On Thursday, June 30th, Maite Fabregas, Hannes Huhtaniemi, and Jasper Jorritsma met with the European Feed Manufacturers' Federation (FEFAC).

The feed industry is shifting to using industrial byproducts as inputs, but still half their inputs are cereals.

FEFAC considers that the soy market is becoming the model for all cereals markets. Some of their members use financial markets to hedge. Over the past years, cereals prices have been rising.

FEFAC supports our proposals to introduce more transparency in derivatives markets, notably the commitment of traders' reports. There should be convergence between the cash and financial markets, notably in the Paris market. European prices for wheat and maize are not converging with CBOT prices.

Their prime concern is with transparency of the cash markets. FEFAC members need more comprehensive, more reliable, and faster information. They will consider sending a letter to Commissioner Cioloș explaining the problem and suggesting the introduction of more transparency in the physical transactions.

They consider volatility in cash markets is due to financial markets, as volatility started in 2007 when derivatives were introduced. They also see clear signs of cross-market abuse.

Jasper Jorritsma | Policy Officer | Securities Markets Unit | DG Internal Market and Services | Phone: +(32) 2 29 85833 | Mobile: +(32) 485 492 014 | jasper.jorritsma@ec.europa.eu