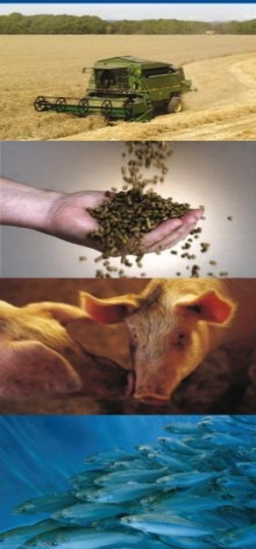




Feed Industry Perspective on EU Protein Production

Nick Major
FEFAC President

23 November 2018
Vienna



What is FEFAC?

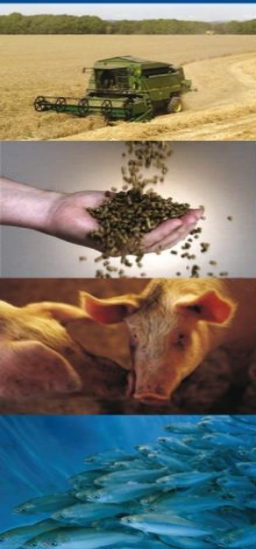
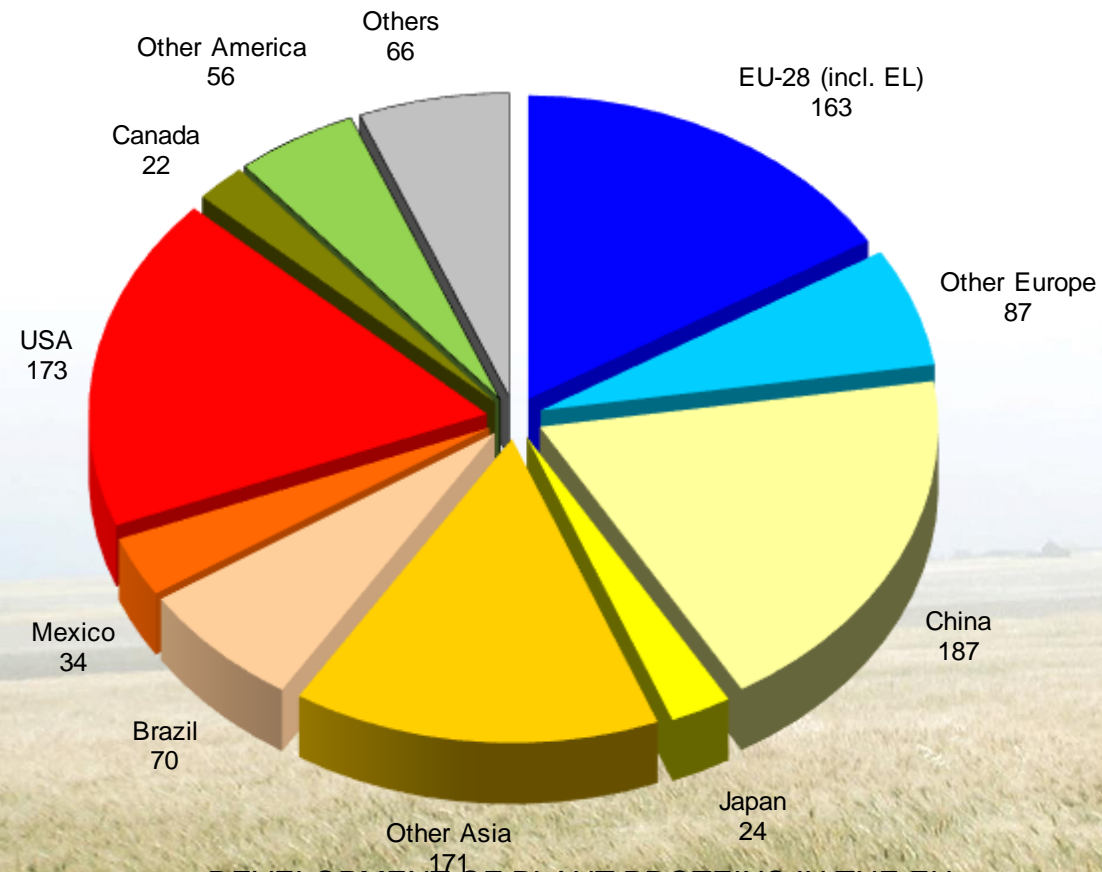
- European Association of Compound Feed Manufacturers
- Founded in 1959
- Association of associations
- 23 Member Associations from 23 EU Member States
- 159.1 mio. T of industrial compound feed production in 2017
- 7 people secretariat in Brussels



Global compound feed production in 2017 (1,053 mio. t)



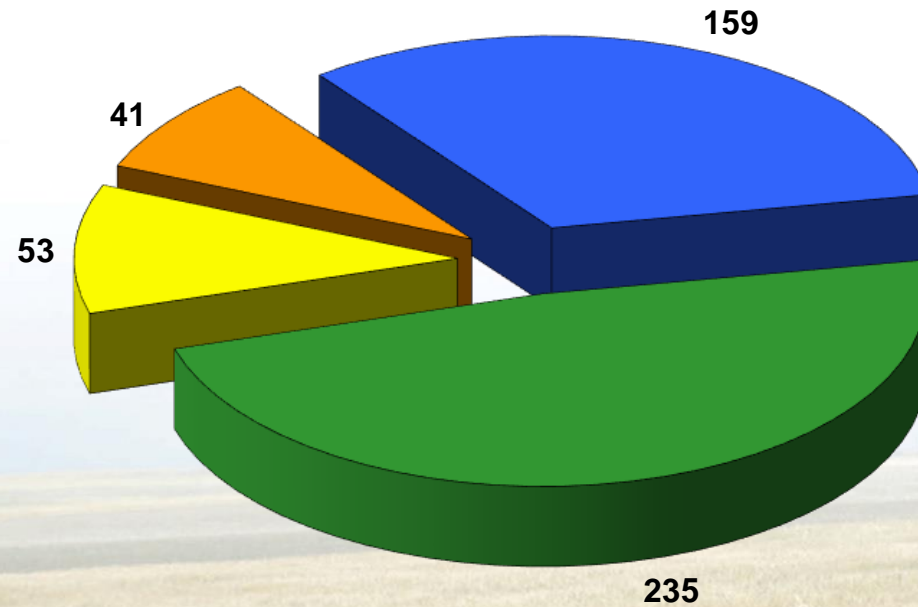
Source: FEFAC / Alltech



EU-28 Livestock sourcing in feedingstuffs – 488 mio. t in 2017

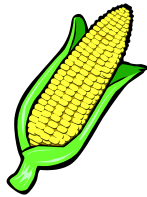


Source: FEFAC / EU Commission

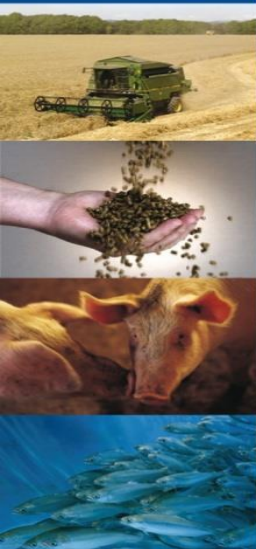
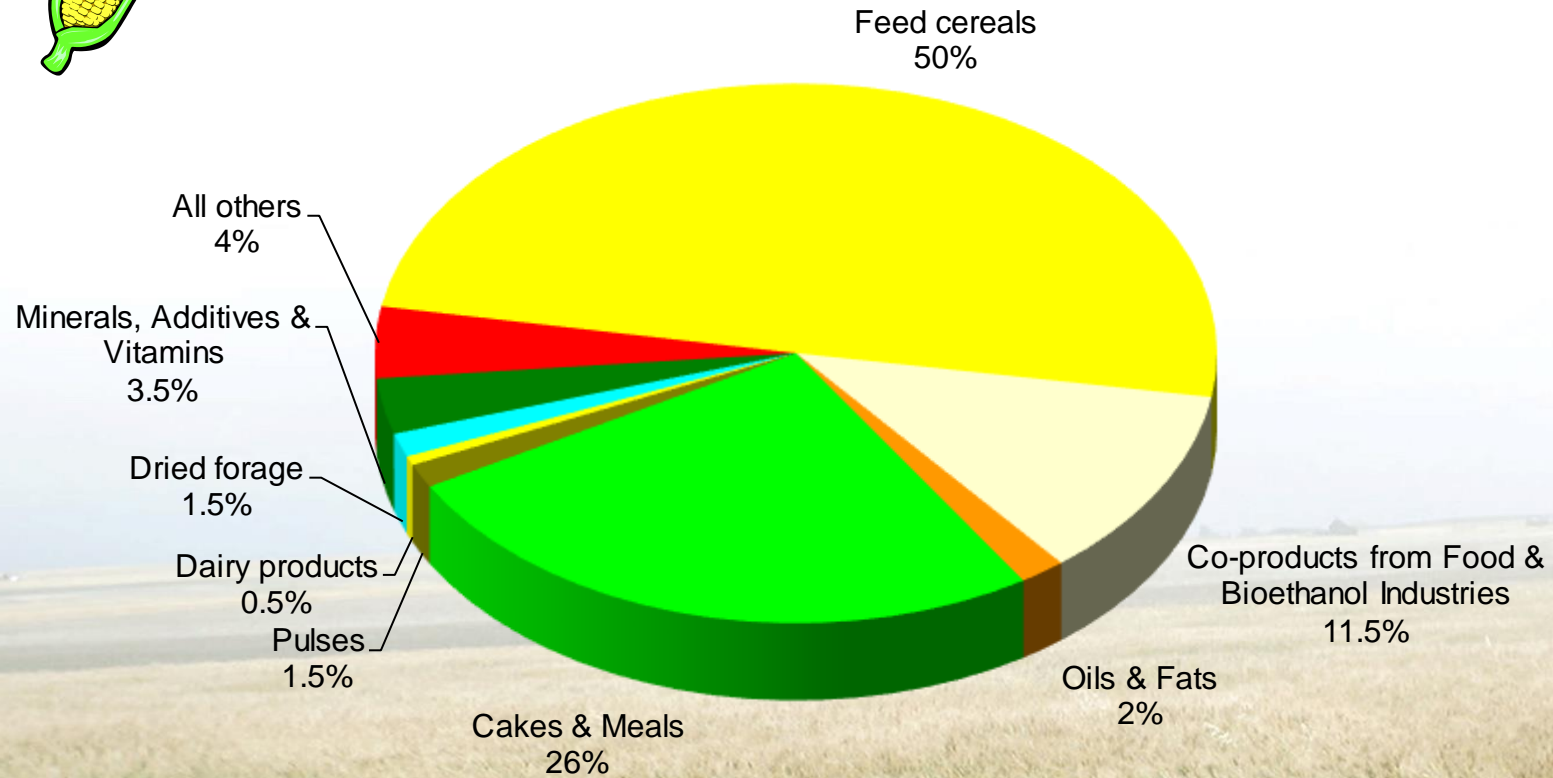


- Forages
- Home-grown cereals
- Purchased straight feedingstuffs
- Industrial compound feed

Feed material consumption by the EU-28 feed industry in 2017



Source: FEFAC



EU Protein Plan

- Announced by Commissioner Hogan at FEFAC Congress June 2017
- Feed industry the most important potential purchasers of EU grown protein



Agronomical strengths and weaknesses of cultivating vegetable protein in the EU

Strengths

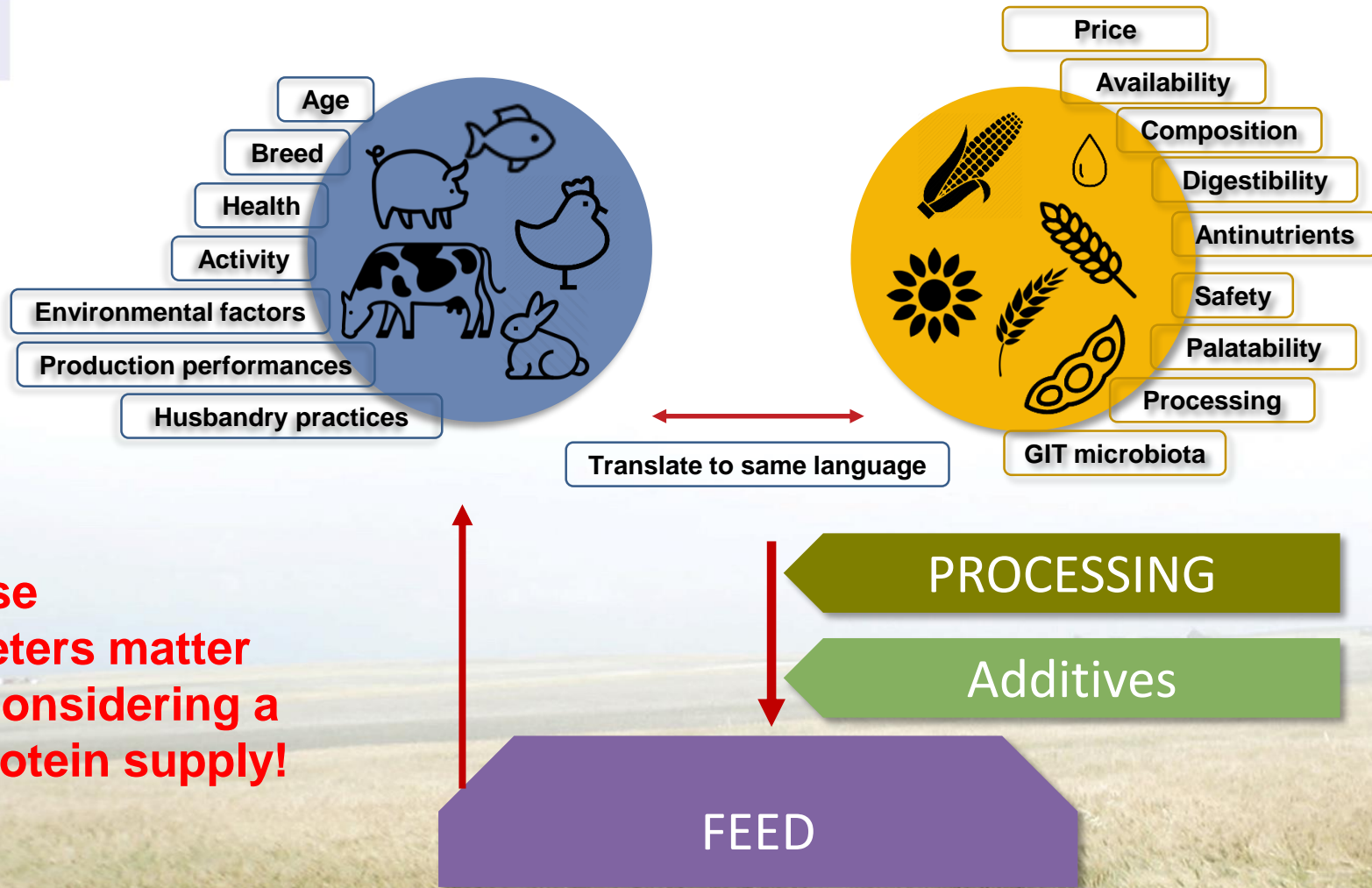
- Contribution to reduction of EU protein deficit (strategic aspect)
- Positive environmental contribution (N-fixing crops)
- Useful to meet specific niche market demand

Weaknesses

- Lack of competitiveness without direct price support via coupled payments
- Need to allocate land resources in the most efficient way

“The feed and livestock industry rapidly reacts to the availability feed materials”

Animal nutrition: Linking high quality protein sources with physiological requirements

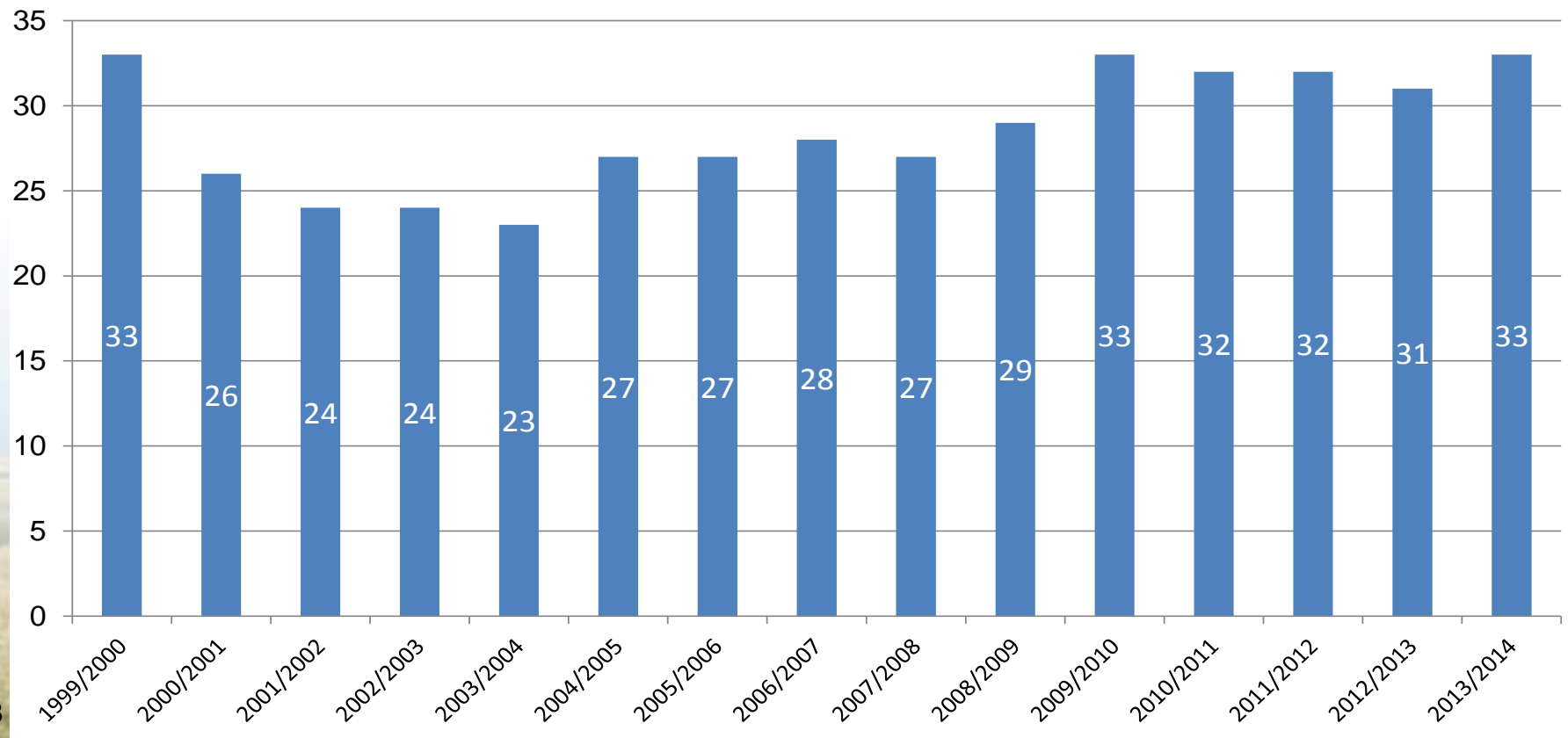


All these parameters matter when considering a feed protein supply!

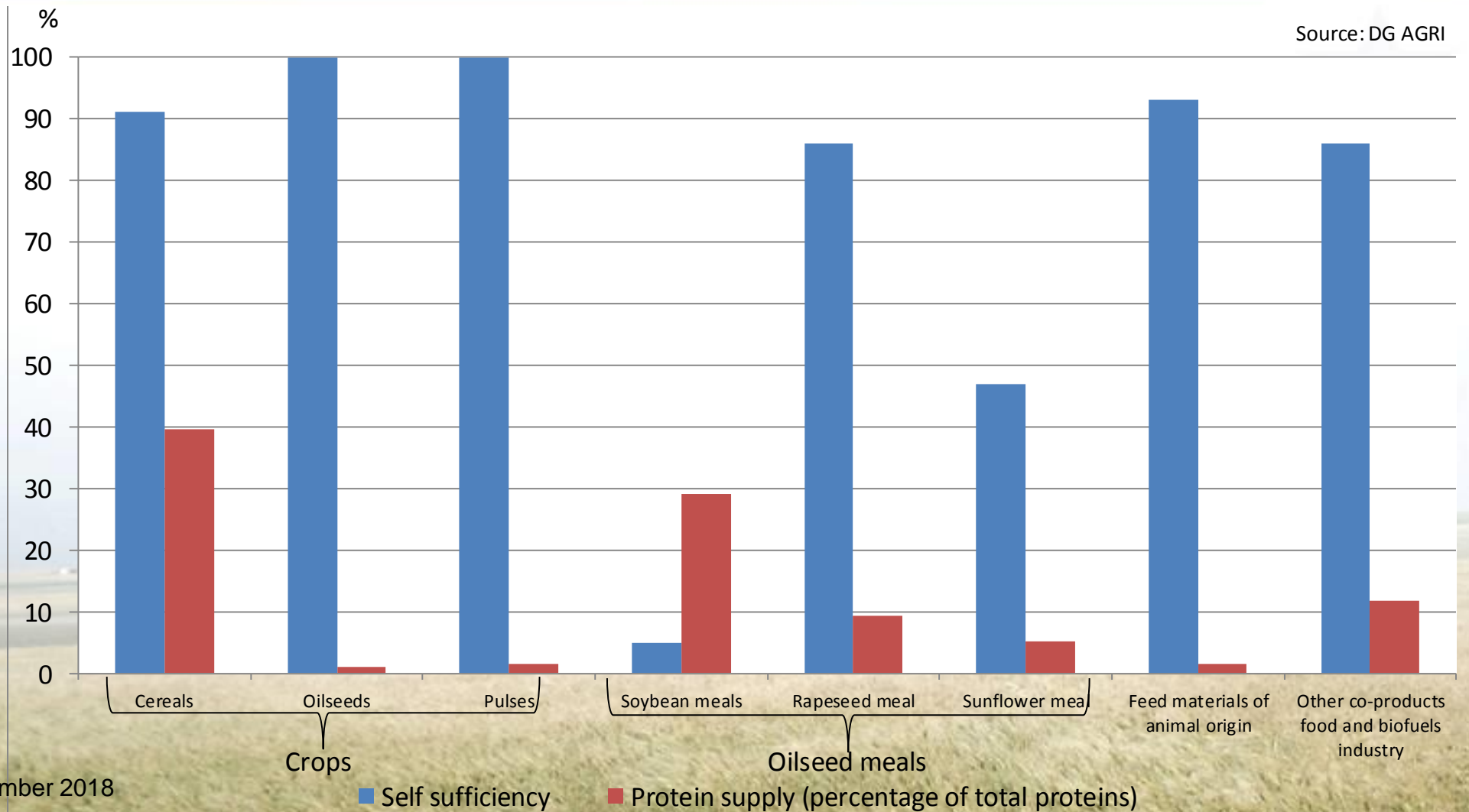
Evolution of EU protein supply self sufficiency (%)

« The old way »

Source FEFAC

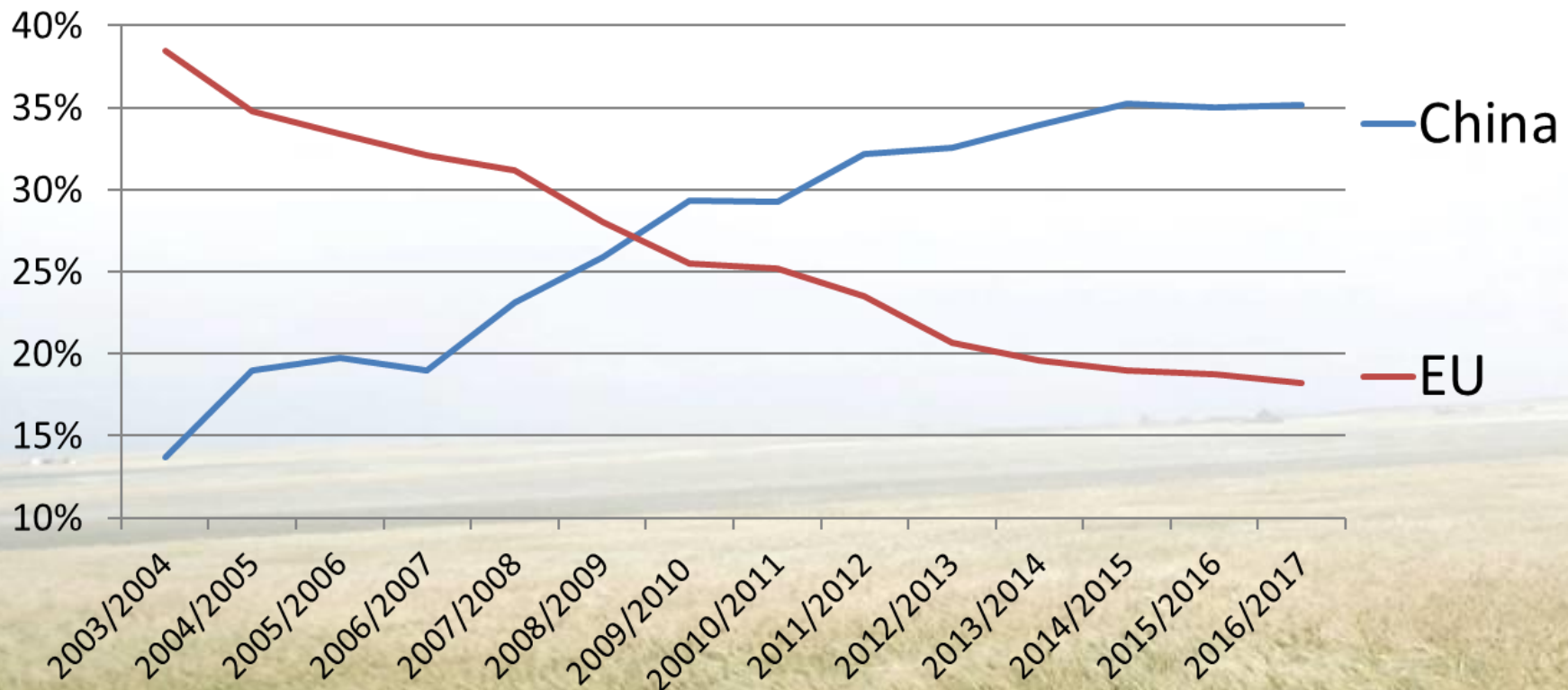


The new way: Contribution of feed materials to protein supply and level of EU dependency in 2016/2017



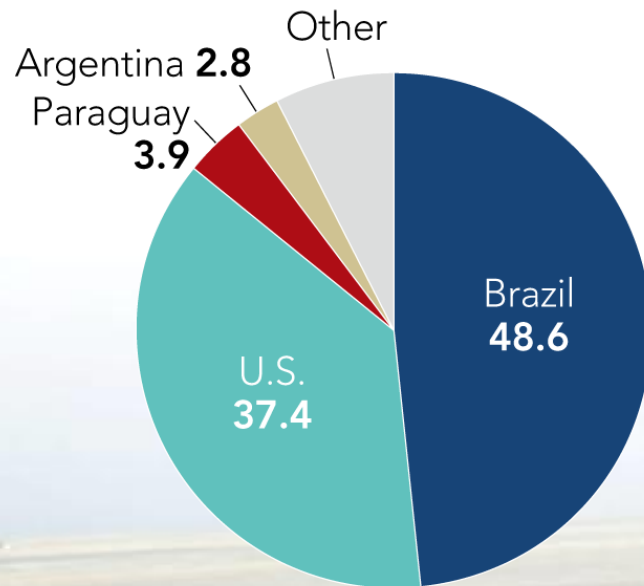
EU lost preferential buyer status 10 years ago

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

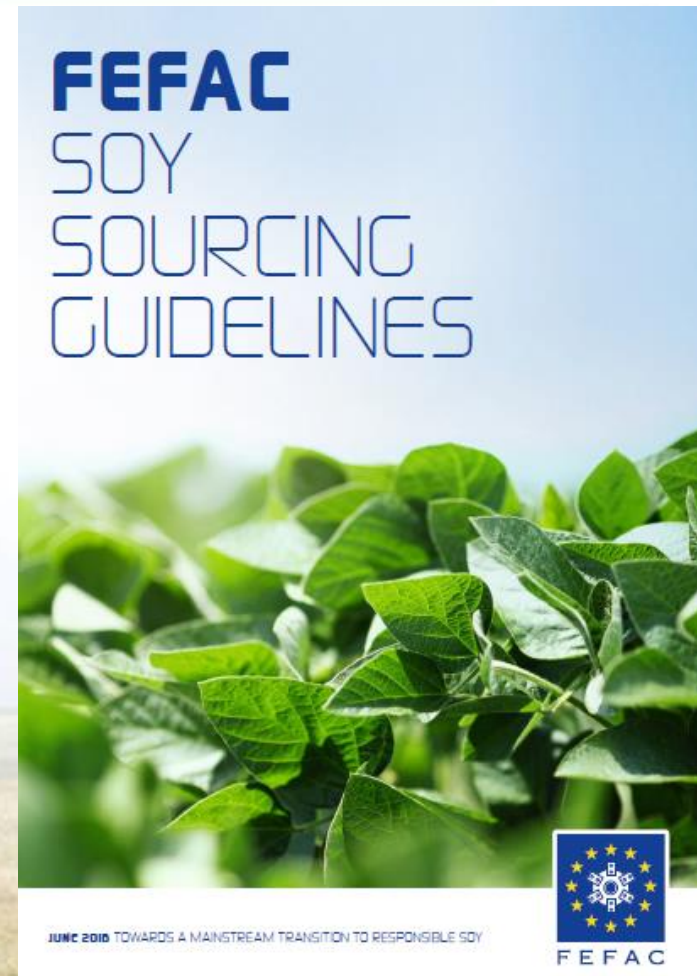


Reducing geopolitical vulnerability & stimulating responsible production standards

Share of global soybean exports by country (in percent)



Estimates, 2017-18 marketing year;
data published in April
Source: U.S. Department of Agriculture



EU protein deficit: A long-standing issue

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(73) 1850 final ANNEXES

Brussels, 16 November 1973

REPORT ON

THE COMMUNITY'S PROTEIN SUPPLIES

PART IV

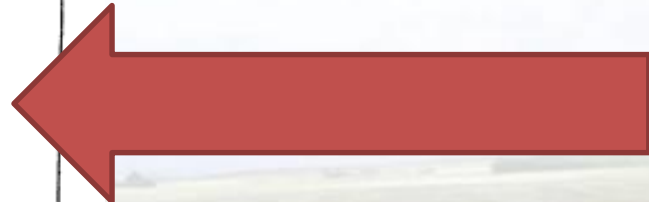
- Report (1973) followed on US & Brazil self-imposed export restrictions
- European Community protein deficit 80%
- Meat and bone meal included!

In these circumstances, the Commission notes that it would seem to be in the general interest for the Community to make an effort to avoid an excessive increase in dependence on imported supplies of proteinic products during the next five years.

4.3% self-sufficiency “feed cakes” (1973)

Table 2 : Origin of the products used for animal feeding in the enlarged Community and degree of self-sufficiency during the 1971/72 crop year.

	Origin :		Total (c) (= a + b)	Degree of self-sufficiency (%) (d) (= a : c)
	EEC	Non-member countries		
	(a)	(b)		
1. Cereals	50 975	16 693	67 668	75.3
2. leguminous vegetable seeds (field beans, etc...)	890	-	890	100
3. Cake incl. soya	612	13 619	14 231	4.3
4. a) Fish meal	423	7 323	7 323	0
b) Meat meal	837	-	837	100
5. Grass meal (lucerne, etc....)	1 347	-	1.347	100
6. Milk powder	1 221	-	1 221	100



Source : DG VI Estimate

The proven record of plant breeding innovation

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WATTAgNet.com NOVEMBER/DECEMBER 2013
Digital edition: www.fi-digital.com

Feed International

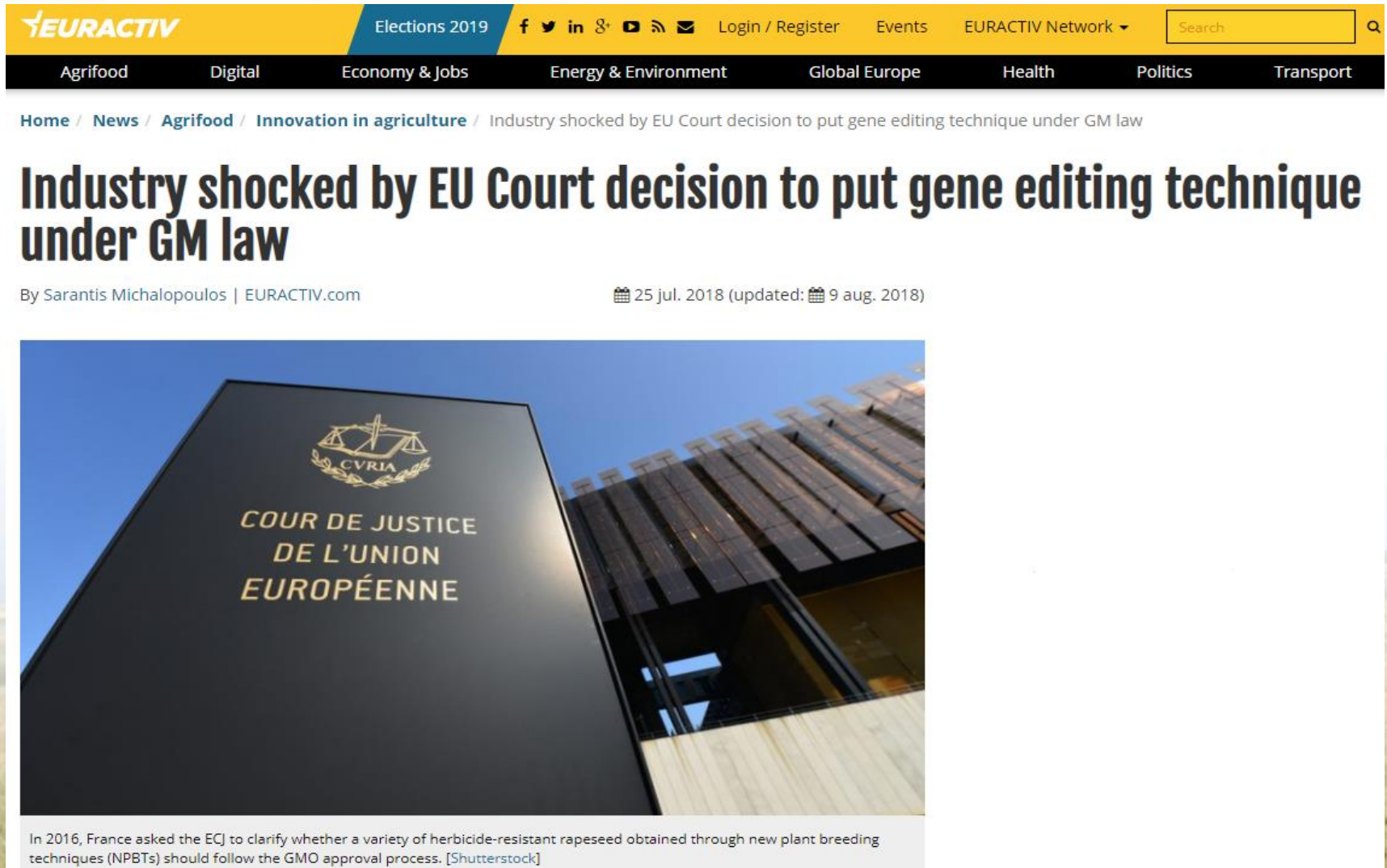
Leader in Technology, Nutrition and Marketing **WATT**

Benefits of rapeseed meal drive increased usage in feed production

The magazine cover features a vibrant yellow rapeseed field under a blue sky with scattered white clouds. A single, dark green tree stands prominently in the middle ground of the field.

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What future for EU plant breeding innovation?



The screenshot shows the EURACTIV website interface. At the top, there is a yellow navigation bar with the EURACTIV logo, 'Elections 2019', and social media icons. Below this is a black navigation bar with categories: Agrifood, Digital, Economy & Jobs, Energy & Environment, Global Europe, Health, Politics, and Transport. The main content area features a breadcrumb trail: Home / News / Agrifood / Innovation in agriculture / Industry shocked by EU Court decision to put gene editing technique under GM law. The article title is 'Industry shocked by EU Court decision to put gene editing technique under GM law'. The author is Sarantis Michalopoulos | EURACTIV.com, and the date is 25 Jul. 2018 (updated: 9 Aug. 2018). The main image is a photograph of the Cour de Justice de l'Union Européenne building in Luxembourg, with a sign in the foreground that reads 'COUR DE JUSTICE DE L'UNION EUROPÉENNE' and features the CVRIA logo. A caption at the bottom of the image states: 'In 2016, France asked the ECJ to clarify whether a variety of herbicide-resistant rapeseed obtained through new plant breeding techniques (NPBTs) should follow the GMO approval process. [Shutterstock]'



Overview international legislation Germany/France: rules for non-GM animal feeding

Animal Species	Period in Germany	Period in France
Beef cattle	Twelve months and in any case at least three quarters of their life	One year before slaughtering or $\frac{3}{4}$ life if slaughtering before 1 year old
Small ruminants	Six months	One year before slaughtering or $\frac{3}{4}$ life if slaughtering before 1 year old
Pig meat	Four months	One year before slaughtering or $\frac{3}{4}$ life if slaughtering before 1 year old
Broilers	Ten weeks	3 days old chick
Layers	Six weeks	3 days old chick or 6 weeks before eggs production

Feed market opportunities and challenges

- Nutritional quality of EU vegetable protein is key
- “Non-GM” premium can help the growth of EU vegetable protein in niche markets, **BUT** :
- Urgent need for harmonization on “non-GM” feed specifications
 - No level playing field - single market principles under pressure
- Organic feed – more restrictions than opportunities
 - At least 30% of feed should come from farm (pigs and poultry)
 - Use of synthetic amino-acids is forbidden
 - Less possibilities to optimize feed formulation
 - Excess of proteins leads to nitrogen excretion

THE FEFAC 2030 Animal Feed Industry Vision

Feed Safety Management

Animal Nutrition

Sustainability

FEED INDUSTRY ANIMAL FOOD CHAIN SOLUTIONS

**Feed safety management
capacity building**

**Preservation of animal health to reduce
need for antibiotics**

**Accommodate animal welfare
demands**

Facilitate responsible sourcing

**Increasing
nutrient efficiency**

**Risk management optimisation along
the feed chain**

**Develop new resource
efficiency indicators**

**Improve the quality & nutritional
value of food products**

**Co-operation between control authorities
& industry operators**

**Measure the environmental
performance of feed production**



Thank you for your attention

Stay informed on the feed industry via Twitter (@FEFAC_EU) & the FEFAC NewsFEED



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Fédération Européenne des Fabricants d'Aliments Composés. Leading & independent voice of the European Animal Feed Industry. Established in 1959. RT ≠ endorsement
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FEFAC @FEFAC_EU · Feb 11
 The FEFAC #NewsFEED #1 is out! fefac.eu/files/66191.pdf Next week a subscription button will become available on the website

FEFAC @FEFAC_EU · 1h
 PRESS RELEASE: FEFAC Calls on @EU_Commission to Strengthen Competitiveness of EU Livestock & Feed Sector fefac.eu/files/66820.pdf



FEFAC NewsFEED

#1
11 February 2016

EU Feed Industry raises Profile Animal Nutrition in 2016

XXVII FEFAC Congress in Antalya "Societal acceptance of livestock and feed production in the EU"

FEFAC and its Turkish member association *Turkiyem-Bir* will co-host the tri-annual [FEFAC Congress](http://fefac.eu/files/66191.pdf), taking place in Antalya, Turkey on 21-22 April 2016. The event will focus on the holistic policy approach the European Commission presented in the Circular Economy Package to discuss the roadmap towards a more resource-efficient food and feed chain management. Key note speakers from the EU Institutions and feed & food chain partners will discuss the societal benefits of introducing new animal nutrition solutions, while safeguarding the high EU feed safety standards. Other dedicated sessions will discuss current developments in LCA methodology for environmental footprint calculations of feed production as well as soy value chain efforts and commitments in North- and South-America to produce and deliver responsible feed materials to the EU Feed industry.

FEFAC/FEFANA Conference "Innovation in Animal Nutrition" on 9 June 2016

FEFAC and FEFANA will hold a first invitational joint high-level stakeholder EU Conference on "Innovation in Animal Nutrition", in Brussels on 9 June 2016. The two European feed industry organisations will present their visions of a modern industry where central roles are played by innovation and public-private partnerships, which are key to shaping a smart, resource efficient Europe and meeting the EU Commission objectives on jobs, growth and investment.

The event aims at highlighting the need to foster the practical application of innovation in animal nutrition. FEFAC and FEFANA members are convinced that animal nutrition can further assist the EU livestock sector in



addressing major global challenges such as climate change and antimicrobial resistance if more efforts are made to tackle EU regulatory bottlenecks.

A provisional draft programme of the "Innovation in Animal Nutrition" Conference on 9 June 2016 will follow shortly.

156.1 Million Tonnes Compound Feed Produced in 2015

Modest feed industry growth (0.2%) compared to 2014 - Market outlook 2016 pessimistic

Compound feed production in the EU-28 reached an estimated level of 156.1 million tonnes in 2015, according to data provided by FEFAC members. This is a 0.2% increase compared to 2014. Feed costs remained low and even decreased compared to 2014, due to a good 2015 cereals harvest in the EU, both in terms of quantity and sanitary status. In addition, there was a largely sufficient supply of oilseed meals globally, especially soybean meal. This compensated the still decreasing pigmeat quotations to a certain extent, at a time when pigmeat production continued to increase by close to 1% in 2015. FEFAC market experts share a more bearish outlook concerning industrial compound feed production in 2016, foreseeing a significant reduction in pig feed demand. See FEFAC's [press release](#) for a detailed analysis of the compound feed estimates of 2015 and a more in-depth market outlook for 2016.

Circular Economy Package proposes Exclusion from Waste Legislation for Feed

Oilseed meals and former foodstuffs clearly identified as non-waste

On 2 December 2015, the European Commission published the long-awaited Circular Economy Package, which included