover a variety of products while encouraging behaviour change towards more sustainable diets.
- To promote informed choices among consumers, it is crucial to ensure comparability in the future EU front-of-pack nutritional and environmental labelling schemes. This would enable consumers to compare plant-based alternatives with animal-based counterparts and make informed decisions about their food choices. In turn, this could encourage a shift towards more sustainable and plant-based diets.

Ensuring affordability of alternative proteins for sustainable diets.

Ensuring the affordability of alternative proteins is crucial for making sustainable diets accessible to all citizens, including those with lower incomes. However, this is hindered by higher VAT rates on plant-based alternatives compared to their animal-based counterparts.

One way Member States such as Belgium are promoting the development and consumption of plant-based products is by applying the same VAT rates to both plant-based alternatives and animal products. Albeit in other Member States, the disparity can be quite significant. For instance, in Germany milk is taxed at a rate of 7% while plant-based drinks are taxed at a rate of 19%⁸. Meat products often benefit from lower tax rates or exemptions from VAT, while plant-based protein foods are subject to higher taxation. This discrepancy in tax rates is particularly detrimental to consumers, as higher prices make plant-based alternatives less affordable. The issue is further intensified by the current trend of rising inflation, which has reduced the

⁷ Baroni, L.; Sarni, A.R.; Zuliani, C. (2021) [Plant Foods Rich in Antioxidants and Human Cognition: A Systematic Review](#). *Antioxidants* 2021, 10, 714.

⁸ Umsatzsteuergesetz (UStG), [Anlage 2 \(zu § 12 Absatz 2 Nummer 1, 2, 12, 13 und 14\), Liste der dem ermäßigten Steuersatz unterliegenden Gegenstände](#).

purchasing power of consumers and made it more difficult to choose nutritious and sustainable foods, including plant-based alternatives.

Therefore, adjusting the VAT rates of plant-based products to align with the rates of animal-based foods is essential to ensure affordability for consumers who wish to follow more sustainable diets.

About ENSA

The European Plant-based Foods Association (ENSA) represents the interests of plant-based food manufacturers in Europe. ENSA is an association of internationally operating companies, ranging from large corporations to small, family-owned businesses with an annual turnover of around €1.8 billion. ENSA members produce high-quality plant-based alternatives to dairy and meat products. Since its establishment in 2003, ENSA has been raising awareness about the role of plant-based diet in moving towards more sustainable and healthier food consumption patterns.