

**Technical Paper**

**Impacts of the indirect land-use change (ILUC) delegated act**

March 30, 2026

**1. Introduction**

ABIOVE, the Brazilian Association of Vegetable Oil Industries, represents companies that produce soybean meal, soybean oil, and biodiesel in Brazil, and has managed export data for more than 40 years. Therefore, the association is well qualified to provide a technical overview of the impacts anticipated by the soy sector regarding the review of the EU Indirect Land-Use Change (ILUC) Delegated Act, particularly under a scenario in which soy is classified as high-risk.

Following the Public Consultation on the Delegated Act, ABIOVE submitted a technical note outlining its concerns regarding the methodology used to assess the risk associated with soy. In addition to the lack of justification for arbitrary threshold assumptions and the absence of robust statistical analysis in the study commissioned by the European Commission, ABIOVE presented substantial evidence to reduce uncertainties and improve the accuracy of the results. Although the iLUC risk classification formally applies only within the scope of the Renewable Energy Directive (RED), evidence shows that classifying a crop as high iLUC risk negatively affects its entire trade with the EU. This was observed in the case of palm oil, which, after being classified as high iLUC risk in 2019, experienced a significant decline in EU imports.

**Table 1. EU-27 Oil Imports (1.000 t)**

<b>Feedstock</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	
Palm oil	8.175	7.348	6.406	6.056	5.053	■ ■ ■ _ _ _
Sunfloweroil	2.338	1.833	2.450	2.545	3.230	_ _ _ ■ ■ ■ ■
Soybean oil	460	490	513	612	662	_ _ _ _ ■ ■ ■
Coconut oil	582	616	691	655	628	_ _ _ ■ ■ ■ _
Palmkern oil	706	713	600	604	623	■ ■ _ _ _ _
Rapeseed oil	445	456	574	371	401	_ _ _ ■ _ _
Olive oil	296	193	184	194	231	■ _ _ _ _ ■
Other oils	836	865	772	639	630	■ ■ ■ _ _ _
<b>Total</b>	<b>13.841</b>	<b>12.512</b>	<b>12.191</b>	<b>11.676</b>	<b>11.456</b>	■ _ _ _ _ _

Source: OilWorld, 2025. Adapted by ABIOVE. Note: Intra-EU trade is excluded.

Unlike palm oil, which can be—and has been—replaced by other vegetable oils, soybeans are a key feedstock in the EU for protein meal production, which is largely unrelated to the biofuels market that consumes soybean oil. If soy is classified as a high iLUC-risk commodity, the EU may face risks to its protein meal supply, as alternative oilseeds such as rapeseed and sunflower have significantly lower protein content and meal yields than soy.

The objective of this paper is to assess the potential impacts on the EU protein meal supply and on Brazilian exports under a scenario in which soybean is classified as a high iLUC-risk commodity.

## 2. Shortage of soy meal supply

Brazil is the world’s leading soybean producer, accounting for approximately 37% of global supply. The country also holds a significant share of global soybean meal production and maintains strong trade relationships with multiple countries to meet demand for food and feed.

The European market imports substantial volumes of soybean products from Brazil, with the EU being one of the main destinations for Brazilian soybean meal exports. According to Oil World, the EU-27 is expected to import 6.2 Mt of soybeans from Brazil in the 2024/25 marketing year, representing 41% of total EU soybean imports. After China, the EU is the second-largest soybean importer globally, demonstrating its dependence on external supply.

**Table 2. EU-27 Soybean Imports (1.000 t)**

Country	20/21	21/22	22/23	23/24	24/25F	Part.
U.S.A	5.183	5.125	6.182	5.490	6.350	42,5%
Brazil	7.558	7.715	5.812	6.282	6.150	41,1%
Ukraine	448	521	1.334	1.146	1.570	10,5%
Canada	1.318	1.187	789	585	570	3,8%
Oth Countries	355	338	246	337	310	2,1%
<b>Total</b>	<b>14.862</b>	<b>14.886</b>	<b>14.363</b>	<b>13.840</b>	<b>14.950</b>	<b>100,0%</b>

Source: OilWorld, 2025. Adapted by ABIOVE. Note: Intra-EU trade is excluded.

EU import demand is largely driven by crushing needs. Soybean oil is used not only for biofuel production (e.g., biodiesel), but also in the chemical industry and food applications. However, even more critical is the demand for soybean meal, which is a key input for animal feed production. This makes the soybean meal market highly relevant for EU food security.

Considering that current soybean production in the EU is below 3 Mt<sup>1</sup>, and comparing it with annual crushing volumes, it is evident that imports play a crucial role in the region’s supply balance. Moreover, soybeans account for a significant share of crushing activity, representing approximately 30% of EU-27 crushing operations in 2024.

**Table 3. Crushing of Oilseeds (1.000 t)**

Feedstock	2020	2021	2022	2023	2024	Part.
Rapeseed	22.279	22.993	22.640	24.804	25.603	50,6%
Soybeans	15.920	15.508	14.364	14.448	15.090	29,8%
Sunflower seed	8.517	8.382	9.677	9.354	8.981	17,8%
Linseed	650	647	560	606	566	1,1%
Cottonseed	404	398	391	347	290	0,6%
Groundnuts(a)	42	35	37	36	36	0,1%
Sesame seed	8	9	7	8	8	0,0%
<b>Total</b>	<b>47.821</b>	<b>47.972</b>	<b>47.676</b>	<b>49.603</b>	<b>50.575</b>	<b>100,0%</b>

(a) Shelled basis. Source: OilWorld, 2025. Adapted by ABIOVE.

The importance of soy is further highlighted when analyzing EU oilmeal production. Due to its higher protein content, soybean meal accounts for a larger share of total oilmeal production than soybeans do in crushing volumes.

<sup>1</sup> OilWorld, 2025.

**Table 4. EU-27: Production of Oilmeals (1.000 t)**

<b>Feedstock</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Part.</b>
Rapeseed meal	12.799	13.142	12.842	14.002	14.438	41,1%
Soybean meal	12.429	12.119	11.242	11.318	11.818	33,6%
Sunflower meal	4.437	4.383	5.022	4.871	4.708	13,4%
Corn gl.feed	2.924	2.976	3.037	2.954	2.886	8,2%
Other meals	1.443	1.418	1.351	1.367	1.319	3,8%
<b>Total</b>	<b>34.032</b>	<b>34.038</b>	<b>33.495</b>	<b>34.512</b>	<b>35.170</b>	<b>100,0%</b>

Source: OilWorld, 2025. Adapted by ABIOVE.

To meet demand, the EU relies heavily on imports of protein meals, with Brazil playing a pivotal role by supplying approximately 48%<sup>2</sup> of total imports. Among all imported oilmeals, soybean meal dominates, accounting for around 78% of the total.

**Table 5. EU-27: Soybean Imports (1.000 t)**

<b>Feedstock</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Part.</b>
Soybean meal	18.536	18.726	18.467	17.031	20.452	77,7%
Sunflower meal	2.876	2.465	3.091	3.016	3.209	12,2%
Palm kern meal	1.747	1.722	1.616	1.683	1.555	5,9%
Rapeseed meal	451	591	616	1.169	562	2,1%
Corn gl.feed	324	335	360	258	297	1,1%
Other	295	305	296	303	231	0,9%
<b>Total</b>	<b>24.228</b>	<b>24.146</b>	<b>24.445</b>	<b>23.460</b>	<b>26.305</b>	<b>100,0%</b>

Source: OilWorld, 2025. Adapted by ABIOVE. Note: Intra-EU trade is excluded.

In the overall supply of protein meals (domestic production plus imports), soybean meal plays a dominant role, particularly when considering its superior protein content and higher meal yield compared to other oilseeds<sup>3</sup>:

**Table 6. Main oilmeals production characteristics**

<b>Feedstock</b>	<b>Meal yield</b>	<b>Oil yield</b>	<b>Protein</b>
Soybean	~80%	~20%	44-48%
Sunflower	~55-65%	~35-45%	25-40%
Rapeseed	~58%	~42%	35-40%

Source: Embrapa; Purdue University Extension; ScienceDirect; MDPI. Adapted by ABIOVE. Note: Crushing yields are inferred from typical oil content of oilseeds and industrial extraction efficiencies; meal protein values represent standard ranges and may vary depending on processing conditions and seed characteristics.

<sup>2</sup> OilWorld, 2025.

<sup>3</sup> EMBRAPA. Processamento de oleaginosas. Disponível em: <https://www.embrapa.br/agencia-de-informacao-tecnologica/tematicas/tecnologia-de-alimentos/processos/grupos-de-alimentos/oleaginosas/processamento>

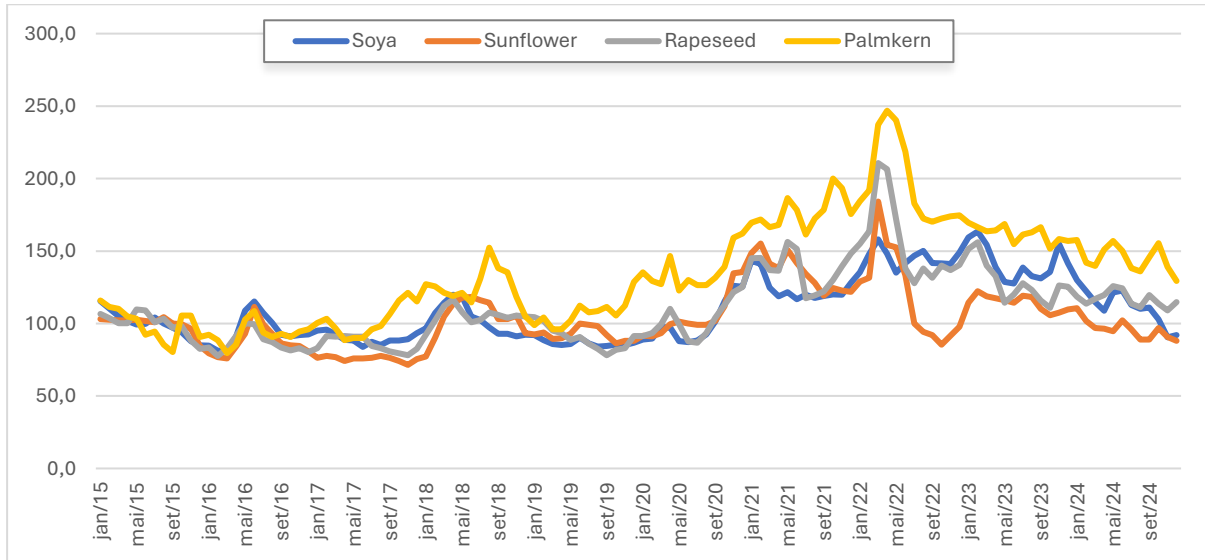
PURDUE UNIVERSITY EXTENSION. Soybean processing and products (GQ-39). Disponível em: <https://www.extension.purdue.edu/extmedia/GQ/GQ-39.html>. Acesso em: 8 abr. 2026.

SCIENCEDIRECT. Canola meal. Disponível em: <https://www.sciencedirect.com/topics/agricultural-and-biological-sciences/canola-meal>

MDPI. Rapeseed/canola processing and co-products. Animals, v. 15, n. 24, 3609, 2025. Disponível em: <https://www.mdpi.com/2076-2615/15/24/3609>

The impact of a restriction on soy could also be reflected in prices and commodity correlations. Given that soybean products typically set a benchmark in the protein meal market, restricting imports could lead to price premiums on alternative oilmeals, such as rapeseed or sunflower, increasing feed costs overall.

**Graph 1. Oilmeal prices, in USD/t (avg. 2015 = 100)**



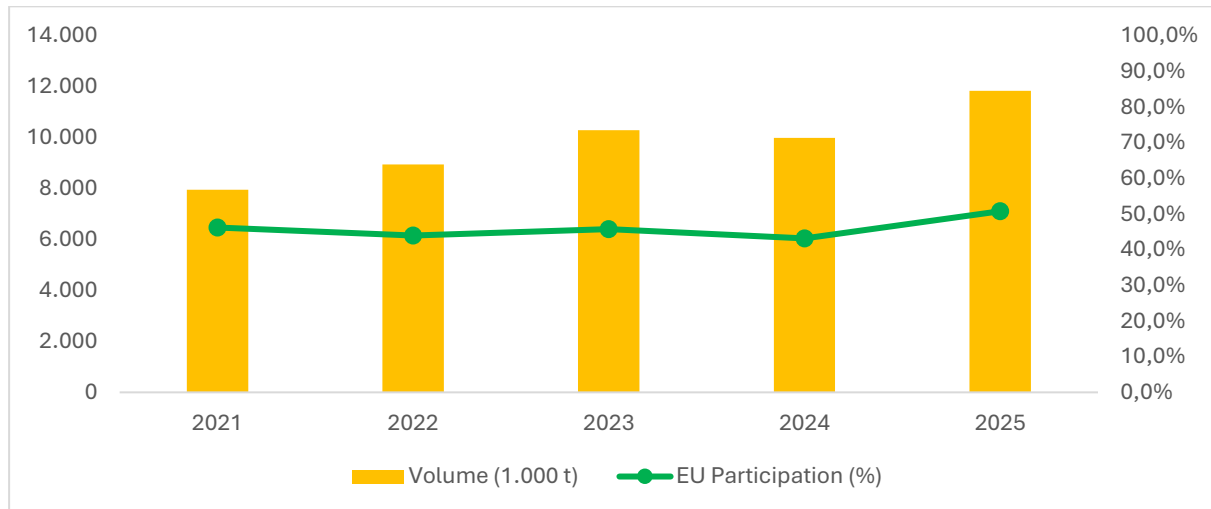
Source: OilWorld.

If soybeans are classified as a high iLUC-risk feedstock under the revised Renewable Energy Directive (RED), the EU is likely to face significant challenges in securing an adequate supply of protein meal. This is due to its heavy reliance on imported soybean meal for animal feed and the limited capacity of alternative oilseeds to compensate for this deficit, potentially leading to shortages in the EU market.

A high-risk classification would constrain sourcing options, forcing the EU either to shift imports to alternative suppliers with limited availability or to increase domestic crushing of oilseeds with lower meal yields. Such substitution would be both inefficient and insufficient to meet demand, posing a tangible risk to the stability, availability, and affordability of protein meal supply in the European market.

### 3. Halting of Brazilian exports

The European Union is a key destination for Brazilian soybean complex exports. Overall, the EU accounts for approximately 13% of Brazil’s exports, generating revenues of over USD 6.7 billion. Its importance is even greater in the soybean meal market, where the EU represents around 51% of Brazilian exports, consolidating its position as a major trading partner.

**Graph 2. Brazilian Soybean Complex exports (t)**

Source: Brazilian Ministry of Economy. Adapted by ABIOVE.

In a scenario where soy is classified as a high iLUC-risk commodity, these export flows would be at risk. Although soybean oil accounts for a relatively small share of biofuel production in the EU—less than 2%, according to the European Biodiesel Board (EBB)—European crushers may reduce soybean imports or even replace them with alternative oilseeds perceived as lower risk.

This risk is further amplified by interactions with other European regulations, such as the EU Deforestation Regulation (EUDR). The classification of soy as high iLUC risk affects the global perception of the commodity, as RED applies the classification at the commodity level rather than by origin.

### **About ABIOVE**

ABIOVE – Brazilian Association of Vegetable Oil Industries, for 45 years, represents the companies that process oilseeds and produce meal, vegetable oils and biodiesel. Our member companies are among the country’s largest exporters, adding value to Brazil’s oilseed and grain chains and stimulating sustainable production practices.