10.9.2018

(18) INST 18

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