

CONTRIBUTE TO  
CLIMATE-NEUTRAL  
LIVESTOCK &  
AQUACULTURE  
PRODUCTION  
THROUGH FEED



# PROGRESS REPORT 2022



FOSTER SUSTAINABLE  
FOOD SYSTEMS  
THROUGH INCREASED  
RESOURCE &  
NUTRIENT EFFICIENCY



PROMOTE  
RESPONSIBLE  
SOURCING  
PRACTICES



CONTRIBUTE  
TO IMPROVING  
FARM ANIMAL  
HEALTH &  
WELFARE



ENHANCE THE  
SOCIO-ECONOMIC  
ENVIRONMENT  
AND RESILIENCE OF  
THE LIVESTOCK &  
AQUACULTURE SECTORS



## Introduction

# A message from FEFAC President, Asbjørn Børsting

I would like to welcome all readers to our 2<sup>nd</sup> FEFAC Feed Sustainability Charter Progress Report, where we continue to monitor the pace of development and implementation of our 5 key ambitions and actions which we initiated in September 2020. We proactively and transparently highlight our commitment to the EU sustainability agenda for the feed and food sector, despite the very challenging economic situation faced in multiple sectors as well as by many European citizens, due to soaring energy prices and food price-driven inflation, triggered by the Russian aggression of Ukraine. This gives us an increasing motivation to focus on efficient and practically feasible solutions to improve the environmental performance of European livestock production to preserve and strengthen its sector resilience in the long term.



Following the Russian aggression in Ukraine, energy security and autonomy have the primary attention of the EU and its Member States. Fortunately, also food and feed autonomy and resilience of the EU agri-food chain feature highly on the priority list of the agendas of the EU, UN and G20, ensuring firm dedication to addressing supply chain challenges and ensuring adequate and affordable food supplies to vulnerable, food-insecure populations with a view to avoiding an imminent global food security crisis. Notwithstanding, the implementation of the Green Deal Objectives, in particular the Farm to Fork Strategy, the Biodiversity Action Plan as well as the Fit for 55 package still look to shape the foreseeable future and provide us with the directions on how to improve the sustainability of European livestock systems.

Having said that, recent events show that the sustainability of the food system is highly complex and requires a wider focus than environmental protection only. The socio-economic environment and resilience of the livestock & aquaculture sectors requires, more than ever, careful attention, which was in fact always the intention of our Sustainability Charter Ambition V. We need to review our strategic approach to agri-food sector resilience, discussing what, where and how we produce critical agricultural inputs, such as fertilisers and essential feed and food additives. This demands a mentality change in the whole supply chain – from ‘just in time’ to ‘just in case’ approaches – to prevent unintended consequences linked to the implementation of sustainability agendas, which could further exacerbate the EU’s import dependency on those critical agricultural inputs.

At the same time, I know we cannot afford to ‘slow down’ our joint efforts on making our economies more sustainable, including the food system. While many countries are suffering from another summer of extended drought conditions, the real threat that climate change presents to our food production systems leaves no option but to accelerate the pace of transition. In the past year, we have seen the first concrete ideas about the future EU Sustainable Food Systems Framework emerge, via the first round of stakeholder consultations. We fully understand the reasoning and argumentation for developing an ambitious path towards more sustainable food systems, however we would also like to highlight some words of caution.

Whereas the General Food Law and its key pillars and principles (operators’ responsibility, scientific evidence and risk-based approach, traceability) should be considered as a source of inspiration, it is important to also evaluate certain shortcomings which could hamper the development of the new framework for sustainable food production. We have called for caution for example when it comes to requiring mandatory third-party sustainability assessments, which may quickly become an obstacle to innovation. Under certain circumstances, voluntary initiatives have proved to be more successful to implement more effective, sustainable production methods. This would also be more in line with the approach of continuous improvement, which is fundamental in achieving measurable levels of sustainability, as the science behind measuring progress is constantly evolving, in particular in the area of lifecycle

assessments. So-called “pull measures” encouraging and incentivising the implementation of these voluntary initiatives should become the gold standard, while legally binding requirements should be limited to setting principles and harmonised reporting obligations.

Likewise, we would like to warn against a number of increasingly popular supposed-to-be silver bullets such as reduction of meat consumption, end of ‘factory farming’ or stimulating meat substitutes. These concepts are presented as ‘de facto’ sustainable, but their impact and fitness in a global context is clearly lacking, especially regarding the social and economic pillars. It is therefore essential to work on other solutions, in particular technical innovation and improved practices.

For this reason, FEFAC welcomed the initiative of the European Commission to co-develop with food chain stakeholders the **EU Code of Conduct for Responsible Business & Marketing Practices**, launched on 5 July 2021 and co-signed by FEFAC. The release of the EU Code of Conduct makes it clear that FEFAC rightly anticipated the need for the kind of proactive sustainability agenda setting and reporting what we did with the Feed Sustainability Charter 2030 as from September 2020. It allows us to continue to shape our vision that animal nutrition is part of the solution to a successful transition towards more sustainable livestock & aquaculture chains, contributing to the EU Green Deal Objectives, the UN Sustainable Development Goals and now also the EU Code of Conduct for Responsible Business & Marketing Practices aspirational objectives.



**Asbjørn Børsting**  
FEFAC President

## Ambition 1

# Contribute To Climate-Neutral Livestock & Aquaculture Production Through Feed

With the PEFCR Feed for Food-Producing Animals and the GFLI Database, feed companies have two complementary tools to help them model, calculate and report the environmental impacts of their compound feed production, up to farm gate level. FEFAC has been delivering on its commitment facilitating the uptake of these tools by feed companies, with a new webinar held jointly with the American Feed Industry Association in October 2021. FEFAC and the GFLI both released communication material in the past year to assist feed operators and relevant stakeholders with their understanding of the PEFCR Feed and the GFLI Database as key tools in fostering environmental emission reductions.

### EU Green Deal

Achieving Climate Neutrality

Reduce the environmental & climate footprint of the EU food system

### UN Strategic Development Goals



### EU Code of Conduct for Responsible Business & Marketing Practices

A climate neutral food chain in Europe by 2050



The announced EU Sustainable Food Systems Framework includes the ambition to reduce the environmental impact of emissions related to food production. The forthcoming discussions will undoubtedly put the consumption of animal products even more in the spotlight which is already the case. Although the appropriate nuance in the debate is often lacking, there does lie a key responsibility for the European feed industry to deliver the tools and solutions that can provide a credible and measurable way to make livestock farming with reduced emissions generated by the feed supplies part of a sustainable food system approach.



On 19 October 2021, FEFAC co-organised a **webinar** again with AFIA (American Feed Industry Association) on feed industry contributions to help animal production reach zero-net GHG emission targets. The webinar was held shortly prior to the UN Food Systems Summit and the UN Climate Change Conference (COP26) in Glasgow. It included contributions from Lyndsay Chapman (Chief Executive, CIEL), Nick Major (FEFAC Board Member / GFLI Chair), Ruud Zanders (Founding Partner of Kipster) and Sam Wildman (WWF US).



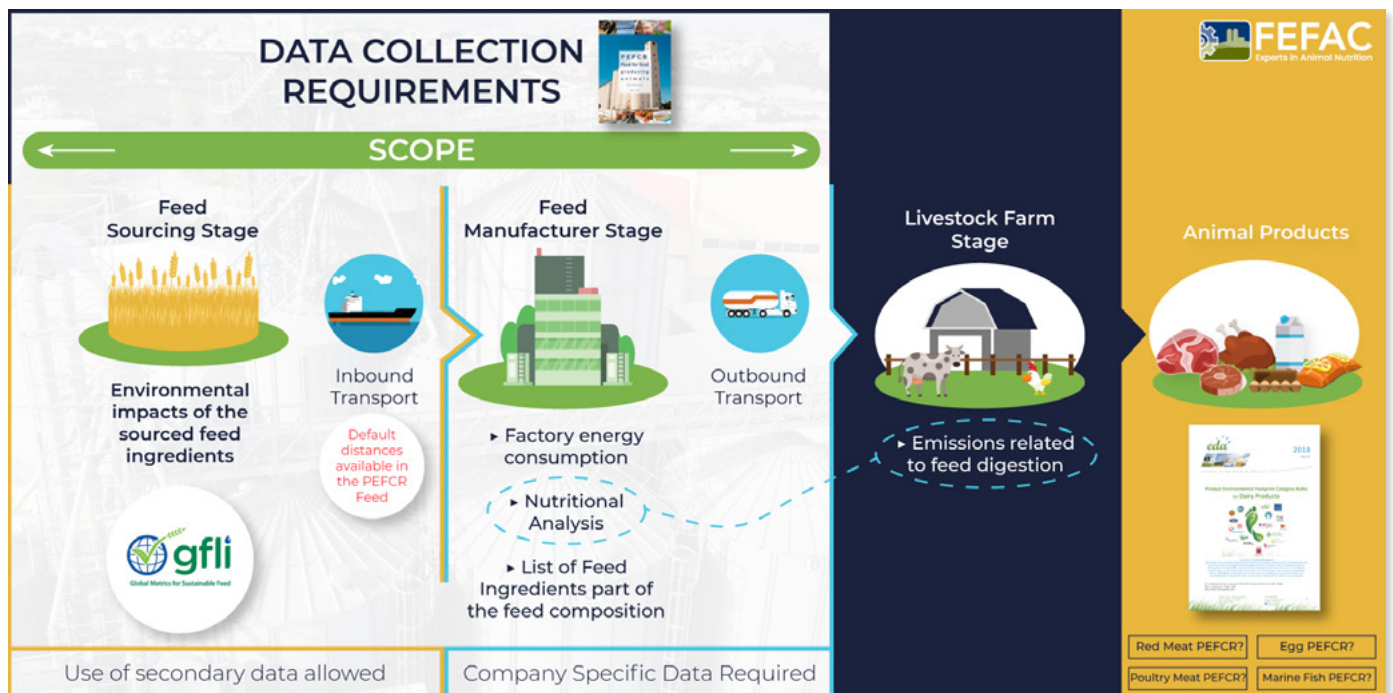
On 27 October 2021 FEFAC published two factsheets with a view to helping compound feed manufacturers with their understanding of the PEFCR Feed for Food-Producing Animals, which contains the methodology (i.e. rulebook) for how to measure and calculate the environmental footprint of animal feed production. The factsheet **“Key elements in data collection for PEFCR Feed”** intends to highlight in which aspects feed manufacturers need to collect company-based information if they want to perform

environmental footprinting in line with the PEFCR Feed. At the same time, it shows what they can use secondary (default) data for, such as the environmental impacts of the sourced feed ingredients used in a feed formulation. For this purpose, companies can make use of the GFLI Database.

The factsheet **“Step-wise engagement plan for feed manufacturers on environmental footprinting”** intends to present feed manufacturers with an indication of where to start when it comes to environmental footprinting and set out a work plan in line with their company level of ambition. It is highlighted that feed manufacturers should realise that ‘working with the PEFCR Feed’ in practice can mean embarking on a learning journey that starts with establishing a baseline, continues with the identification of directions for improvement and ends with making reliable environmental footprinting information readily available to farmer customers.



The **GFLI**, of which FEFAC is a founding member, also made documents available to support the understanding of the GFLI Database, first of all with a **video** featuring GFLI Chair Nick Major. A **Q&A** document addresses matters such as how to access the GFLI database, what to do when a feed ingredient is missing



and how the GFLI database differs from other databases. A more technical **Guidance Document** was also released which explains how to read the Lifecycle Impact Assessment (LCIA) excel document. It addresses points on how to understand the different possible allocation methods to choose from, the environmental impact categories in the LCA datasets and how feed manufacturers could use the GFLI LCA Database.



The GFLI has also further expanded its membership in the past year and the GFLI Database has integrated new, primary data on blood-based animal proteins and former foodstuffs. The fact that these datasets are built on primary data collected by companies, indicates they are of very high quality. On 27 January 2022, the GFLI announced the launch of the branded data pilot. Branded data is defined as lifecycle inventory/impact assessment (LCI/A) data for a feed ingredient marketed under a certain brand and owned by a company or entity, using as much primary data as possible. It allows producers of feed ingredients to be transparent about the impacts of their specific products and provides credibility to their customers. Branded data is currently not widely available or used in existing life cycle datasets, therefore the pilot phase was initiated.

The GFLI is working on a comprehensive database update for the year 2022. The update includes renewal of background data, the inclusion of new datasets, methodological updates, and small alterations to the LCIA document to increase user friendliness and transparency. A new Methodology & Procedures document will be published in response to the update.

The new frontier in environmental impact modelling is the accurate and truthful measurement of the impact of innovative feed ingredients and feeding strategies on reduced GHG and ammonia emissions at livestock farm

level, following feed digestion. In the PEF Technical Advisory Board Agricultural Modelling Working Group (PEF TAB AWG) led by the European Commission, FEFAC has been directly engaged in the modelling of methane and nitrogen emissions at farm level following feed digestion. On 7 July 2022, a progress report was delivered suggesting the ways forward, including the possibility to use, in the short-term, Tier 2 or even Tier 3 methodologies that could take into account mitigation options such as specific feed formulations (high starch and fat levels) or feed constituents (e.g. enteric methane inhibitors).

FEFAC is member of IFIF, the International Feed Industry Federation, who is an active participant in the important work of the LEAP Technical Advisory Group (TAG) on Methane, which brings together 59 science experts spread across 23 countries in four continents: Africa, Asia, Latin America, Oceania, and North America. Through a series of meetings, the experts drawn from different institutes/universities, governmental organisations, private sector, civil society organisations, and non-government organisations, are looking into methane sources in agriculture, discussing soundness and fitness for the purpose of climate change metrics, and the mitigation strategies to cut down methane emissions. IFIF contributed to the publication of two reviews which directly came out of this LEAP work, one in the *Journal of Animal Science* on the methods for measuring methane published in July (volume 100, issue 7, 1–22) and another one in **Journal of Animal Nutrition** on mitigation options for reducing methane emission, including feed related mitigation options, under final review.

Internally, FEFAC has been investing a lot of time in exploring the practical functioning of the PEFCR Feed in terms of green feed labelling towards livestock farmers, including workshops with direct chain partners (Copa-Cogeca and FEFANA), which is expected to translate within coming months into professional recommendations to operators within the framework of the joint Copa-Cogeca/FEFAC code of good labelling practice. FEFAC anticipates that the PEFCR Feed will play a key role in the justification of voluntary labelling information and green claims used in compound feed production. FEFAC, as coordinator of the PEFCR Feed Technical Secretariat, has also been advancing the work on the technical upgrade of the PEFCR Feed itself, which is foreseen to be completed by the end of 2022.

**Ambition 2**

# Foster Sustainable Food Systems Through Increased Resource & Nutrient Efficiency

With the publication of the Feed Sustainability Charter, FEFAC took on the challenge to develop the best indicators to determine resource and nutrient efficiency in compound feed production. Following the exploration of co-products and human inedible feed in recent years, FEFAC worked out a framework to determine “circular feed” in a publication released in June 2022. Although it is still a work in progress, FEFAC believes the concept of circular feed provides the best approach to optimise the role of compound feed production in the circular economy.

**EU Green Deal**  
 Reducing the excess of nutrients  
 Boost a circular bio-based economy  
 Reduce food waste

**UN Strategic Development Goals**




**EU Code of Conduct for Responsible Business & Marketing Practices**  
 Enhancing circularity and resource efficiency




On 31 March 2022 FEFAC held a **webinar**, moderated by FEFAC Feed Safety Committee Chair Angela Booth, to introduce the topic of circular feed at European level. In a keynote presentation, Dr Martin Scholten (Wageningen University) showed that livestock production is a factor of optimisation of circular bioeconomy. The webinar provided a podium to representatives from the insects, algae, recycled phosphates and former foodstuff processing sector to showcase their solutions for increased circularity through feed for food-producing animals. The webinar showed the strong interest from the different sectors in exploring the future possibilities with an EU regulatory framework that facilitates the uptake of feed ingredients emerging from the circular economy.


FEFAC used the webinar as inspiration for the development of a **publication on Circular Feed** on 13 June 2022, including a practical interpretation and illustration of the circular feed concept, built on 4 key components.

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Food/feed grade status


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Land use ratio

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The proximity of origin to feed mill

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Nutrient digestibility

The publication showcases examples of nutrient recovery already taking place today and considers the future of circular feed and the development of a robust circular feed indicator. FEFAC argues that the EU Sustainable Food Systems Framework should enable the further optimisation of the feed sector’s circular economy

potential when it successfully passes the independent risk assessment for safety. FEFAC recommends a critical review of current bottlenecks in the EU regulatory framework that restrict circularity in EU food systems through animal nutrition, as there may be cases where regulatory restrictions are no longer justified by safety concerns, considering that certain safeguard measures were established at a time when technology, traceability and control capabilities were not at the level of efficiency and accuracy they have reached now.

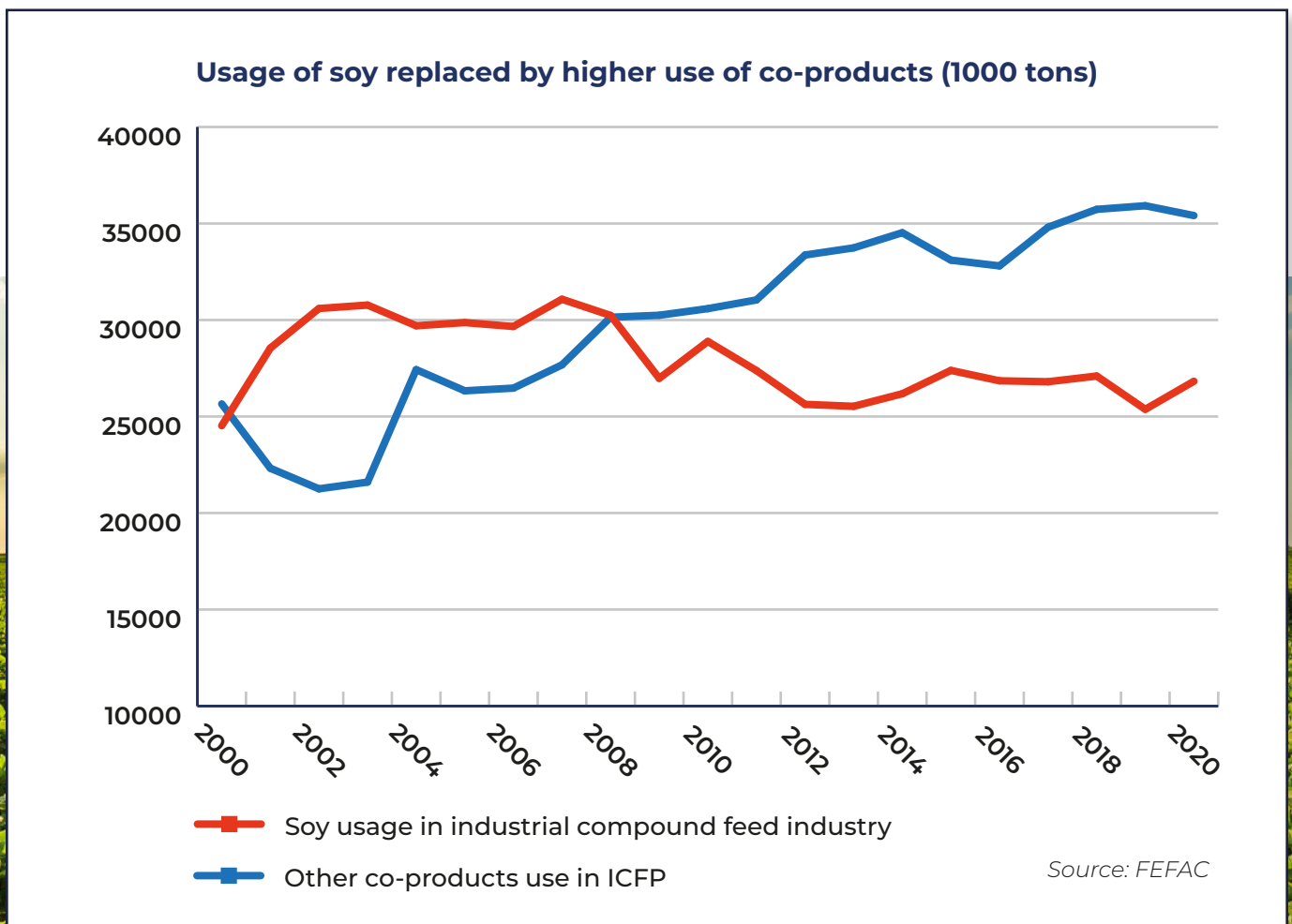
These restrictions have their justifiable origin in terms of direct feeding to farm animals, however, circular economy thinking should trigger the exploration of whether the outright exclusion of any feed chain use of certain potential feed material sources is still warranted. Technological innovation and developments are showing that intra-organism upcycling of what currently is classified as a ‘waste stream’ holds the potential to produce safe, valuable nutrient sources with a purpose in animal nutrition. In any case, the possible approval of the use in the feed value chain of currently unauthorised substances and products should be subject to an EFSA risk evaluation to determine the safety of the practices.

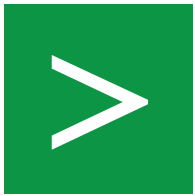




FEFAC is currently also directly involved in EFSA projects that target the impact of increased circular economy practices on feed safety. Recent regulatory decisions allowing wider use of former foodstuffs containing ruminant gelatine, insect meal and porcine and avian processed animal proteins in monogastric species are positive examples of such a risk-based approach including 'circular feed considerations'. If the downstream market acceptance has been established, the feed industry has shown it will accommodate its sourcing patterns for these kinds of high-value nutrients, as currently for example approximately 100.000 tonnes of porcine and avian processed animal protein are already used in European aquafeed. Over the years, the European feed industry has managed to bring down the usage of soy in feed formulations thanks to the incorporation of so-called 'co-products'.

We do note with concern that the availability of circular feed is increasingly threatened by other "non-food" uses in the bio-economy. In the past year, FEFAC has received indications that what the feed sector would consider circular feed sources is increasingly absorbed for anaerobic digestion purposes to produce biogas. The new EU political ambitions for increased EU feed autonomy and EU energy autonomy may lead to potential conflicts. FEFAC strongly argues in favour of upholding the **food waste hierarchy** as a key reference and prompts the establishment of a comprehensive EU biomass factsheet covering all feedstock sources and their destinations (e.g. food, feed and bioenergy) production to allow for informed decisions on sustainable biomass use.





## Ambitions for a sustainable Danish feed production

DAKOFO – the Danish Grain & Feed Association - is fully committed to support the FEFACs Feed Sustainability Charter 2030. In addition to the engagement with the five ambitions in the charter on both national and European level – the Danish feed industry and DAKOFO are dedicated to fulfilling several important commitments that are facilitating the transition to a more sustainable feed production by increasing resource efficiency, reducing the environmental and climatic footprint and improving the responsibility in our industry. Through our commitments, the feed industry strives to support the livestock sectors in their transition to a more sustainable production. At the same, our commitments are supporting the five ambitions in the FEFAC 2030 charter. To ensure a sustainable direction for the future of Danish feed the Industry and DAKOFO have **10 key priorities**:

### A sustainable protein mindset

1. Increase the national protein supply toward 2030 with 350.000 t Danish produced proteins with low environmental and climate footprint. This will be guided by DAKOFO´s protein strategy building on 6 pillars boosting protein production.
2. Promote responsible sourcing practices through FEFAC Soy Sourcing Guidelines - no later than 2025 all soy sourcing to Denmark will follow the SSG and deliver on "no conversion".
3. The feed sector will develop precision feed solutions that has the potential to reduce protein levels in the feed while maintaining the productivity. This will be achieved through further investments in research, innovation and through new innovative feed processing technologies.

### Improve and innovate feed efficiency and feed materials

4. The feed sector will exploit further potentials within the concept of circular feed – providing an optimized nutrient recovery through animal nutrition. The feed sector is committed

to enhance resource use efficiency by increasing the use of co-products (non-human consumable feed materials).

5. The feed sector is committed to supply feed solutions that will support an improved feed conversion rate (+ 1 % yearly) for pigs. Hence, improving the resource use efficiency at farm level through innovative feed solutions.
6. In 2022 zinc oxide can no longer be used for piglets. The feed industry is committed to provide feed solutions that support healthy piglet weaning – without an increase in the use of antibiotics (at weaning).
7. The feed sector is committed to support the resilience in the livestock sectors through activities supporting safe, secure, and robust sourcing of feed materials that provides security in the supply chain for the livestock sectors.

### Strategies for reducing environmental and climate footprint

8. The feed sector will exploit potentials for increasing the use of knowledge from feed related research in order to boost science based innovative feed solutions that will directly lead to a reduction in the loss of nutrients and lower the emissions from livestock production.
9. The feed sector is fully engaged in the implementation and further development of tools (PEFCR + GFLI) to evaluate the environmental and climate footprint of feed solutions. These tools are already gradually being implemented by the industry. However, there is still a need for further development.
10. The feed sector is committed to find solutions to decrease the use of plastic packaging materials – and to develop and implement an industry model for the recycling and reworking of packaging materials in order to decrease the footprint from the use of fossil-based plastic packaging material.

# Ambition 3

## Promote Responsible Sourcing Practices

Within a year of the release of the upgraded FEFAC Soy Sourcing Guidelines in February 2021, FEFAC saw a large number of applications for benchmarking from responsible soy schemes and programmes, with most of them offering ‘conversion-free soy’. As regards the topic of deforestation-free soy, the legislative proposal by the European Commission for deforestation-free supply chains released in November 2021 dominated much of the discussions.

**EU Green Deal**  
Reduce the EU’s contribution to global deforestation & forest degradation

**UN Strategic Development Goals**



**EU Code of Conduct for Responsible Business & Marketing Practices**

Sustainable sourcing in food supply chains

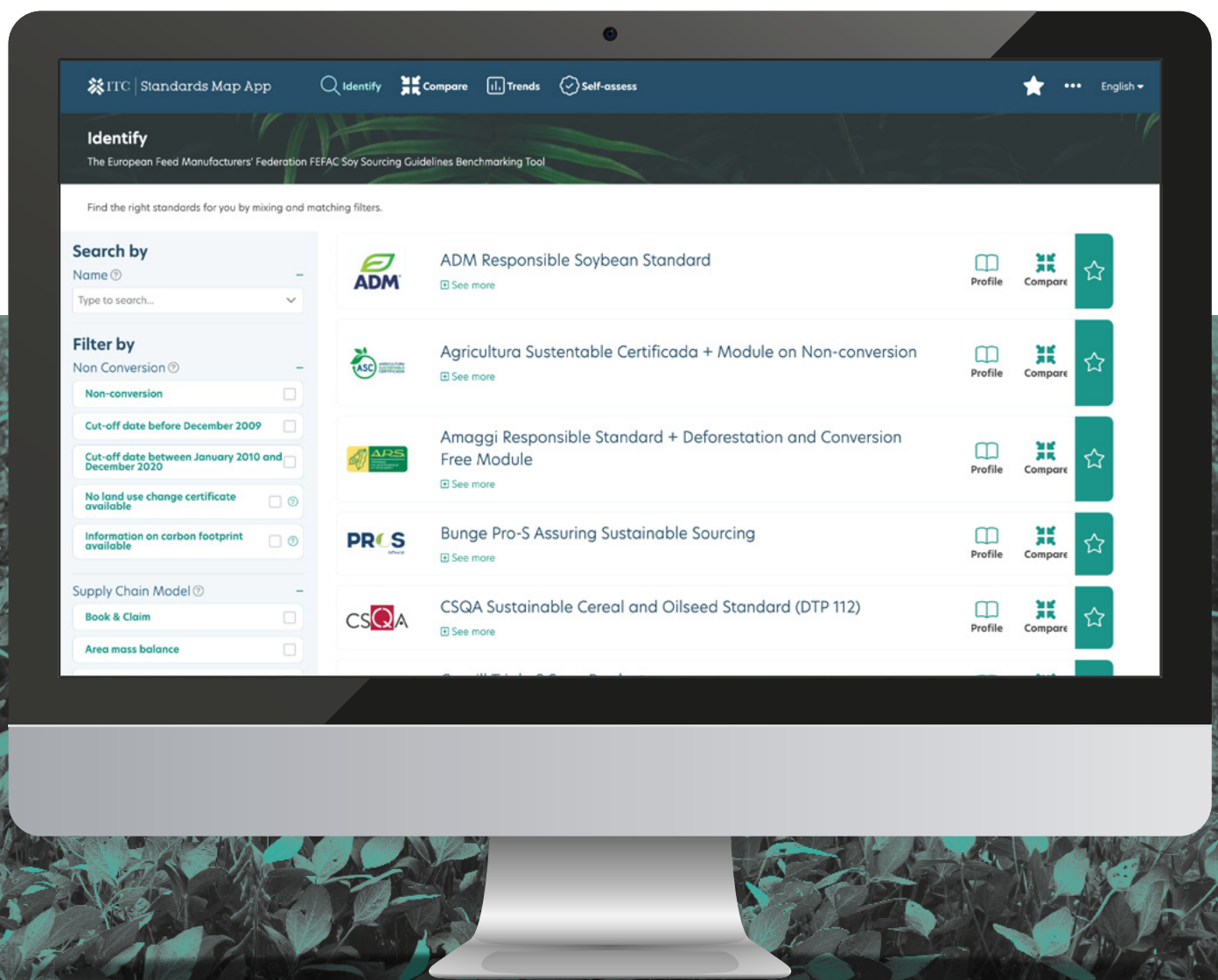


The **FEFAC Soy Sourcing Guidelines 2021** are a benchmarking reference point for responsible soy schemes. The FEFAC Guidelines contain 73 criteria in total, with 54 essential and 19 desired criteria. They cover Responsible Working Conditions, Environmental Responsibility, Good Agricultural Practices, Respect for Legal Use of Land and Protection of Community Relations. By April 2022 there were 20 schemes and programmes that had successfully passed the independent benchmarking process facilitated by the **International Trade Centre** (ITC – a WTO subsidiary to facilitate sustainable trade). The key responsible soy schemes and programmes clearly saw great merit in going through the benchmarking exercise, which is seen as a recognition of sustainable soy production.



19 out of 20 schemes also comply with the specific desired criterion on conversion-free soy, meaning they offer responsibly produced soy grown on land that didn't come at the expense of any (illegal or legal) conversion of natural ecosystems (i.e. including non-forest native vegetation in the Cerrado Biome) as from a specific cut-off date (December 2020 as the latest possibility). All schemes having successfully applied and passed the benchmarking process are displayed in the updated **FEFAC Soy Sourcing Guidelines Benchmarking Tool** on ITC Standards Map. The tool includes a filter system for schemes providing conversion-free soy, which allows users to select between the different supply chain models and two periods of cut-off dates.

Considering the interest shown in the Soy Sourcing Guidelines 2021 by many stakeholders and downstream market partners, FEFAC considers that the revised tool has successfully created increased market transparency on responsible and conversion-free soy production. Based on the benchmarking results, it is clear now that there is a mainstream market offer for responsibly produced & conversion-free soy with a cut-off date before December 2020, sufficient to cover the needs of the European feed industry. FEFAC will perform a mid-term review in the 2<sup>nd</sup> half of 2022, with a view to convert the desired criterion on conversion-free soy into an essential one as well as improve the verification requirements.

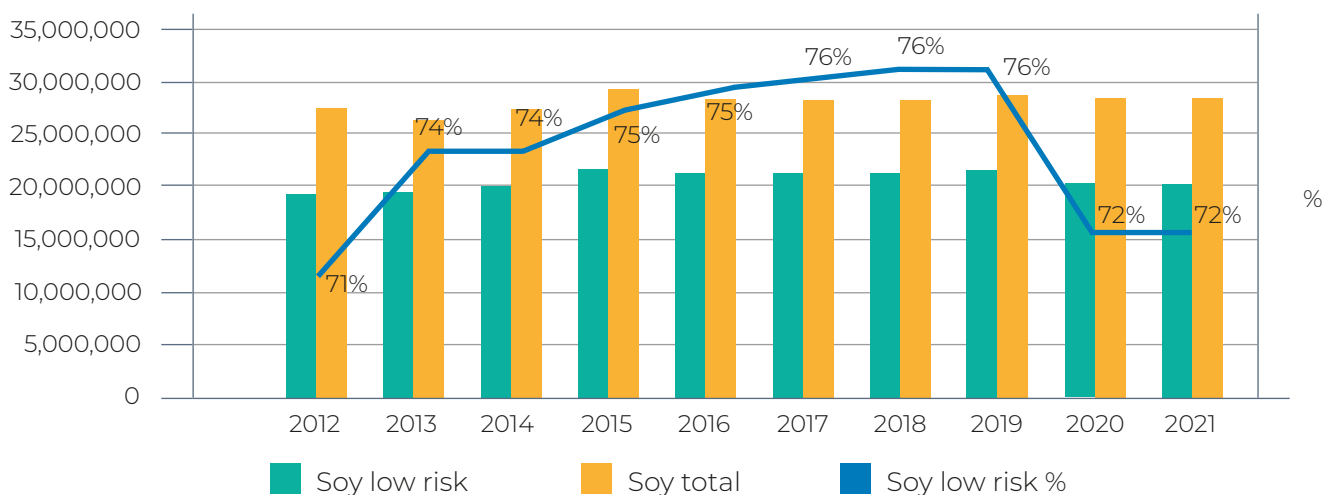




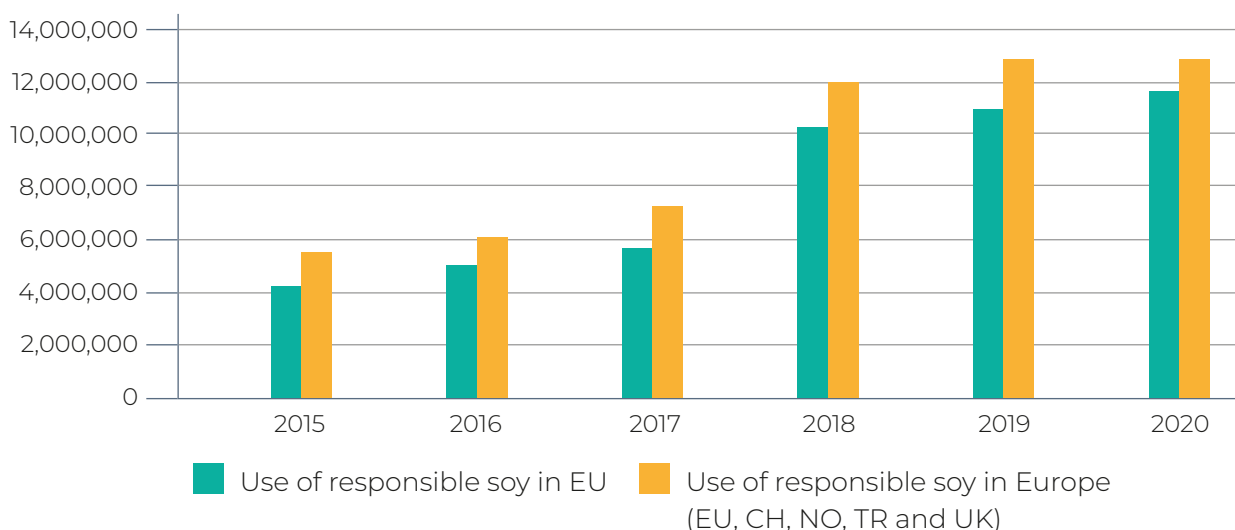
FEFAC has been actively engaging on the European Commission legislative proposal for deforestation-free supply chains, released in November 2021. FEFAC has coordinated intensively with FEDIOL and COCERAL as soy value chain partners, but also with the European Coffee Federation (ECF) and the European Cocoa Association (ECA). Jointly with ECF and ECA, FEFAC also supported a series of webinars on deforestation-free supply chains organised by ITC in the period March-June 2022, which highlighted the need from a cross-commodity perspective for further tailor-made improvements of the European Commission proposal to ensure that EU measures lead to a real change on the ground in exporting countries as regards the political ambition to halt deforestation. Deforestation-free supply chains were one of the two key topics at the FEFAC-Nevedi Annual Conference organised on 2 June 2022.

FEFAC in principle supports a legal framework for deforestation-free supply chains to provide a level playing field for value chain partners and EU livestock farmers. FEFAC has however argued that this legal framework needs to be implementable, with workable traceability requirements that are linked up with an existing chain of custody model. The recognition of currently available private sector certification and verification systems would help to accelerate the mainstream market transition, without disrupting existing supply chains which are under huge strain since the Russian invasion of Ukraine. Data collected by FEFAC indicate that the use of responsible soy by the European feed industry has steadily increased in recent years and the exposure to deforestation risk areas has declined.

**Soy import to EU 27: low deforestation risk areas** *Source: FEFAC*



**Use of responsible soy by Industrial Compound feed industry** *Source: FEFAC*





## 66<sup>th</sup> FEFAC Public Annual Meeting, jointly organised by FEFAC and Nevedi



FEFAC and Nevedi, representing respectively the European and Dutch feed industry, co-organised the 66th FEFAC Public Annual meeting on 2 June 2022 in Utrecht, during the VICTAM/VIV Europe Expo. The conference theme was “EU Food & Feed autonomy in times of geopolitical crisis” and was attended by approximately 200 delegates. Highlights from the event can be viewed [here](#).

### Session on Impact on EU feed sector resilience and EU Green Deal targets for the EU livestock sector

Wolfgang Burtscher, DG AGRI Director General, gave the keynote speech, presenting the range of crisis measures that the European Commission developed recently in support of assuring food and feed security in Ukraine, the EU and at a global level. In the first panel session, the panellists Guido Landheer (Dutch Farm Ministry Deputy Director-General), Asbjørn Børsting (FEFAC President), Nick Major (GFLI Chair), Marije Klever (Chair of the Dutch Young Farmers Association NAJK) and Henk Flipsen (Nevedi Director) discussed the impact on EU feed sector resilience and EU Green Deal targets for the livestock sector together with Wolfgang Burtscher.



feed  
times  
al crisis

#FutureOfFeed



## Session on Impact on new EU Due Diligence requirements on feed supply chains

The second panel session discussed deforestation-free soy supply chains and was introduced by a (video) statement from Rasmus Prehn (Danish Minister for Food, Agriculture & Fisheries). He highlighted his country's support for the introduction of due diligence and traceability requirements in the European Commission's proposal for deforestation-free supply chains. The panellists Heleen van den Hombergh (Coordinator Collaborative Soy Initiative and Dutch Soy Platform & agro-commodity advisor IUCN Netherlands), Guilherme do Couto Justo (IDH Soy Programme Manager), Hugo Byrnes (Ahold Delhaize Vice-President Product Integrity), Jim Sutter (CEO US Soybean Export Council), Wei Peng (Soft Commodities Forum, LDC group) and Nicolas Coudry-Mesny (FEFAC Vice-President) pointed to practical challenges and unintended consequences of the European Commission proposal for deforestation-free supply chains.





## Ambition 4

# Contribute to Improving Farm Animal Health & Welfare

Antimicrobial Resistance (AMR) is a topic that continues to be of key importance, with the European Commission committed to the full implementation of the European One Health Action plan against AMR. This is also supported by the EU Farm to Fork Strategy, which includes an aspirational target of reducing overall EU sales of antimicrobials for farmed animals and in aquaculture by 50% by 2030. FEFAC remains committed to highlight the role of animal nutrition as part of the solution to enhance in particular farm animal gut health, which is fully recognised by EFSA as part of disease prevention measures which help to reduce the need for antibiotics.

### EU Green Deal objectives

Reduce overall EU sales of antimicrobials for farmed animals & in aquaculture by 50% by 2030

Improve animal welfare

### UN Strategic Development Goals



AMR is the ability of microorganisms to build resistance to antimicrobial treatments, especially antibiotics. It has a direct impact on human and animal health and carries a heavy economic burden due to higher costs of treatments and reduced productivity caused by sickness. The use of antimicrobials in livestock farming is increasingly scrutinised and further restrictions have been announced, including the agreement on 4 July 2022 requiring Member States to establish a list of antimicrobials that are to be reserved exclusively for treating certain infections in people, prohibiting the sales of veterinary medicinal products containing these antimicrobials.

The role animal nutrition solutions can play to enhance animal health, in combination with measures related to i.a. biosecurity, genetics and farm management, was again underlined in the past year in a new publication by the FAO on “**Animal nutrition strategies and options to reduce the use of antimicrobials in animal production**”. The publication highlights that nutrition affects the critical functions required for host defence and disease



resistance. It is recommended that animal nutrition strategies aim to support these host defence systems and reduce the risk of the presence in feed and water of potentially harmful substances, such as mycotoxins, anti-nutritional factors and pathogenic bacteria and other microbes. General dietary measures to promote gastrointestinal tract health include the selective use of a combination of feed additives and feed ingredients to stabilise the intestinal microbiota and support mucosal barrier function. The positive role that animal nutrition can play in reducing the need for antimicrobial treatments and the role that feed manufacturers play in advising farmers on best feeding strategies is the main motivation for FEAC to engage with other EU organisations of the livestock chain in the European Platform for Responsible Use of Medicines in Animals (EPRUMA).



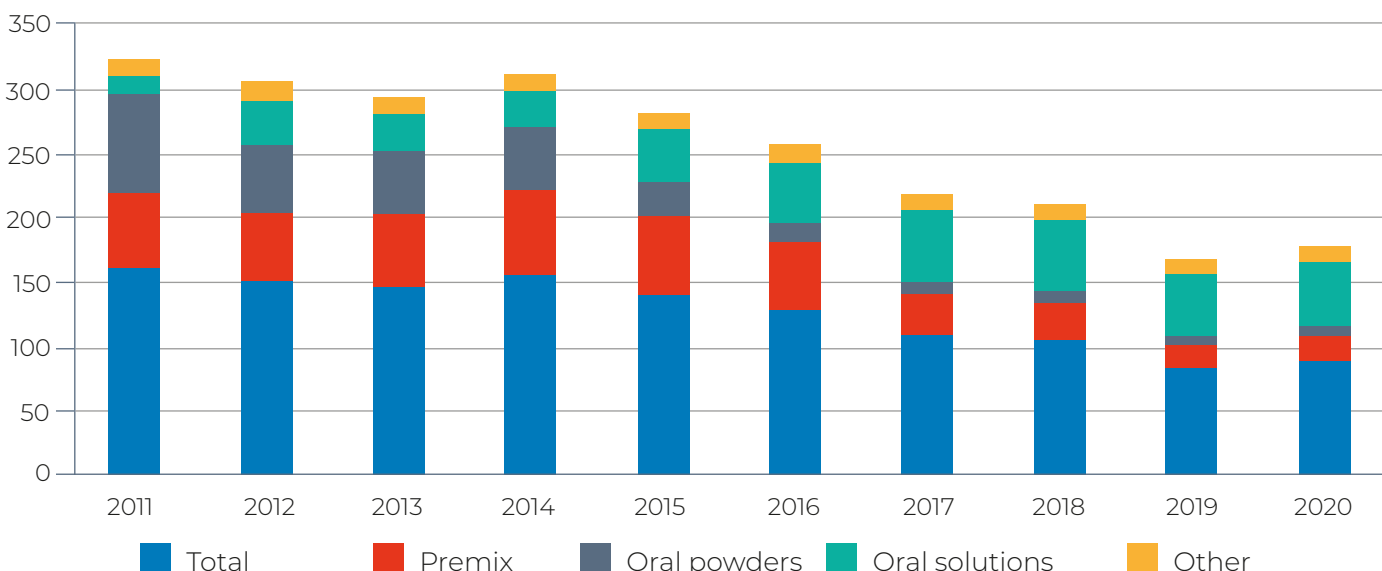
of antibiotics delivered via medicated feed should not remain an objective per se, as the key indicator for improvement is the overall use of antibiotics. As data collected by ESVAC show, there is a clear trend to a steady reduction in the total use of antibiotics in food-producing animals by 45% in 10 years' time.

In July 2022 the European Commission published its **6th Progress Report** on the implementation of the European One Health Action Plan against Antimicrobial Resistance (AMR), adopted in June 2017. It includes information about research projects that provide alternative strategies to using antimicrobials in animal husbandry, including animal nutrition solutions. Some of these were earmarked among the **100 Good Practices** for the reduction of the need for antimicrobial treatment within the framework of the EU-funded research project DISARM, which was concluded in 2022. Other research projects such as **ROADMAP** or **AVANT where FEAC is involved as member of the Stakeholders Advisory Board**, are also looking at alternative strategies to antimicrobials, with a focus on animal nutrition solutions, and will deliver their conclusions in 2023.

Animal nutrition strategies can make a significant contribution to reducing the need for antibiotics at farm level, although the correlation cannot be directly measurable as is the case for other preventative measures. The use of antibiotics in medicated feed premixtures, subject to veterinary prescription, has decreased according to data collected by the EMA in its annual ESVAC report (European Surveillance of Veterinary Antimicrobial Consumption), with one-third of the amount that was used in 2011. However, the reduction

The upcoming review of the EU feed additives legislation can help to add an important element to the toolbox of animal nutrition solutions. FEAC expects that the review will provide more clarity on claims and the efficacy testing requirements. In addition, new functional groups and a quicker approval process are needed to improve the range of innovative feed additives available on the market for compound feed manufacturers.

**Evolution of use of antibiotics in food producing animals in 31 European countries per route of administration (mg/PCU)** *Source: ESVAC*



## Ambition 5

# Enhance the Socio-Economic Environment and the Livestock & Aquaculture Sectors' Resilience

The European livestock sector has continued to face severe socio-economic challenges in the past year, impacting its resilience, linked to the general market situation for feed materials supply and expanding animal diseases. While global grain markets were already on a rally at the end of 2021, the Russian invasion of Ukraine exacerbated the already strained supply chain conditions. This has further highlighted the EU's strategic import dependency on critical feed and food ingredients which was presented in the EU communication on its contingency plan for ensuring food supply and food security in times of crisis in December 2021 and again in its latest EU communication on food security and reinforcing the resilience of food systems in March 2022 following the Russian aggression of Ukraine.

**EU Green Deal**  
 A robust and resilient food system  
 Improve the incomes of primary producers  
 Reinforce the EU's competitiveness



**EU Code of Conduct for Responsible Business & Marketing Practices**  
 Sustained, inclusive and sustainable economic growth, employment and decent work for all  
 Sustainable value creation in the European food supply chain through partnership



In 2021, farmers already witnessed very high feed prices. The situation has been further intensified with the Russian invasion of Ukraine, but also due to restrictions on the movement of cereals by third countries and even by some Member States. This disruption of supplies is creating a market imbalance, both in terms of price and volume. The feed price has increased by 20 % and 40% on average in the EU. Countries that are highly dependent on raw material imports are even more affected. Given that feed represents on average around 60-70% of the production costs, the situation is especially complicated for monogastric sectors. Lastly, feed availability might be further constrained in Mediterranean countries due to drought problems in 2022.

At the beginning 2022, the European Commission established the new platform on the **European Food Security Crisis Preparedness and Response Mechanism** (EFSCM), composed of EU Member States, non-EU states representatives and private sector experts from food value chain organisations. In this platform, FEAC regularly contributed by providing advice and expertise to the European Commission in relation to the implementation of Union legislation, programmes and policies concerning Union preparedness for, and response to, food supply and food security crises. Although the overall EU self sufficiency in feed protein is relatively high (78% – source **DG AGRI EU Protein Balance Sheet**), it is clear that following EFSCM meetings, the EU feed sector is referred to as one of the key sector to address strategic dependency on imports of Hi-Pro feed materials and essential feed additives among others. Therefore, the Commission will include indicators on feed cost, availability & import dependency within an upcoming specific dashboard for monitoring food supply and food security (Q1 2023).

COVID-19 was the clear driver for food security discussion at a global level until February 2022. The Russian invasion of Ukraine at the start of 2022 exacerbated existing global supply chain problems, in particular in the energy and fertiliser sectors on top of the sudden loss of large volumes of Black Sea grain. As far as the EU feed sector is concerned, the impact was on the supply of maize and sunflower meal/oil, including organically produced. The missing maize supply could be partially compensated by increased imports, mainly from

North-America, but also from Brazil and other origins. Additional market pressure and supply chain constraints were recorded for certain macro and micro-ingredients such as phosphates, vitamins or amino-acids, for which the EU is extremely dependent on the global market, and also for organic feed materials. Key logistical challenges are persisting on how to move existing grain stocks out of Ukraine via the EU solidarity lanes and more recently the JCC “Black Sea grain corridor” and will continue to impact market availability in the new Marketing Year, also due to reduced Ukrainian grain harvest.

Livestock farmers in several countries are under severe pressure in these economically challenging times, while in some countries also environmental related pressures are added to the mix. Consumer prices of animal products have started to reflect the cost increases, which is necessary for the economic viability of the livestock value chain, however they do not cover the cost increases linked to higher energy and feed grain prices. At the same time expanding contaminations of African Swine Fever and Avian Influenza in many EU Member States severely impact pig and poultry production, thereby reducing demand for compound feed.

While the livestock and feed sectors will need to trigger all emergency measures to withstand the many challenges, innovation may be the only real way to overcome them. The push for more EU food and feed autonomy will need to allow for the legislative stars to align to bring the best innovative solutions to the table.

**Manufacture of prepared animal feeds**  
**EU-27 price index (Index 100 = January 2005)** *Source: FEAC*





It remains important to demonstrate to policy makers how livestock farmers are trying to achieve progress, for example at the field visit organised by the European Livestock Voice on 7 December 2021 for European Commission 1st Executive Vice-President Frans Timmermans. Earlier in this progress report, we already pointed to the need for the EU to reflect on the regulatory restrictions that inhibit circular feed approaches and are no longer justified by safety considerations. In an intra-organism, one nutrition approach, it should be explored whether feed-producing organisms like insects, algae and single cell protein could be fed on resources that are not eligible for direct feeding to food-producing animals, such as former foodstuffs with meat or fish, or manure.

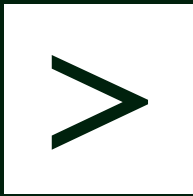
At the same time, a large quantity of feed ingredients is still expected to come from crop cultivation. The development of new genomic techniques provide the most promising potential for many years to grow crops on EU territory with traits favourable to feed use. A fu-

ture legislative framework on new genomic techniques that allows for innovations at reasonable investment costs may well see EU crops delivered with higher yielding varieties and improved nutritional and technical profiles. In line with a more ambitious EU protein plan, it should become more attractive for EU farmers to cultivate oilseeds and protein crops.

As highlighted in the search for more circular feed, the drive for increased EU feed economy holds potential conflict with the drive for increased EU energy autonomy with a prominent role for biogas production. While the anaerobic digestion of manure is certainly a boon for the resilience of the EU livestock sector, the anaerobic digestion of energy-rich feed ingredients is a clear threat. There is a need for more proactive policy coordination at EU and Member States level to ensure that national renewable energy subsidies, ETS credits and exceptionally high market prices for natural gas do not provide a huge incentive for 'traditional feed ingredients' to be diverted to biogas production.







## Launch of FEFAC Feed Chats



**FEFAC**  
Experts in Animal Nutrition


In September 2021 FEFAC launched a new communication initiative called **FEFAC Feed Chats**. These short video interviews allow FEFAC to have a chat with a stakeholder about a topic that is relevant to the European Compound Feed Industry. In the past year, FEFAC recorded 8 Feed Chats.





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