FEFAC XXVI Congress 2013

The Feed Chain in Action

Impressum

FEFAC aisbl Rue de la Loi, 223 Bte 3 1040 Bruxelles (Belgique)

Enterprise n° 0408 295 071

European Commission Register of Interest Representatives ID Number 77105321408-83

Layout Indigo, St.Vith

Print Pro D&P St.Vith

Fotos © Fotolia © Communautés Européennes 2009

Disclaimer

© 2013 – FEFAC

The information contained in this brochure is for general information purposes only. The information is provided by FEFAC and while we endeavour to keep the information up to date and correct, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the brochure or the information, products, services, or related graphics contained in the brochure for any purpose. Any reliance you place on such information is therefore strictly at your own risk.

No part of this brochure may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photo-copying, recording or by any information storage and retrieval system, without securing the written permission of FEFAC, except for the inclusion of brief, clearly cited quotations in a review or article.

Table of contents

FEFAC Organisation Chart	4
Foreword	5
National Associations joining FEFAC	6
The market of feed materials & EU framework polices	7
Renewable Energy Directive	9
The non-GMO feed market	11
Catalogue of Feed Materials	13
Vision & the Strategic Research Agenda	15
Feed hygiene and contaminants	17
Statistics 2012	19
Food Waste	23
Responsible Soy	25
EFMC	27
Antimicrobial resistance	29
Medicated feed	31
FEFAC and the European Institutions	33
FEFAC and the other chain partners	35
FEFAC and the International Organisations	37
Praesidium Members, Committee Chairmen and Secretariat	39

Member Association Posters

VFÖ	Austria	8
APFACA/BEMEFA	Belgium	8
CFIA	Croatia	10
CAFM	Cyprus	10
CMSOZZN	Czech Republic	12
DAKOFO	Denmark	12
FFDIF	Finland	14
SNIA	France	14
DVT	Germany	16
SEVIZ	Greece	16
HGFA	Hungary	18
IGFA	Ireland	18
ASSALZ00	Italy	24
LGPA	Lithuania	24
NEVEDI	Netherlands	26
FHL	Norway	26
IZBA	Poland	28
IACA	Portugal	28
RUFM	Russia	30
SFMA	Serbia	30
AFPWTC	Slovakia	32
GZS	Slovenia	32
CESFAC	Spain	34
FS	Sweden	34
LANTMÄNNEN	Sweden	36
VSF	Switzerland	36
TÜRKIYEM-BIR	Turkey	38
AIC	United Kingdom	38

Organisation Chart



- Animal Nutrition
- Industrial Compound Feed Production
- EFMC

FEFAC's mission is to



represent, defend and promote the interests of the European compound

feed industry to the European Institutions;



lobby for a legislative framework and its implementation, without

discrimination in EU Member States so as to maximise market opportunities for EU compound feed companies;



safeguard conditions of free access to raw materials, the proper functioning

of their markets and the definition of their quality;



develop professional rules and good manufacturing practices that

ensure the quality and the safety of compound feed;



encourage the sustainable development of animal productions responding to the

market requirements, so as to maximise market opportunities for EU compound feed companies.



encourage the development of precompetitive European feedrelated Research

& Development projects seeking to enhance the EU feed & livestock sectors competitiveness and capacity to innovate in and/or transfer science and technology based solutions to improve the sustainability of resource efficient livestock production systems.

Foreword

Towards a sustainable feed industry

I would like to outline in my foreword how we see the way forward for a sustainable feed industry, influenced by the current challenges we are facing in Europe. In order for the global feed industry to continue on the path of increased sustainable production sustainable and competitiveness in the medium and long term, I have identified four pillars which I believe we should build the development of our industry on: i) a safe feed supply, ii) competitive feed and livestock industries, iii) a resource efficient feed industry, iv) a responsible feed chain.

A **safe supply** is the foundation for the feed industry. Feed safety is of course not negotiable and therefore belongs to the pre-competitive area. It is a pre-requisite to consumers, which is absolutely legitimate. One of the common key tasks for FEFAC is to promote safe and innovative processing technologies, and to work to help set stringent and effective international regulatory standards. The feed industry is a vital link within the food chain. We are the clients of arable farmers as well as the suppliers to livestock farmers, meaning we are the one linking vegetable and animal production. In the chapter on access to feed materials, which you will find on the next page, we outline the challenges and possible solutions for a **competitive feed industry** in an economic perspective. With its buying capacities, its ability to use risk management instruments, but also with its nutritional and formulation knowledge, the feed industry plays a price-buffer role, to the benefit of livestock farmers.

With a growing demand and limited resources, the equation is in theory simple to solve: we have to produce more with less. Fortunately, the feed industry has a history of proven expertise in resource efficiency. Since its beginning, the added value of the feed industry lies in its nutritional know-how, which enables to produce balanced and cost effective diets for animals. It is nutritional knowledge which enables us to valorise surplus food and food losses and if you take into account many other feed ingredients, the feed and livestock industries create great value by turning non-human edible resources into good quality food.

Sustainability is not just limited to environmental impacts, as the obligations of a responsible feed industry should also cover the responsible supply and sourcing of raw materials. FEFAC believes that all the raw materials should be produced responsibly according to internationally agreed principles. It is the role of the feed industry, to contribute to the development of guiding principles for sustainable raw materials in a multistakeholder co-operation. Examples are FEFAC's participation in the cultivation of responsible soy and the establishment of global LCA feed quidelines, both included in this report.

FEFAC considers that the best way towards a sustainable feed industry is to support the continuous advances in improving livestock production, from a safety, environmental and economic point of view. I believe this can only be achieved via a **sustainable competitiveness** of our industry and a sustainable increase in production. The concept of intensive livestock farming and intensive agriculture is evolving towards support for an ecologically intensive approach delivering healthy, safe and affordable products which reduces mitigates environmental and impacts. I am confident, as far as sustainability is concerned, that our FEFAC action plan will stay its course and will meet the needs of our future generations of consumers for responsibly produced products of animal origin and societal demands laid down in the new EU policy framework on sustainable production and consumption, the single market for green products and the CAP reform.



Patrick Vanden Avenne FEFAC President

National Associations joining FEFAC

Situation on 1 January 2013

Active Members

VFÖ	Austria	1995 (1964)
APFACA/BEMEFA	Belgium	1959
CFA	Cyprus	2004 (2003)
CMSOZZN	Czech Republic	2004 (2000)
DAKOFO	Denmark	1973
FFDIF	Finland	1995 (1993)
SNIA	France	1959
DVT	Germany	1959
SEVIZ	Greece	1989
HGFA	Hungary	2012
ASSALZ00	Italy	1959
IGFA	Ireland	1973
LGPA	Lithuania	2005
NEVEDI	The Netherlands	1959
IZP	Poland	2004 (2001)
IACA	Portugal	1986 (1976)
AFPWTC	Slovakia	2004 (2003)
GZS	Slovenia	2004
CESFAC	Spain	1986
FS	Sweden	1995
LANTMÄNNEN	Sweden	1995
AIC	United Kingdom	1973
		(observer as from)

Observer Members



The market of feed materials & EU framework polices

(CAP reform, MiFID, EU protein plan)

The growing global population and the ever increasing demand for animal protein put extra pressure on an industry that already operates under tight market conditions. Apart from those given facts, impacting political decisions and unfavourable weather conditions can further add to the price volatility of agricultural commodities. It is the role of the Common Agricultural Policy to stimulate the needed increase of the EU agricultural productivity which can help to reduce the market's volatility.

It are the EU decision makers who are charged with the task of putting in place the right framework to sustain the supply of and increase the access to feed materials. FEFAC showed its support for the decision to partially lift the feed ban, allowing for poultry and porcine processed animal protein to be used in aquafeed. This should help to release some pressure on the protein market for which the EU is extremely dependent on imports. This dependency underlines the need to promote the development of EU sources of vegetable protein.

It is, however, unlikely that volatility on the market of feed materials can simply be resolved by the EU political framework. This is why, for the benefit of EU livestock farmers, feed operators should be able to utilise appropriate financial risk management instruments, such as futures and options for hedging purposes, which are available to food chain operators for grains only. For these instruments to function properly, access and participation of all the different actors are of importance in order create liquidity on the market. FEFAC, therefore, welcomed the proposal of revision of MiFID (Market in Financial Instruments Directive) to set up



meaningful and effective controls such as position limits to reduce the risk of market abuse and weekly-aggregated position reports to contribute to the transparency of financial products' ownership. Nevertheless. FEFAC believes that the possibility to use hedging tools should be extended to other feed ingredients and the livestock products as well. As it stands today, EU livestock farmers do not have the possibility to arbitrate the risk on their livestock products which leaves them exposed to price shocks and volatility for feed grains, since the compound feed industry can only provide limited protection in time by serving as a "buffer" during periods of significant price fluctuations.



438 000

66.3 kg/capita*

APFACA

ASSOCIATION PROFESSIONELLE DES FABRICANTS D'ALIMENTS COMPOSÉS POUR ANIMAUX A.S.B.L.





BELGIQUE/ **BELGIË**/ BELGIEN

2012

BELGIUM

Year of foundation: 1944

Affiliated feed production 2012: 6 547 000 t

Members Total: 161 thereof Premix: 7 Compound feed: 154



6 547 000 t

6 448 000

1 545 000 t*

3 101 000 t*

National compound feed production

Cattle		
Poultry		
Others		
Total		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected Meat consumption

85.3 kg/capita*

* data of 2011

National industrial compound feed

production by categories



Evolution of national industrial compound feed production



Cattle	
Thereof dairy cows	
Pigs	
Sheep & goats	

Livestock production

d eat		925	000	t*
Cow milk collected	2	896	000	t*

Meat consumption

* data of 2011



Evolution of national industrial compound





Renewable Energy Directive

In October 2012, the EU Commission published a proposal (COM (2012) 595 final) to revise the RED (Renewable Energy Directive). Key elements of the proposal for the feed sector are the plans to limit the contribution of food-based biofuels to the current level of 5% of the consumption of energy in transport and the increase of incentives for the use of advanced biofuels.



FEFAC considers the 5% capping of crop-based biofuels a balanced compromise based on valid environmental concerns. The capping of the contribution of food-based biofuels would reduce the general competition for raw materials, however, it would also mean that the potential to obtain protein-rich co-products from energy production would be capped as well. FEFAC has therefore recommended EU decision makers to impose a more binding mechanism than the 5% capping in case of shortages in feed and food supply. In addition, separate capping targets should be fixed by type of feedstock in order to reflect their relative impacts on food security and GHG emissions. FEFAC has raised its concerns about the Commission's plans to increase incentives for certain advanced biofuels that could also be used in animal feed. It should be accepted at EU level that the use of renewable raw material sources for fuel purposes should come after food and feed use. Therefore, FEFAC has stressed that any material that could be used in animal feed should not receive incentives to divert its destination to bioenergy, which offers a less sustainable solution.





2004 2005 2006 2007 2008 2008 2010 2011

CAFM

Year of foundation: 1998

Affiliated feed production 2012:

Members Total: 27 thereof Premix: 3 Compound feed: 22 Other (incl. non feed): 4

National compound feed production

attle		
igs		
oultry		
thers		
otal		

Livestock population (heads)

Thereof dairy cows

Livestock production

Cow milk collected

National industrial compound feed production by categories

Evolution of national industrial compound feed production

90 000 t

National compound feed production

100
120
229
276
10
635

Livestock population (heads)

Cattle	
Thereof dairy cows	
Pigs	
Sheep & goats	

Livestock production

CFIA

Year of foundation: 1994

642 000 t

Meat	
Cow milk collected	

64.1 kg/capita*

Meat consumption

The non-GMO feed market

The non-GMO compound feed market in the EU represents less than 15% of the total compound feed market, with great variations between countries. Looking at the market shares of livestock specifically, the main driver for non-GMO compound feed is the poultry sector (17%), followed by the cattle sector (9%) and the pig sector (2%). Supplying this niche market with limited growth potential comes with rising costs and challenges, which calls for a realistic market assessment.

FEFAC members have always offered choice to customers and consumers by producing non-GMO compound feed, responding to market demands. However, the ever increasing embracement of GMO production outside the EU due to scientific and economic developments will inevitably have consequences for the competitiveness of the EU livestock industry using non-GMO. For its protein supply in animal feed, the EU is highly dependent on imports. Soya, the main source of this protein supply, is estimated to be produced as GMO in approximately 90% of the global production. Consequently, supplying non-GMO compound feed becomes more complex and above all more expensive due to the extra costs of analysis and dedicated supply chain facilities such as silos and transport equipment.

FEFAC calls on EU decision makers to take a realistic standpoint. Independent

risk assessment bodies including EFSA, the European Food Safety Authority, have declared the overall use of tested GMO plants safe for food and feed use. In addition, due to growing global acreage of GM crops, a "zero percent" requirement for absence of traces in non-GM crops simply does not exist because of technically unavoidable carry-over effects in the production and trade of these crops. The time lag in approvals of newly developed GMO crops negatively affects the general EU livestock competitiveness, as it reduces the accessibility to the market of protein-rich feed materials, to which the EU livestock sector is dependent on imports for more than 70% of its requirements. Furthermore, the increased resistance of GM crops against viruses and pests offers indirect benefits for animal health, as can be seen with the current aflatoxin contamination of non-GMO feed maize in South and South-eastern Europe.

11

CMS0ZZN/BMCASPO

BOHEMIAN - MORAVIAN CONFEDERATION OF AGRICULTURAL SUPPLY & PURCHASE ORGANIZATIONS

Year of foundation: 1991

Affiliated feed production 2012: 1 583 000 t

National compound feed production

427 0
735 0
853 0
285 0
2 300 0

Livestock population (heads)

Cattle
Thereof dairy cows
Pigs
Sheep & goats
Sheep & goals

Livestock production

Meat	458 (
Cow milk collected	2 382 (
Meat consumption	78.6 kg/c;

National industrial compound feed production by categories

4.00 3 50

3.00

2.500 2.000

1 500

1 000

DAKOFO THE DANISH GRAIN AND FEED

TRADE ASSOCIATION

2012

CZECH REPUBLIC

Year of foundation: 1974

Affiliated feed production 2011: 3 790 000 t

Members Total: 39 thereof Premix: 2 Compound feed: 16 Other (incl. non feed): 21

918 000 t

2 338 000 t*

4 800 000 t*

83.6 kg/capita*

National compound feed production

Cattle Pigs	2
Poultry	
Others	
Total	Z

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected	
Meat consumption	
* data of 2011	

National industrial compound feed production by categories

Evolution of national industrial compound feed production

2012 DENMARK

Catalogue of Feed Materials

In January 2013, the EU Commission published the second update of the EU Catalogue of feed materials (Regulation (EU) No 68/2013), containing over 600 feed materials and 69 processing aids descriptions and definitions. This was the result of the 'co-regulation' exercise by EU organisations of the feed chain and EU policy makers, proving that the combined effort of industry and authorities can lead to more transparency in the market place.

FEFAC has taken a lead role since 2008 with the upgrade of the EU Catalogue of feed materials and is determined to maintain the proactive attitude to ensure updates are carried out on a regular basis. FEFAC, together with 39 other EU organisations that represent various parts of the feed industry such as farmers, feed manufacturers and feed material suppliers, invested time and resources to submit a proposal for an update of the Catalogue. The content of the Catalogue was intensively debated with the EU authorities, who have the final say on the publication.

The most significant change in the last update is the establishment of a maximum content for certain chemical impurities, laying down standards that have to be respected for the benefit of fair trade for all feed chain partners. Besides being a professional tool, the catalogue also gives consumers, citizens, policy makers and basically anyone interested the chance to view detailed descriptions of feed materials and manufacturing processes that are used in livestock farming, thereby adding to the overall market transparency.

SNIA SYNDICAT NATIONAL DE L'INDUSTRIE

FRANCE

Year of foundation: 1971

Affiliated feed production 2012: 7 800 000 t

DE LA NUTRITION ANIMALE

Members Total: 156 thereof Premix: 4 Compound feed: 131 Feed additives: 6 Other (incl. non feed): 15

8 572 000 t

21 146 000 t

19 052 000

13 778 000

National compound feed production

Cattle Pigs		
Poultry		
Others		
Total		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected

Meat consumption

National industrial compound feed production by categories

Evolution of national industrial compound feed production

Strategic Research & Innovation Agenda

To meet the growing global demand for food of animal origin, the development of livestock production will increase rapidly at global level. The EU livestock sector, therefore, must innovate and develop the right tools to improve its resource efficiency, to feed nutrients to animals for optimal health and to answer societal demands. EUFETEC, a close collaboration between the feed industry and the academic world and research institutes, analysed these challenges and identified Research and Innovation solutions to tackle them sustainably.

In February 2013, EUFETEC, on the initiative of FEFAC, published its Vision and Strategic Research & Innovation Agenda. The main objective of this project is to convince policy makers that research and innovation in livestock sciences, and in particular animal nutrition, is fundamental for the sustainability of EU livestock farming, as well as a good investment for the future. Holding the growing global demand

of food in mind, the future of livestock farming will depend on producing more with less input; in other words, improve the resource efficiency, while maintaining a high level of safety and quality. Through innovative nutrition strategies, animal health can be further optimised, contributing to a better resistance to diseases and reducing the need for antibiotics. To minimise the negative impact on the environment, farmers could take further steps in socially responsible livestock farming. This involves precision feeding and green house gas reduction strategies, while strengthening other social aspects and benefits linked to livestock farming. All combined methods to transfer innovative knowledge into practical solutions for livestock farmers should lead to a more productive, competitive and sustainable EU livestock industry.

Livestock population (heads)

Cattle
Thereof dairy cows
Pigs
Sheep & goats

Livestock production

Meat consumption	89.2 kg/capita
Cow milk collected	29 700 000 t
Meat	7 994 000 t

4 191 000 **Evolution of national industrial compound** feed production

SEVIZ HELLENIC FEED INDUSTRY ASSOCIATION

ELLINIKÍ DIMOKRATÍA

Year of foundation: 1975

Members Total: 50

Affiliated feed production 2011: 250 000 t

National compound feed production

Total

Livestock population (heads)

Cattle	627 000*
Thereof dairy cows	130 000*
Pigs	1 109 000*
Sheep & goats	13 747 000*

1 200 000 t*

Livestock production

Meat	385 000 t*
Cow milk collected	639 000 t*
* data of 2011	

GREEC

2011

Environmental Foot Print – LCA – FAO

Feed ingredients represent a significant share of the environmental footprint of feed products. The feed industry is aware of the consequences of its activities and takes its environmental responsibility by measuring its impact and developing continuous improvement programmes. In order to encourage feed producers to quantify, report, better understand and reduce the environmental impacts, FEFAC will develop and publish, jointly with the American Feed Industry Association, feed specific LCA guidelines in 2013.

The Feed LCA (life cycle assessment) quidelines will build further on existing general guidance and standards such as the "Product Environmental Footprint guide" from the European Commission and the "ENVIFOOD protocol" from the EU Food Sustainable Consumption and Production Round Table, FEFAC's contribution to the development of reliable measurement methods will, however, be more focused on the feed sector. Specific standards for feed will increase consistency, reproducibility, the applicability and comparability of life cycle assessments. The goal of the Feed LCA Guide is to encourage feed producers to quantify, report, better understand and reduce the environmental impacts of feed production and feed use. The development of the Feed LCA guidelines started in 2011 out of the principle of environmental

footprinting and will be the result of an intense collaboration with AFIA. FEFAC's American counterpart, and other feed and food chain partners. Apart from climate change, all other relevant environmental impacts will be addressed as well. The target audience will be the feed and livestock industry, as well as other operators of the feed and food chain (such as raw material suppliers and livestock processors), researchers and decision makers. FEFAC hopes that the Feed LCA guidelines and the FEFAC contribution to the FAO's Livestock Environmental Assessment Performance Partnership and (LEAP), will deliver valuable tools as a first step towards an internationally accepted common LCA framework methodology for feed.

National compound feed production

Cattle	530 000
Pigs	1 380 000
Poultry	1 640 000
Others	620 000
Total	4 170 000

1 882 000 t*

1 308 000 t*

64 kg/capita*

Livestock population (heads)

Livestock production

Meat	
Cow milk	collected

Meat consumption

* data of 2011

1999 2001 2003 2005 2007 2009

IGFA

Year of foundation: 1988

Affiliated feed production 2012: 2 282 000 t

THE IRISH GRAIN AND FEED ASSOCIATION

National compound feed production

Cattle	2 5
Dire	20
Pigs	/
Poultry	5
Others	4
Total	4 2

1 493 000

5 536 000 t*

79.8 kg/capita*

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected Meat consumption

* data of 2011

National industrial compound feed production by categories

Evolution of national industrial compound feed production

2012

Statistics 2012

Feeding EU Livestock

Meat and other animal products in the EU-27 represented app. 165.5 bio. \in in 2012, i.e. 42% of the total value of farm production and 5% more than in 2011. However, this increase should not be seen as a sign of recovery from the 2009 crisis, since feed costs increased by 7 to 10% in 2012, thus further pressuring farmers' income. Animal feed is indeed the most important livestock production cost factor and represented in 2012 up to 79% of the farm gate value of poultry. The EU-27 farm animals are fed with app. 470 mio. t of feedstuffs, thereof app. half are roughages produced on farm, 10% are grains produced on farm, 10% are purchased feed materials and 30% are industrial compound feed.

Value of farm production in 2012 in the EU-27 (Source: Eurostat)

in total animal output value in 2012 (Source: FEFAC)

Value of purchased compound feed

60% -50% -40% -20% -10% -Cattle Pigs Poultry Average

Industrial compound feed production

The compound feed production in the EU-27 slightly increased by 0.7% in 2012 to 152.7 mio. t. Pig feed has seen its production fall by 1.4% for the second year, whereas poultry & layer feed continued increasing by 1.5%, thereby confirming their position as leading compound feed segment slightly above pig feed. Cattle feed production increased also by 2.3%.

The most important factors which have weighed in on the EU feed demand in 2012 were the still fragile economic situation of the pig sector and the soaring feed material costs.

Most EU Member countries saw their production change within a range of -2/+2%, with the noticeable exception of Ireland (+17%) due to the higher demand for cattle feed, or Poland (+4%) boosted by the demand for poultry feed. UK also experienced a +2.9% increase, which is noticeable for a country whose level of production has been remarkably stable over the last 20 years. Denmark and Slovakia managed to reverse the negative trend recorded for the last 5 years.

Germany's position as leading EU country in terms of total compound feed was strengthened, ahead of Spain shoulder to shoulder with France for the second position.

Germany is the leading cattle feed producer, Spain is the leader for pig feed and France maintains the leading position as poultry feed producer. The compound feed production in the EU is on a similar level as the production in the USA and represents 16% of the global production that is estimated at around 945 mio. t.

EU-27 compound feed production in 2012 (152.7 mio. t / +0.7%) (Source: FEFAC)

Industrial compound feed production per category in 2012 (Source: FEFAC)

Global compound feed production in 2012 (945 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

Despite the huge variations in feed material prices over the last years, the proportion of feed materials per categories remained relatively stable (48% for cereals, 28% for oilseed meals). However, this does not reflect significant changes for some feed materials e.g. for corn gluten feed or dried distillers grains usually imported from the USA which have almost disappeared since 2007 due to the O-tolerance policy for risk-assessed but not yet EU approved GMOs. Since the Mac Sharry reform in 1991, the average inclusion rate of cereals increased from 32 to 48%. On the other hand, tapioca, one of the most important substitutes to cereals in the 80ies, has almost completely disappeared from the diets. Animal proteins, which in the past represented up to 2% of feed materials, were banned in 2001 and mostly replaced by soybean meal. The EU livestock is by far the most important outlet for EU produced cereals with more than 60% of the internal usage. The share of rapeseed meal increased significantly with the development of the biodiesel sector.

Feed material consumption by the compound feed industry in 2012 in the EU-27 (Source: FEFAC)

compound feed industry in the EU-15 (Source: FEFAC)

Development of feed material consumption by the EU

Usage of cereals in the EU-27 in 2012-13 (Source: DG AGRI - FEFAC)

EU-27 dependency in feed proteins (Source: UNIP)

The EU meat market in a nutshell

The production of meat in the EU-27 decreased by 1.4% between 2011 and 2012, meaning relative stabilisation for the 6th year if we except the dramatic contraction of production in 2009. Beef production dropped by 4%, i.e. slightly more than the trend over the last 6 years. Pig production went down by 1.8%, a trend that should continue in 2013 with the entry into force of the new welfare rules for sows. On the other hand, poultry meat production continued increasing by 0.8% in 2012. The meat consumption in the EU-27 is estimated around 87 kg/capita/year, 1.1% less than in 2011 and continued the downward trend that started in the mid-2000s. Poultry meat is the second most consumed meat in the EU-27 with 23 kg/capita/ year in 2012, far behind pig meat (40 kg/capita/ year).

The EU livestock sector contributes positively to the commercial balance, in particular pork and cheese, with self sufficiency ratio of resp. 107 and 106.

Gross meat production development in the EU-27 per category (Source: DG AGRI)

Meat consumption in the EU-27 in 2012 per category (kg/capita) [Source: DG AGRI]

Meat consumption development in the EU-27 per category (Source: DG AGRI)

EU-27 self-sufficiency for some EU agricultural products in 2011 (Source: DG AGRI)

Food Waste

The European Parliament called on the European Commission to take practical measures in halving by 2020 the 90 million tonnes of food that is wasted each year throughout the entire EU food chain. As a vital element of the food chain and an expert in resource efficiency, the feed industry can help in offering a sustainable solution.

Apart from providing an outlet for 90 million tonnes of co-products that derive from the production of food and biofuels. like oilseeds. sugar beet pulp, cornglutenfeed and DDGS, the feed sector also offers a sustainable solution for reducing waste further down the production process. Broken biscuits, passed the sell-by-date bread, over-flavoured crisp and surplus sweets are just a few examples of "former foodstuffs", which, as the name indicates, were initially produced for human consumption but for various reasons are not suitable anymore. However, these products still have a high nutritional value for feeding animals because they often contain a lot of energy, protein and fats. Instead of food producers simply discarding these former foodstuffs as waste. these unfinished or imperfect products can flow back into the food chain by using them as animal

feed. As of today, former foodstuff processors in the EU convert approximately 3 million tonnes of former foodstuffs into animal feed. Feed use of former foodstuffs is recognised as the most sustainable option after it is no longer suited for human consumption. FEFAC has communicated this message to EU decision makers as well as food chain partners, inviting all actors involved to secure the "non-waste" legal status of former foodstuffs destined to feed. FEFAC underlines that in order to reduce waste, the principles of the Food Waste Hierarchy (University of Wageningen) should be followed and traceability and safety of former foodstuffs always have to be ensured.

LGPA

LITHUANIAN GRAIN PROCESSORS ASSOCIATION

Affiliated feed production 2012: 430 000 t

Members Total: 37 thereof Premix: 2 Compound feed: 7 Other (incl. non feed): 30

National compound feed production

Cattle	3 500 0
Pias	3 420 0
Poultry	5 850 0
Others	140 0
Total	14 494 0

Livestock population (heads)

Cattle	
Thereof dairy cows	
Pigs	
Sheep & goats	

Livestock production

leat	4	9
Cow milk collected	10	0
Appt concumption	Q1 Q	k

National compound feed production

attle		
igs		
oultry		
thers		
otal		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

ſ

Livestock production

Meat Cow milk collected Meat consumption

* data of 2011

National industrial compound feed production by categories

Evolution of national industrial compound feed production

LITHUANIA

2012

78 000 t

808 000

96 000

196 000 t*

1 317 000 t*

67 kg/capita*

Responsible Soy

The rapid expansion of soybean cultivation in certain South American countries in the last decade raised concerns about its environmental and social impact. The EU feed industry, therefore, took a leadership role to meet societal demands for soy production which is its main protein supply. "Responsible soy" has to comply with multiple sustainability criteria that demand a positive corporate social responsibility of the soybean farmer.

Since 2005, FEFAC has been a member of the global multi stakeholder Round Table on Responsible Soy (RTRS), which, in 2010, adopted its first RTRS standard that contains criteria for soy to qualify as being produced in a responsible manner. To meet the RTRS standard, a soybean farmer has to respect several principles, most importantly environmental responsibility, good agricultural practices, legal compliance and responsible labour conditions. In 2012, approximately 1 million tonnes of soy were produced under the RTRS certification scheme and the projected volumes for 2013 are estimated between 3 and 5 million tonnes. The objective is to further increase the supply volumes of responsible soy, in the in long term making it a sustainable add mainstream supply. With its to s participation to RTRS and equivalent mat certification programmes, FEFAC wishes to contribute to sustainable growth and production of the feed and livestock sector

in Europe while simultaneously addressing societal concerns linked to soybean cultivation and other raw material sources in the next step.

2012

NORWAY

* data of 2011

26

EFMC

The maintenance of feed safety requires the permanent attention of feed producers. To help premixtures and compound feed manufacturers to implement the legal feed safety requirements, FEFAC developed the EFMC, a European guide to good hygiene practice for feed manufacturing. This guide was officially assessed by the EU authorities in 2007 and has since been upgraded several times in order to adapt to arising feed and food safety challenges.

FEFAC was the first partner in the whole EU feed chain sector to develop a tool in the spirit of co-regulation as to facilitate the implementation of the feed legislation. An example of the value put on the EFMC is the maior upgrade FEFAC and other chain partners accomplished in 2012 in order to propose principles for the management of the risk of Salmonella in the feed chain. Feed is indeed recognised as one potential vector of livestock contamination with Salmonella, which could eventually trigger Salmonellosis in humans. Although the number of human cases has been significantly reduced over time, particularly thanks to better control of Salmonella in the EU livestock value chain including the feed sector, FEFAC considered that further progress could be achieved if good practices were implemented along the entire feed supply chain. The underlying principle of the

EFMC is to provide operators with a set of tools that contain different risk management strategies, while taking into account the company's risk profile and the different feed safety objectives established by national authorities, as this area is not fully harmonised at EU level. The control of the manufacturing process is highly emphasised in the EFMC for the benefit of an overall improvement of the hygienic status of the installations. The EU and national authorities welcomed the initiatives undertaken by FEFAC and appreciated the industrial sector's commitment to contribute to the overall EU policy objective of reducing human Salmonellosis cases.

Izba Zbozowo-Paszowa **RZECZPOSPOLITA** POLSKA Year of foundation: 1997 Members Total: 57

thereof

7.00

6.00 5.00

4.000 3.000

2.000

Premix: 1

Compound feed: 11

Affiliated feed production 2012:

3 630 000 t

IZP

National compound feed production

Cattle	905 000 1
Pigs	1 750 000
Poultry	5 115 000
Others	330 000 1
Total	8 100 000

Livestock population (heads)

Cattle	
Thereof dairy cows	
Pigs	
Sheep & goats	

Livestock production

Meat consumption	70.1 kg
Cow milk collected	9 86
Meat	3 71

National industrial compound feed production by categories

IACA

2012

POLAND

ASSOCIAÇÃO PORTUGUESA DOS INDUSTRIAIS **DE ALIMENTOS COMPOSTOS PARA ANIMAIS**

REPÚBLICA

Year of foundation: 1969

Affiliated feed production 2012: 3 037 000 t

Members Total: 52 thereof Premix: 10 Compound feed: 42

National compound feed production

878 000 t

107.2 kg/capita

Cattle		
Pigs		
Poultry		
Others		
Total		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected Meat consumption

National industrial compound feed production by categories

Evolution of national industrial compound feed production

PORTUGUESA

Antimicrobial resistance

Antimicrobial resistance has gradually become a serious threat for the future of mankind. Global action is needed to enforce better control on the misuse and overuse of antibiotics in both human medicines and livestock production. To reduce the medicine use at farm level, animal feeding can play a positive role.

First of all, it shouldn't be forgotten that ever since the EU ban of the use of antibiotics for growth promoting purposes in 2006 it has consequently been prohibited for standard feed to contain any antibiotic growth promoters. Nevertheless, bringing down further the need for antibiotics for animal health purposes must be a key objective for the EU livestock chain. Adequate nutrition that meets the demands for the maintenance of optimal animal health, together with controlled farm housing conditions, could already contribute to this minimization. For example, research has been able to identify certain feed components that would have a positive impact on animal gut health, a vital element for resistance to infections and diseases. Encouraging the implementation of these types of good animal husbandry management practices by farmers and veterinarians regarding the

proper use of antibiotics is the main objective of EPRUMA (European Platform for the Responsible Use of Medicines in Animals), for which FEFAC renewed its active support in 2012. FEFAC is very much supportive of the EU Commission review of the veterinary legislation which is going on for several years now, aiming to improve the legal framework regarding animal health and antimicrobial resistance.

Affiliated feed production 2012: 20 053 000 t

thereof Premix: 14 Compound feed: 49 Feed additives: 18 Other (incl. non feed): 24

National compound feed production

Cattle	2 035 000 t
Pigs	6 112 000 t
Poultry	11 826 000 t
Others	80 000 t
Total	20.053.000 t

Livestock population (heads)

Cattle	20 100 000*
Thereof dairy cows	8 900 000*
Pigs	17 300 000*
Sheep & goats	22 400 000*

Livestock production

Meat consumption

Meat	10	900	000	t*
Cow milk collected	31	700	000	t*

700 000 t* 70 kg/capita*

* data of 2011

SFMA

2011

RUSSIA

SERBIAN FEED MANUFACTURERS' ASSOCIATION

Year of foundation: 2004

Affiliated feed production 2012: 925 000 t

Members Total: 65 thereof Premix: 18 Compound feed: 44 Feed additives: 3 Other (incl. non feed): 349

34 000 t 915 000 t

921 000

1 871 000

479 000 t*

1 434 000 t*

44 kg/capita*

National compound feed production

Cattle		
Pigs		
Poultry		
Others		
Total		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected Meat consumption

* data of 2011

National industrial compound feed production by categories

Evolution of national industrial compound feed production

2010 2011

2012

Medicated feed

The correct delivery of veterinary medicinal products to animals can be achieved through different pathways, for example injection, direct oral administration or via "medicated feed". The legal framework for the prescription, manufacturing, delivery and use of medicated feed is however more than 20 years old, making modernization and harmonization of the legislation urgent for farmers and operators to maintain and further improve a high level of animal health while ensuring a level playing field in the common market.

The primary business of compound feed manufacturers is to produce standard compound feed for healthy animals meeting their nutritional requirements. However, upon prescription of veterinarians, they may be requested to blend in veterinary medicinal products into the feed, because medicated feed may in some cases offer the most efficient and controlled distribution channel for treating sick animals. Compound feed manufacturers that provide this service to farmers are subject to careful scrutiny of control authorities. It is indeed important that the whole chain applies strict precautionary measures to preserving the safety of the manufacturing, handling, transport and delivery of medicated feed. This is particularly the case for worker safety and the control of the risk of carry-over, meaning the technically unavoidable presence of very small traces of veterinary

medicinal products in a subsequent batch of feed for non-target animals. Currently available new innovative technologies which would contribute to a higher level of security cannot be implemented because the present legal framework does not facilitate fully harmonised legal requirements for medicated feed. In 2012, FEFAC provided data to the EU Commission for an impact assessment of different legislative options for the future legal framework, showing the benefits for farmers, veterinarians and the feed industry of a more harmonised legal framework for medicated feed.

National compound feed production

Cattle	212
Pigs	230
Poultry	247
Others	12
Total	701

471 000

409 000

851 000 t

57 kg/capita

Livestock population (heads)

Cattle
Thereof dairy cows
Pigs
Sheep & goats

Livestock production

Meat	
Cow milk collected	

Meat consumption

32

National industrial compound feed production by categories

GZS

CHAMBER OF COMMERCE AND INDUSTRY OF SLOVENIA

Year of foundation: 1997

Affiliated feed production 2012: 423 000 t

98 000 t

14 000 t

135 000 t*

526 000 t*

National compound feed production

Cattle		
Pigs		
Poultry		
Others		
Total		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

* data of 2011

Meat Cow milk collected

National industrial compound feed production by categories

Evolution of national industrial compound 296 000 feed production

2012

SLOVENIA

FEFAC and the European Institutions

FEFAC officially entered the **European Commission Register of Interest Representatives** in January 2009.

FEFAC experts take part in the following **EU Advisory Groups**

- Directorate General for Health and Consumers – DG SANCO
 - Advisory Group on the Food Chain, Animal and Plant Health
 - Animal Health Advisory Committee
- Directorate General for Agriculture and Rural Development – DG AGRI
 - Common Agricultural Policy
 - Cereals, Oilseeds and Proteins
 - Milk
 - Organic Farming
 - Dried Fodder

FEFAC provides **feed expertise and data** to the official, public inquiries conducted by the EU Commission preceding the launch and adoption of new legislative acts affecting the feed industry. As member of EUFETEC, FEFAC provided the vision of the feed sector as regards the future of the animal nutrition science by 2030 and the priority research agenda needed.

In cooperation with DGSANCO, FEFAC has organised a series of major **EU feed safety workshops** on emerging feed safety incidents including the Dioxin contamination of breadmeal in Ireland in 2009 and in feed fats in Germany in 2011. With the support of DG SANCO, FEFAC organised a feed andfood chain meeting for the launch of the European Feed Manufacturers Guide (EFMC) in 2007.

FEFAC takes an active part in the EFSA Stakeholders Platform. The European Food Safety Authority (EFSA) is responsible for the EUwide risk assessment regarding food and feed safety. FEFAC 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 experts provide also their input in the Stakeholders Advisory Group on Emerging Risks. In cooperation with EFSA, FEFAC organised a workshop on the reauthorisation of feed additives in 2008.

FEFAC has been co-organising 16 workshops (between 1999 and 2012 in Italy, Czech Republic, Cyprus, Slovakia, Slovenia, Poland, Estonia, Latvia, Turkey, Romania, Croatia, Hungary, Serbia, Bulgaria and Russia) on HACCP-based Feed Safety Assurance Systems in animal feed production in cooperation with **TAIEX**, the Technical Assistance Information Exchange Office of DG Enlargement.

In cooperation with the EU Food and Veterinary Office (FVO) and DG SANCO, FEFAC experts contributed to the **training seminars** for new FVO feed inspectors in 2003 and 2006. FEFAC will also contribute to a new FVO workshop on feed hygiene implementation in May 2013 with national competent control authorities and feed safety assurance partners. FEFAC experts also participated in the first series of DG SANCO feed safety training seminars for national feed control experts in 2010 and 2012. FEFAC experts participated in Public Hearings of the **European Parliament** Environment and Agriculture Committees on animal feed safety and GM food and feed labelling legislation.

National compound feed production

Cattle	6 925 000
Pigs	8 996 000
Poultry	4 260 000
Others	946 000
Total	21 127 000

827 000

5 813 000 t

25.00

20.00

Livestock population (heads)

Cattle	
Thereof dairy cows	
Pigs	
Sheep & goats	

Livestock production

Meat Cow milk collected

National industrial compound feed production by categories

F&5

FODER & SPANNMAL

Year of foundation: 1981

Affiliated feed production 2012: 300 000 t Members Total: 60 thereof Premix: 2 Compound feed: 6 Other (incl. non feed): 55

Föreningen Foder och Spannmål (Feed and Grain Association) is a Swedish organisation of companies producing and selling agricultural supplies such as grain, feed, seeds, fertilisers and plant protectants. The association in its modern form was founded in 1981 by a merge of Swedish Grain Merchants (founded in 1911) and Swedish Feed Manufacturers (founded in 1905).

The main purpose is to represent and promote views and interests of the members in Swedish and EU institutions and to support members with relevant information. The association has about 60 member companies with a total turnover of approx 2.8 billion SEK.

FEFAC and the other chain partners

Together, we get stronger! 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:

EUFETEC

EUFETEC, a European feed technology research platform composed of several feed-related bodies representing the feed industry and research institutes which decided to join their efforts with a view to streamline the EU research via the development of a Strategic Research and Innovation Agenda for the animal nutrition science. EUFETEC is member of the Animal Task Force which is a gathering of knowledge providers and technology platforms active in the various animal sciences (animal health, genetic, nutrition, etc.).

Food Safety Platform, grouping key European stakeholder federations concerned with feed & food safety, aiming at improving communication between the feed & food chain partners on emerging feed and food safety issues and related topics.

EISA (European Initiative for Sustainable Development in Agriculture), set up by national farmer initiatives supported by agrosupply industries promoting the development of integrated farming practices through the development and continuous update of the EISA Integrated farming framework containing a European definition and characterization of Integrated farming as guideline for sustainable development of Agriculture.

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 foodproducing animals".

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.

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.

Food SCP Roundtable (EU Food chain Roundtable on Sustainable Consumption & Production), composed of representative organisations from the entire food chain from the agro-supply sector to retailers with the main objective to develop a harmonised environmental impact assessment methodology, to develop tools for consumer communication and to identify actions for further improvement of the environmental performance of the food chain. The Roundtable is cochaired by the European Commission.

EU FCTF (EU Feed Chain Task Force on the Catalogue of Feed Materials), a gathering of 39 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.

2012 SWITZERLAND

Affiliated feed production 2012: 1 030 000 t

National compound feed production

Cattle	825.00
Pias	315 00
Poultry	550 00
Others	146 00
Total	1 836 00

Livestock population (heads)

Cattle	
Thereof dairy cows	
Pigs	
Sheep & goats	

Livestock production

Meat consumption	46.5 kg/capita
Cow milk collected	2 861 000 t
Meat	380 000 t

National industrial compound feed production by categories

VSF

FEDERATION OF THE SWISS **COMPOUND FEED MANUFACTURERS**

Year of foundation: 1933

Affiliated feed production 2012: 679 000 t

Members Total: 83 thereof Premix: 6 Compound feed: 44 Feed additives: 3 Other (incl. non feed): 30

490 000 t

479 000 t*

4 079 000 t* 62.6 kg/capita*

National compound feed production

Cattle		
Poultry		
Others		
Total		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected Meat consumption * data of 2011

National industrial compound feed production by categories

Evolution of national industrial compound feed production

FEFAC and the International Organisations

FFFAC holds observer status in the **CODEX** Alimentarius Commission since 1999. The Codex Alimentarius Commission was created in 1963 by FAO and WHO to develop food and feed standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Programme. The main purposes of this Programme are protecting the health of consumers and ensuring fair trade practices for food products, as well as promoting coordination of all food standards work undertaken by International Governmental and Non-Governmental Organisations. After the adoption of a Code on good animal feeding in 2005, the CODEX Alimentarius Commission set up a new "ad-hoc" Task Force on animal feed safety whose main mandate consisted in developing guidance on feed safety risk assessment and prioritisation of feed safety hazards. FEFAC and IFIF actively contributed to the work of the new CODEX Task Force which adopted its final draft guidance documents in 2013 to be approved by the CODEX Alimentarius Commission.

FEFAC assisted **OIE**, the World Organisation for Animal Health, during the review of the OIE Terrestrial Animal Health Code with regard to feed-related references in the OIE standards.

FEFAC participated in a number of conferences antimicrobial on resistance. in particular those jointly organised by WHO/FAO and **OIE** by providing key information & data regarding the in-feed use of antibiotics (medicated feed, coccidiostats).

FEFAC holds regular contacts with **WT0** on issues related to the SPS agreement which may affect global trade in feedingstuffs and products of animal origin.

FEFAC is a member of **IFIF**, the International Feed Industry Association, which was founded in 1987 by FEFAC and AFIA, the American Feed Industry Association.

IFIF holds membership

f r o m national and regional trade associations, a.o. FEEDLATINA, regrouping South American feed industry associations, the American Feed Industry Association, AFIA, the Brazilian (Sindiraçoes), Chinese (CFIA), Canadian and Japanese Feed Industry Associations as well as global corporate feed companies, accounting for more than 80% of the estimated global commercial feed production of almost 1 bio. t in 2012. IFIF has organised its 4th Global Food and Feed Congress in Sun City, South Africa, in April 2013. IFIF and FAO have jointly organized 6International Feed Regulators meetings since 2008 to deal with emerging feed safety issues and developed jointly with global feed regulators а comparison project of key legal requirements for the authorisation of feed additives in order to foster convergence of feed legislation at global level.

IFIF has produced a manual on good practices for the feed industry in cooperation with **FAO** which was first published in 2010 containing a series of additional information material designed to assist industry and government bodies with the implementation of the CODEX Code on good animal feeding.

2012 united kingdom

TÜRKIYEM-BIR TURKISH FEED MANUFACTURERS' ASSOCIATION

Year of foundation: 1974

Affiliated feed production 2012: 11 110 000 t

Members Total: 163 thereof Compound feed: 163

National	C C 100	haund	faad	nroduction
Nationat	COIII	Donna	reeu	Drouuction

Cattle	7 458 00
Poultry	5 954 00
Others	1 077 00
Total	14 489 00

Livestock population (heads)

Cattle	11 455 000*
Thereof dairy cows	4 397 000*
Sheep & goats	29 383 000*

2 692 000 t*

13 544 000 t*

40 kg/capita*

Livestock production

Meat	
Cow milk collected	

Meat consumption

* data of 2011

National industrial compound feed production by categories

Evolution of national industrial compound feed production

AIC

2012

TURKEY

AGRICULTURAL INDUSTRIES CONFEDERATION

Year of foundation: 1977

Affiliated feed production 2011: 10 180 000 t

Members Total: 116

AIC represents the majority of UK compound feed manufacturers, but its membership extends far wider and includes feed merchants. grain merchants, fertiliser manufacturers and distributors of crop protection products. AIC helps ensure food and feed safety by owning the assurance schemes UFAS, FEMAS and TASCC.

5 152 000 1 6 532 000 t 1 471 000 t

9 900 000

4 481 000

79.1 kg/capita

National compound feed production

Cattle		
Pigs		
Poultry		
Others		
otal		

Livestock population (heads)

Cattle Thereof dairy cows Pigs Sheep & goats

Livestock production

Meat Cow milk collected

Meat consumption

National industrial compound feed production by categories

Evolution of national industrial compound feed production

Praesidium Members

GUILLAUME (France)

Committee Chairmen

MILK REPLACERS **KLEINHOUT** Denkavit France SNIA (France)

Reinder Nutreco NEVEDI (The Netherlands)

PREMIX AND

Skretting Italia S.p.A. ASSALZ00 (Italy)

FERRARI Cargill srl.

ASSALZOO (Italy)

Secretariat

Situation on 31 December 2012

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