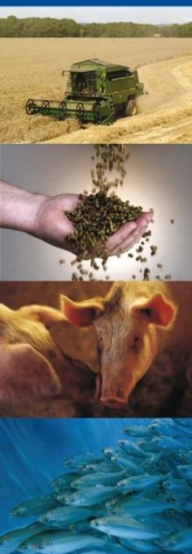


# **EU protein strategy: the feed industry perspectives and expectations**

**Pavel MUSIL**

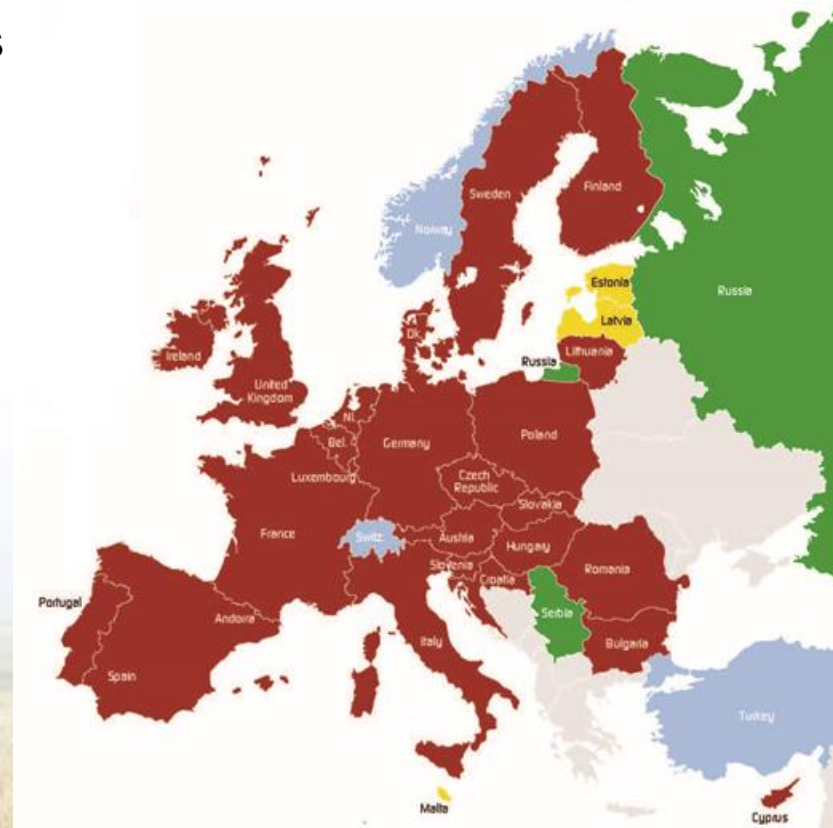
**Chairman, FEFAC Industrial Compound  
Feed Production Committee**

**4 December 2017**



# FEFAC in a nutshell

- Created in 1959
- Represents industrial compound feed and premixtures manufacturers
- Federation of national Member Associations
- 33 Members:
  - 24 Member Associations from 23 EU Member States
  - 2 Observer Members (Serbia, Russia)
  - 7 Associate Members (Turkey, Switzerland, Norway (3), EMFEMA, EFFPA)
- 158 mio. t of industrial compound feed in EU-28 in 2016
- 7 Technical Committees to assist the FEFAC Council



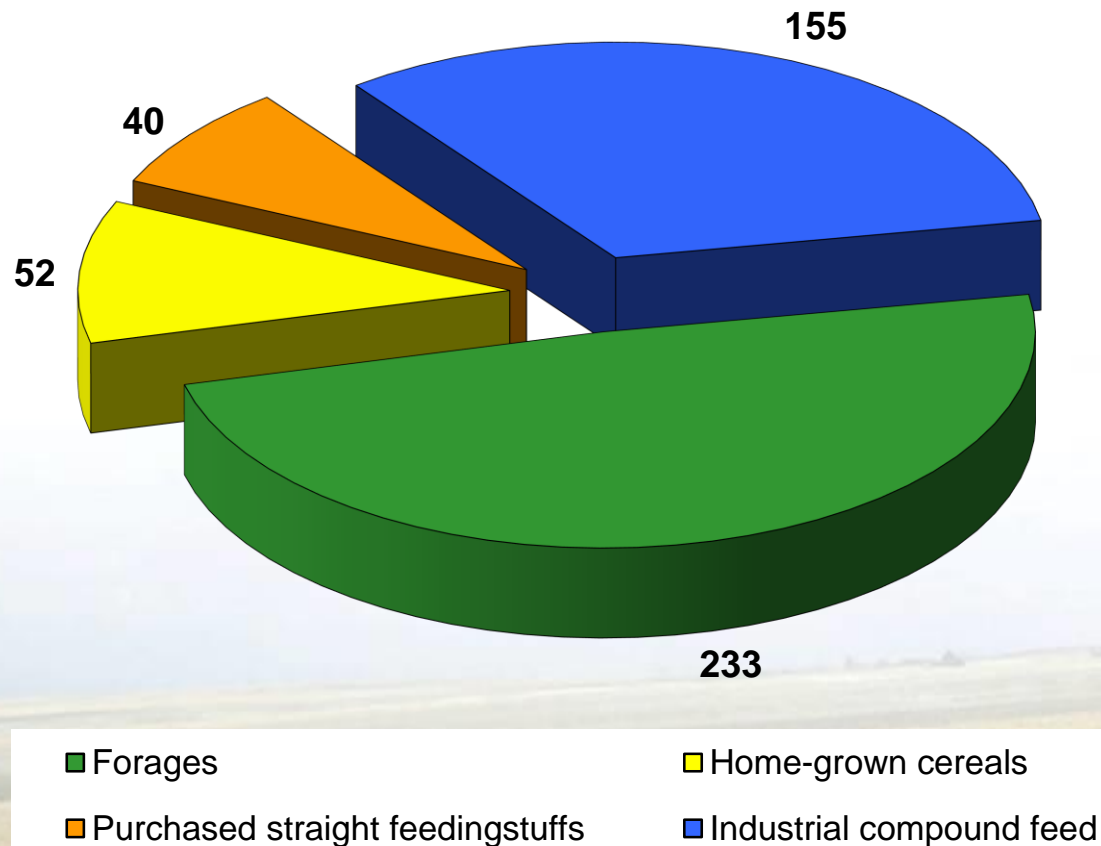
# The main role of the feed industry: a vital link in the food chain

- To get sustainable competitiveness of the livestock industry through safe, efficient and competitive diets
- Providing efficient diets for animals through in-depth nutritional know-how
- Comprehensive knowledge of nutritional characteristics and nutrient values of feed ingredients - accurate assessment of animals nutritional needs
- Challenge : meeting the global growing demand for animal proteins with limited availability of resources and with the need to reduce pressure on the environment





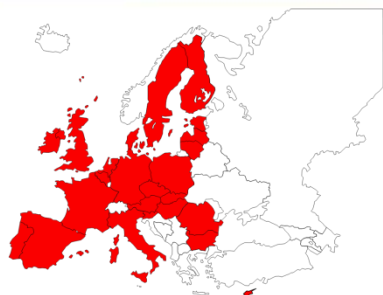
# EU-28 Livestock sourcing in feedingstuffs – 480 mio. t in 2016



# Industrial compound feed production in the EU-28 in 2015

## 158 mio. t (per category)

Source: FEFAC



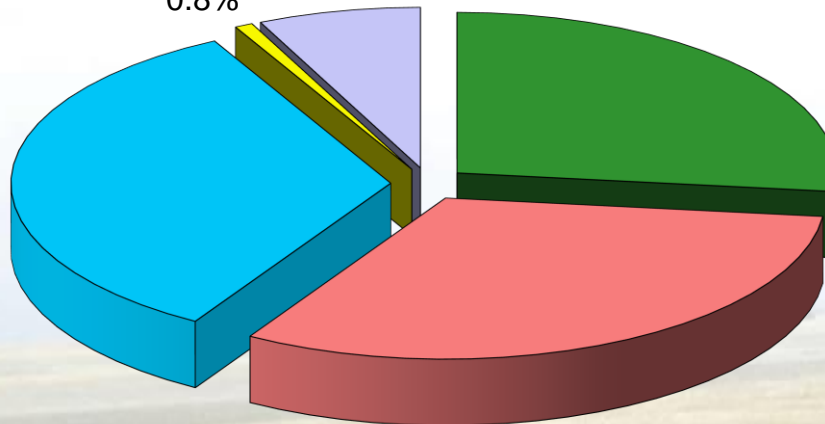
Poultry & eggs  
33.7%

Milk replacers  
0.8%

Others  
7.0%



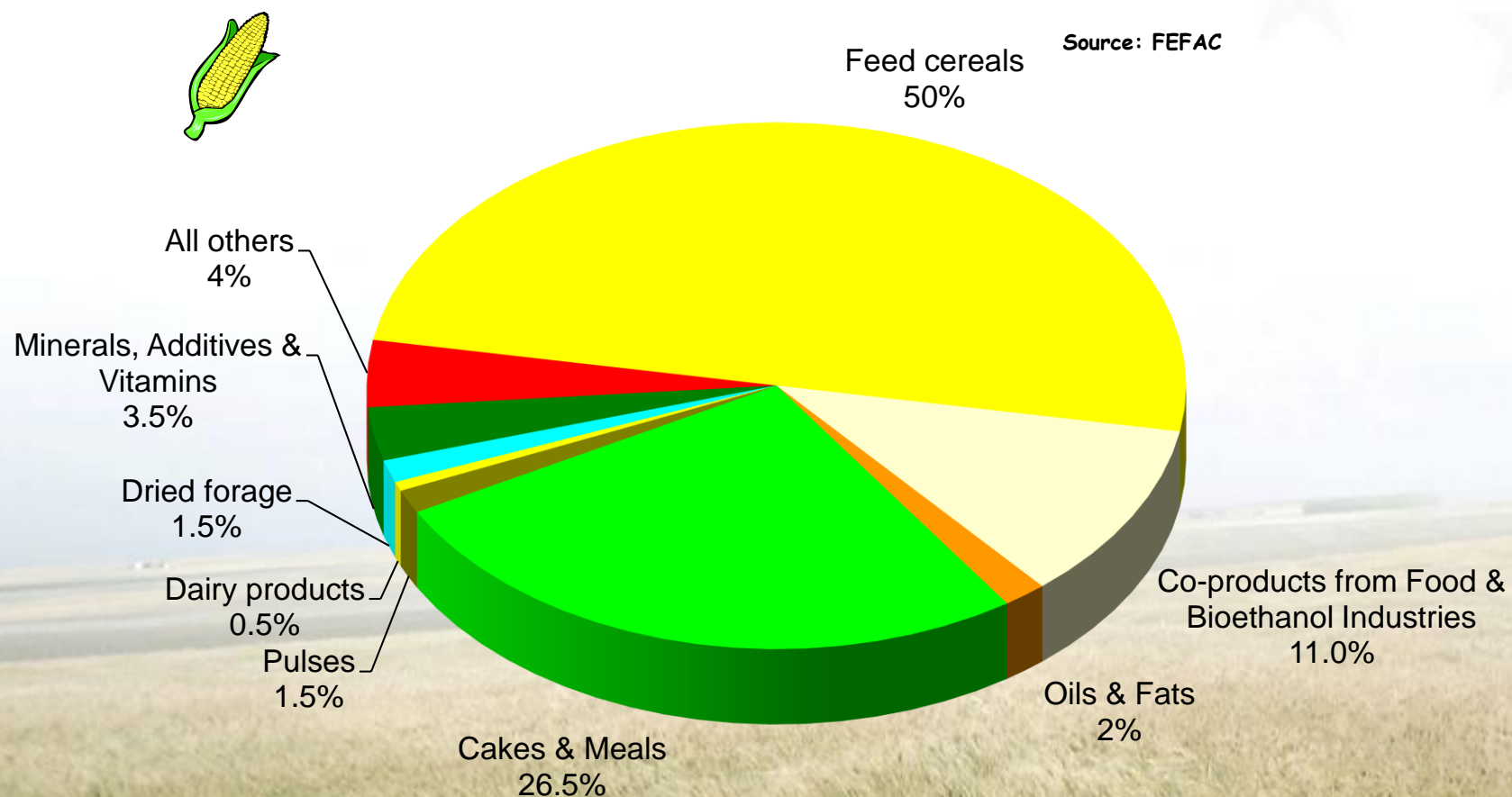
Cattle  
26.8%



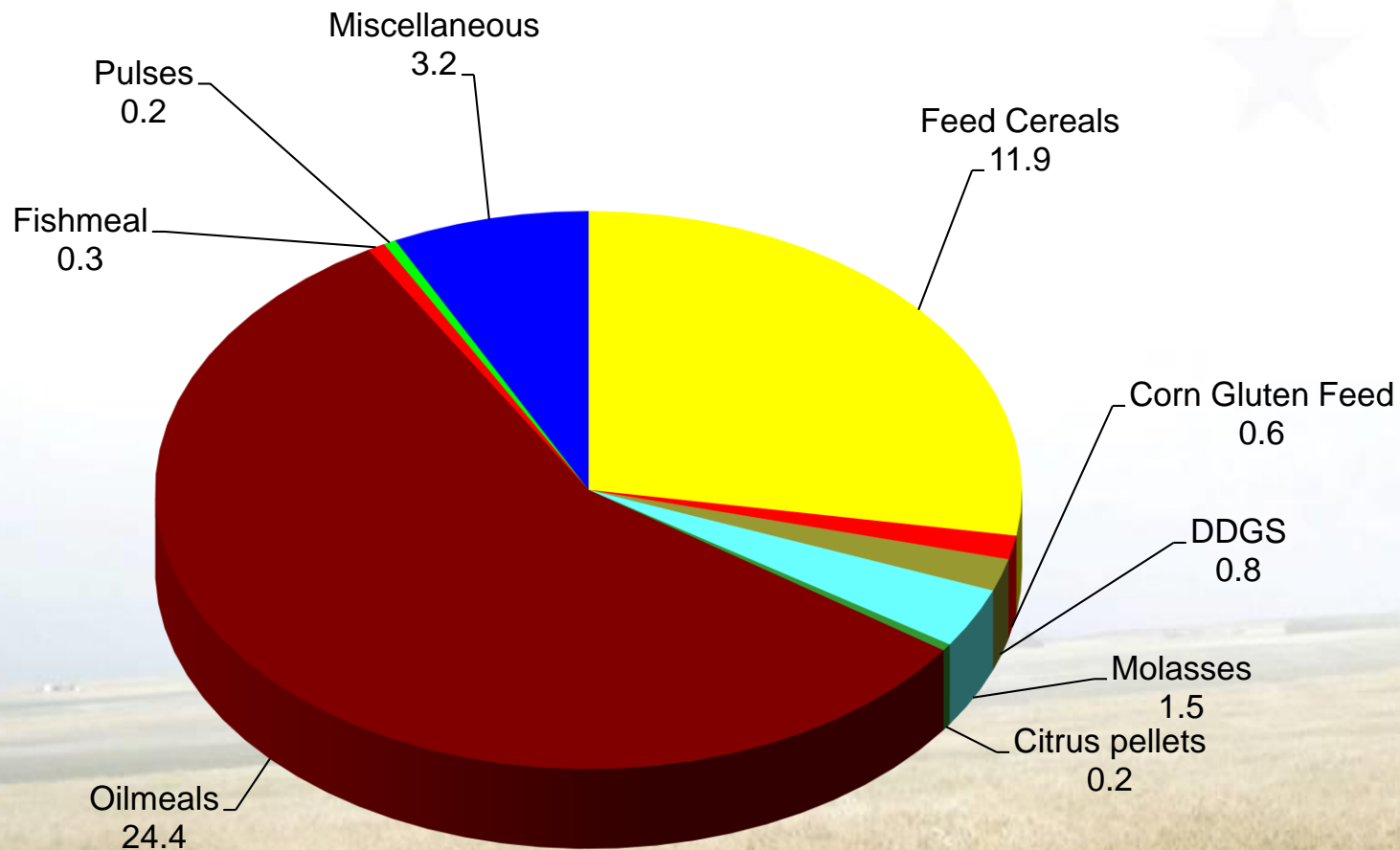
Pigs  
31.8%



# Feed material consumption by the EU-28 feed industry in 2016

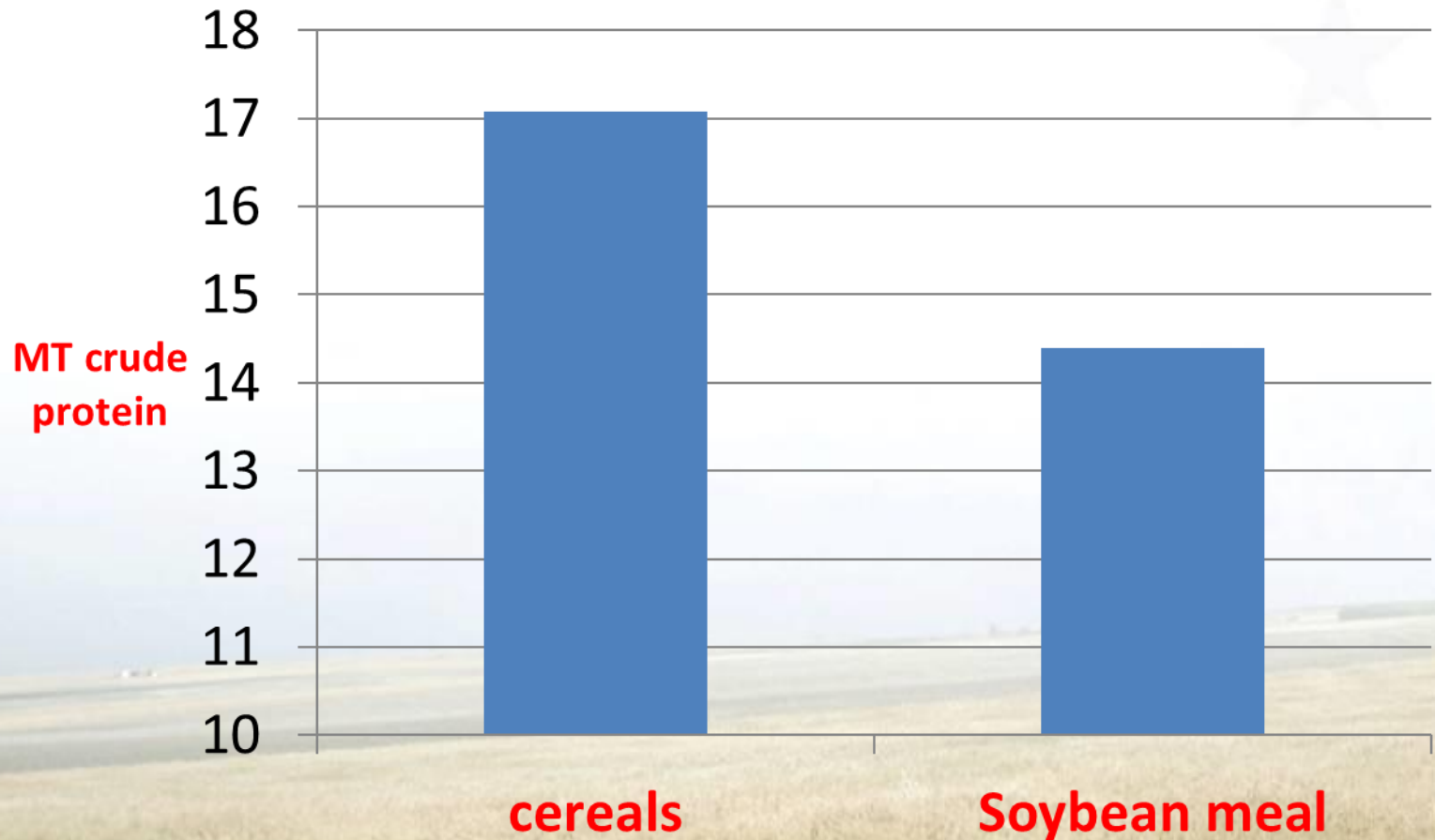


# Imports of feed materials in the EU-28 in 2016: 43 mio. t





# Contribution of cereals and soybean meal to the EU protein supply in 2015/2016





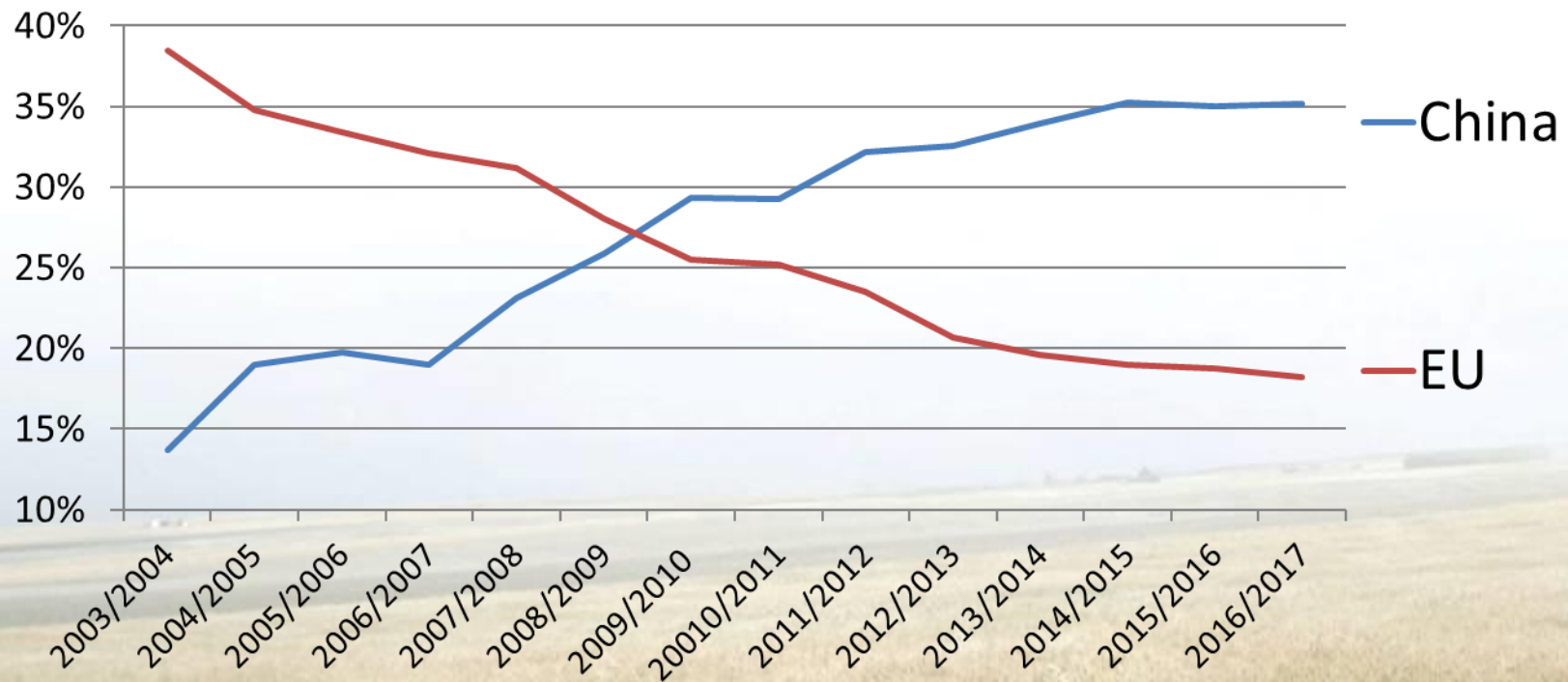
# EU protein balance sheet

- Fair and accurate description of EU protein supply
- Synergies between livestock and arable crops production
- Show link with EU policies (CAP, biofuels)
- Strategic dimension of protein supply
- Needs further work to capture forages and pastures



# EU protein deficit: strategic perspective

## Evolution of market share of global SBM equivalent imports (source:USDA)



# EU protein deficit: strategic aspects

- Deficit for concentrated sources of protein (EU protein balance sheet)
- Dependency from a limited number of supplying countries (USA, Brazil, Argentina)
- Any problem in of these 3 countries has immediate consequences on global market
- Decreasing importance of EU as a customer: less control on supply



# Strategic raw materials supply: FEFAC's perspective

- Need to meet the global growing demand for animal products
- Broad access to feed ingredients is a key factor of competitiveness
- Need to reduce pressure on human edible resources
- Need to reduce pressure on the environment
- Further increase of feed efficiency (feed conversion rate)
- Meet consumers expectations





# Main criteria for purchasing feed ingredients (protein sources)

- **Feed and Food safety first**
- For the nutritionist/formulator :
  - well defined nutritional composition
  - amino acids profile and digestibility
  - absence of anti-nutritional factors
- For the buyer
  - competitive price and conditions
- For the feed mill manager
  - availability throughout the year



# How to improve EU protein supply?

- Improve sustainability of existing protein sources
  - FEFAC road map on responsible soy
- Increase resource efficiency
  - Access and digestibility of available protein sources
- Develop alternative protein sources
  - EU vegetable protein sources
  - Insects, algae



# Strenghts and weaknesses of EU vegetable protein sources

## Positive

- Contribution to reduction of EU protein deficit (strategic aspect)
- Positive environmental contribution (N-fixing crops)

## Negative

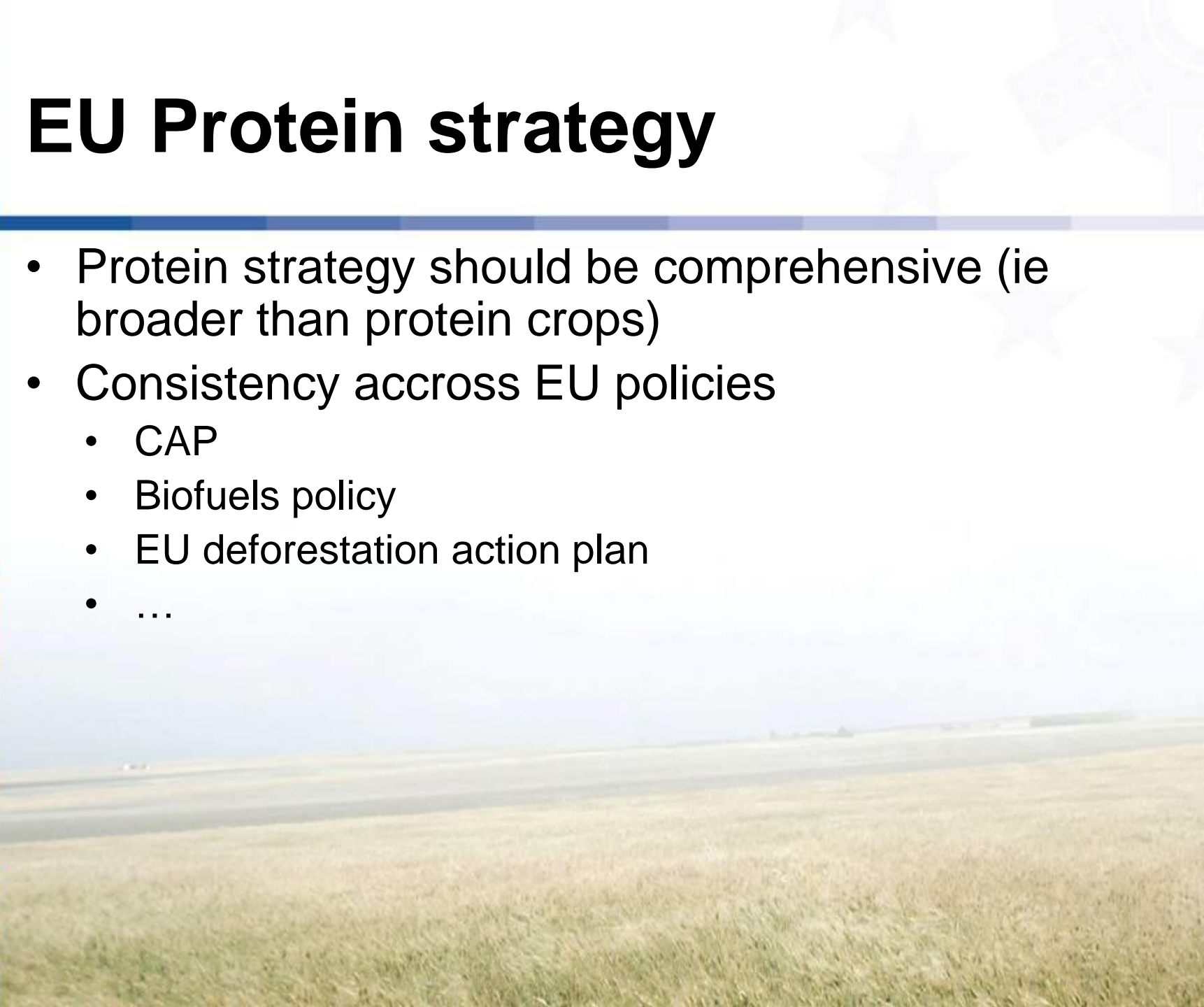
- Lack of competitiveness without direct price support
- Need to allocate land resources in the most efficient way
- Useful to meet specific niche market demand

**The feed and livestock industry rapidly reacts to the availability feed materials**



# EU Protein strategy

- Protein strategy should be comprehensive (ie broader than protein crops)
- Consistency accross EU policies
  - CAP
  - Biofuels policy
  - EU deforestation action plan
  - ...





# EU Protein strategy

- Stepwise approach
  1. Make the best use of available protein sources (improve availability and digestibility)
  2. Develop alternative protein sources
- Create a positive environment for the supply of amino-acids
- Do not create confusion with the non-GM market
  - Including a non-GM premium in the competitiveness of EU protein sources is a element of weakness and risk
- Market analysis
  - Potential and competitiveness of EU protein sources
  - Consequences on land use at EU level

# More on the future?

## Read FEFAC vision ([www.fefac.eu](http://www.fefac.eu))

### FEFAC vision on animal feed industry

*A knowledge driven, reliable partner of a competitive livestock sector*

#### Feed safety management

*Sharing responsibility for feed safety along the chain*

#### Animal nutrition

*A multifunctional science delivering solutions to a sustainable livestock sector*

#### Sustainability

*A responsible and resource-efficient feed industry*

# Thank you for your attention

## Stay informed on the feed industry via Twitter (@FEFAC\_EU) & the FEFAC NewsFEED



[www.fefac.eu](http://www.fefac.eu)



FEFAC

Fédération Européenne des  
Fabricants d'Aliments Composés

Europäischer Verband  
der Mischfutterindustrie

European Feed  
Manufacturers' Federation

