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Dear Honourable Member,

I am writing to you regarding the upcoming vote on the Delegated Act concerning high Indirect Land Use Change (ILUC)-risk feedstocks¹.

As the European Union advances its transition towards climate neutrality, renewable fuels—including sustainable biofuels—play an indispensable role in decarbonising our economy. For these reasons, it remains essential that we continue to support and incentivise the robust production of renewable fuels in Europe.

However, biofuels must be truly sustainable and must not induce negative indirect impacts. It was precisely this principle that led the co-legislators to mandate that biofuels produced from feedstocks with a "high ILUC-risk"—specifically those associated with significant expansion into land with high carbon stock, leading to deforestation—must be gradually phased out unless they meet specific criteria for low ILUC-risk certification.

The Commission is legally required to regularly review the best available scientific data to categorise these feedstocks accurately. In our latest review, the updated empirical evidence data demonstrated that, worldwide, both palm oil and soybeans meet the criteria to qualify as high ILUC-risk feedstocks. Consequently, the Commission is legally obliged to revise the existing ILUC Delegated Act² to reflect these scientific realities.

¹ C(2026) 2306 final

² Delegated Regulation (EU) 2019/807

Fulfilling this review obligation is not only a matter of internal regulatory compliance but is also critical to the European Union's international legal commitments. This update directly impacts already adjudicated disputes in the World Trade Organization (WTO) with Indonesia and Malaysia. Should this Delegated Act be blocked or delayed, the EU faces severe legal and economic consequences and would expose European exporters – including agricultural sectors (such as dairy, wines and spirits, beef) as well as other key sectors (such as machinery, automotive, pharma/chemicals) – to substantial retaliatory penalties of up to USD 5.6 billion per year requested by Indonesia, in addition to further penalties by Malaysia. A methodology that does not reflect the latest evolutions would be challengeable also before European Courts, in addition to the WTO cases.

Soybean oil represents 5% of the European biofuels production, and most of the value of soybean production lies in other uses such as feedstock for livestock production, animal feed, industrial uses or exports. This also means that soybean oil has many other outlets than biofuels.

In this context, let me answer to concerns that have been expressed.

First, these rules do not ban soybean production in the EU. Market price premia linked to non-genetically modified production benefiting EU grown soya will remain and are not affected by the ILUC classification. Moreover, the Commission has proposed the reinforcement of CAP instruments to further support the sector by providing the possibility for Member States to design sectorial interventions in the protein sector, to offer coupled income support, and to design environmental schemes that reward the integration of soya in crop rotation – this is also untouched by this Delegated Act.

The legislative package for the CAP after 2027 will reinforce these instruments as the main novelty to explicitly create a protein sector in the Common Organisation of the Market for agricultural products. The Commission will emphasise the importance of these measures in the ongoing negotiations with the co-legislators to achieve an ambitious outcome fostering the use of homegrown crops for both food and feed as well as energy uses.

In addition, this Delegated Act does not prevent the use of biofuels from such feedstock. The Delegated Act only gradually limits the amount of these biofuels that Member States can count toward their targets under the Renewable Energy Directive (RED). Member States retain full legal authority to support domestic soybean production, including by promoting soybean-based biofuels, through their national support schemes. Also, it is important to keep in mind that the vast share of biofuels consumed in the EU is produced from soybeans grown in third countries, not in the EU. Work is currently ongoing on ways to review the low ILUC-risk certification procedure, through amendments to the Implementing Regulation 2022/996, to be approved in the coming months. Producers of soybeans that receive such low-ILUC risk certification will be exempted from the categorisation of a feedstock as high-ILUC risk.

The data used in the current review represents the best available scientific evidence on global land-use trends. However, the Commission stands ready to launch a new scientific study later this year to prepare for the next scheduled review in 2029. Should global agricultural practices shift, those changes will be captured then.

In conclusion, I do not expect any significant impact of the Delegated Act on EU farmers and biofuel producers, given the flexibility left to national support schemes. However, delaying its entry into force introduces immediate and severe trade risks for the wider European economy.

We therefore sincerely hope that the European Parliament will support this Delegated Act. Independently of this specific decision, the Commission remains deeply committed to our agricultural and energy sectors. In our upcoming work to set-up the renewable energy framework for the decade ahead, as part of the “Energy Union package for the decade ahead”, scheduled to be tabled by the end of 2026, we will actively assess new mechanisms to further support domestic biofuel production. The Commission will further strive to reinforce the competitiveness of European farming, in line with the EU’s forthcoming plan for resilience, strategic autonomy and sustainability of the EU protein system, and taking into account the exchanges with the Parliament.

Your sincerely,

A handwritten signature in black ink, appearing to read 'Dan Jørgensen', is positioned above a horizontal line.

Dan Jørgensen