



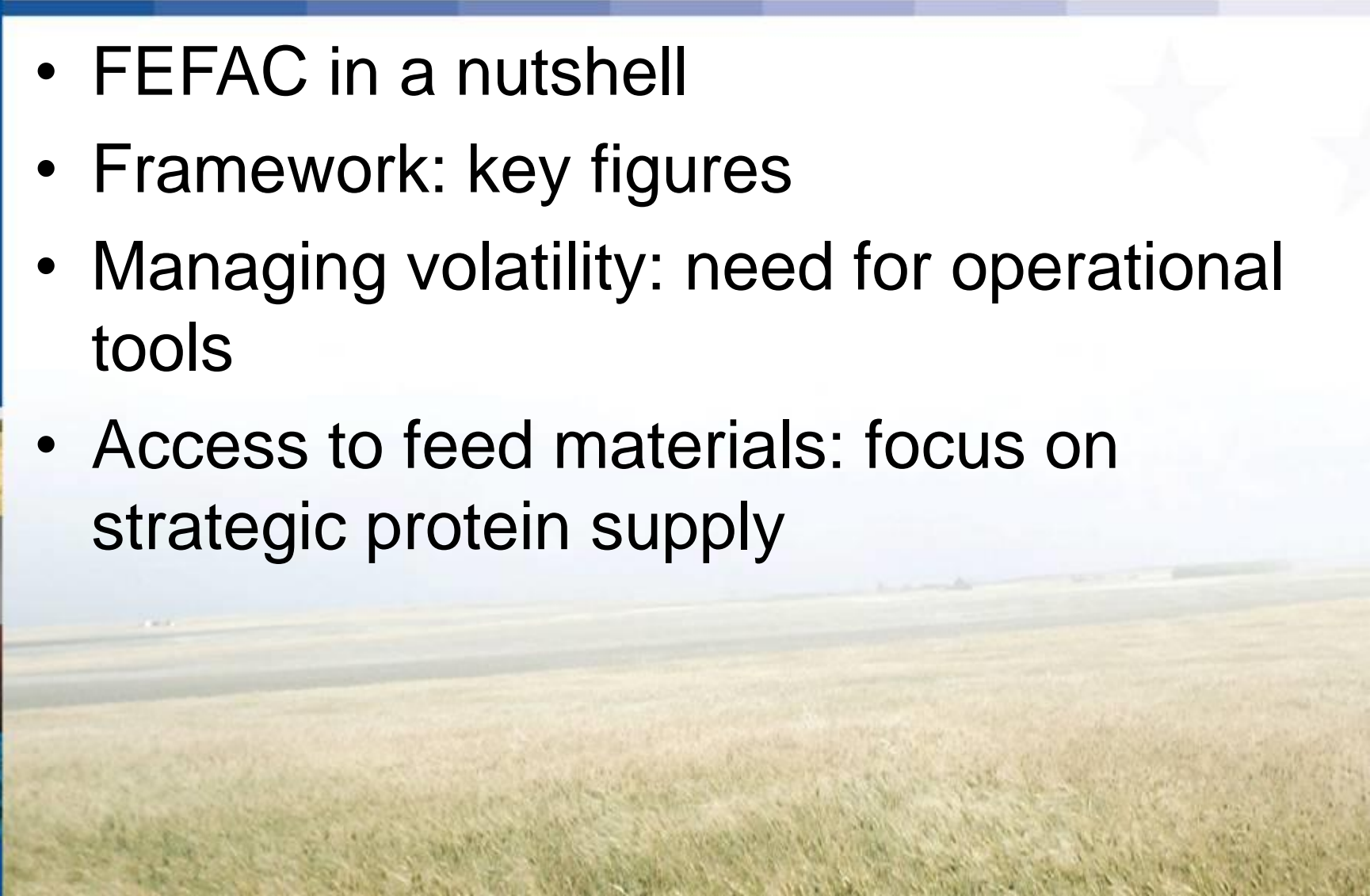
# EU GM policy and access to feed ingredients

Jorge de Saja – FEFAC  
Prague – 28 May 2015



# Outline

- FEFAC in a nutshell
- Framework: key figures
- Managing volatility: need for operational tools
- Access to feed materials: focus on strategic protein supply



# FEFAC in a nutshell

- Created in 1959
- Represents industrial compound feed and premixtures manufacturers
- 33 Members:
  - 24 Member Associations from 23 EU Member States
  - 2 Observer Members (Serbia, Russia)
  - 7 Associate Members (Turkey, Switzerland, Norway (3), EMFEMA, EFFPA)
- 153 mio. t of industrial compound feed in EU-28 in 2014
- 7 Technical Committees to assist the FEFAC Council
  - Animal Nutrition
  - Industrial Compound Feed Production
  - Premix & Mineral Feed
  - Feed Safety Management
  - Fish Feed
  - Milk Replacers
  - Sustainability



# The FEFAC mission

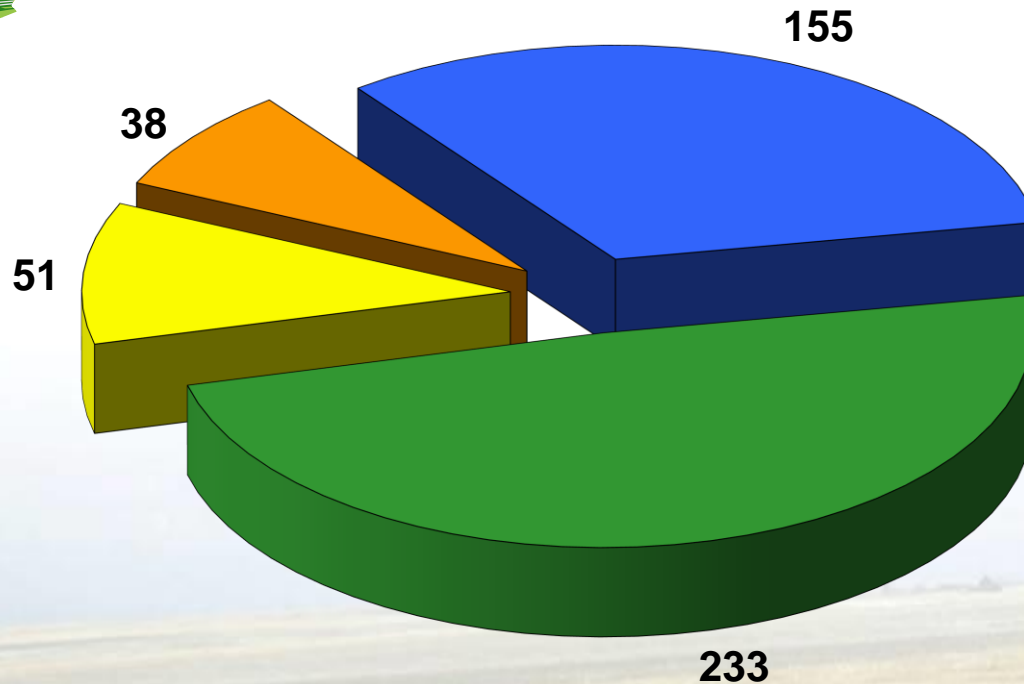
- **represent, defend and promote** the interests of the European compound feed industry to the European Institutions;
- lobby for a legislative framework and its implementation, **without discrimination** in EU Member States so as to maximise market opportunities for EU compound feed companies;
- safeguard conditions of **free access to raw materials**, the proper functioning of their markets and the definition of their quality;
- **develop professional rules and good manufacturing practices including the sourcing of feed materials** that ensure the quality and the safety of compound feed;
- **encourage the sustainable development of livestock production** responding to the market requirements, so as to maximise market opportunities for EU compound feed companies;
- **encourage the development of precompetitive European feed-related Research & Development projects** seeking to enhance the EU feed & livestock sectors competitiveness and capacity to innovate in and/or transfer science and technology based solutions **to improve the sustainability of resource efficient livestock production systems.**



# EU-28 Livestock sourcing in feedingstuffs - 477 mio. t in 2013



Source: FEFAC / EU Commission



■ Forages

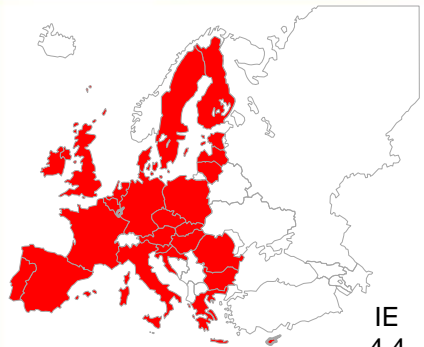
■ Purchased straight feedingstuffs

■ Home-grown cereals

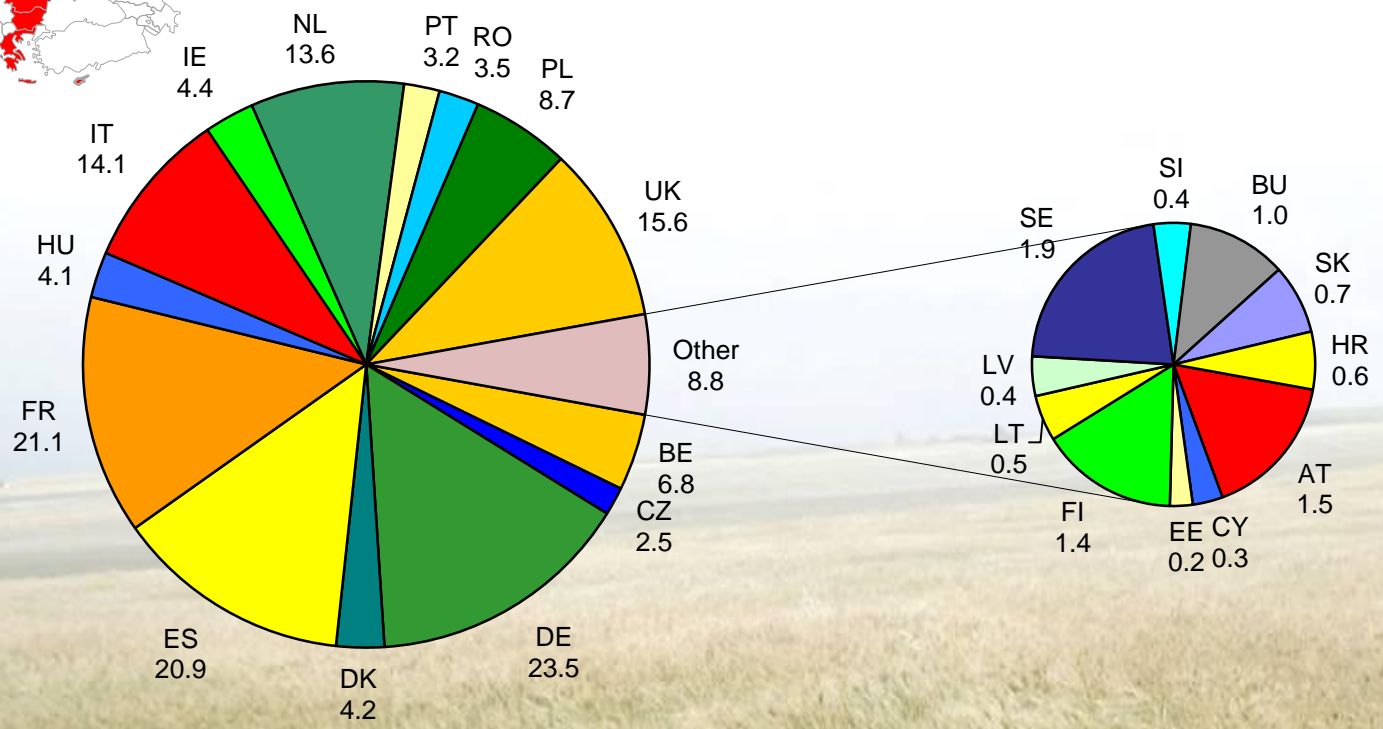
■ Industrial compound feed

# Industrial compound feed production per country

## 155 mio. t in 2013 in the EU-28

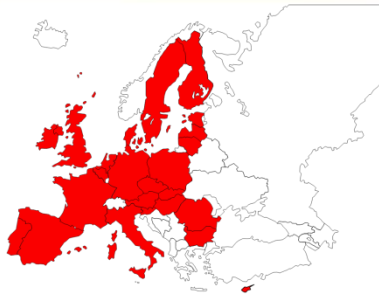


Source: FEFAC



# Industrial compound feed production in the EU-28 in 2013

## 155 mio. t (per category)



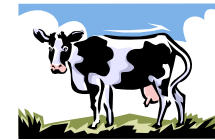
Source: FEFAC



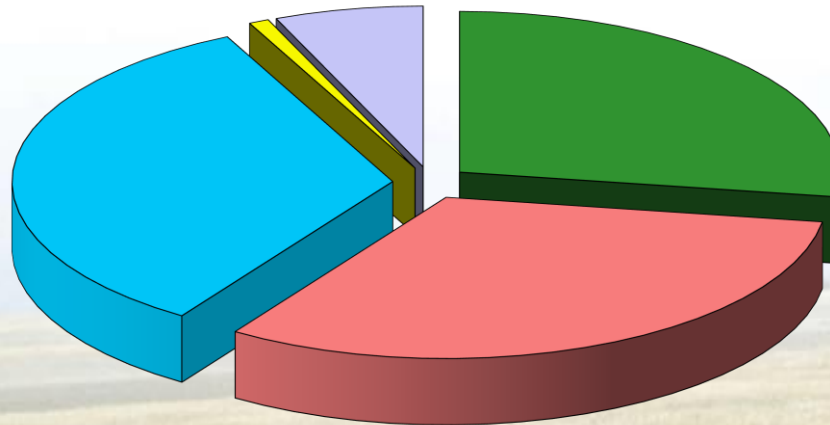
Poultry & eggs  
33.5%

Milk replacers  
1%

Others  
6%



Cattle  
27.5%

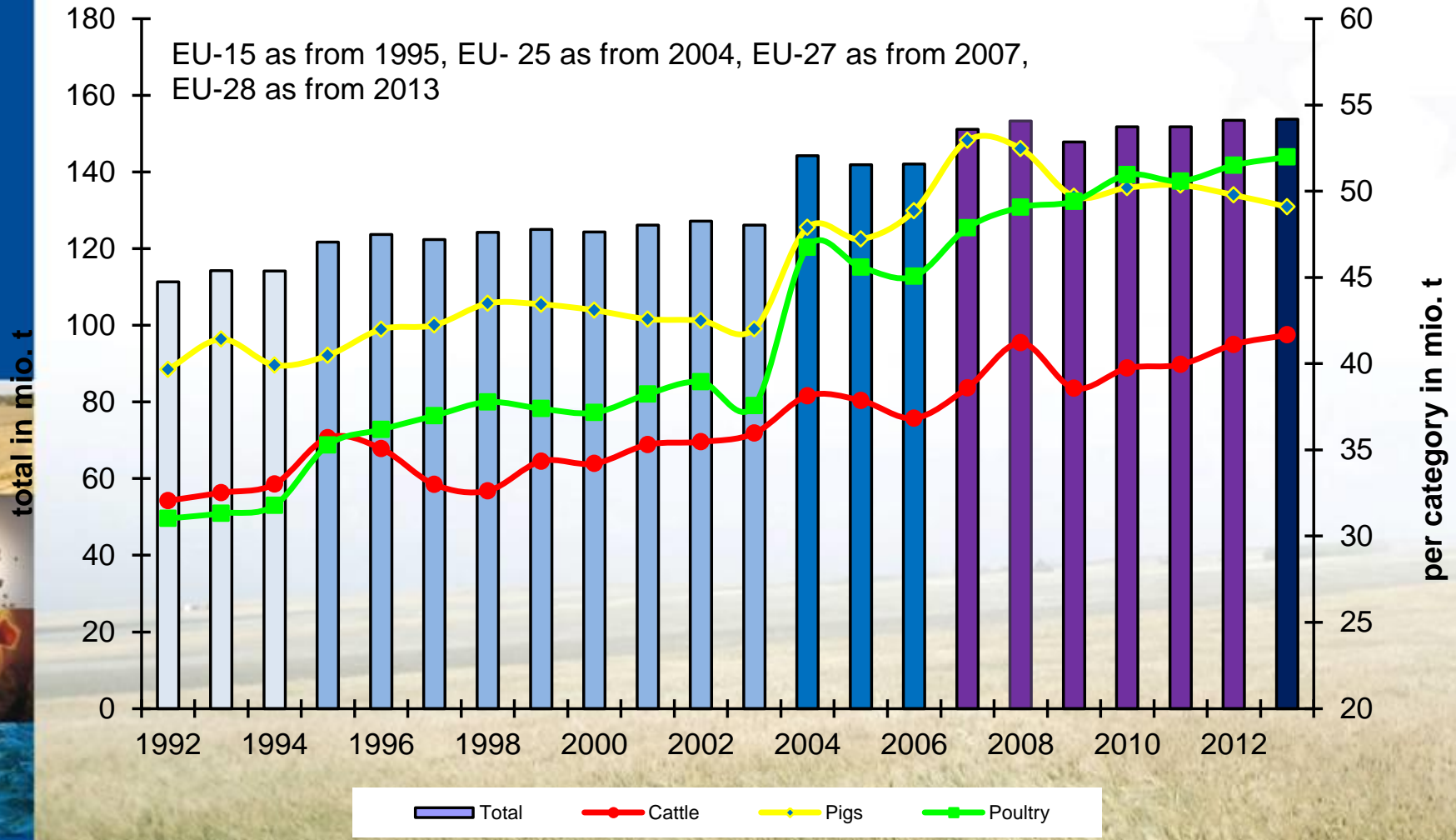


Pigs  
32%





# EU-28 compound feed production development per category (+0.2% in 2013 vs 2012)



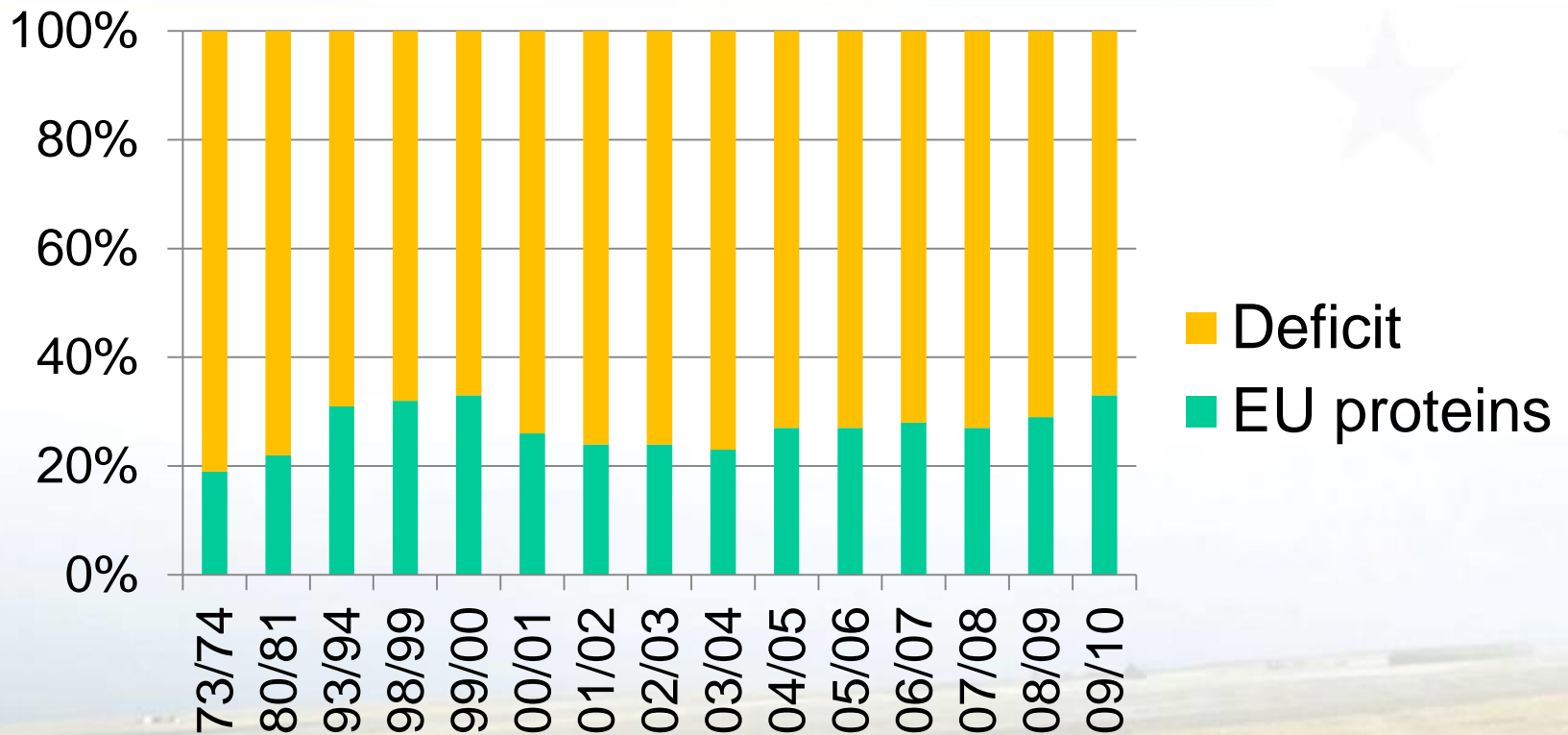


# Access to feed ingredients

- Safety first (feed is part of the food chain)
- Avoid trade barriers (asynchronous GM authorizations, pesticides)
- As a general principle, less feed material available means higher feed costs, to the expense of livestock farmers



# EU protein-rich deficit

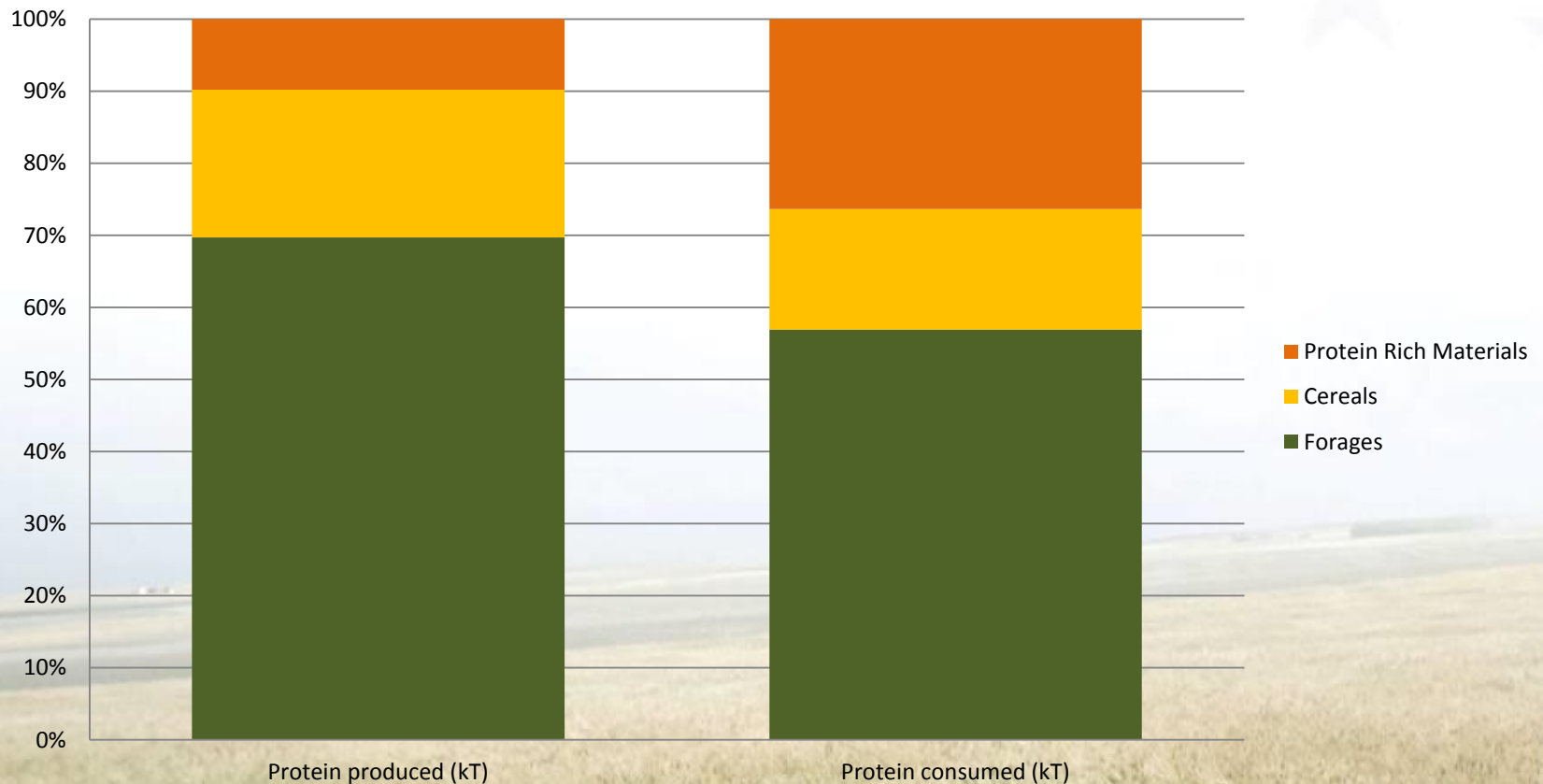


- The EU protein deficit is not something new and has been quite stable over the years...



# Comprehensive EU protein balance sheet

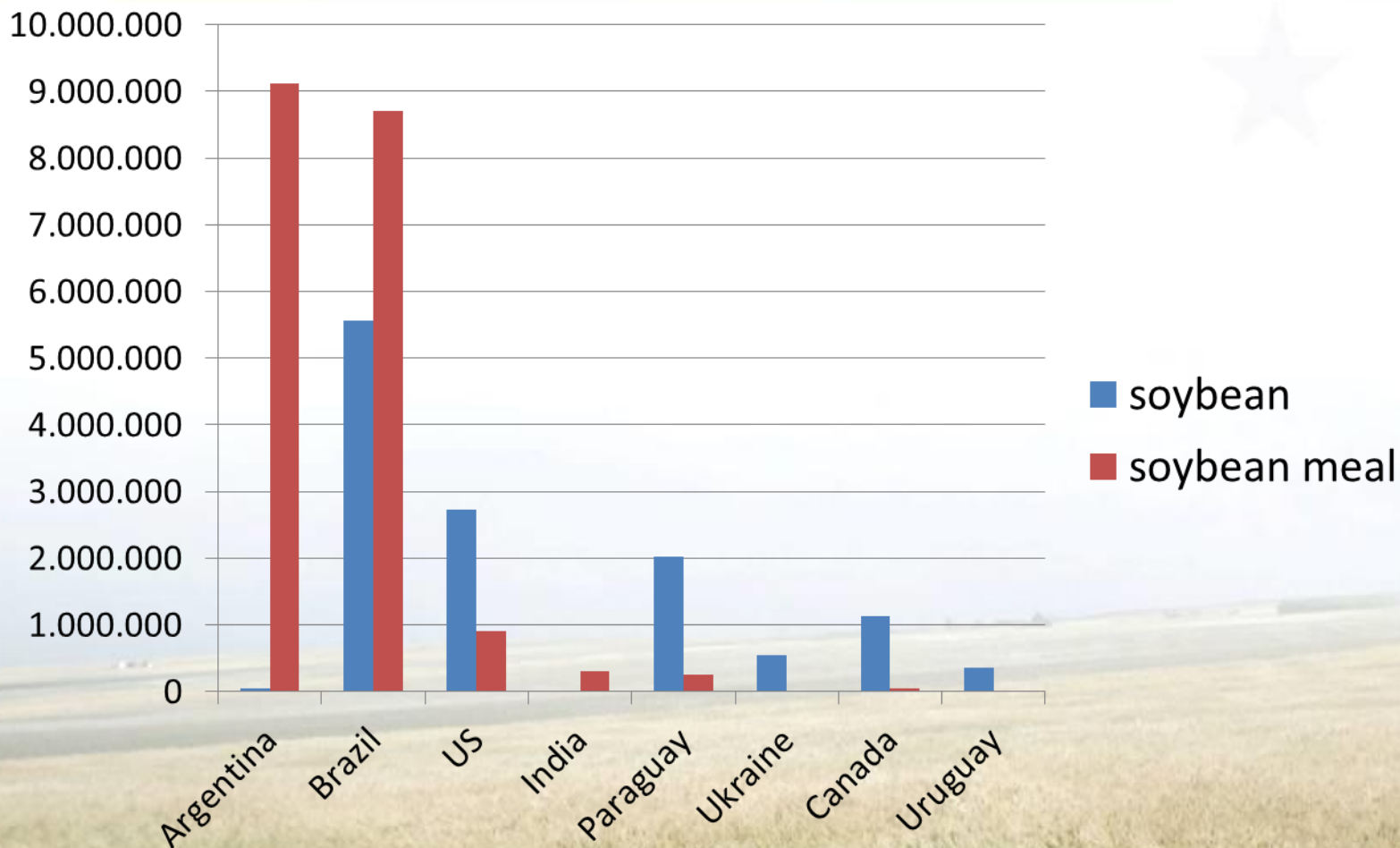
production and consumption of protein feed ingredients





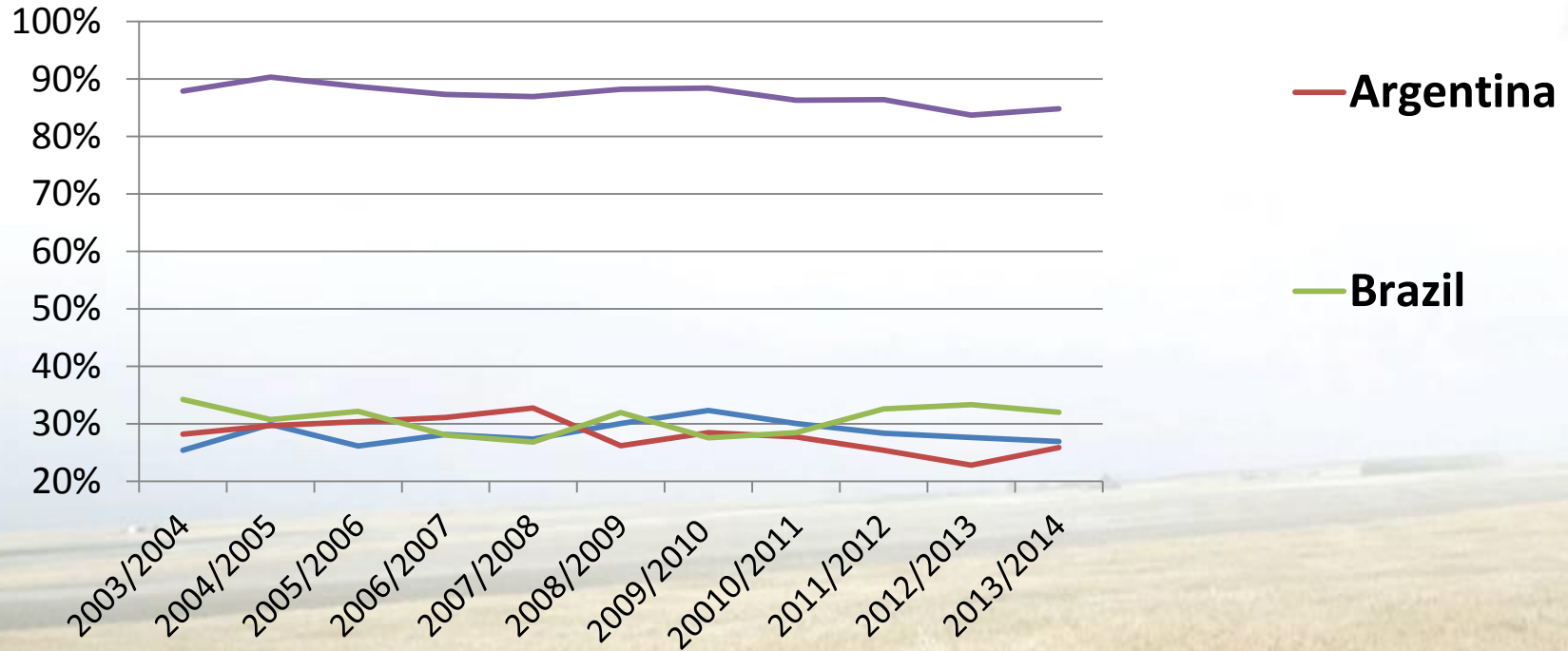
# Key suppliers

(tonnes- 2010-2014 average, source GTIS)



# EU protein deficit : the dependency is concentrated

Market share of exporting countries  
(SBM equivalent) source:USDA

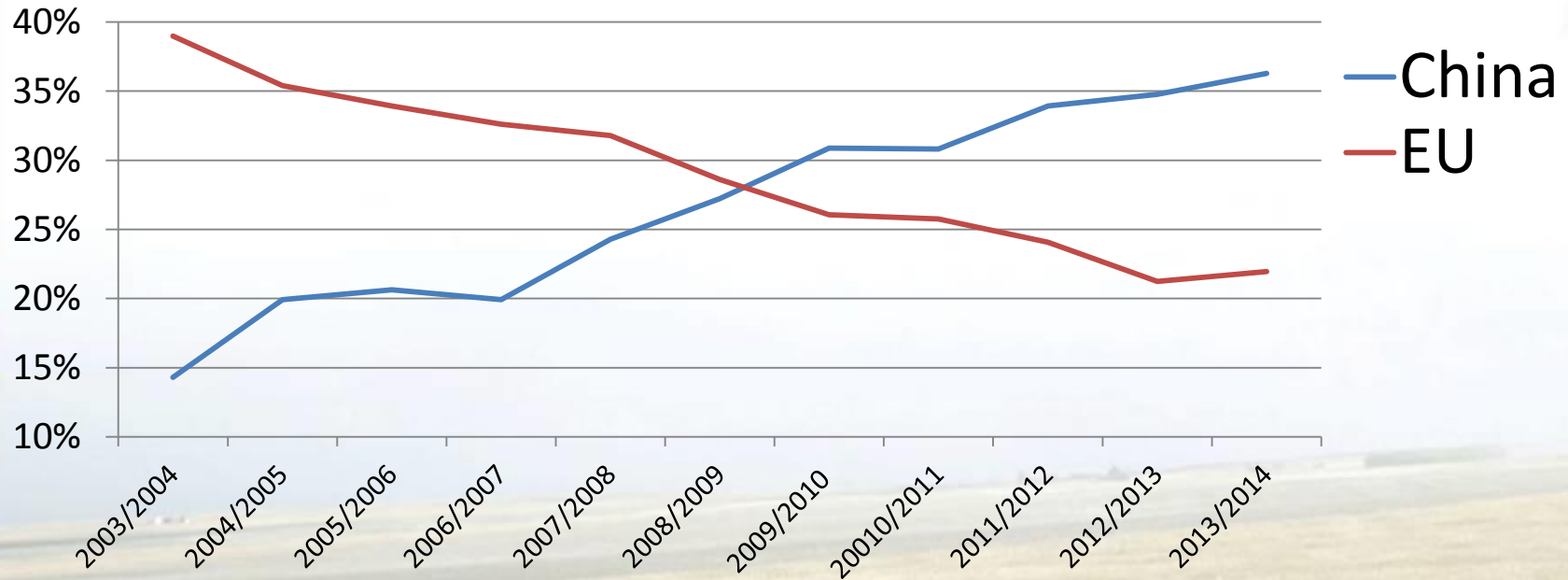


- Any problem in of these 3 countries has immediate consequences on global market and on EU supply



# EU protein deficit

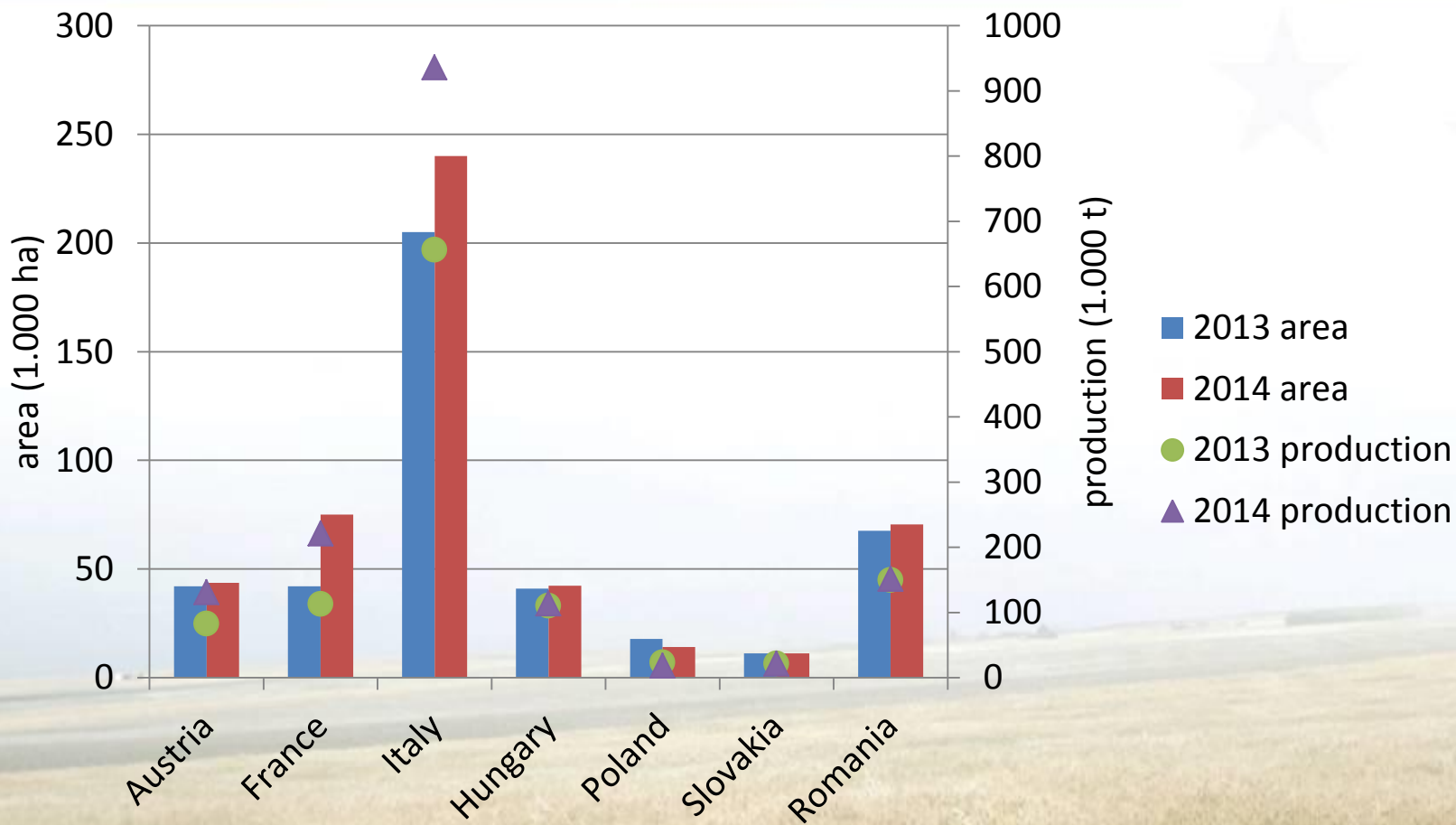
## Evolution of market share of global SBM equivalent imports (source:USDA)



... but now, the EU is not the most important buyer, which changes the strategic consequences of the protein deficit, and the asynchronous GM approvals

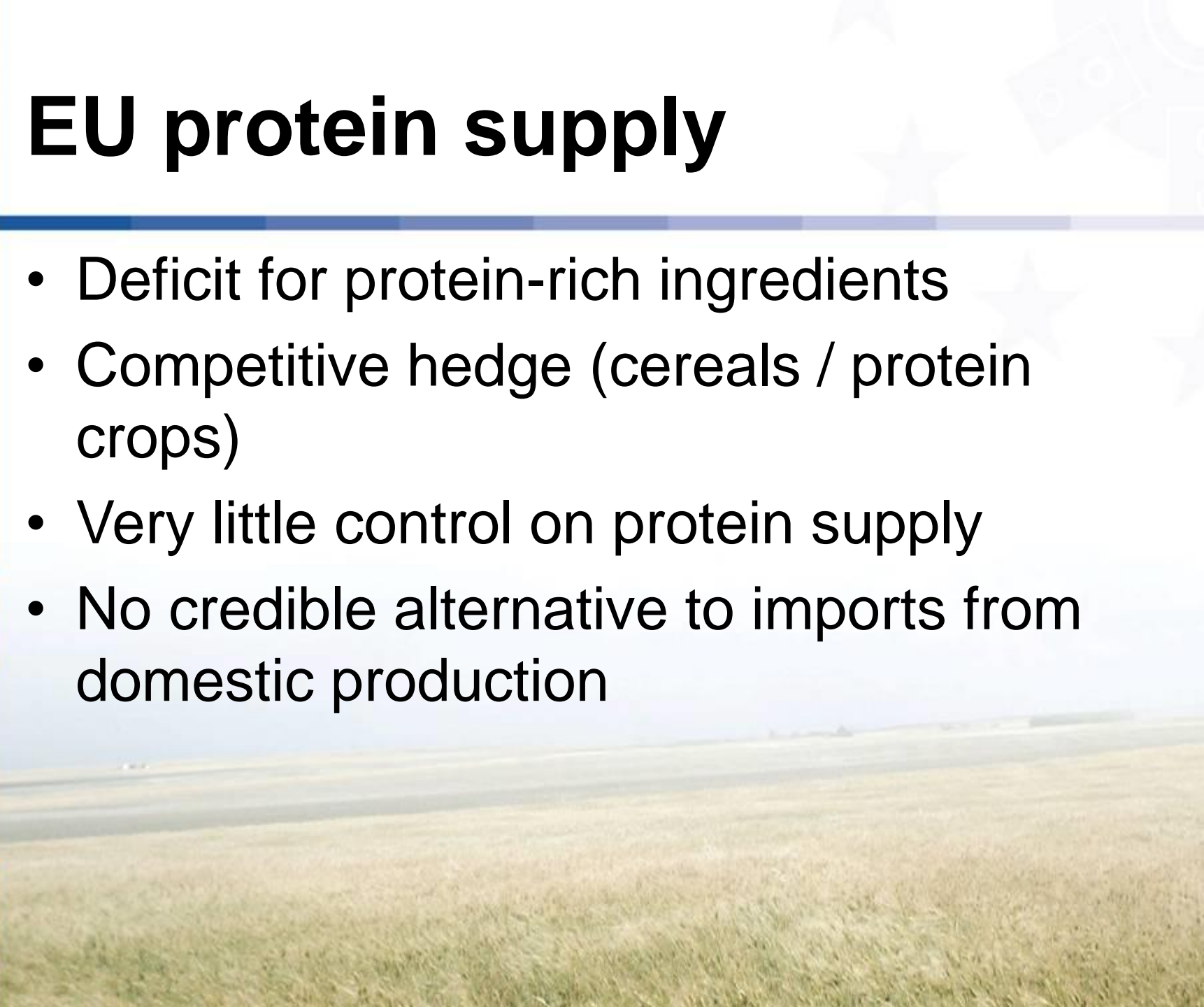


# EU soybean production



# EU protein supply

- Deficit for protein-rich ingredients
- Competitive hedge (cereals / protein crops)
- Very little control on protein supply
- No credible alternative to imports from domestic production





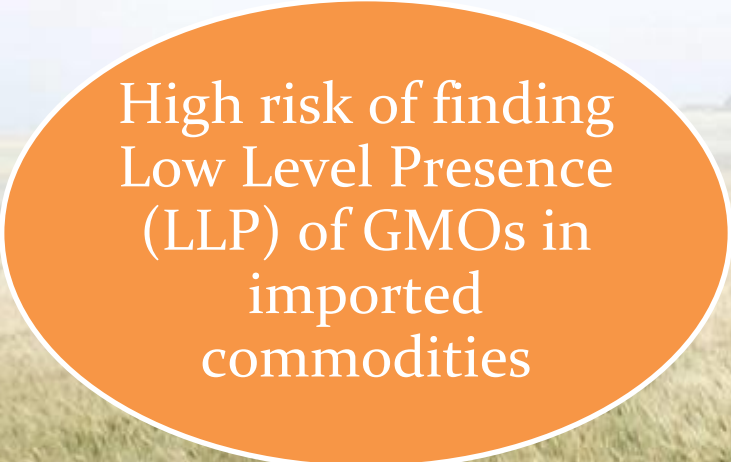
# Major challenges for EU supply of food and feed



EU “zero tolerance”  
policy on GMOs



Exporting countries  
increasing GMOs  
commercialization

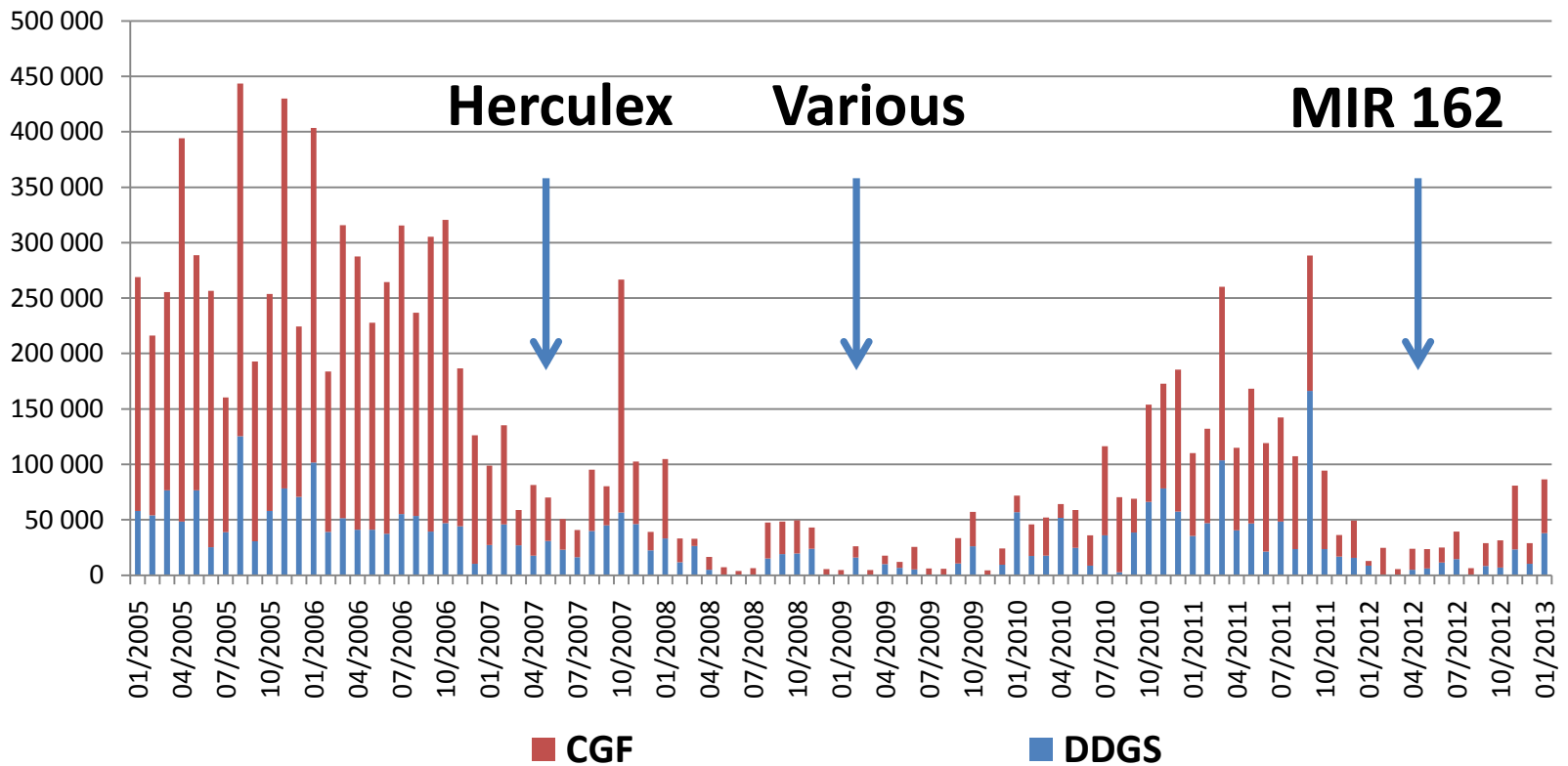


High risk of finding  
Low Level Presence  
(LLP) of GMOs in  
imported  
commodities



# Trade disruption: it's not theoretical !

EU import of Corn Gluten Feed (CGF) and Dry Distiller's Grains (DDGS) from the US in tons



# What do we need?

- Improve predictability and efficiency of trade flows
- Legal certainty to EU operators
- Viability of food and feed supply at competitive and affordable prices



# Reduction of backlog in the EU authorization system

- **Improve efficiency of GM authorization system to close the time gap with exporting countries**
  - Put GM products to a vote in a timely fashion to end regular occurrence of
    - failure to act and illegal delays under EU
    - undue delays identified by WTO in pending case against EU
  - Adoption of workable fast track approaches to stacked events and authorisations renewals
- **Risk assessment and management phases to be based on science only**



# Opt-out solution for GM imports

- States would be allowed to take measures “restricting or prohibiting the use of [authorized] products”.
  - MS measures to restrict or prohibit would need to be based on compelling grounds not associated with the risk assessment, and would also need to be proportional and non-discriminatory.
- MS would have to submit proposed measures and their justification to the COM; COM could comment.
- The above would not apply to GMOs for cultivation.



# Opt-out solution for GM imports

- End of common market for feed and livestock products
- Huge social and economical costs: impact assessment is necessary!
- Massive distortion of competition between member states
- The availability of SBM was a strong argument used by the Commission when the feed ban (animal proteins) was set up, it is not possible to reduce continuously the list of protein sources available





**Thank you for your attention**

