

From: [REDACTED]
Sent: Thursday, July 9, 2020 11:38 AM
To: CUJO Eglantine (CAB-SINKEVICIUS) [REDACTED]
Subject: Short Report / Meeting with COCERAL, FEDIOL, FEFAC

Dear colleagues,

On Thursday, July 9, Commissioner Virginijus Sinkevičius held a 50-minute video call with representatives of the European Feed Manufacturers' Federation (FEFAC), the EU vegetable oil and protein meal industry association (FEDIOL) and the European association of cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agro supply trade (COCERAL). These are three major European industry associations working with two relevant commodities in terms of impact on global deforestation: Palm oil and soy. The object of the meeting was to discuss the Commission's planned legislative proposal on deforestation associated with EU consumption footprint.

The main points made by the industry representatives were:

1. They advocated for taking into account unintended consequences of any potential legislation. In particular, **disengagement from the industry from areas with high-risk of deforestation.**
2. [REDACTED] of FEDIOL defended what she called **"a risk-based approach" to due diligence, not a due diligence system where companies are obliged to prove that products are deforestation-free.** The later, she said, would result in disengagement from high-risk areas like the Cerrado in Brazil, where projects to clean supply chains from deforestation are taking place.
3. **They criticised — and seemed to be worried by — the European Parliament's draft report** on an 'EU legal framework to halt and reverse EU-driven global deforestation' (issued last month by rapporteur [REDACTED], an MEP from the S&D) on grounds that the due diligence system proposed was too stringent for companies and may have several unintended consequences.
4. They warned that the EU market share for commodities associated with deforestation is too small. Any change in legislation, they argued, needs to go hand in hand with cooperation with producing countries and dialogue with other big consumer markets. **"We're not big enough to trigger a major shift at origin,"** said [REDACTED] of COCERAL.
5. They also argued that most member companies of their associations have already in place voluntary due diligence systems and/or use certification — and that these methods have achieved significant results in cleaning supply chains from deforestation products. **They argued for a mandatory due diligence legislation combined with private certification schemes.**
6. They asked the Commissioner about: Cooperation mechanisms with producing countries, mandatory labelling (which was highlighted by the Commissioner as a potential measure) and the public consultation and engagement with the Commission along the legislative process.

The main points made by the Commissioner were:

1. Thank the engagement of stakeholders, detail the next steps in the process of the impact assessment and of proposing new legislation as well as ask them to continue to participate.
2. Inform that the Commission is assessing a wide variety of policy measures to tackle deforestation associated with the EU consumption footprint, insisting on the fact that due diligence is one of the options studied but that there are many others.
3. Inform that the Commission is conducting a Fitness Check of the rules in place to fight illegal logging and trade (EUTR and FLEGT Regulation) with the aim of learning from past mistakes and avoid repeating them.
4. In particular, the Commissioner listed the shortcomings that the Commission had detected while implementing the due diligence system of the EUTR for the past seven years.

Thank you very much.

Kind regards,

