Ref.: Follow-up on EU-US statement of 25 July on soy

COCERAL/FEDIOL & FEFAC recommendations on implementation of the agreement

Dear Commissioner Malmström,

COCERAL, FEDIOL and FEFAC – representing the EU grain and feed trade, oil crushing and industrial compound feed sector – welcomed with relief the positive outcome of the visit of EU Commission President Jean-Claude Juncker and yourself to the White House, particularly concerning the reference to increasing trade in US soybeans.

We noted with great interest the publication of the first EU monitoring report on EU imports of soy products, highlighting the effect of the changing market dynamics currently favouring imports of US soy linked to a combination of Chinese retaliation tariffs against US soy imports, record soy harvest forecast in the US and adverse weather conditions in Argentina. Our organisations are more than willing to support the European Commission’s reporting activities on a regular basis, by providing additional insights on EU demand drivers for soy products and global market conditions. We expect overall higher demand for EU feed imports in the new marketing year 2018/2019, including protein crops, due to adverse drought effects on EU forages, cereals and oilseeds & protein crop production.

Therefore, we would strongly recommend the European Commission to seek a proactive mandate by the EU Council including potential Non-Tariff Barriers (NTBs) linked to soy trade in the scope of the joint Expert Group supervising the implementation of this important agreement. We believe that monitoring and discussing potential NTBs which may have an adverse effect on US soy trade (e.g. the potential impact of the European Court of Justice ruling on mutagenesis, the limited time window for exporting countries to adjust to EU MRL reviews for pesticides) should be a key task of the new Expert Group.
We remain at your disposal to provide further expert contribution and market information in relation to the implementation of the EU-US statement on increasing trade in US soy.

Yours sincerely,

Cc: Messrs Phil Hogan, Member of the European Commission, Leon Delvaux, Member of the Cabinet of Commission President Jean-Claude Juncker, Cristina Rueda-Catry, Member of the Cabinet of Commissioner Phil Hogan

COCERAL is the European association of trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply. It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above mentioned agricultural products. COCERAL's full members are 21 national associations in 15 countries and 1 European association [Unistock]. With about 3500 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. COCERAL has 1 associated member in Switzerland and 2 European Associations (EUROMALT and EUROMAISIERS). Gafta is an extraordinary member of COCERAL.

FEDIOL represents the interests of the European vegetable oil and protein meal industry. With over 180 facilities in Europe, the sector provides over 20,000 direct employments. Our members process approximately 55 million tonnes of basic products a year for the food and non-food markets. Oilseed crushing produces vegetable oils and protein meals as co-products. While vegetable oils are used for food and technical uses (pharmaceuticals, paints, detergents, biodiesel, etc.), protein meals are used to meet the increasing global demand for meat and protein.

FEFAC is the European Compound Feed Manufacturers' Federation. FEFAC represents 23 national Associations in 23 EU Member States as well as Associations in Switzerland, Turkey, Serbia, Russia and Norway with observer/associate member status, and is the only independent spokesman of the European Compound Feed Industry at the level of the European Institutions. The European compound feed industry employs over 110,000 persons on app. 4,000 production sites often in rural areas, which offer few employment opportunities.