Mrs Astrid Schomaker  
Director Global Sustainable Development  
DG ENVI  
European Commission  

By e-mail  

16.07.2021  
(21) INST 26  

FEFAC Recommendations on Application Scope of Future EU Regulation to  
Tackle Embedded Deforestation  

Dear Mrs Schomaker,  

FEFAC, representing the European manufacturers of premixes & compound feed for  
food-producing animals, would like present its views on the current orientation of the  
legislative approach to tackle deforestation embedded in supply chains. In line with the  
letter sent to DG ENVI Director General Florika Fink-Hoijter on 4 March 2021 (see Annex  
1), we continue to recommend to adopt a ‘smart policy mix’ from a general point of view,  
where an important role for voluntary action is present against a background where a  
level playing field is provided. In this context we would like to draw your attention to two  
specific feed sector recommendations to ensure the legislation is risk-proportionate and  
facilitates practical applicability “on the ground” in a highly fragmented sector consisting  
of thousand of SMEs and family-owned businesses.  

1. Scope of application of rules for commodities and “derived products”  
FEFAC acknowledges that the feed use of soybean meal is a key driver of soybean  
cultivation and that therefore the European use of soybean meal in animal feed is a factor  
of importance in soy-related deforestation. FEFAC has full understanding that the  
legislator will seek assurances & proof from the soy supply chain that the soybean meal  
used by the EU livestock sector is not coming from areas that were deforested after a  
certain period. With the recent launch of the updated FEFAC Soy Sourcing Guidelines  
and its accompanying Soy Benchmarking Tool1, FEFAC has stepped up its commitment  
to facilitating market transparency with a view to fostering mainstream market transition  
in the supply and demand of responsible soy that assures the absence of deforestation.  

There is however no other comparable commodity where the animal feed use has a  
footprint of a similar magnitude compared to soybean meal. In compound feed  
manufacturing a very broad range of ingredients are used, which are usually the  
co-product of commodities destined for direct human consumption (this is what FEFAC  
would consider a “derived product”). For example for sugar cane molasses, coffee &  
cacao hulls, palm kernel meal and palm fatty acids it can hardly be argued that the feed  
use is a driver for the cultivation of the respective crop.  

In the case of palm oil and soy oil, feed manufacturing generally absorbs surpluses that  
emerge after food and biofuels markets have been depleted, while in addition the quality  

1 https://sustainabilitygateway.org/european-feed-manufacturers-federation-fefac-soy-benchmarking-

 tool/
grade of these commodities of what ends up in feed is usually of a lower “feed” quality grade (although it is referred to by the same commodity name).

Requiring assurances as regards the deforestation-free status of these raw materials in feed would therefore not be “risk proportionate” in our view as it will not lead to any measurable impact on halting deforestation. In a worst case scenario, putting pressure on the feed use of these raw materials could in fact lead to unintended trade shifts away from countries with a high “risk profile” or the complete phasing-out of the commodity as a feed ingredient, leading to cost increases for EU livestock farmers without making any significant contribution to more sustainable practices in producer countries. We note indeed with concern a market trend in some EU countries that a unilateral blacklisting of palm oil (and often its co-products) as a feed ingredient is imposed by downstream market partners as a way of issue-solving, rather than setting out a roadmap that drives sustainable palm oil use.

FEFAC understands that the European Commission considers meat equally as a “derived product” which may be included in the scope, considering that expansion of grazing areas for cattle production may contribute to deforestation and that soy could be used as an important component in an animal production chain, in particular for poultry. In the case of Brazil, most soy is absorbed in the region by animal feed producers for domestic livestock production, or directly exported to China. In order to maintain a level playing field for EU poultry meat producers, FEFAC would therefore argue it is justifiable to include these animal products meat in the scope, meaning that 3rd country exporters of poultry products and beef to the EU would also need to be able to demonstrate that the grasslands and soy that has been used in its production is of deforestation-free nature.

2. FEFAC Soy Sourcing Guidelines 2021 / new criteria on “conversion-free”

The FEFAC Soy Sourcing Guidelines 2021 hold 73 criteria on sustainable soy production, including a criterion on ‘conversion-free soy’, against which responsible soy programmes and schemes can have themselves benchmarked. This conversion-free soy is not grown on natural eco-systems (including forests) after a certain cut-off date (no later than 2020), regardless of the national legal situation. As of 1 July 2021, 7 schemes are displayed in the FEFAC Soy Benchmarking Tool as having passed the independent benchmarking process facilitated by ITC. We expect more responsible soy schemes to achieve this status by October 2021. FEFAC is pleased to inform you that the Guidelines are shaping up to be aligned with current reflections within the European Commission on fostering deforestation-free supply chains. The FEFAC Guidelines even move beyond forest protection, covering also other high value habitats (aligned with the Accountability Framework Initiative definition), which is important in the context of soy cultivation in the Cerrado and Gran Chaco biomes.

FEFAC urges the European Commission to recognize the value and contribution the very mature and diverse market of responsible soy certification and its capacity to play a role in a future system where a declaration of conformity is requested from first placers on the EU market. With the Soy Sourcing Guidelines 2021, FEFAC has set a required level of performance that is looking to surpass legal requirements and deliver on many more aspects of sustainable trade (e.g. responsible working conditions and good agricultural practices). To facilitate a mainstream market transformation, the European Commission should remain flexible to accept different chain of custody systems that deliver ‘conversion-free soy’ in order to obtain logistically functional and cost-effective market solutions. Over time, with an evolution of food producer sourcing policies geared towards conversion-free soy for animal production, FEFAC anticipates that the level of physical flow in responsible soy trade towards Europe will substantially increase, based on a

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2 Factsheet on the FEFAC Soy Sourcing Guidelines 2021
3 FEFAC Soy Benchmarking Tool
robust risk-exposure assessment. This will allow the EU to remain a reliable partner in sustainable trade for all export countries willing to promote best practices regarding expansion and use of farm land (e.g. use of degraded pastures), while enforcing respective national forest protection measures.

We thank you for your attention to the considerations highlighted in this letter and remain at your disposal for further information.

Yours sincerely,

Cc: (DG ENV)