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## PRESS RELEASE

## Import duties for Russian food commodities fueling de-industrialisation of EU

The Commission proposal on import levies for agricultural products exported from Russia will deliver a serious blow to the viability of the EU companies that process linseeds.

Extensively grown, linseed production is unprofitable for EU farmers. The EU hence only produces an utmost 15% of it needs of more than 700.000 tons per year, for this versatile oilseed. After the Triffid GMO contamination of Canadian linseeds and the subsequent import stop of Canadian linseeds in the EU in 2009, over the last decade Russia has become the world-leading producer of linseeds. In 2023, its exports accounted for more than 60% of EU linseed imports. The proposed 50% import levy on linseeds exported from Russia will deprive the EU linseed processors of their competitivity on the global linseed oil market. Linseed processors in Russia, Kazakhstan and China will benefit from this and take over the global world market for linseed oil, including a part of the EU market for that oil.

As opposed to other agricultural commodities, for linseed in particular there are not sufficient alternative sources the European linseed processing industry can rely on. Canada has been facing a record low sowing of linseeds. The Canadian linseed crop of in 2023 (272,000 ton) was the lowest in last decades, almost half of which is destinated for the USA and based on a survey of StatsCan, the expectations for the Canadian linseed crop in 2024 are similar. Canadian supply will hence not be able to alleviate the cost-price disadvantage of the EU linseed processors compared to their eastern competitors. Should the proposal become reality, a business of family-owned companies mainly located in Belgium, industrial linseed processing in the EU will most likely severely diminish and its business strategy will be forced to switch to survival mode.

Linseed based products are used in food applications (food and health: omega-3 fatty acids), for sustainability reasons (feed: lower methane production) and in a wide range of technical applications (linoleum, printing inks, paint, wood preservation: unique drying properties). This current proposal comes without an impact study for the European industry, thereby especially ignoring the strong detrimental effects on the European linseed processing industry in particular.

As a response to the Green Deal, the next Commission is expected to embrace an industrial renaissance. "The need for the EU to become independent from Russia supplies is evident.

However, the European Commission with its current proposal on import duties for exports of linseeds from Russia is only fueling de-industrialisation in the EU", says Coen Blomsma, general manager of Lipids and Proteins for Belgium, Liprobel

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