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Future challenges for the Livestock sector and animal feedstuffs in the 21st century

Mr. Pedro Corrêa de Barros, FEFAC President



Overview of this presentation

- **FEFAC introduction**
- **Key figures and statistics**
- **Major challenges - Feed safety**
 - PCB/Dioxin contamination of breadmeal in Ireland
 - New EFMC developments
 - RASFF results for 2008 (non official)
 - Codex/IFIF
- **Major challenges - Competitiveness**
 - Asynchronous authorisations of GM events
 - Marketing and use of feed
 - Sustainable feed production (FEFAC environmental report, RTRS and SCP)



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FEFAC introduction



FEFAC in a nutshell

- Created in 1959
- Industrial compound feed and premixtures manufacturers
- 26 Members:
 - 21 Member Associations from 20 EU Member States
 - 3 Associate Members (VSF, FHL, EMFEMA)
 - 2 Observer members (Turkey, Croatia)
- App. 4000 feed mills with a turnover of app 50 Bio €
- 6 Technical committees to assist the FEFAC Council
 - Animal Nutrition
 - Industrial Compound Feed Production
 - Premix & Mineral Feed
 - European Feed Manufacturers Guide (EFMC)
 - Fish Feed
 - Milk Replacers



FEFAC mission is to:

- 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** that ensure the quality and the safety of compound feed;
- encourage the **development of animal production responding to market requirements**, so as to maximise market opportunities for EU compound feed companies.



Members of the FEFAC Praesidium

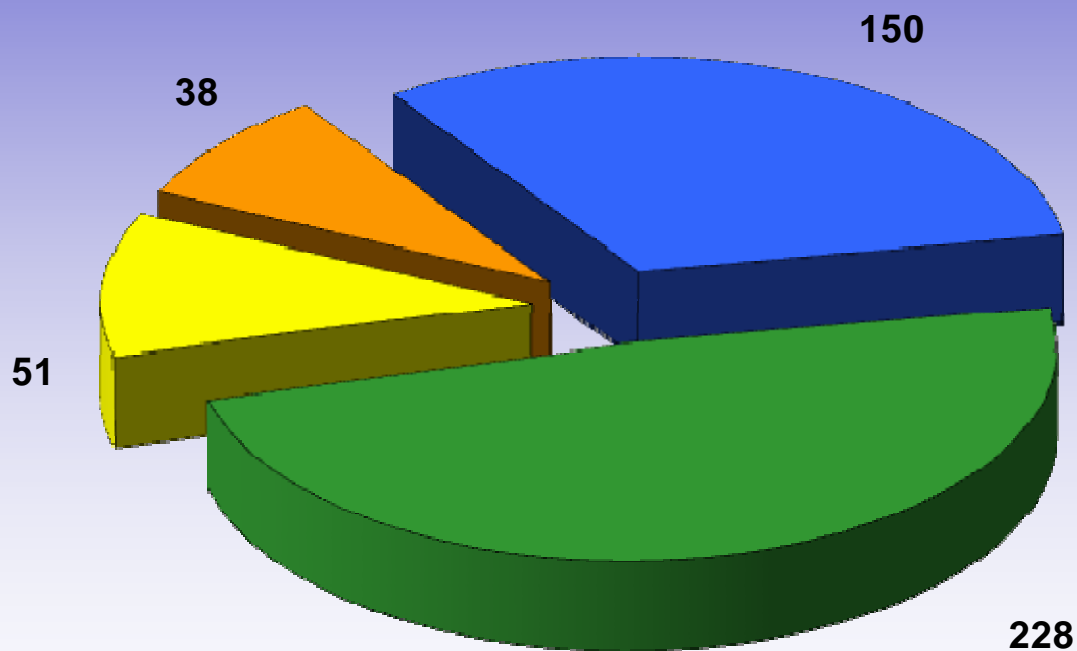
- **Mr Pedro CORREIA DE BARROS (Portugal)**
- Mr Giordano VERONESI (Assalzoo, Italy)
- Mrs Helen RAINE (AIC, UK),
- Mr Aurelio SEBASTIA (CESFAC, Spain),
- Mr Marek KUMPRECHT (CMSO, Czech Republic),
- Mr Dieter SCHWIER (DVT, Germany),
- Mr Adolphe THOMAS (SNIA, France),
- Mr Patrick VANDEN AVENNE (APFACA, Belgium)
- Mr Ad HECTORS (NEVEDI, NL)



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Key figures and statistics

EU-27 Livestock sourcing in feedingstuffs - 467 mio. t in 2008



■ Forages

■ Purchased straight feedingstuffs

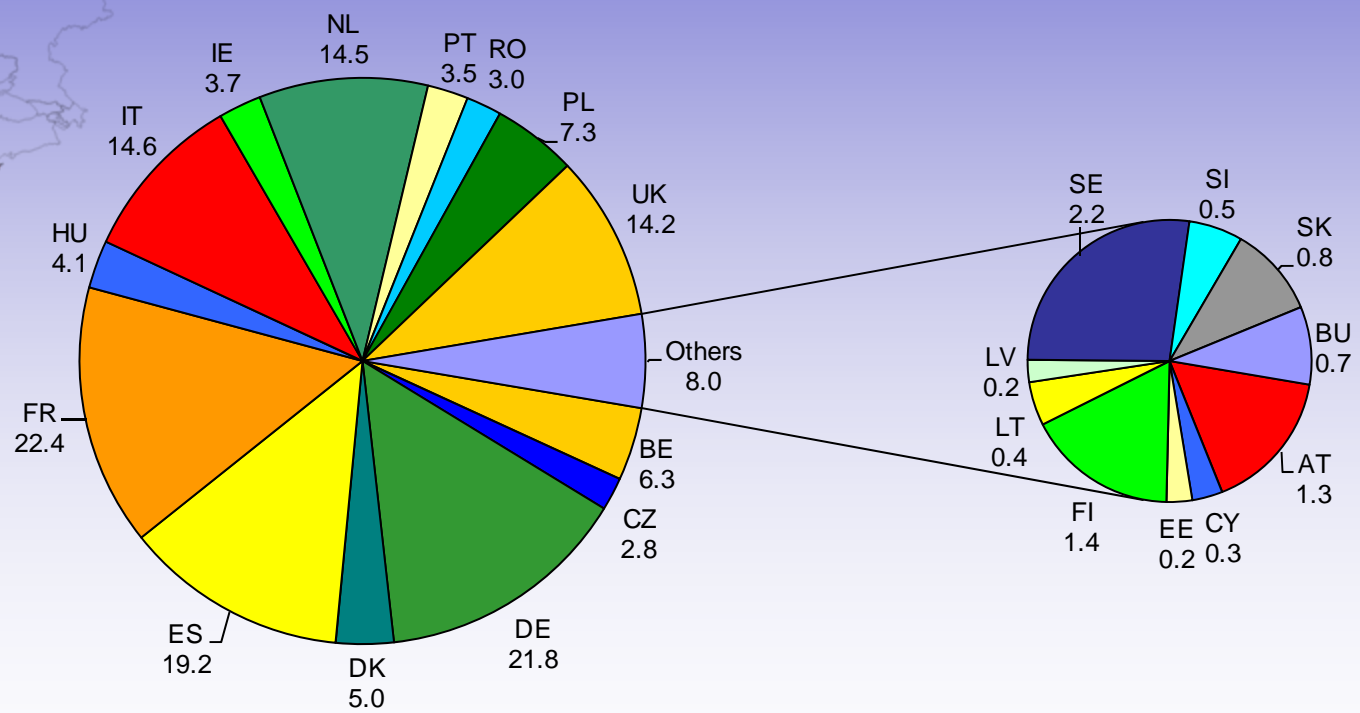
■ Home-grown cereals

■ Industrial compound feed

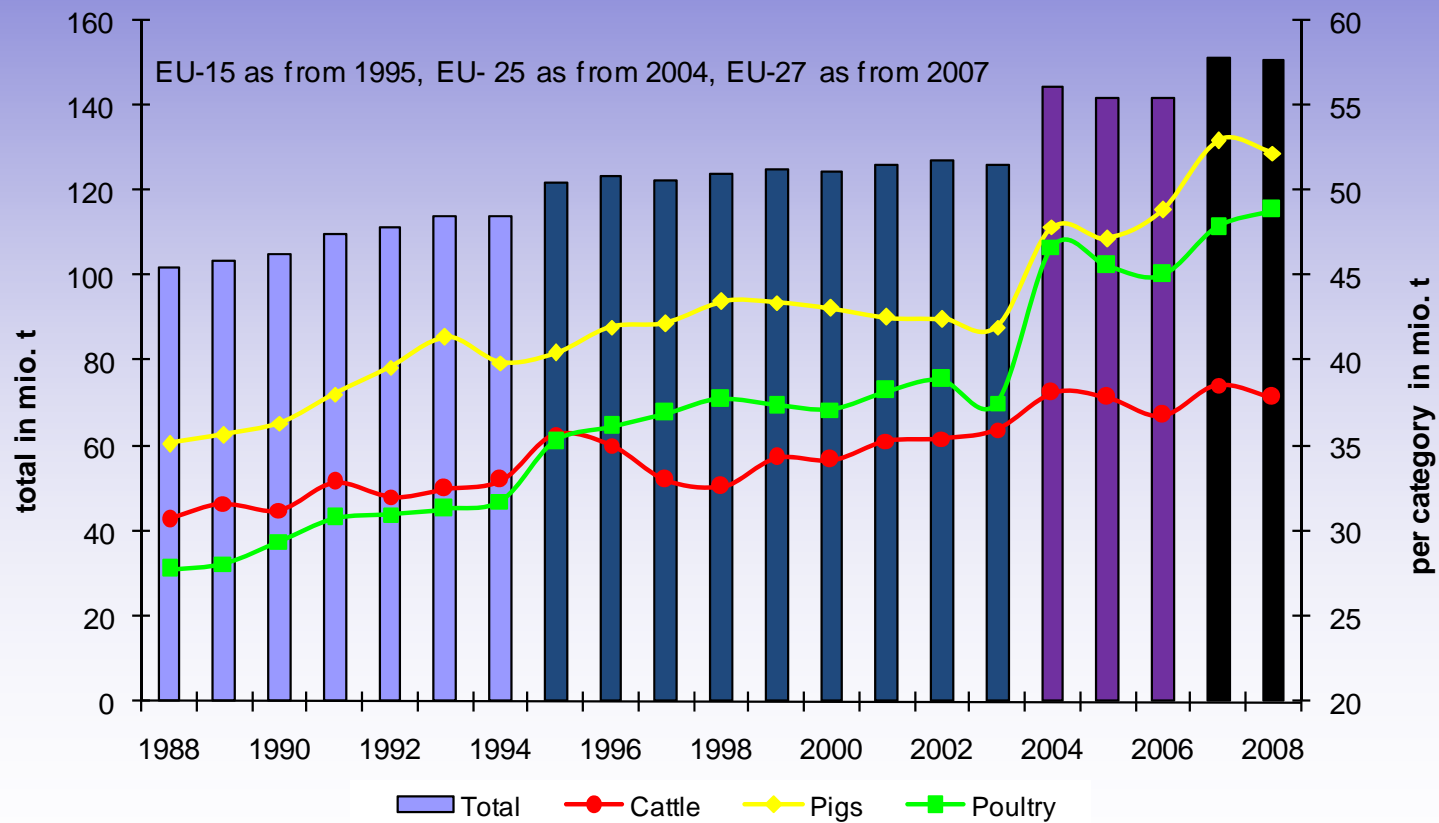


Industrial compound feed production per country

150.6 mio. t in 2008 in the EU-27



EU-27 compound feed production development per category





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Major challenges on feed safety area

Contamination incidents

- 1998 - Dioxins in citrus pulp pellets - Brazil
- 1999 - PCBs in feed fats - Belgium
- 1999 - Dioxins in kaolinitic clays and dried fodder - Germany
- 2000 - Dioxins in choline chloride - Spain
- 2002 - Dioxins in carbosan copper - USA
- 2002 - Chloramphenicol in skimmed milk powder - Russia and Ukraine
- 2002 - MPA hormones in glucose syrup – Ireland
- 2002 - Nitrofen in wheatfeed – Germany
- 2003 - Dioxins in dried grass pellets - Germany
- 2004 - Dioxins in potato pulp - The Netherlands
- 2004 – Bone fragments in EU sugar beet pulp & USA maize products
- 2006 - Cadmium in zinc sulphate - China
- 2007 - Melamine in wheat and maize gluten feed – China
- 2008 – Monensin in dried deactivated yeast, Brazil
- 2008 - Melamine in organic soya expeller – China
- 2008 - Dioxins in breadmeal - Ireland

EU feed safety workshop

18 February 2009

Key FEFAC recommendations

- Commission report on implementation of feed hygiene (DG SANCO)
- Examination of specific approval conditions for drying plants (ex of German legislation) (DG SANCO/SCoFAH)
- HACCP guidance on fuel sources (DG SANCO)
- Guidance to good practice for primary production and on-farm mixing
- HACCP guidance for surplus foods from second transformation



FVO missions on the implementation of feed hygiene legislation

- Objectives and scope:
 - Registration and approval
 - Requirements for primary producers and other feed operators
 - Quality control and HACCP
- Feed safety audits carried out:
 - 2006 --> 4 MS
 - 2007 --> 7 MS
 - 2008 --> 6 MS
 - 2009 --> 12 MS planned



Key findings of FVO missions on the implementation of feed hygiene legislation

- **Approval finalised in most cases**
- **Registration on-going (rarely completed) but difficulties:**
 - primary production
 - food operators
 - transporters
 - new activities
- **Transitional period used in most cases**
- **Primary producers: good level of compliance in principle but uneven official controls**
- **Feed operators: premises and equipment (OK) / Records and recall procedures (OK)**
- **Weaknesses in the design and implementation of HACCP**
 - Lack of adaptation (generic HACCP)
 - Definition of CCPs
 - Validation of controls
- **Control of cross-contamination deficient in some cases**





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New EFMC developments



The EFMC

- Is the first Community guide to good practice for the EU industrial compound feed and premixtures manufacturing sector for food-producing animals
- Meets the demands of EU Feed/Food legislation harmonisation (Jan. 2006, Feed Hygiene Reg. (EC) No 1831/2003)
- Only covers safety related issues
- Help ensure safety of food through adherence to good Manufacturing practice during purchase, handling, storage, processing and distribution of feed for food producing animals



Principles of the new EFMC version regarding medicated feed

- Introduction:
 - Medicated feed is a feed (ref. to summary record of the Veterinary Pharmaceutical Committee – 20 March 2007)
 - National codes of practice take precedence over EFMC
- Core part of EFMC:
 - Withdrawal of all references to medicated feed from the previous version of the core part of EFMC
- New Annex 1: Sector note medicated feed
 - Development of a specific annex mirroring the structure of the EFMC and providing specific requirements for medicated feed

Further EFMC developments on Standing Committee request

- **Practical examples of HACCP** in feed production
- Reference to the **responsibilities of feed business operators** in terms of general requirements of food law
- **Risk-based analysis of best practice** to ensure effective tracing of products
- **Other hazards**, such as fertilisers and plant protection products

Practical examples of HACCP in feed production

- Separate annex to the EFMC to assist operators in applying a HACCP system
- Details principles, not examples (danger that examples are apply « blindly »)
- Training is the key to successful HACCP



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RASFF annual report 2008

FEFAC ad hoc results



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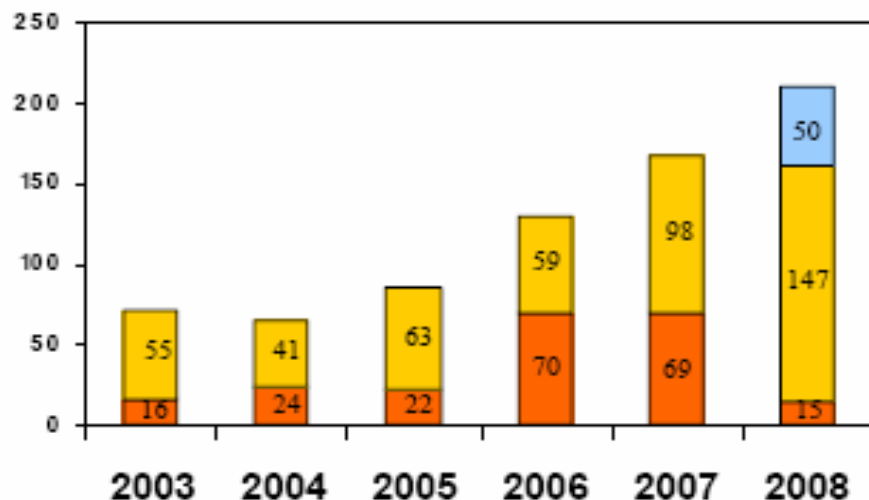
Rapid Alert System for Food and Feed in 2008

- **Constant increase of notifications** for feed in general (+20.8%) with a **relatively low number of alerts** (15);
- Presence of **salmonella in feed materials** remains in statistical terms the **most frequent incident** in 2008 with 81 notifications;
- Presence of **prohibited substances** (melamine from China and monensin from Brazil) constitute the **two key incidents** of the year;
- the **dioxin/PCB contamination** of pigmeat and beef in Ireland, although linked to feed (bread meal), triggered notifications for animal products but not for feed and is therefore **not accounted in the feed notifications**;
- Presence of **cadmium and lead** in feed materials or in feed additives still represents a **recurrent issue**.



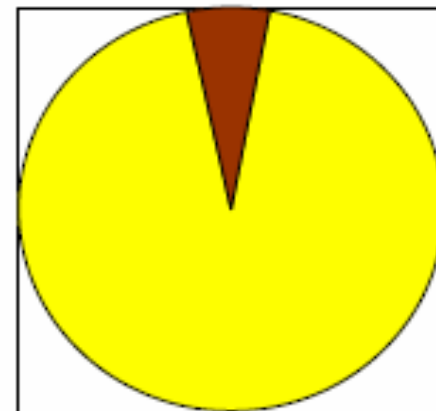
Rapid Alert System for Food and Feed in 2008

Overview on the notifications from 2003 to 2008



- Alert notifications
- Information notifications
- Border rejections

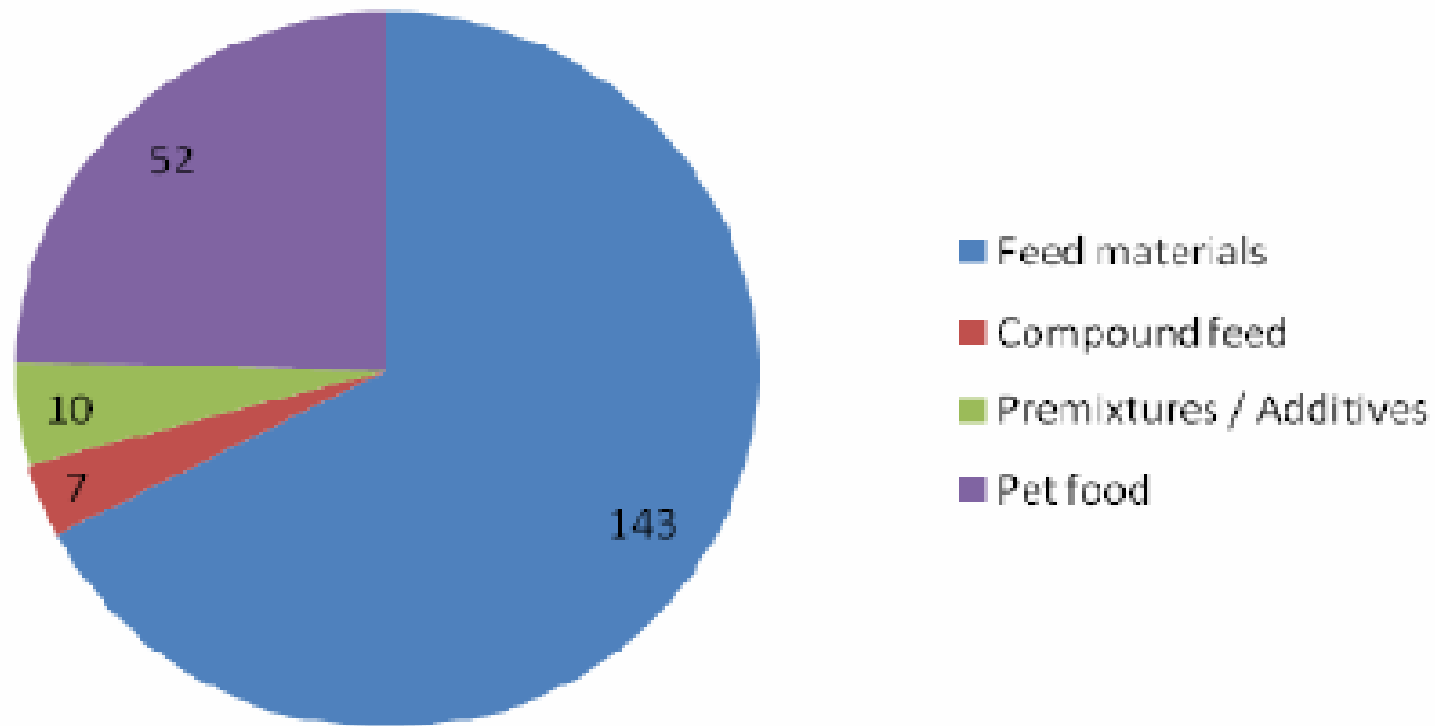
Notifications in 2008



- Feed = 212 → 6.82%
- Food = 3104 → 93.18%

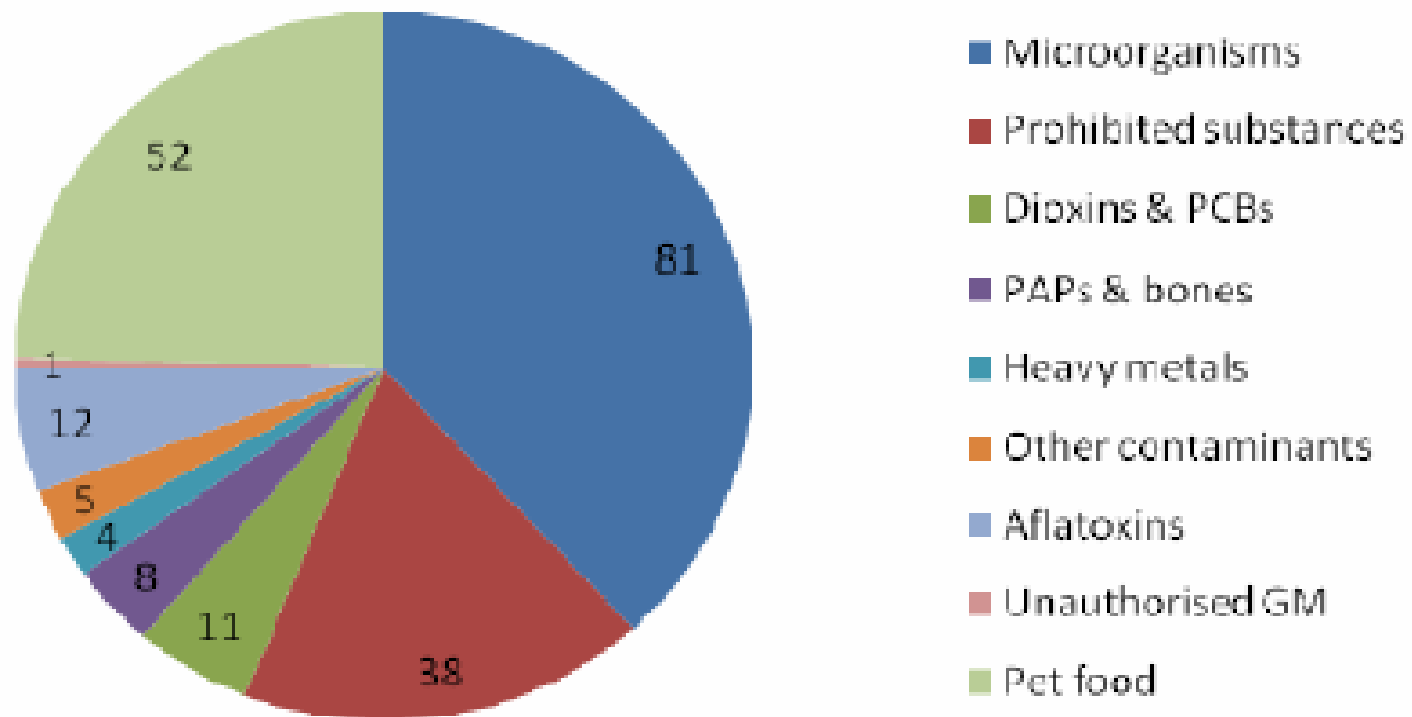
RASFF in 2008

Contaminations by product type



RASFF in 2008

Types of Contaminations





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Asynchronous GM approvals LLP technical solution

Asynchronous GM approvals

- **EU approach to LLP threshold**

- 1st EU Standing Committee discussion in December
- Consultation of EU food chain advisory Committee in December:
 - JRC validated LOQ for submitted GM events is the basis
 - Minimum requirement for analytical performance (0,1%)
 - Lab specific analytical tolerance to be added, LOQ based on "inter-lab"-validation
 - Reference to DG SANCO guidance on sampling 2004
 - "Early sampling" procedure (while loading of shipments): no common approach, DG SANCO: it's up to Member States
- Tolerance for feed only!

- **LLP alliances with COPA/COGECA, CIAA, « GRAIN CLUB » and EuropaBio continues.**

- Meeting with DG SANCO Cabinet and the Secretariat General to keep political momentum
- Follow-up on national economic impact studies (NL, IRL, UK, DK, etc)

LLP technical solution (1)

- Conclusions of the Cardy Brown study: the added cost disadvantage of « 0-tolerance » GM policy would total €2,525 Mio
- Conclusions of the LEI study: Without a sufficient supply of feed ingredients which forces livestock operators to use less satisfactory and more costly alternatives, the competitiveness of EU livestock production will weaken further and European livestock operators will lose market share in domestic and world markets to foreign competitors.
- Conclusions of the sherpa Group meeting (October 2008): « time lag in approvals between the EU and other countries represents a threat to EU agriculture »

LLP technical solution (2)

- Recommendation n°3 of the High Level Group on the Competitiveness of the Agro-Food Industry (March 2009): « The HLG members believe that it is important to have an EU-policy framework that facilitates sufficient supply of competitively priced raw materials as a way to limit price volatility with the view to achieve sustainable growth of the sector »
 - « The European Commission and Member States in cooperation with European Food Safety Authority should improve the efficiency and transparency of the authorization procedures for Genetically Modified Organisms in order to enhance the confidence of stakeholders, while taking into consideration society's growing awareness. In addition they should continue analyzing the overall impact of GMOs and the long-term future of the EU GMO policies »
 - « The European Commission should work towards tackling the issues of asynchronous authorization of GMOs already authorized in third countries and not yet authorized in the EU »
- **LLP technical proposal may be adopted by the end of 2009**

Commercial pipeline of new GM crops

Variety	Commercial name	Company	Event	EU
Soya	Optimum GAT Soybean	Pioneer	356043	Submission 02/2007
Soya	HO	Pioneer	305423	Submission 06/2007
Soya	Liberty Link™ Soybean	Pioneer	A5547-127	Submission 04/2008
Maize	YieldGard VT PRO	Monsanto	MON 89034	EFSA opinion 12/2008
Maize	YieldGard VT Rootworm/RR2	Monsanto	MON 88017	EFSA opinion 12/2008
Canola	Liberty Link ?	Bayer	T45 (HCN28)	EFSA opinion 03/2008
Maize	Herculex I	Pioneer	TC1507	EFSA opinion 01/2005
Maize	Agrisure CB/LL	Syngenta	BT11	Submission 06/2007

The extra-cost for the EU livestock farmer 08/09 (1)

- Direct substitution cost for EU maize and CGF/DDGS 2007/2008
 - EU to import 11m tonnes of Brazilian “non-GM” maize + €50 per tonne = €550Mio
 - EU to substitute 4.5m tonnes of CGF/DDGS+€70 per tonne (maize/rapeseed)= €315Mio
- Indirect cost impact on EU cereals due to feed import restrictions
 - EU compound feed used 71m tonnes of EU cereals + €10 per tonne = €710Mio
- **Total EU extra-cost feed 2007/08 = €1,575Mio**
- **Total EU extra cost feed ”0-tolerance” 2006/2007 = €950Mio**
- **Total added cost disadvantage “0-tolerance” = €2,525Mio**

The extra-cost for the EU livestock farmer 08/09 (2)

- To assess the economic impact felt from the potential loss of soybean meal, assuming no market access for US-Soybeans (25% of EU soybean and 9% of SBM supply)
- Immediate costs:
 - Price difference Brazil/Argentina vs. USA €22/t x 6.4* Mio t = €170Mio
 - *6.4 Mio t = EU imports over winter season to replace US sourced Soybeans/SBM
- Indirect costs:
 - Leverage effect on other protein feeds = €350Mio
- **Total European cost disadvantage = €520Mio**



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Marketing and use of feed

Tentative timetable of the legislative procedure

18 December 2008	Agreement at COREPER level on the compromise text
5 February 2009	EP plenary vote in 1st reading on the basis of the compromise text agreed at the trialogue meetings
22 June 2009	Adoption of the draft Regulation by the EU Council
September 2009	Publication in Official Journal of the EU
September 2010	Date of application of the new Regulation

Key features of the future new regulation (1)

- Labelling for compound feed
 - Labelling covers also advertising
 - End of mandatory percentage declaration
 - Percentages should be available on request of the farmer with +/- 15% without prejudice to intellectual property rights
 - Indication of ingredients in descending order by weight calculated on the moisture content in the compound feed
 - Indication of added amounts of all feed additives with a maximum limitation in the authorisation
 - Names of other feed additives to be given to customers on request
 - Rules for claims on feedingstuffs (both feed materials and compound feed)
 - Revision of tolerances for nutritional constituents + tolerances for feed additives

Key features of the future new regulation (2)

- Complementary feed / dietetic feed / nutritional supplements
 - Introduction of maximum concentration factors for complementary feed
 - Derogation to maximum concentration factors for dietetic feed (to cover nutritional supplements)
 - Introduction of guidance for authorisation of intended uses
- Feed materials
 - End of authorisation procedure for certain constituents
 - Voluntary non exhaustive catalogue of feed materials maintained by stakeholders
 - Mandatory notification of “emerging” feed materials to a register
 - 0-tolerance for residues of processing aids in by-products of food and biofuels industry unless tolerance established in the catalogue



Key features of the future new regulation (3)

- Other
 - Technical review of labelling rules for premixtures
 - Guide to good practice for labelling of compound feed for food producing animals (and fur animals)
 - Guidelines for status of substances
 - Definition of oral feeding
 - Specific labelling rules for feed materials destined to detoxification (but nothing for contamination by micro-organisms)
- Entry into application / transition measures
 - Entry into application 12 months after publication
 - Transition measures (anticipation of new rules)
 - 36 months transition period before application of the 0-tolerance for residues of processing aids in feed materials

To do list for the implementation of the new regulation

- Community Catalogue of feed materials
- Procedure for notification to the register
- Guide to good practice for labelling of compound feed
- Revision of Annex IV on tolerances for nutritional labelling (Commission declaration)
- Commission study on a potential extension of new labelling principles to labelling of additives and premixtures (Commission declaration)
- Transitional period/measures
- Dossiers for “nutritional supplements”



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Sustainable feed production

Overview of the report (20 pages)

- Foreword (background and purpose of the report)
- Highlights (key messages)
- Facts and figures on the EU feed sector
- Three core themes
 - Sustainable management of feed resources,
 - Climate change
 - Feed Safety
- For each theme
 - Issue at stake (facts and figures)
 - Global / national / individual initiatives
 - Case studies

Round Table on Responsible Soy (RTRS)

- Participants: NGOs, Professional organisations (including FEDIOL and FEFAC), private companies, banks, governments
- Interest shown by NL, UK, BE, CH, SE
- 9 principles for responsible soy
 - Impact of infrastructure (economy)
 - Compliance with labor laws and requirements (social)
 - Respect of land rights (social)
 - Small scale and traditional land use (social)
 - Rural communities and migration (social)
 - Water as key resource (environment)
 - Soil as key resource (environment)
 - Protection of biological diversity (environment)
 - Responsible use of agrochemicals (environment)
- Non-GM is not a principle for responsible soy

Round Table on Responsible Soy (RTRS)

- **Timetable**

- August 2006: Agreement on RTRS structure and on principles
- 9/14 March 2009: Fifth Meeting of the Principles and Criteria Group → Adoption of field trial version of RTRS standard
- 26/27 May 2009: International Conference
- 28 May 2009: 3rd RTRS General Assembly
 - Adoption of the global RTRS standard (criteria)
 - Implementation period – end of 2009
 - 23 June 2009: 2nd EU RTRS workshop

- **FEFAC actions**

- Participation in the RTRS Board (J. Nicolai)
- Participation in the working group (Y. Dejaegher)
- General Assembly (P. Correia de Barros)
- FEFAC RTRS issue team & Dutch/Belgian Task Forces



Sustainable Consumption and Production – action plan

- Published in July 2008 (COM(2008)397)
- Eco-design directive
 - Extension of scope
 - Implementation measures (minimum requirements, benchmarks)
 - Further revision in 2012 (to include food?)
- Eco-label Regulation
 - **Extension of scope to processed food**
 - Simplification of process to obtain eco-label
- Revised EMAS Regulation
- Communication on Green Public Procurement
- **Retail forum to encourage retailers to commit in actions for the promotion of sustainable production and consumption**

Food Chain SCP Roundtable

- **Mandate:**

1. Work towards reliable & uniform environmental assessment methodologies for food
2. Identify suitable communication tools vis-à-vis consumers
3. Communicate existing and identify future sustainability actions along the food chain

- **Participants: 10 colleges**

- 1. Suppliers to the agricultural sector
- 2. Farmers and agri-cooperatives
- 3. Agricultural trade
- 4. Food and drink industries
- 5. Packaging value chain
- 6. Transport & logistics operators
- 7. Retailers
- 8. End-of-life: packaging recovery organisations
- 9. Consumer NGOs
- 10. Environmental/nature conservation NGOs

- **Supported by EU Commission, UNEP and EEA**





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Thank you for your attention!

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