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Directorate General for Energy, European Commission

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as suggested by you and your colleagues during the stakeholder workshop on ILUC, we take the occasion to share with you our written contribution on the ILUC-risk methodology you will have to develop over the coming weeks.

The vegetable oil and protein-meal industry is actively engaged in initiatives and commitments aiming to remove products at risk of causing deforestation from its supply chains. Over the last decade, in the absence of enforced local forest protection laws, many corporate pledges have been made mainly with a view to providing a response to the deforestation and peat land expansion problem.

Companies active in South-East Asia have implemented sustainability criteria to meet the standards set for palm oil according to RSPO or ISCC certifications' codes. Many are implementing NDPE policies (No Deforestation, no Peat, no Exploitation) in response to requests made across the chain to suppliers to refrain from clearing forests and peatland for new oil plantations.

Companies active in Latin America have been involved in setting up the Soy Moratorium in the Amazon Biome. They have also adopted specific soy sourcing strategies that exclude deforestation from their supply chains (for example, through "go/no go approaches"). They regularly engage in discussions in multi-stakeholder fora such as the Brazil GTS (Soy Working Group) on how to achieve a balance between agricultural production and conservation in the Brazilian Cerrado. Since then, the Forest Code has been implemented and its enforcement based on satellite monitoring is leading to rapid interventions, severe sanctions in case of illegal deforestation and obligation to restore the converted areas.

For these reasons, while we understand the need to respond to alleged sustainability concerns linked to the production of certain biofuels, we believe it is important to come up with a methodology based on a sound and robust set of criteria, namely:

- More recent reference time period than what generally used, since 1990-2008 disregards many of the improvements that occurred in supply chains over the last decade.
- A clear, undisputable geographical approach, to avoid undifferentiated feedstock approach which would not consider the existing differences in sustainable practices across the globe.
- Reference literature and statistics from official (FAO, JRC, countries' data) and trusted local sources (such as producers' organisations).



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We acknowledge the evolution of discussions on indirect land use change from the use of standard factors delivered by modelling to a more in-depth assessment of substantial change on carbon-rich land. This shift in paradigm from ILUC to LUC-risk entails that the focus is no longer on the market reaction effect of ILUC but rather on direct developments taking place in specific regions which show poor enforcement with respect to the preservation of high carbon stock land. In this sense, a geographical approach to the assessment of the ILUC-risk, notably on a regional scale, would certainly be more effective.

Also, the recently launched Commission's report on the development of plant proteins recognised the fundamental role of oilseeds – including rapeseed, sunflower and soybean – in the production of protein-rich meal, the co-production of which in the EU has been ensured by the demand for oil via the biodiesel outlet thanks to the Renewable Energy Directive.

Specifically, over the last years the utilisation of soybean oil as raw material for biodiesel production has led to the creation of more than 3 million tons of protein meal in the EU. Although the main driver of soybean imports in the EU is the use of meal in animal husbandry, the elimination of the biofuel share would put at risk the EU meal production volumes and increase our protein deficit, in direct contradiction with the aim of the EU Protein Plan.

We hope you can take these remarks into account and we thank you in advance for your time and consideration.

Yours sincerely,

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