



Annual Report

2018-2019

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FEFAC aisbl
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NEW EU LEGISLATURE – NEW OPPORTUNITIES



Entering my final year as FEFAC President, I'm very pleased with the progress FEFAC has been able to make on the implementation of the FEFAC Vision 2030. Our contributions to the discussions on the revised and extended EU Feed Protein Balance Sheet & CAP reform debate were openly praised by European Commissioner for Agriculture & Rural Development Phil Hogan at FEFAC's 60th Anniversary in June, providing a true highlight in our relationship with the European Commission. We're also seeing increased involvement by the feed industry at national, EU and global level (CODEX) in the discussions on the role of animal nutrition in reducing the need for therapeutic antibiotics at farm level. At the same time, the FEFAC Soy Sourcing Guidelines have seen increased recognition in the market place and by political actors, but first and foremost by over 160 of our own feed companies who have publicly committed to move towards sourcing soy meeting the criteria of our guidelines by 2025.

Writing the introduction to an Annual Report is always a great opportunity to recall the most prominent topics and events since our General Assembly in Lyon in June 2018. The first thing that comes to mind is the consistent threat of viral diseases that strongly impact our pig and poultry sectors; African Swine Fever and Avian Influenza. These viral diseases hold no hostages and lead to severe economic damages to pig and poultry farmers in various parts of the world. The European feed industry is on high alert and FEFAC has invested in providing guidance to its members on how to set up and further improve implementation of effective biosecurity plans. Though

we know feed materials are not the primary concern as an African Swine Fever contamination pathway, we must remain vigilant and stay on the forefront of scientific and risk management developments to support our pig farmer customers as best as we can.

Geopolitically speaking, we need to face the reality that politics rather than market fundamentals now dictate our trade environment. The uncertain future "deep & special" trade relationship between the UK and the EU-27 following Brexit is still leaving many operators with legal uncertainty, while the US-China tariff escalation is reshaping global supply chains. As a consequence, EU imports of US soy have increased to historic heights, although the forecast remains uncertain as trade tensions continue to evolve. Despite the turmoil, European compound feed production on average has been moderately but steadily increasing in 2018.

My final year coincides with the start of a newly-elected European Parliament and a new European Commission, which is always a time for building bridges and communication channels to the EU leadership. The general attitude towards livestock farming and the consumption of animal products seems to have become increasingly negative, mainly driven by unfair and incorrect statements, particularly on social media. FEFAC will engage with other EU associations, including Copa-Cogeca, to come to the defence of European livestock farming to better present the facts as we are collectively faced with very well-orchestrated anti-livestock campaigns.

For the coming year, we will focus on the XXIX FEFAC Congress in Antwerp in June 2020, jointly co-hosted with FEFAC member BFA (Belgian Feed Association). I am looking forward to engaging with the FEFAC members on the main topic we have set out for debate on building the FEFAC Feed Sustainability Charter 2030. The topic of sustainability is certainly not new, but it is time for the European feed industry to clearly describe what we understand to be the lead indicators that matter when we think of "sustainable compound feed production", taking a more practical and science-based approach to a legitimate societal demand.

We need to be mindful that we live in times when tackling climate change dominates the global & EU policy agenda. That is why the feed industry has been so proactive in establishing the Global Feed LCA Institute (GFLI) and its long engagement with the PEF process, so that our members have the tools available to calculate the environmental footprint of feed using a harmonised methodology and reliable feed materials database. With the political promise of new European Commission President Mrs Ursula von der Leyen for a "Green Deal" within her first 100 days in office, we know we must stay ambitious. I look forward to help FEFAC engage with the new EU decision-makers, knowing that all our members are committed to the Vision 2030 goal of our European feed industry remaining a reliable partner to its customers and EU policy makers providing effective solutions to EU citizens and our farmer customers.

Nick Major, FEFAC President

64th FEFAC Public General Assembly

On 6 June 2019, FEFAC held its 64th Public General Assembly at the Royal Art & History Museum in Brussels with the theme „Resource efficiency champions“. At this occasion, FEFAC celebrated its 60th Anniversary and the programme featured a keynote speech from European Commissioner for Agriculture & Rural Development Phil Hogan, followed by panel sessions on the EU protein supply and climate change. The event gathered around 150 delegates from across the EU and beyond.

European Commissioner for Agriculture & Rural Development Phil Hogan gave a speech on the challenges that the EU agricultural and livestock sectors face and how the Commission intends to redesign the Common Agricultural Policy (CAP) to reconcile food security with ambitious climate and environment targets. Hogan highlighted that agriculture is at the core of the global fight against climate change and loss of biodiversity. He pointed to agriculture as holding a significant share of the total EU Greenhouse Gas (GHG) Emissions, while at the same time being one of the primary victims of climate change. He welcomed the feed industry's contribution to the EU circular economy, which is a key element to meet the CAP policy ambition to accelerate transformation towards a carbon-neutral agriculture.

On CAP reform, Hogan highlighted the ambition to cover common objectives that touch upon the economic, environmental and social dimensions of sustainability. He stressed the need to uphold direct payments so farmers have a fair income to be able to fulfil the societal demands for environmental services, while continuing their main mission to ensure global food security. The Commissioner then elaborated on the "green architecture" foreseen under CAP reform to provide the tools (e.g. eco-schemes) that would allow for EU agriculture to deliver its share on environmental and climate objectives. In the context of CAP, Hogan also highlighted the contributions of Greening, Voluntary Coupled Support and Rural Development Measures to directly or indirectly support the production of protein crops, noting that EU forage production alone accounts for 45% of total EU feed protein supply.

In the 1st panel session, on the EU protein supply challenge, John Clarke (DG AGRI International Trade Affairs), Jim Sutter (USSEC CEO), Pekka Pesonen (Copa-Cogeca Secretary General) and Nick Major (FEFAC President) assessed Europe's aspirational goals to increase vegetable protein production as well as the state of play of US-EU trade relations, particularly regarding soybean imports. Jim Sutter highlighted the US soy farmers' commitment to meet EU sustainability requirements, making reference to the successful USSEC-SSAP responsible soy certification programme, which obtained formal approval under the EU Renewable Energy Directive in January 2019. Pesonen welcomed the existing EU CAP measures for farmers to grow protein crops, noting, however, that they are no panacea. He urged the incoming European Commission to clarify the situation around new



European Commissioner for Agriculture & Rural Development Phil Hogan



Pekka Pesonen, Rose O'Donovan, Jim Sutter and John Clarke

breeding techniques which are desperately needed by farmers in order to mitigate climate change impacts. This will only be possible, if some of them are kept out of the scope of GM legislation, based on their own merit in a case-by-case evaluation.

In the 2nd panel, tackling the climate change challenge, Jean-Louis Peyraud (Animal Task Force President) and Joao Shimada (Earth

Innovation Institute) joined Pesonen and Major to discuss the potential and feasibility of emission reduction strategies for crop and livestock farming. The panellists highlighted the trade-offs between different livestock systems when it comes to perceived sustainability linked to animal health & welfare and GHG emissions. They highlighted the challenges for farmers to remain competitive if they are required to invest in sustainability and they

stressed the need for a financial compensation mechanism for delivering public goods. Jean-Louis Peyraud pointed to the need to relink crop and livestock production, which should seek to further increase the share in the feed supply chain of “non-human-edible” biomass which results from crop production and food processing. Joao Shimada highlighted the joint investigation with FEFAC on carbon-neutral soy production in Brazil.

EU-US Feed Industries join forces to tackle global challenges

In the margins of the 60th Anniversary, FEFAC and AFIA (American Feed Industry Association) renewed their longstanding partnership to increase mutual cooperation on sustainable feed production, feed safety management, communication, trade and pre-competitive research. The enhanced memorandum of understanding (MoU) is expected to generate significant synergies for the respective member associations and feed companies, offering global joint project and partnership opportunities.

AFIA Board Chairman Tim Belstra & FEFAC President Nick Major



Joel Newman awarded FEFAC Honorary Membership

Following the signing ceremony of the memorandum of understanding, Joel Newman (AFIA CEO) was awarded FEFAC Honorary Membership. FEFAC praised his professional commitment to promote feed safety standards at global level with the setting up of the first International Feed Regulators Meeting (IFRM) in 2008 in Atlanta, co-hosted by FAO & IFIF. Joel Newman is the first “non-European” feed industry expert to receive the FEFAC honorary membership award.

Alexander Döring (FEFAC Secretary General) congratulates Joel Newman



African Swine Fever & Biosecurity

The porcine value chain all over the world is suffering with the devastating impact of African Swine Fever (ASF). ASF is currently present in several Central & South-Eastern European countries and Belgium (wild boar only). FEFAC and its members strengthened efforts to promote biosecurity best practices to prevent dissemination of the virus via feed deliveries.

FEFAC established a Biosecurity Task Force to monitor developments regarding spreading of viral animal diseases (ASF & AI) and to update and promote good biosecurity practices. The Task Force has been working on a recommendation for a feed biosecurity plan focussing on prevention of virus contamination at large. It addresses measures preventing the virus from entering the feed mill through incoming feed materials, but also the potential spreading of the virus from the feed mill to a farm and in between farms. In essence, all human interactions between a feed operator and a farm have to be considered as

potential transmission risk factors that need to be taken into account in any basic biosecurity plan. The recommendation is scheduled for public release later in 2019. In parallel, EFSA is expected to deliver its updated opinion on risk factors for the transmission of ASF in the second half of 2019, with a particular focus on assessing the risk with certain feed ingredients of porcine origin as well as crops, grass, straw and certain feed additives.

Part of the development of the FEFAC recommendation on biosecurity was a workshop organised by FEFAC and its Romanian member ANFNC

in Bucharest on 21 February 2019. The workshop, attended by over 80 feed industry representatives, EFSA, DG SANTE and Romanian farm Ministry experts, highlighted a series of practical recommendations from feed industry experts in different Member States on how to put in place and to keep current robust staff training programmes, cleaning & disinfection procedures and other risk management measures to prevent dissemination of viruses such as Avian Influenza or Foot & Mouth Disease, which are also applicable to African Swine Fever and other viruses.



FEFAC member contributions at Biosecurity Workshop in Bucharest on 21 February 2019

European Feed Protein Production

The discussion on boosting the growth of European protein production has shifted gears in the past year. FEFAC saw strong involvement in the activities coordinated by DG AGRI, including a presentation by FEFAC President Nick Major at the EU Development of Plant Proteins Conference in Vienna on 23 November 2018.

The European Commission provided a comprehensive, ground-breaking perspective on the so-called “European protein deficit” with the publication on the revised EU Feed Protein Balance Sheet on 20 May 2019. Thanks to the inclusion of more protein-carrying feed materials, most importantly forages (45%), it is now estimated the EU is self-sufficient for around 80% of its total feed protein requirements. Referencing FEFAC’s proposed categorisation of feed materials per protein content range (low-pro 0-15%, mid-pro 15-30%, high-pro 30-50% and super-pro >50%), clarifies that the EU is only reliant on imports for feed materials

in the high-pro segment (29% self-sufficiency). This deficit is mostly filled with imports of soybean meal. Other publications of importance in this area were the European Commission reports on the Development of Plant Proteins in Europe in November 2018 and the Market Developments and Policy Evaluation Aspects of the Plant Protein Sector in the EU from March 2019. As regards the outlook for feed markets, both reports point to the premium markets for “non-GM” and organic as the main drivers for the encouragement of EU protein crop production. The low competitiveness of EU plant protein production is considered a main obstacle for raising

the inclusion levels in conventional feed.

FEFAC has been consulted as one of the key stakeholders in the development of the DG AGRI publications over the past year, including the involvement of FEFAC experts Marek Kumprecht, Christophe Callu-Mérite and Karel van der Velden in several thematic expert workshops across the EU. FEFAC President Nick Major gave a presentation on behalf of the European feed industry at the high-level Conference on the Development of Plant Proteins in Vienna on 23 November 2018. He welcomed the initiatives to boost EU protein production, while pointing to the need for harmonisation of the rules for product claims for food of animal origin fed on “non-GM feed” to support the expectation that premium food/feed markets will be the main driver of market uptake of EU grown vegetable protein. Major also stressed the need for the EU to make use of the best that innovative plant breeding has to offer, to increase competitiveness and climate change resilience of protein crops which has been strongly compromised by the European Court of Justice ruling on mutagenesis from July 2018.



FEFAC President Nick Major delivering presentation at Plant Proteins Conference in Vienna

Environmental Footprinting

The past year has paved the road for the discussions on the future EU legislative framework, using PEF as a knowledge gathering tool, which may take shape as part of the “Green Deal” announced by newly elected Commission President Ursula von der Leyen. In parallel, FEFAC has been strongly involved in the launch of the first public version of the GFLI Database as well as the formal establishment of the GFLI as a separate legal entity.

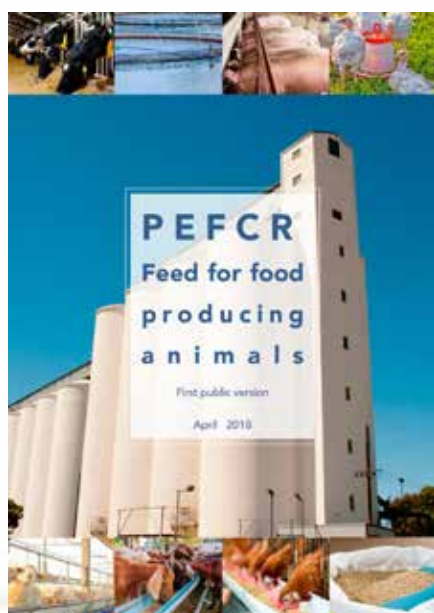
Since the start of the PEF (Product Environmental Footprint) Transition Phase in May 2018, there have been multiple political references at EU level to PEF as a means to have comparable data on environmental and climate change performance (EU Bio-economy Strategy, October 2018) and the setting of performing life cycle assessments of products as the norm in the future (Towards a Sustainable Europe by 2030, January 2019). For the future circular economy, a key role for PEF is also foreseen in an effort to enable companies to make environmental claims that are reliable, reproducible and comparable (Final Circular

Economy Package, March 2019). At the same time, the political calls for a climate-neutral Europe by 2050 and the announced action plan on protecting and restoring the world's forest are making clear that measuring sector emissions will be of key relevance to set realistic GHG emission reduction targets and promoting low-carbon production methods.

FEFAC has started to engage in discussions on the future legislative framework in the PEF Clusters on Food & Beverages. These private sector groups provide representatives to the Sub-Group on PEF of the IPP/SCP Expert Group where concrete discussions are expected to kick off as from September 2019. The IPP/SCP Expert Group is coordinated by the European Commission and has the participation of the Member States. Discussions on the technical implementation of PEF (e.g. agricultural and animal modelling) have started in the Technical Advisory Board (TAB), including Michael Marsden as FEFAC's representative. In December 2018, the first public version of the GFLI (Global Feed LCA Institute) Database was made available. This first version of the database is made up of

about 1,200 datasets of main feed ingredients used in Europe, and US crop data used as feed ingredients at state level. The GFLI Feedprint Tool is going through a testing period since May 2019 and will be a key deliverable for GFLI still in 2019. In the period 2018/2019, the formal setting up of the GFLI institute as a “non-profit” legal entity under US law by AFIA with the Secretariat provided by ABS in the Netherlands has also taken shape and a first constitutive Board meeting is scheduled for September 2019. It is expected that Feed Companies can register as members and sign GFLI Data user contracts giving access to both aggregated GFLI datasets (for free) and disaggregated LCI datasets (against a user fee) as of October 2019. This will allow them to use global feed LCA data for their own LCA calculations of their feed recipes.

The delivery of the methodology through the PEFCR Feed and the data through GFLI are crucial tools for the feed industry's contribution to assessing the emissions coming from compound feed production. FEFAC and GFLI partners will increase their efforts to improve general communication efforts in this important area.



Communication

Resource Efficiency Champions of the Food Chain

This FEFAC publication from June 2019 contains a narrative on the FEFAC Animal Feed Industry Vision 2030, photographic sessions at several compound feed manufacturers and overview pages of many FEFAC members.



Co-products, an essential part of animal nutrition

This FEFAC publication from June 2019 contains an overview of many different co-products used in animal feed manufacturing, showing the role the sector has in the circular economy.



AFCC contributions to the SDGs

This publication by the Agri-Food Chain Coalition (AFCC) showcases different contributions of the AFCC members to achieving the UN Sustainable Development Goals (SDGs).



Animal Nutrition Solutions

The international dimension of the contribution of animal nutrition solutions to tackling antimicrobial resistance (AMR) has grown stronger in the past year. FEFAC has continued to raise awareness about the feed industry's contribution to engage on this societal challenge.

The EU has already taken major steps to reduce the use of antibiotics in the livestock sector via the phasing out of the use of antibiotics as growth promoters. It is quite striking, however, to note that citizen awareness of this ban remains low, as, according to an updated Special Eurobarometer on Antimicrobial Resistance, only 38% of EU citizens are aware of the fact that the use of antibiotics for stimulating growth in farm animals has been banned in the EU in 2006. This is just slightly better than the previous Eurobarometer survey of April 2016 which indicated this was 37%. Such low level of awareness about the reality of modern livestock management is highly regrettable, especially considering the growing scientific evidence of the supporting

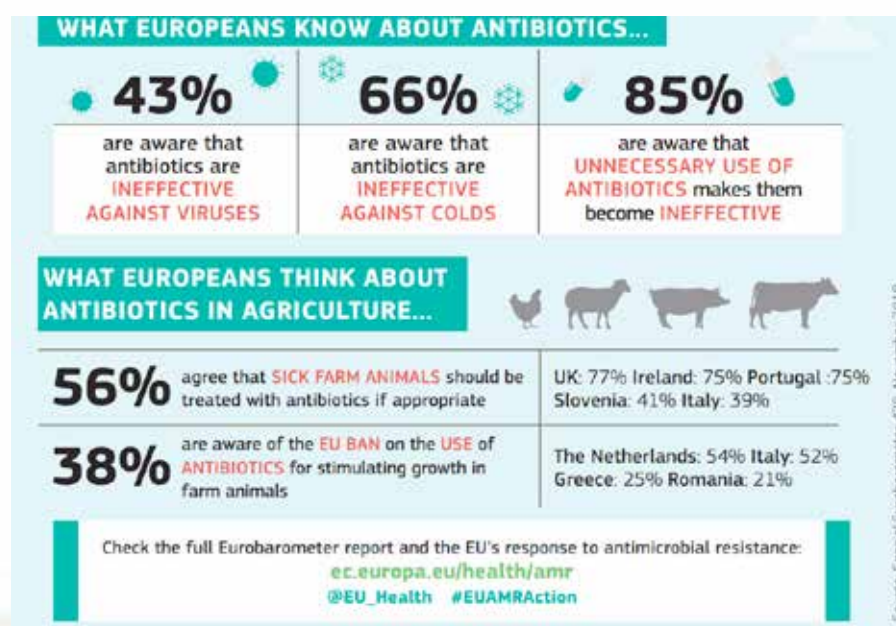
role that animal nutrition science and feed strategies can play to reduce the need for antibiotics.

At the CODEX Task Force meeting on AMR in Busan (South-Korea), the FAO organised an informative side-event on 10 December 2018 on the role of animal nutrition and feed strategies and options to decrease the use of antimicrobials in animal production. Within the context of establishing good practices at CODEX level, the role of animal nutrition in optimal farm health management was further promoted. The CODEX Task Force members welcomed the overview on animal nutrition solutions to combat AMR, which was used as reference throughout the Task Force session discussions on the CODEX draft code of practice

to minimize and contain food-borne antimicrobial resistance and the draft guidelines on integrated surveillance of antimicrobial resistance. On 9 October 2018, FEFAC organised a workshop together with its Portuguese member IACA on Animal Nutrition solutions against AMR at the Faculty of Veterinary Medicine of Lisbon.

The new legislation on Organic Farming (Regulation (EU) 2018/848), entering into force on 1 January 2021, has closed the scope of any future derogation for feed additives produced from genetically modified organisms. This creates a constraint on the availability of vital nutrients needed to adequately feed farm animals kept under organic farming conditions. A concrete example of a feed additive where constraints are visible is vitamin B2, where no authorized "non-GM" feed additive is available on the EU market. FEFAC has been assisting feed operators by providing background information on alternative solutions.

FEFAC has started the preparations for the update of the Catalogue of Feed Materials. The supply chain partners to the feed industry have been invited to propose new entries, while some parts of the Catalogue will be revised for technical adaptation. A finalisation of the process is foreseen for the second half of 2020.

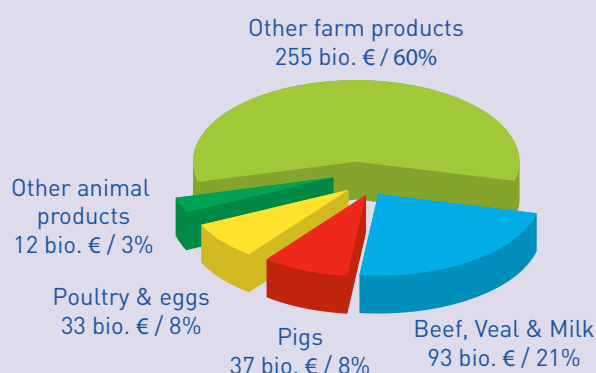


FEEDING EU LIVESTOCK

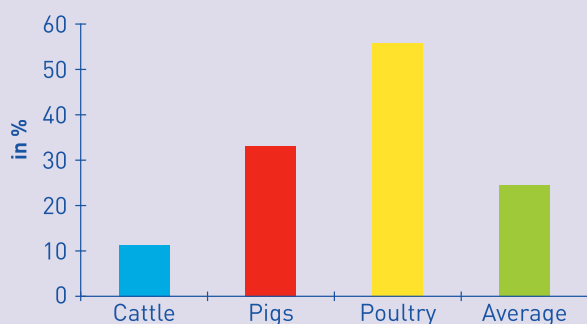
Meat and other animal products in the EU-28 represented app. 175 bio. € in 2018, i.e. 40% of the total value of farm production. Animal feed is the most important livestock production cost factor and represented in 2018 up to 60% of the farm gate value of poultry. The EU-28 farm animals are fed with app. 833 mio. t of feedstuffs, thereof 60% are roughages produced on farm, 15% are grains produced on farm and purchased feed materials and 20% are industrial compound feed.

Value of farm production in 2018 in the EU-28

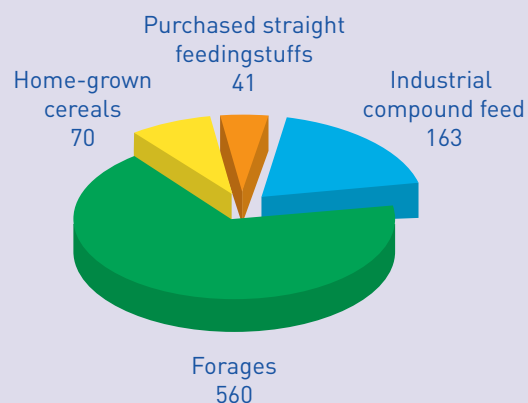
(Source: Eurostat)



Value of purchased compound feed in total animal output value in 2018 (Source: FEFAC)



Livestock sourcing in feed in the EU-28 (834 mio. t in 2018) (Source: FEFAC - DG Agriculture)



INDUSTRIAL COMPOUND FEED PRODUCTION

The compound feed production in the EU-28 increased by 1.8% in 2018 to 163.3 mio. t. Poultry feed has seen its production grow by 1.7% and cattle feed grew even by 3.4 % due to draught conditions. Overall, pig feed production remained stable.

Increase in poultry feed production was mostly driven by the development of poultry production in Poland, Czech Republic and Finland recording a growth of app. 5%. In certain countries like Germany, the demand for laying hens feed dropped dramatically (-4%). In France, the positive result (+1.7%)

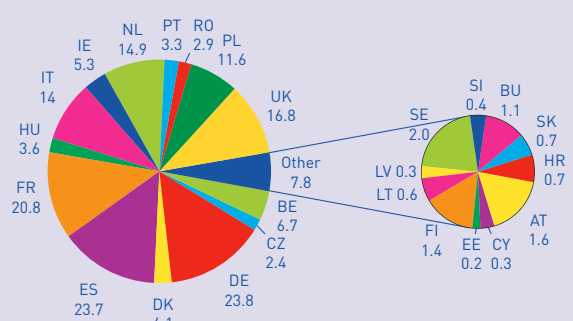
was to a large extent linked to recovery of the duck feed market (+14%) after a sharp decrease over the last two years due to Avian Influenza restrictions

The higher demand for cattle feed, boosted by the shortage in roughages further to the drought, was offset by early culling of cows by certain farmers, which, together with heat stress, lowered milk production but also the feed demand. Pig feed production in Central European countries (Hungary, Poland, Slovakia, Bulgaria, Croatia) has recorded growth of volumes by 3.5% and more,

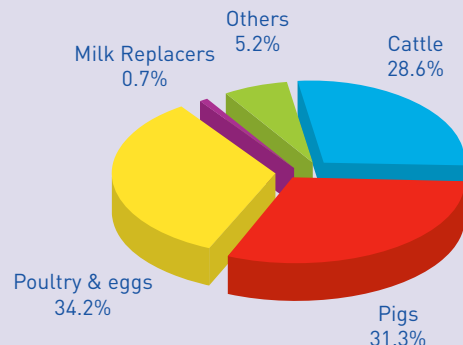
whereas North Western European countries (the Netherlands, France, Denmark) have seen their production of pig feed fall by 2-3%.

Germany, Spain and France remain the three leading EU countries in terms of total compound feed. Spain is the leading cattle and pig feed producer while France maintains its leading position as poultry feed producer. The EU compound feed production represents 15% of the global production that is estimated at around 1,085 mio. t, progressing by 2.9% vs. 2017.

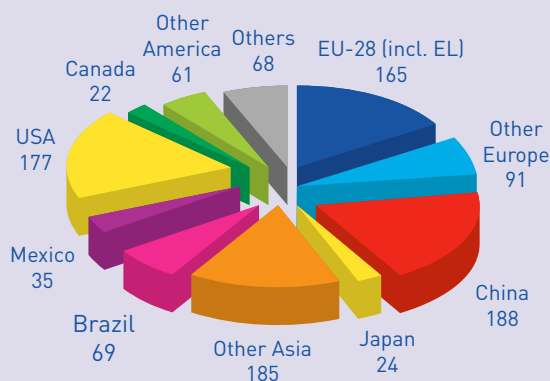
EU-28 compound feed production in 2018
(163.3 mio. t / +1.8%) [Source: FEFAC]



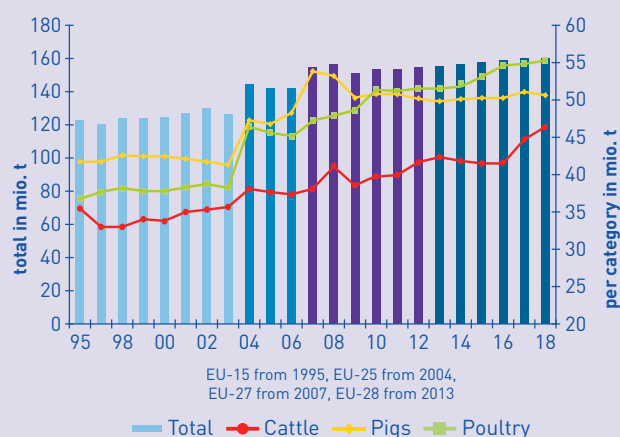
Industrial compound feed production in EU-28 per category in 2018 [Source: FEFAC]



Global compound feed production in 2018
(1,085 mio. t) [Source: FEFAC - Alltech]



Development of compound feed production in the EU (per category, excl. EL, LU and MT) [Source: FEFAC]

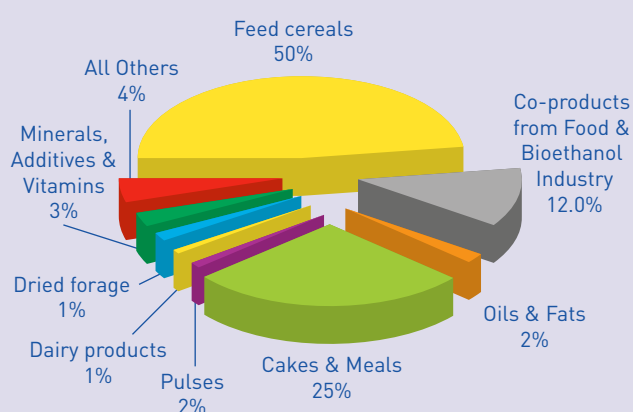


INDUSTRIAL CONSUMPTION OF FEED MATERIALS

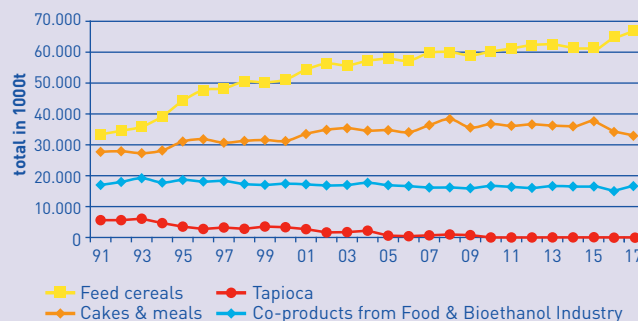
The proportion of cereals (50%) and co-products of the food and bioethanol industry (12%) remained relatively stable over the last 10 years, unlike (oilseed meals whose average inclusion rate (25%) slightly decreased, due in particular to a trend to further reduce the levels of proteins in feed for farmed animals. Since the Mac Sharry reform in 1991, the average inclusion rate of cereals increased from 32 to 50% while, tapioca, one of the most important substitutes to cereals in the 1980s, completely disappeared from the

diets. The use of animal proteins, which in the past represented up to 2% of feed materials, was banned in 2001 for most species and mainly replaced by soybean meal. The EU livestock is the most important outlet for EU produced cereals with 61% of the internal usage. The EU roughage are the most important source of proteins for the EU livestock sector, followed by cereals and soybean meal which is mostly imported from Third Countries.

Feed material consumption by the compound feed industry in 2018 in the EU-28 (Source: FEFAC)

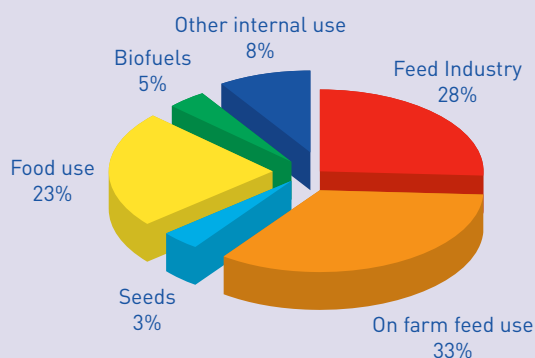


Development of feed material consumption by the EU compound feed industry in the EU-15 (Source: FEFAC)



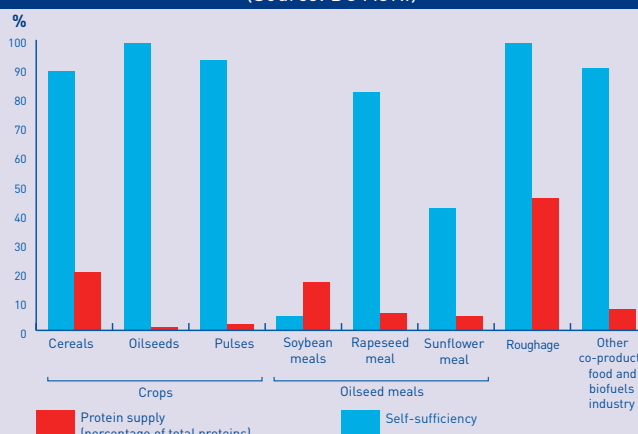
Usage of cereals in the EU-28 in 2018-19

(Source: DG AGRI - FEFAC)



Contribution of different categories of feed materials to protein supply and level of EU dependency in 2017/2018

(Source: DG AGRI)



THE EU MEAT MARKET IN A NUTSHELL

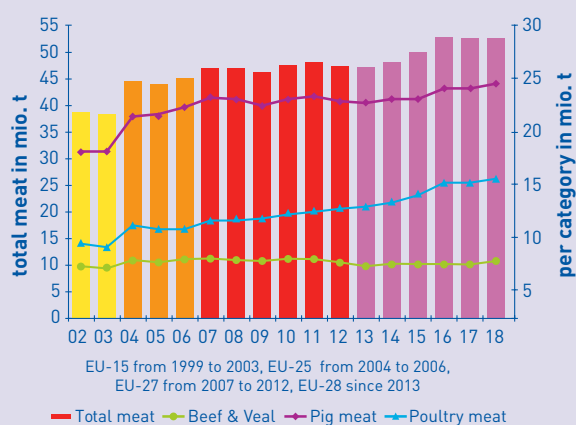
The production of meat in the EU-28 slightly increased by 0.7% to total 48.6 mio. t (carcass weight) compared to last year.

Poultry production grew by 4.7% and pig production by 2% and beef and veal production by 1.8%. Pig meat is the most consumed meat in the EU-28 with 42 kg/capita/year in 2018, followed by poultry meat with

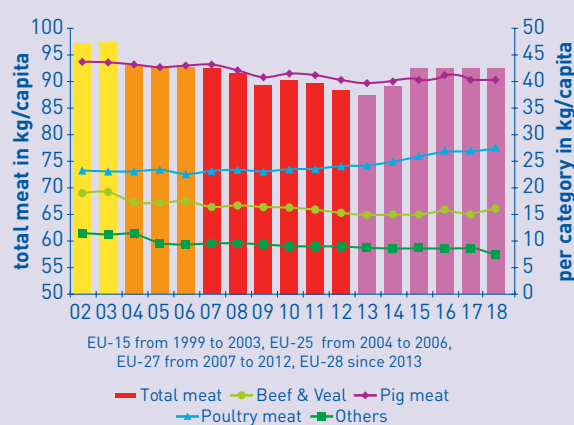
28 kg/capita/year and 16 kg/capita/year of beef and veal meat. Total consumption of meat in the EU-28 was estimated around 93 kg/capita/year (carcass weight) which is one kilogramme higher than the average consumption of the last 3 years.

The EU is self-sufficient in livestock products in volumes, in particular pork and dairy products, and in sugar.

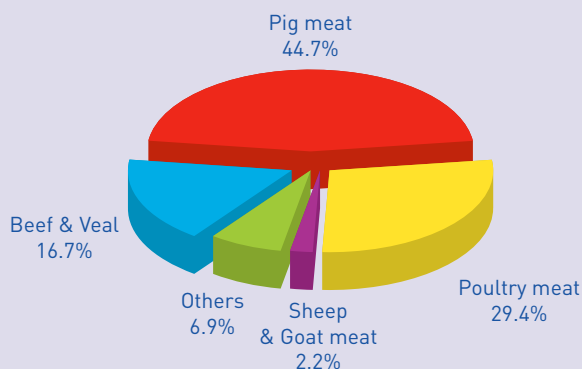
Gross meat production development in the EU-28 per category (Source: DG AGRI)



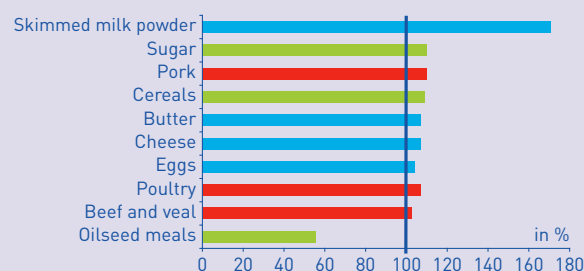
Meat consumption development in the EU-28 per category (Source: DG AGRI)



Meat consumption per capita in the EU-28 in 2018 per category (Source: DG AGRI)

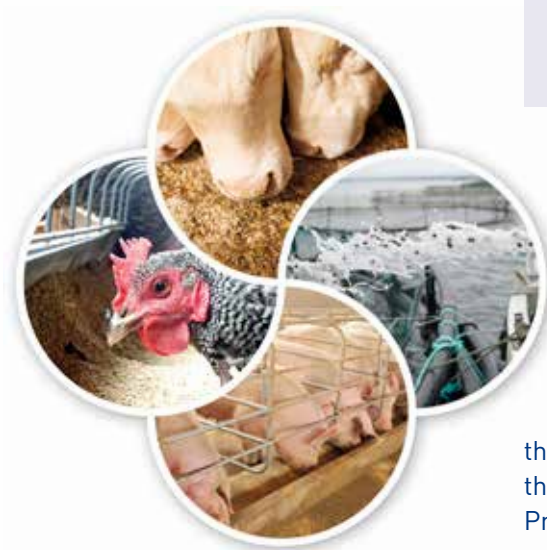


EU-28 self-sufficiency for some EU agricultural products in 2018 (Source: DG AGRI)



Aquaculture Advisory Council

The overview of the notifications to the Rapid Alert System for Food and Feed (RASFF) in 2018 again confirmed the essential role of the feed manufacturers as responsible operators of the food chain. 58% of the notifications concerning feed for food producing animals present on the EU market result from feed industry own-checks.



Analysis of the RASFF overview also shows that 92% of notifications for feed for farm animals concern feed ingredients, thereof 85% for feed materials and 7% for feed additives. This confirms the importance of the detection of contaminants at the earliest stage of the chain, in line with the “top-of-the-pyramid” principle promoted by FEFAC in its vision paper on feed safety management.

In 2018, FEFAC also noted the emergence of new issues related to compliance with legal requirements. There were two notifications regarding the presence of fragments of recombinant DNA (rDNA) in consignments of vitamin B2. EFSA clarified in a scientific opinion that this detection did not represent a risk. Nonetheless, the detection of a low signal to the

presence of rDNA is considered as non-compliance with EU legislation, which requires zero presence. In cooperation with feed chain partners, FEFAC made its expertise available to the European Commission and the feed additive sector to assist in the definition of Standard Operating Procedures to support the adequate enforcement and application of the EU requirement for absence of material from genetically modified organisms in feed additives produced by fermentation.

The feed industry has continuously invested in feed safety assurance and monitoring schemes to promote an optimised management of the risks along the whole feed chain to increase confidence among value chain partners. The new EU Official Controls Regulation (EC) No 2017/625 (to enter into force on 14 December 2019) clearly stipulates that the implementation of third party certified safety assurance schemes is an important source of information for consideration by authorities in the design of official control plans. In an exchange with DG SANTE HfAA (formerly known as the FVO), FEFAC Council members discussed the implementation of risk-based approaches in official

controls on feed manufacturing. HfAA field visits carried out in 9 Member States and a common workshop carried out in October 2018 showed that an increasing number of Member States take into account results of auto-control programmes. This is having a moderate impact on the design of official programmes, particularly at the level of sampling and control frequency. FEFAC is committed to continue the interaction with HfAA to promote the sharing of knowledge on best practices on implementation of risk-based approach both at level of auto-control systems and in official feed control.

In 2018, the consultation on the evaluation of the EU Regulation on Feed Additives kicked off under the REFIT programme. FEFAC participated to the European Commission public consultation that ran until April 2019. FEFAC held discussions with chain partners on certain aspects of the legislation on Feed Additives and the way forward. The improvement of labelling rules and the simplification for requirements on efficacy testing are among the key topics for FEFAC. The next step of the evaluation is the targeted stakeholder consultations, in which FEFAC will participate.

Responsible Soy

The topic of deforestation saw sustained prominence over the past year, with the political attention for the soy supply chain receiving attention in different fora of the Amsterdam Declaration Partnership. In July 2019, the European Commission released the Communication Stepping up EU Action to Protect & Restore the World's Forests, setting the scene for a leadership role of the European Commission in tackling deforestation in the years to come.

Together with COCERAL and FEDIOL, FEFAC welcomed the increased attention put by the European Commission at international level on the protection of world forests and related climate change commitments with the release of the Communication. They consider that setting up a permanent and effective multilateral institutional dialogue with exporting countries is the best way to address sustainable forest management and build responsible supply chains for agricultural products. The EU grains, oilseeds and feed value chain represented in COCERAL, FEDIOL and FEFAC remains open to foster partnerships with producer countries, so as to facilitate the mainstream transformation of the EU market

for responsibly produced grains and oilseeds used in food, feed and biofuel production.

The Communication also shows that a key role is foreseen for certification schemes of responsible soy and commitments of corporate boards to enabling deforestation-free supply chains. In May 2019, FEFAC announced the creation of an online platform on the joint ITC/FEFAC website, to facilitate the voluntary commitment of feed companies to sourcing of responsibly produced soy products used in compound feed manufacturing in the EU by 2025, from home-grown and imported origins, meeting the criteria of the FEFAC Soy Sourcing Guidelines. By July 2019, over 160 feed companies already

co-signed the declaration. FEFAC encourages its member associations and respective member companies to join the list of signatories to support the common goal of a mainstream market transformation of soy products used in the European feed industry.

On 21 November 2018, the 3rd meeting of the Soy Memorandum of Understanding Steering Group (APROSOJA – ABIOVE – FEDIOL – FEFAC – IDH) took place in Brussels. The Brazilian soy supply chain partners, accompanied by Brazilian government and senate officials, also participated in the 6th FEFAC-FEDIOL stakeholder workshop, a meeting with Members of the European Parliament, an event on soy and deforestation organised by the Amsterdam Declaration Partnership as well as bilateral exchanges in Paris and Berlin. FEFAC and FEDIOL strongly encouraged the participation of Brazilian and Argentinian soy supply chain partners in the Amsterdam Declaration Partnership events and workshops in order to allow producer countries to present their challenges and solutions to meeting the UN SDGs and EU market demand.



Soy MoU partners from APROSOJA, ABIOVE, FEDIOL, FEFAC, and IDH

Aquaculture Advisory Council

The EU Aquaculture Advisory Council (AAC) published a series of recommendations in July 2019, including a recommendation on responsible sourcing of fish feed ingredients.

The AAC gave particular attention to the inclusion of fish meal and fish oil, whereas the indicators “Fish In Fish Out” (FIFO) and “FFDR” (Forage fish dependency ratio) are still referred to as means to define the sustainability of fish feed production. However, neither approach is considered relevant for describing whether a certain source is produced from responsibly managed resources. They only serve to highlight whether fish meal or fish oil is the most critical component by volume in the diets. It highlights that in reality the main factor over time has been market

forces where competition to produce the most efficient diets price and feed conversion ratios have driven a decrease in inclusion rates in aquafeeds. It also needs to be taken into account that large shares of fish meal consist of fish trimmings from European fish processing facilities.

Other AAC recommendations published in July 2019 concerned the promotion of vaccines replacing the use of antimicrobials, fish welfare at slaughter and the revision of control regulation. On 16 May 2019, the AAC organised a workshop in Lisbon on

the Challenge of Social Acceptability of EU Aquaculture and its Products in the margins of European Maritime Day.

FEFAC is one of the founding members of the AAC, which provides advice to the European Commission & European Parliament on all aquaculture-related matters laid down in the dedicated chapter on sustainable development of Aquaculture in the Common Fisheries Policy.



FEFAC Milk Replacers' Committee visits the European Parliament

On 16 October 2018, the FEFAC Milk Replacers' Committee visited the European Parliament upon kind invitation by the MEP Jan Huitema (ALDE, NL).



Milk Replacers Committee in the European Parliament


6th GFFC held in Bangkok

On 11-13 March 2019, IFIF and FAO organised the 6th Global Feed & Food Congress in Bangkok, Thailand.



FEFAC Mission

FEFAC's mission is to:



Represent, defend and promote the interests of the European compound feed and premix industry with the European Institutions, international bodies (IFIF, Codex Alimentarius, OIE, etc.) and stakeholders platforms;




Lobby for a legislative framework and its implementation, **without discrimination** in EU Member States so as to maximise market opportunities for EU compound feed and premix companies;



Develop professional rules and **good manufacturing practices including the sourcing of feed materials** that ensure the quality and the safety of compound feed and premix;




Safeguard conditions of **free access to raw materials**, the proper functioning of their markets and the definition of their quality;



Encourage the sustainable development of livestock production responding to the market requirements, so as to maximise market opportunities for compound feed and premix companies;



Encourage the development of precompetitive European animal nutrition-related Research & Development projects seeking to enhance the European 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**;



Contribute to public communication campaigns seeking to **enhance the image** of the compound feed and premix industry.

As a European association, it is crucial for FEFAC to maintain contacts with European Institutions who contribute to shaping EU legislative proposals, primarily the European Commission. FEFAC experts take part in the **DG SANTE** Advisory Group on the Food Chain, Animal and Plant Health and the Animal Health Advisory Committee, as well as in the **DG AGRI** Civil Dialogue Groups on the CAP, International aspects of Agriculture, Animal Products, Arable Crops, Milk and Organic Farming. FEFAC actively takes part in the EFSA Stakeholders Platform, where its experts have provided data and industry studies in a series of **EFSA** feed safety risk assessments, mainly conducted by the Scientific Panels on Biological Hazards, Contaminants, Feed Additives and Animal Health/Animal Welfare.

FEFAC has for long granted priority to **collaboration with other stakeholders** of the feed and food chain to tackle feed and food chain issues of common interest. FEFAC participated in the establishment and/or is member of the following entities.



Agri-Food Chain Coalition (AFCC), comprises twelve EU associations from agricultural input industries such as suppliers of machinery (CEMA), seeds (ESA), fertilizers (Fertilizers Europe), crop protection (ECPA), animal breeding and reproduction (EFFAB), animal health (IFAH-Europe), animal feed (FEFAC), animal feed additives (FEFANA) and biotechnology-based products (EuropaBio), the agricultural trade (COCERAL and CELCAA) and EU farmers (Copa-Cogeca). Together, these industries account for more than 30 million jobs and some 3.5% of the EU's gross value added. More information on www.agrifoodchaincoalition.eu



EPRUMA (European Platform for the Responsible Use of Medicines in Animals), established in 2005 and composed of various EU organisations of the livestock and pet sectors, with the mission of promoting the responsible use of medicines in animals in the EU. EPRUMA issued in 2008 "Best-practice framework for the use of antimicrobials in food-producing animals" that was updated in 2015.



Animal Task Force, a knowledge based cooperation between representatives from industry and the academic world focused on enhancing innovation and sustainability in the animal production sector of Europe's food supply chains. The integrated approach allows for the setting of the agenda for research and innovation in the animal domain and assures a valuable contribution to the societal and environmental challenges. More information on <http://animaltaskforce.eu/>

Food Safety Platform, grouping key European stakeholder federations concerned with feed & food safety (including the European Consumers Association BEUC), aiming at improving communication between the feed & food chain partners on emerging feed and food safety issues and related topics. In April 2015, the Food Safety Platform held an event called "Safe food for European consumers" in the light of the WHO World Health Day.



The **Aquaculture Advisory Council (AAC)** provides advice to the European Commission on all aquaculture-related matters laid down in the dedicated chapter on Aquaculture in the new Common Fisheries Policy. FEFAC is one of 15 founding members, together with i.a. FEAP, Copa-Cogeca, EMPA and the NGO Seas At Risk, who prepared the formal launch in summer 2016. More information on <https://www.aac-europe.org/en/>



EATiP (European Aquaculture Technology & Innovation Platform), one of the European Technology Platforms endorsed by DG RESEARCH. It was set up by the European fish farmers (FEAP) with the support of the whole aquaculture supply industries, including leading fish feed producers and FEFAC's Fish Feed Committee. EATiP developed a vision document on the research needs of the Aquaculture sector until

2020 including a strategic research and innovation agenda containing key projects which could facilitate the development of a more sustainable and competitive EU Aquaculture sector in line with CFP reform policy objective for Aquaculture. More information on <http://eatip.eu/>

FFC (EU Feed and Food Chain platform on the use of green biotechnology), composed of partner organizations of the whole feed and food chain dealing with the impact of EU and international regulations and market developments for the use of modern biotechnology in agriculture and food production on EU feed and food markets.

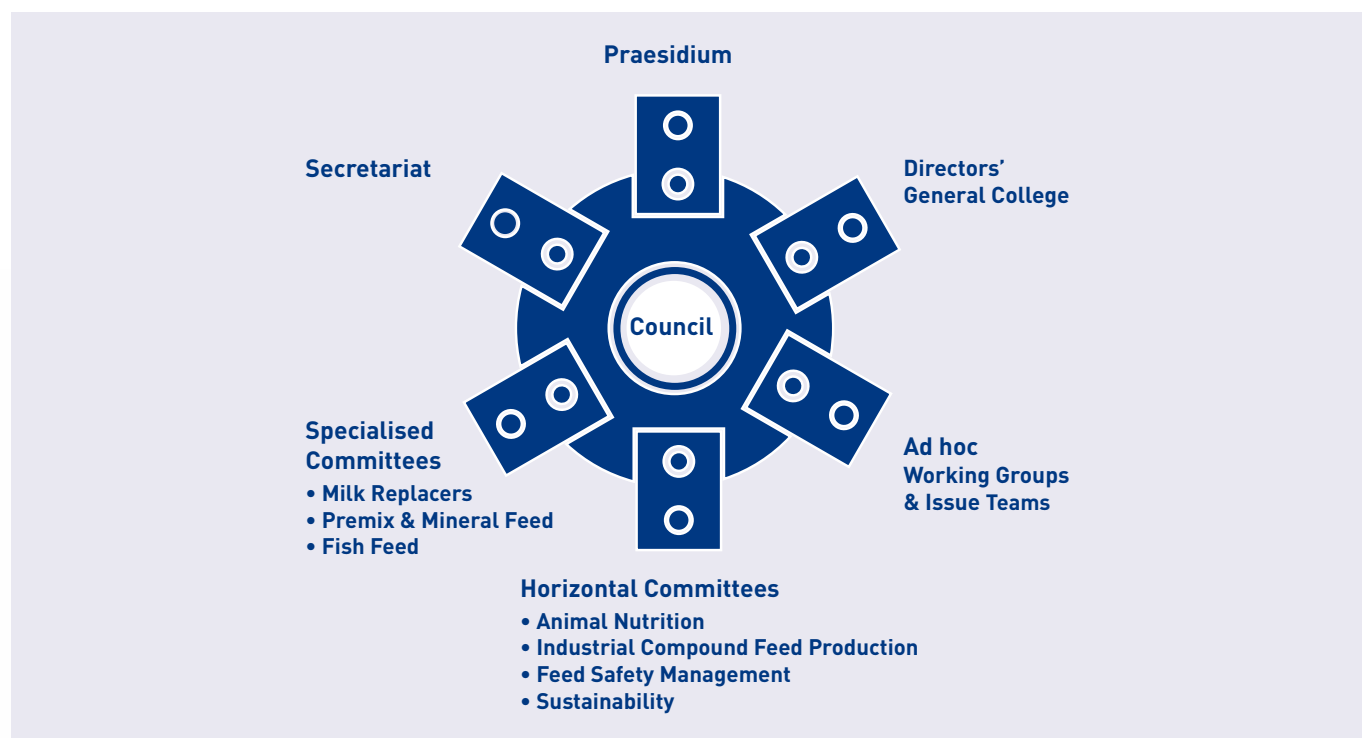
EU FCTF (EU Feed Chain Task Force on the Catalogue of Feed Materials), a gathering of 40 EU organizations of the different sectors of the feed chain (feed material producers, traders, compound feed manufacturers and farmers) whose mission is to maintain and upgrade the EU Catalogue of Feed Materials. FEFAC holds the role of coordinator of the EU FCTF.



FEFAC is a member of **IFIF**, the International Feed Industry Federation, which was founded in 1987 by FEFAC and AFIA, the American Feed Industry Association. IFIF accounts for over 80% of the approximately 1 bio. t of total global feed production. Together with FAO, IFIF annually organises **International Feed Regulator Meetings** since 2008 to jointly deal with emerging feed safety issues and foster convergence of feed legislation at global level. FEFAC and IFIF actively contribute to the work of the **CODEX Alimentarius**, which has adopted guidelines and standards on Good Animal Feeding Practices with the aim of ensuring the safety and quality of foods of animal origin.

Industry4Europe is a large, cross-sectoral coalition of organisations dedicated to campaigning for an ambitious, long-term EU industrial strategy. Since its creation in 2017, the coalition has released numerous publications and organised several events to stress the importance of maintaining healthy and competitive manufacturing industries in the EU. More information on www.industry4europe.eu

Organisation Chart



Praesidium



Secretariat



National Associations joining FEFAC

Active Members

VFÖ	Austria	1995 (1964)
BFA	Belgium	1959
BFMA	Bulgaria	2013
CFIA	Croatia	2013 (2008)
CAFM	Cyprus	2004 (2003)
SKK	Czech Republic	2004 (2000)
DAKOFO	Denmark	1973
FFDIF	Finland	1995 (1993)
EUROFAC*	France	1959
DVT	Germany	1959
HGFA	Hungary	2012
IGFA	Ireland	1973
ASSALZOO	Italy	1959
LGPA	Lithuania	2005
NEVEDI	The Netherlands	1959
IZP	Poland	2004 (2001)
IACA	Portugal	1986 (1976)
ANFNC	Romania	2014
AFPWTC	Slovakia	2004 (2003)
GZS	Slovenia	2004
CESFAC	Spain	1986
FS	Sweden	1995
AIC	United Kingdom	1973

(observer as from ...)

Observer Members

RUFM	Russia	2010
SFMA	Serbia	2009

Associate Members

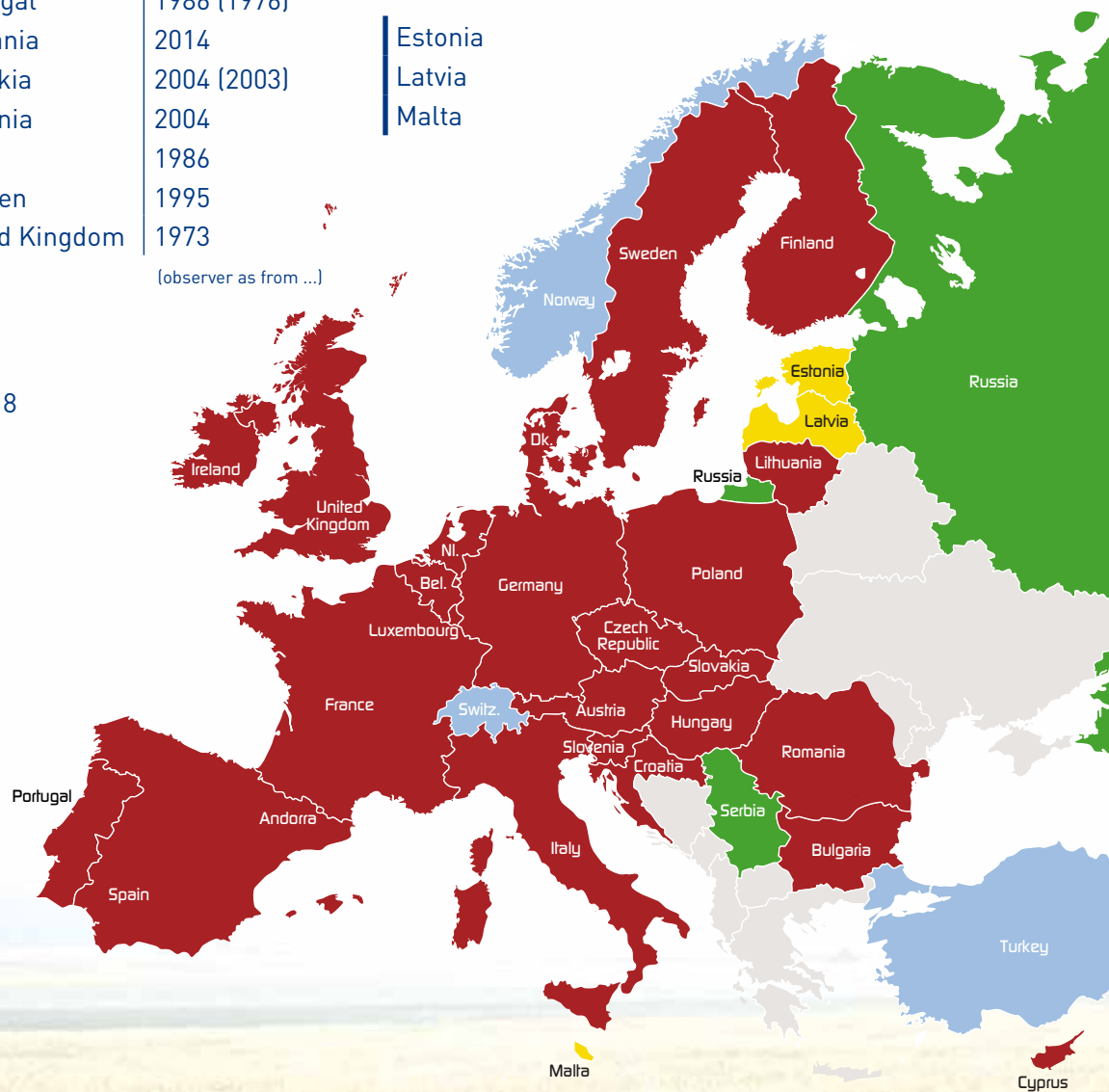
EFFPA		2014
EMFEMA		2003
NSF	Norway	2003
FKF AS	Norway	2014
Norkorn	Norway	2014
VSF	Switzerland	1966
TURKIYEM	Turkey	2014 (2005)

Potential Active Members

Estonia
Latvia
Malta

*EUROFAC took over from SNIA in 2016

Situation on 1 January 2018





FEFAC

FEFAC aisbl
Rue de la Loi, 223 Bte 3 - 1040 Bruxelles
www.fefac.eu