



Analytical note

Investing in collaboration:

**how plant protein processing brings
Ukrainian and European companies together**



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Executive summary

Ukraine's agricultural sector is caught in a perfect storm. Export logistics are under severe strain: route capacity is limited, haulage costs are rising, and infrastructure — ports, grain elevators and processing plants — remains a target of Russian attacks. At the same time, European integration demands more than recovery: the sector must adapt — integrating into the EU internal market on new terms, and faster than any pre-war plan envisaged.

Against this backdrop, public policy should not be limited to compensating for losses — it should create the conditions for changing the structure of production and exports. With export logistics both costly and constrained, it makes better economic sense for Ukraine to increase the share of higher value-added products: this allows Ukraine to generate more export revenue from each tonne transported and reduces the agricultural sector's dependence on bulk exports of raw materials.

For Ukraine, processing is a chance to move from competing largely on raw commodities to integrating more deeply into European value chains — particularly in segments where the EU remains dependent on imports from third countries.

In this note, we illustrate this logic with the example of plant proteins — and give three reasons why this area in particular deserves priority attention.

Europe lacks sufficient domestic high-protein feed materials. The EU imports around two-thirds of the high-protein raw material it needs, and 94% of its soy protein is imported — while just six countries produce around 90% of the world's soy. With supply this concentrated, any shock — climatic, trade-related or logistical — readily turns into supply disruptions. Diversifying its sources has become a strategic priority for Europe, and the EU's new protein policy explicitly recognises Ukraine's strengthened role as a strategic partner.

Ukraine is already a significant producer and exporter of plant protein. Soybean meal is supplied predominantly to the EU, while a significant share of sunflower meal is exported to China. At the same time, the EU has a structural need for high-protein raw material and is seeking to diversify its sources of supply. The key question, therefore, is what Ukraine and the EU need to do to enable larger volumes of Ukrainian products to reach the European market. This calls for the development of logistics and border infrastructure; closer alignment of standards and certification procedures; predictable trade conditions; direct links with European buyers; long-term contracts; and investment in deeper processing.

Financial instruments for new production facilities are already being deployed. Astarta's soy protein concentrate plant in the Poltava region is being developed, backed by a financing package from the IFC, which singles out the concentrate as a higher value-added product and a possible alternative to fishmeal for European aquaculture.



The Astarta case demonstrates that international financial instruments can already support projects of this kind, but scaling up requires a systemic mechanism for guarantees and risk-sharing, together with a ready pipeline of bankable projects. Other producers could follow the same model — domestic raw material plus primary processing as the basis for the next technological stage — drawing on instruments from the EIB, the IFC and the Ukraine Investment Framework.

Building on this, the note identifies priority product segments — from soy protein concentrate, the readiest to scale up, to pea- and sunflower-based products, which need separate assessment — and sets out recommendations for entering the EU market. This is a framework to work from, not a ready-made plan: we deliberately leave questions of implementation open and invite stakeholders to discuss how to turn the existing raw material base into competitive production.

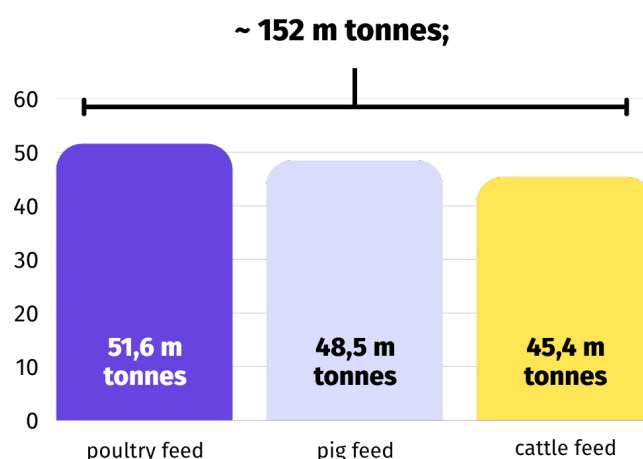
The role of plant proteins for the EU

Demand: what kinds of plant protein Europe needs

Europe needs plant proteins primarily in feed for livestock and poultry. Specialised feed proteins constitute a distinct market, while more highly processed products serve the food industry.

Around **70% of the protein from cereals, oilseeds and pulses in the EU is used for animal feed**. High-protein components matter most for pig, cattle and poultry farming. Feed formulations differ in protein content, amino acid profile, digestibility and the consistency of their nutritional characteristics.

Figure 1 – EU compound feed production by main segment, 2026



One major use of plant proteins is compound feed production. According to a forecast by the European Feed Manufacturers' Federation (FEFAC), EU companies will produce around **152 million tonnes** of compound feed in 2026 — almost the same volume as in 2025, indicating a broadly stable compound feed market. The largest segments are poultry feed (51.6 million tonnes), pig feed (48.5 million tonnes) and cattle feed (45.4 million tonnes).

Demand for plant proteins is concentrated in countries with large livestock sectors. Spain, for instance, is the biggest producer of pig feed, with output expected to reach **13.1 million tonnes** in 2026. France will produce around **8.25 million tonnes** of poultry feed and Poland **7.46 million tonnes**. Germany, the Netherlands, Italy, Belgium and Denmark are also significant markets.

Specialised feeds form a separate segment and use products with a higher degree of processing. Soy protein concentrate, for example, offers a higher protein content



and lower levels of anti-nutritional components than ordinary meal, and is used in specialised feed formulations. Ukrainian producers could deepen soybean processing to serve this segment of the EU market while obtaining a higher value per tonne of output.

In the food industry, plant proteins are used as functional ingredients to increase protein content, create texture, and produce plant-based and hybrid products, beverages and other food categories. They are also particularly important in vegan and vegetarian diets, where plant-based sources of protein form an important part of overall protein intake.

Today, 64% of protein in the EU diet is of animal origin. Even so, the European Commission regards plant-based protein products and drinks as the most promising segment among alternative proteins, thanks to an established regulatory framework and consumer acceptance. Cereals remain the main plant source of protein, while pulses account for only around 2% of total protein consumption.

Plant protein is an important ingredient for this part of the food industry. There is demand in the EU for soy and pea protein concentrates and isolates, textured proteins and other specialised products. What matters here is protein content, solubility, taste and colour, texture, thickening properties and raw material traceability, among other properties.

Major producers are investing in the segment. ADM, a US company and one of the world's leading processors of agricultural raw materials, expanded production of non-GMO soy concentrate in the Netherlands and added capacity in Serbia for textured soy protein. Roquette, a French company and a world leader in plant-based ingredients, expanded its range of textured pea and wheat proteins for the food industry in 2025; its new textured pea product contains around 70% protein. These investments point to the development of a European market for specialised protein ingredients alongside the large-scale feed segment.

The EU's structural dependence on plant protein imports

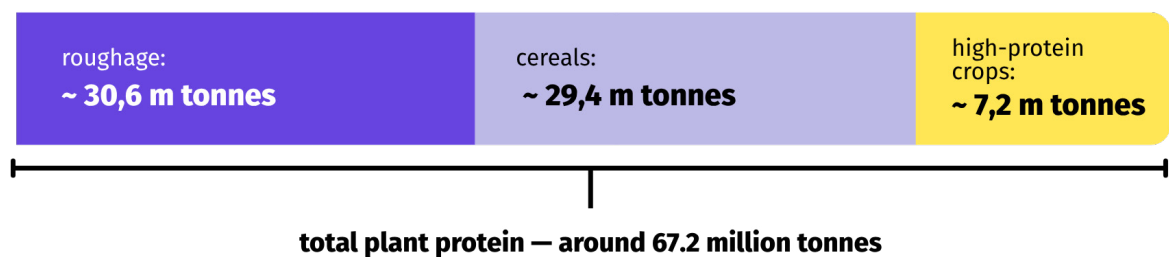
The EU produces significant volumes of plant protein, but the structure of domestic production does not match demand for high-protein feed components. Domestic production consists mainly of low- and medium-protein material, while demand for high-protein components is met to a significant extent by imports.

In the 2025/26 marketing year, the EU produced around 67 million tonnes of plant protein: approximately 31 million tonnes from roughage and around 29 million tonnes from cereals with low and medium protein content. Protein from high-protein crops amounted to only 7.2 million tonnes.

In the high-protein segment, the European Union depends structurally on imports. According to the European Commission, **the EU imports around two-thirds of its high-protein feed materials.**



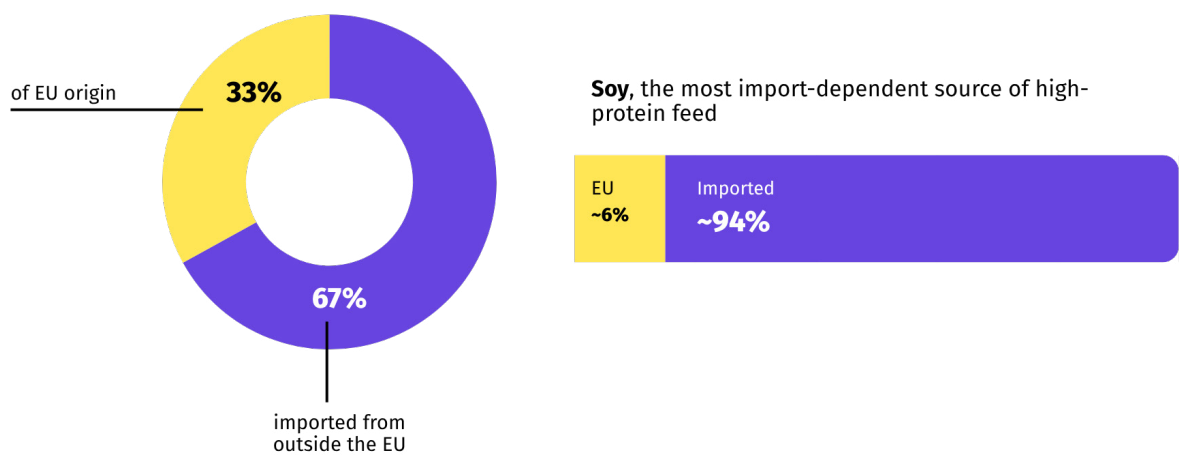
Figure 2 – Structure of EU plant protein production, 2025/26 marketing year



Dependence is particularly high for soy: **94% of soy protein is imported**. In the 2024/25 marketing year, the EU imported around **13.4 million tonnes of protein in the form of soybeans and soybean meal**.

The EU’s vulnerability is compounded by the concentration of global soybean production: six countries produce around 90% of the world’s soy, and the main suppliers to the EU are Brazil, Argentina and the United States. Climate-related shocks in these countries, trade restrictions or disruptions to global logistics could therefore affect security of supply.

Figure 3 – The EU’s import dependence in high-protein feed



To strengthen its resilience, the EU plans to increase domestic production. Yet protein crops compete for land with other crops, yields and profitability vary widely from region to region, and developing new value chains requires investment in storage, processing, knowledge and long-term relationships between producers and buyers.

Despite these constraints, the EU has set a target: by 2035, to raise the share of EU-origin protein from oilseed and protein crops used in animal feed **from 25.8% to 35%**. Achieving this target would significantly strengthen the EU’s domestic supply base, although external supplies would remain important.



The EU's new protein policy

On 7 July 2026, the European Commission adopted the Action Plan for the resilience, strategic autonomy and sustainability of the EU protein system. Its objective is to create a more resilient, competitive and diversified protein system capable of reducing critical dependencies while generating new economic opportunities for Europe's agricultural and food sectors. The Protein Action Plan, announced in the Vision for Agriculture and Food, complements the EU Livestock Strategy.

The Action Plan envisages broader use of Common Agricultural Policy instruments to support protein crop production, including the integration of pulses and oilseed crops into crop rotations, measures to reduce risks for farmers, and the development of long-term contracts within protein value chains. Particular attention is also given to infrastructure, which has been identified as one of the barriers to expansion of the sector: the Commission plans to identify funding opportunities for the storage and processing of high-protein raw materials.

To stimulate demand for plant proteins, the Commission plans to develop origin labelling for protein crops, use sustainability criteria in public procurement, promote pulses and encourage more varied diets. It also intends to support EU Member States in developing harmonised protein balances for feed and food use, providing a clearer picture of domestic demand and dependencies.

Research and innovation constitute another important area. The EU intends to support the breeding of protein crops, improvements in yields and resilience, processing technologies, alternative protein sources, and more efficient use of by-products and biomass.

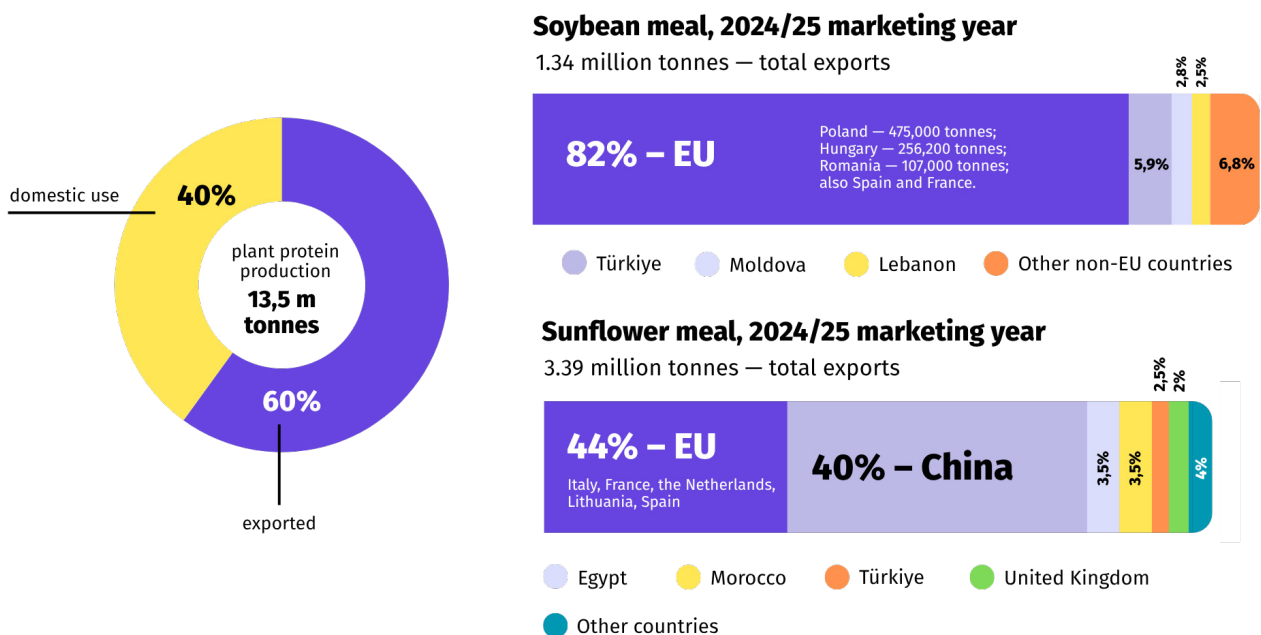
The Action Plan explicitly links the development of the protein system with the bioeconomy and the creation of new value chains for the feed and food sectors. As the EU remains significantly dependent on imports of high-protein feed, the Action Plan provides for diversification of supply sources, development of partnerships and gradual alignment of production and environmental standards. **The Plan specifically notes Ukraine's strengthened role as a strategic partner of the EU and envisages deeper cooperation with Ukraine, as a candidate country, to diversify supplies of protein crops and align production standards.**

Ukraine's potential as a plant protein supplier to the EU

Ukraine is already a significant producer and exporter of plant protein. According to the European Commission, the country produces **around 13.5 million tonnes of plant protein**, 60% of which is exported.

Soy is a particularly important source. According to estimates by the United States Department of Agriculture's Foreign Agricultural Service (USDA/FAS), Ukraine will produce around **4.95 million tonnes** of soybeans in the 2025/26 marketing year. Around 3.1 million tonnes are expected to be processed in Ukraine, while soybean exports are forecast at around 2 million tonnes. In the previous 2024/25 marketing year, soybean production reached roughly **7.15 million tonnes** — a measure of both the scale of Ukraine's raw material base and its year-to-year volatility.

Figure 4 – Ukraine: plant protein production and exports



In the 2025/26 marketing year, soybean meal production is estimated at approximately 2.45 million tonnes, with exports of around 1.86 million tonnes. The EU is the main market: between September 2025 and February 2026 it accounted for 75% of Ukrainian soybean meal exports.



The next stage of development lies in deeper processing. The most advanced opportunity is **soy protein concentrate**. Ukraine already produces soybeans, generates substantial volumes of soybean meal and has established exports to the EU.

Astarta is building the first large-scale industrial project — a plant in the Poltava region with a capacity of around 100,000 tonnes of soy protein concentrate a year, integrated into an existing soybean processing complex. The project is estimated at roughly USD 93 million. The International Finance Corporation (IFC) also supported a market study, preparation of the business plan and assessment of the project's commercial viability. IFC describes Astarta's soy protein concentrate as a higher value-added product and singles out its potential as an alternative to fishmeal for European aquaculture. IFC has approved a financing package of up to USD 80 million.

Astarta's project follows a model that other Ukrainian producers could adopt: a domestic raw material base and primary processing provide the foundation for an additional technological stage and entry into a specialised market.

Pea and sunflower processing also offer potential. Peas can be processed into food-grade concentrates, isolates and textured proteins. As the European market for these products is already established and has specific requirements for technologies and product characteristics, Ukraine will need to assess available raw material volumes, their quality, production costs and the ability to meet the specifications of individual buyers.

Ukraine has significant sunflower processing capacity and produces large volumes of sunflower meal. A next stage of processing could involve feed products with a higher protein content. Further separation of protein fractions for food applications would require additional assessment of technological maturity, production economics and market demand.

For Ukraine, further processing of soybeans, peas and sunflower can increase domestic value added, diversify agricultural exports and raise export value per tonne of product.

Production of specialised ingredients also requires deeper commercial links with European feed and food manufacturers, as these products are sold to defined specifications and often rely on long-term contracts. At the same time, the economics and market requirements vary substantially by protein product, and the volume of available raw material is only one factor among many.



Ukraine Facility Platform recommendations for developing plant protein processing and entering the EU market

1. Expand cooperation between Ukraine and the EU under the Action Plan to cover processing and protein ingredients.

The European Commission has already identified Ukraine as a partner for diversifying supplies of protein crops. The next stage of cooperation should assess Ukraine's potential to produce higher value-added products and integrate them into EU feed and food value chains.

2. Identify priority product segments based on actual EU demand.

For each product stream, several factors need to be assessed together: market size, import dependence, target countries, competitors, buyers' requirements and Ukraine's raw material base. Soy protein concentrate is the most advanced segment for scaling up; food-grade soy proteins, pea concentrates and isolates, and products from deeper sunflower processing require separate market and technological assessment.

3. Structure investment projects with future buyers involved from the outset.

European compound feed producers, specialised feed manufacturers and food ingredient companies should be engaged at an early stage to define product specifications, required volumes, quality requirements and scope for long-term contracts. This would make it possible to match a plant's technology and scale to confirmed demand..

4. Build a pipeline of projects for pre-investment preparation and financing.

Each project should include an assessment of raw materials, technological configuration, location, preliminary capital and operating costs, potential buyers, a financial model,



and environmental and social risks. Instruments from the EIB, IFC, the Ukraine Investment Framework and other international financial institutions can be used to support project preparation.

5. Link the sector's development to Ukraine's integration into the EU internal market.

New production facilities should be designed from the outset to meet EU requirements on feed and food safety, raw material traceability, sustainable production and consistent product characteristics. For certain segments, the ability to maintain dedicated non-GMO supply chains will also be important.

The European plant protein market offers Ukraine a long-term opportunity based on the EU's structural dependence on imports of high-protein feed, the development of the specialised protein ingredient market and the EU's new policy on diversification and supply resilience. Ukraine already has a substantial raw material base and established trade links with the EU. The next task is to identify the product segments in which this raw material base can be converted into competitive, higher value-added production.