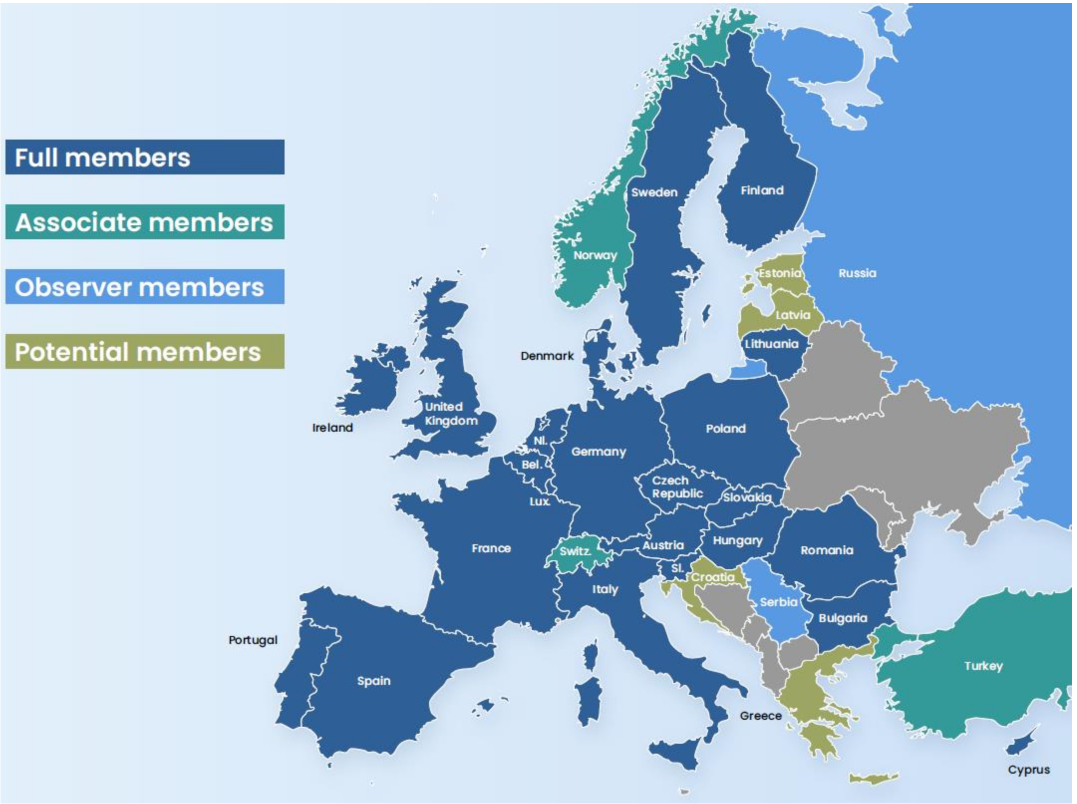
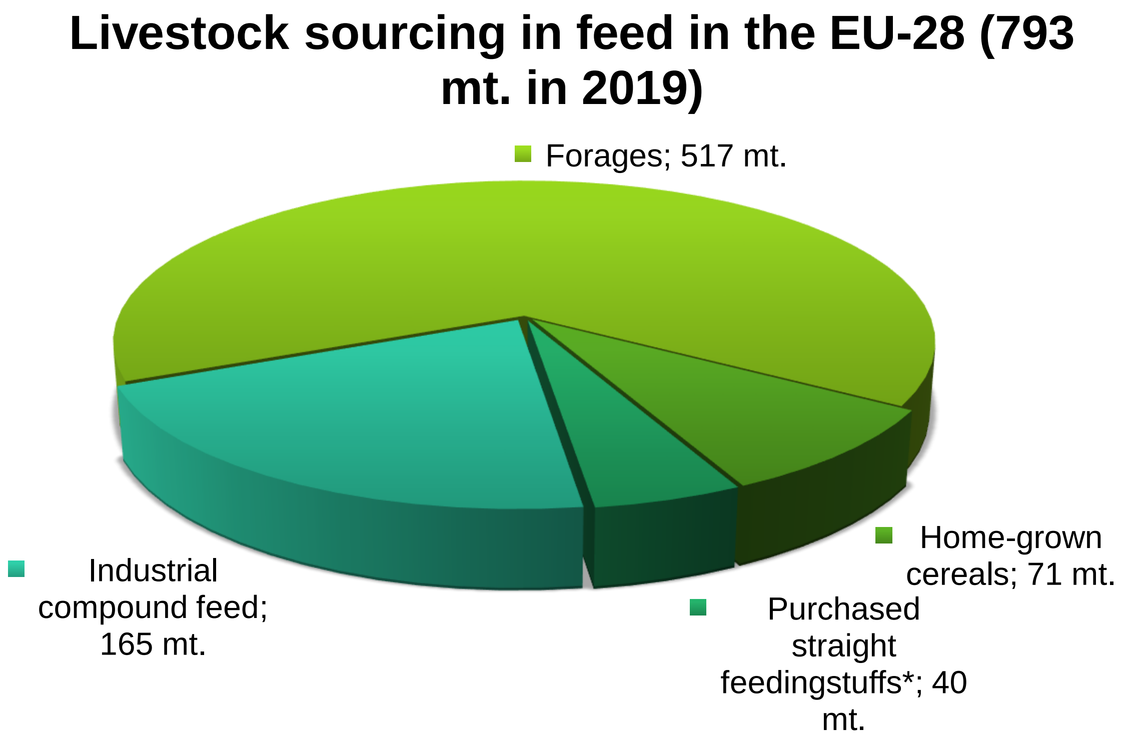
Feed market situation

Who is FEFAC?

- European Association of Compound Feed Manufacturers
- Founded in 1959





- Represents 28 National Associations in 27 European countries
- Industrial compound feed production in 2020 (est): 164,3 mt.

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Preliminary data - Industrial Compound feed production 2020

Industrial Compound Feed 2019 (1 000 t)				
COUNTRY	CATTLE	PIGS	POULTRY	TOTAL
DE	7,440	9,778	6,408	24,406
FR	5,401	4,964	8,644	20,859
IT	3,377	3,745	5,975	14,165
NL	4,502	5,029	4,045	14,710
BE	1,447	3,504	1,220	6,619
UK	5,324	2,168	7,191	16,151
IE	3,116	706	631	4,640
DK	1,071	2,362	677	4,309
ES	9,362	11,119	4,530	25,191
PT	983	1,074	1,638	3,927
AT	605	252	651	1,645
SE	981	341	718	2,110
FI	693	222	385	1,426
CZ	563	759	1,062	2,456
HU	380	1,342	1,913	3,778
PL	1,227	2,417	6,905	11,217
SK	188	245	198	643
SI	84	43	246	387
BU	176	322	565	1,116
RO	80	1,100	1,615	2,917
EUR 28 *	**47,571**	**51,998**	**56,074**	**164,957**

Industrial Compound Feed - change in 2020 compare to 2019				
COUNTRY	CATTLE	PIGS	POULTRY	TOTAL
DE	-2.8	0.7	0.8	-0.5
FR	0.5	-0.1	-0.5	-0.2
IT	5.2	6.1	1.9	3.4
NL	-0.1	-3.2	-0.6	-1.4
BE	3.7	3.8	8.3	5.0
UK	1.6	4.8	0.0	1.3
IE	0.0	8.1	0.0	1.6
DK	-5.7	2.5	0.4	0.3
ES	-1.0	-1.0	-20.8	-4.6
PT	-0.4	1.0	1.2	0.6
AT	-0.8	-1.2	-1.7	-1.3
SE	-6.7	-7.6	-1.1	-4.7
FI	0.0	0.0	1.3	0.3
CZ	-0.4	0.0	-0.6	-0.3
HU	0.0	0.0	0.0	0.0
PL	1.9	3.4	1.2	1.7
SK	-1.5	-2.0	-0.4	-1.3
SI	-1.0	-0.3	1.4	0.7
BU	8.0	-1.6	6.7	5.8
RO	0.4	-10.9	-14.1	-11.9
EUR 28 *	**-0.2**	**0.6**	**-1.5**	**-0.4**

* Without Luxemburg, Greece and Malta

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Industrial Compound Feed production Forecast 2020 – Major market drivers

- Covid 19 impact
  - Closure of HORECA – slaughterhouses backlog
  - Biofuel issue / lower availability of RSM
- Outbreak of diseases:
  - African Swine Fever
  - Avian Influenza
- Global Feed and Food Trade:
  - Global grain market rallye
  - EU/US disputes
  - Export restrictions
- Feed manufacturers: 3-6 month « buffering » cycle

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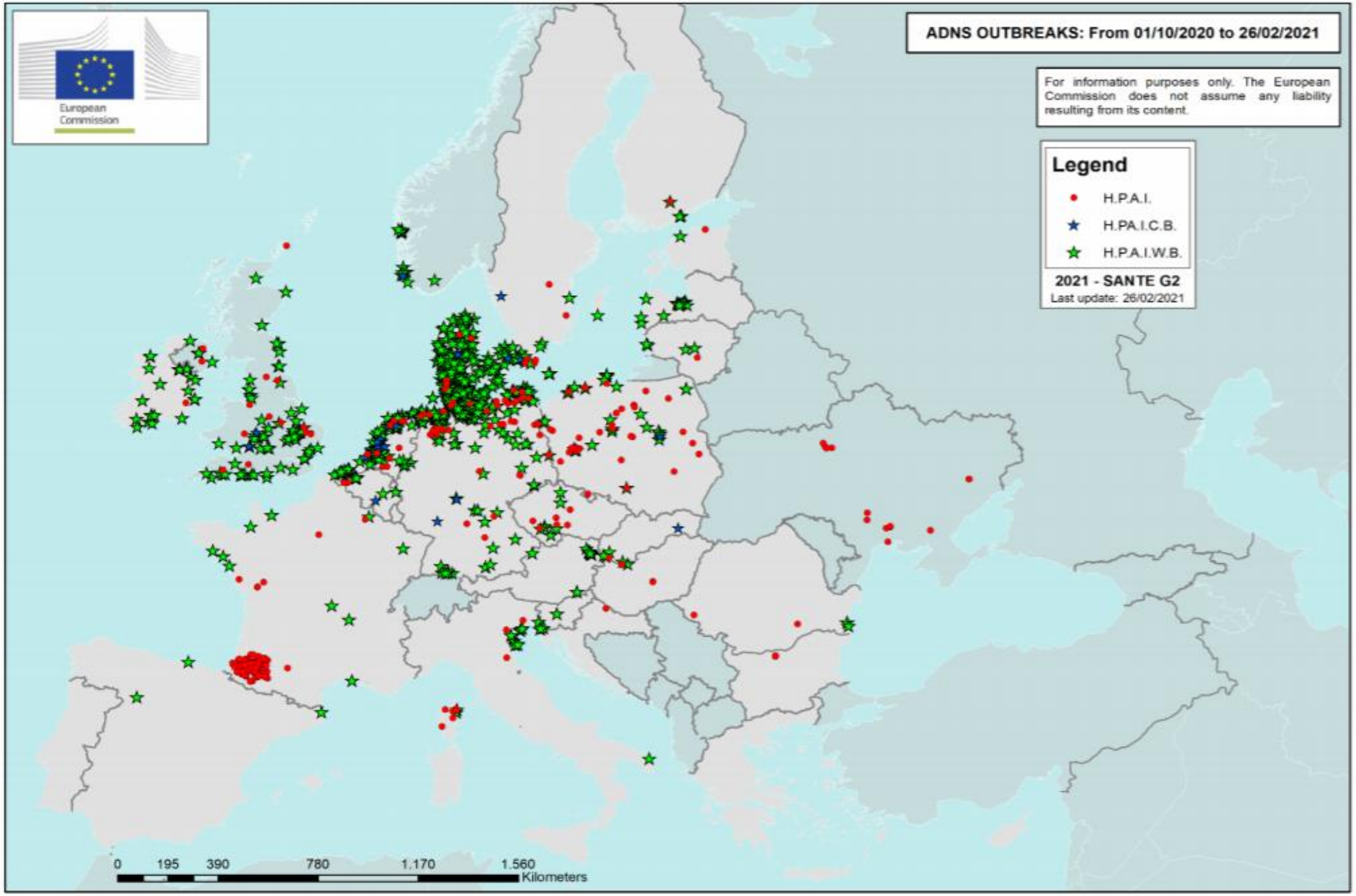
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Legend
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2021 - SANTE G2
Last update: 26/02/2021
0 195 390 780 1.170 1.560
Kilometers

Industrial Compound Feed production Forecast 2021 – Major market drivers

- Price and availability of key feed materials/microingredients
- Low margins in animal production due to higher feed prices & backlog at slaughterhouses (pigs) / cold storage (poultry) & closure of export markets (AI/ASF) = Farmers lowering production
- Highly varying Farm gate prices (countries/region specific)
- Constraints linked to environmental issues:
  - N/P emissions & GHG reduction targets
- Global Feed and Food Trade: China demand

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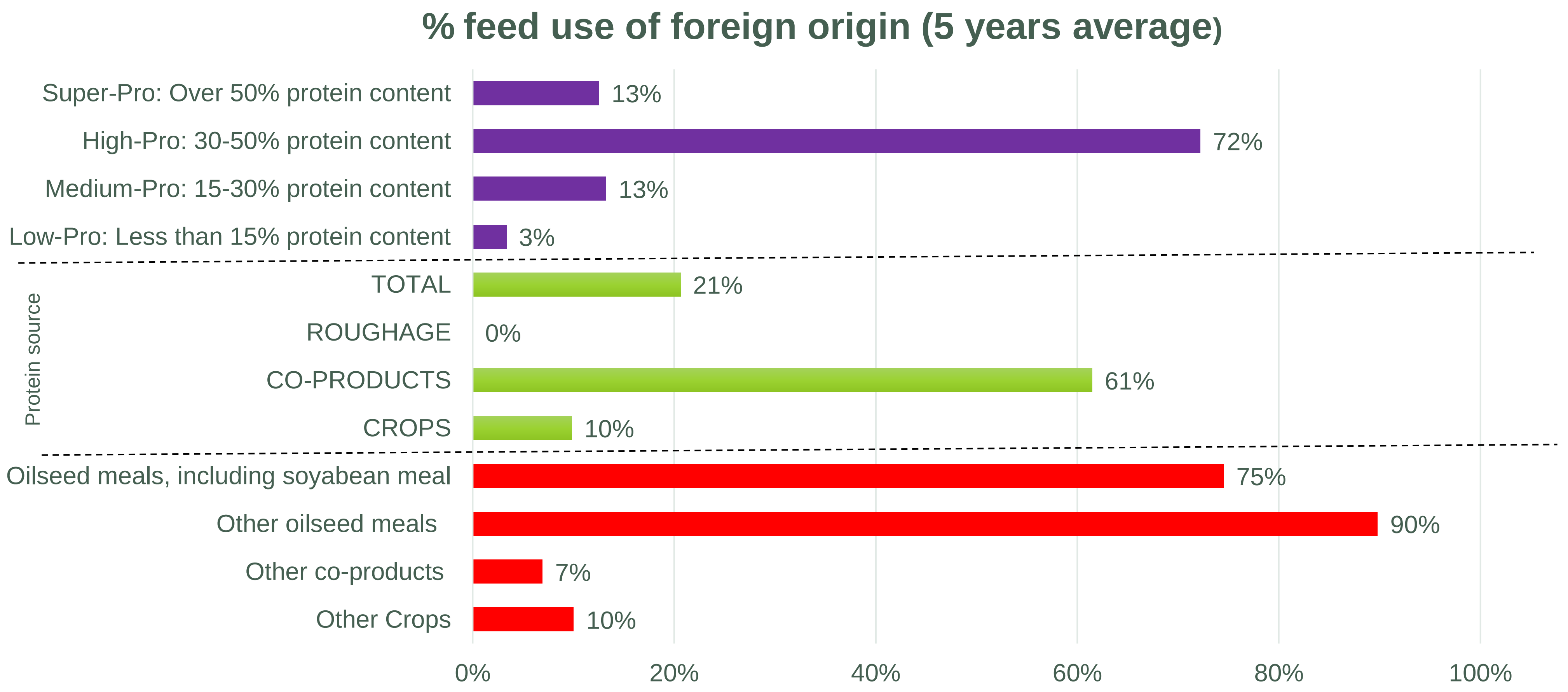
EU Feed materials dependency



- **Open market access vital to EU feed and livestock sector resilience and competiveness**

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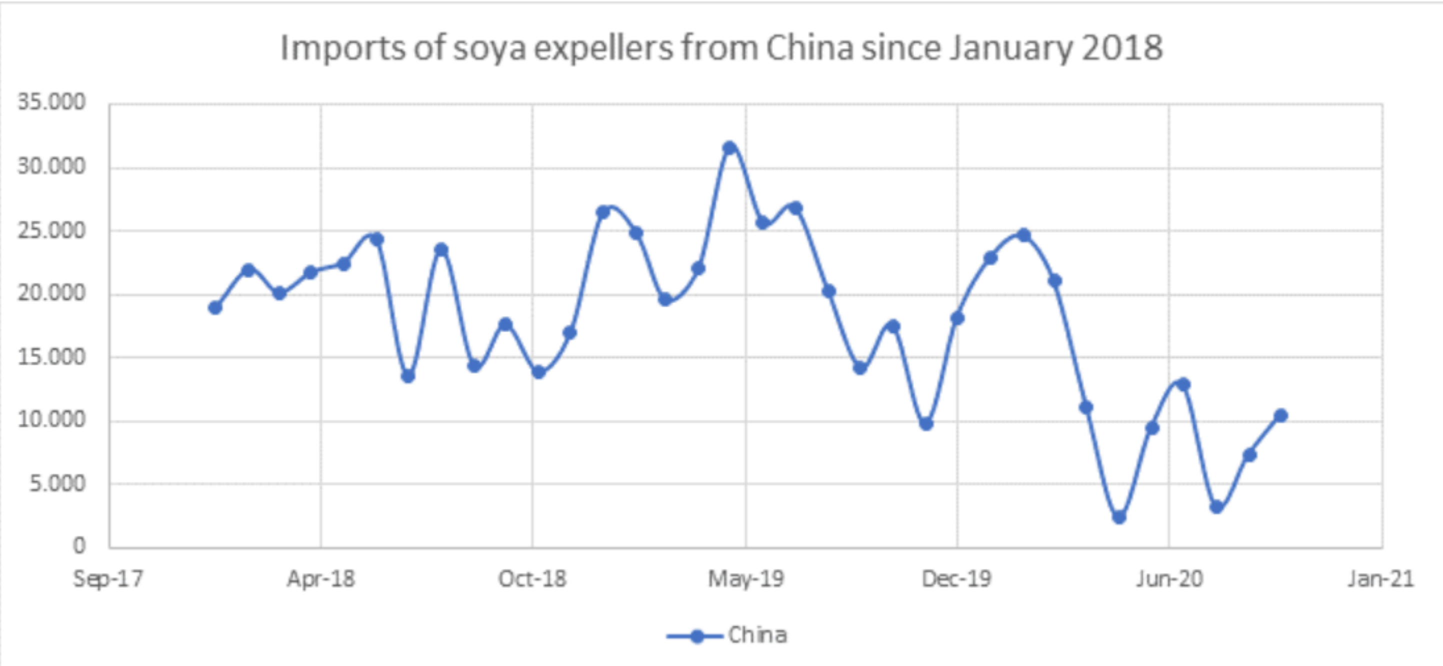
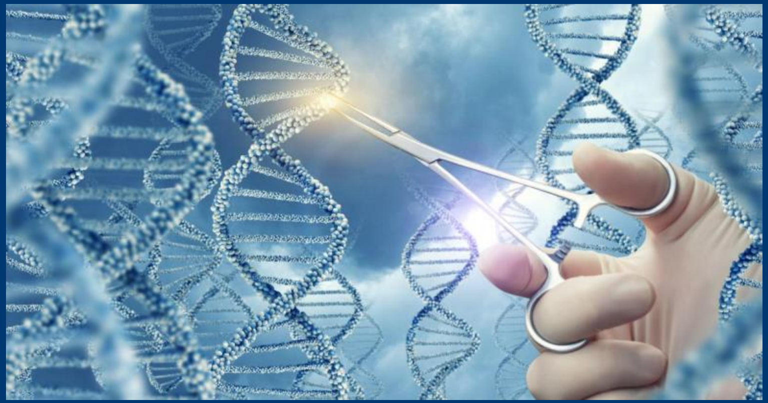
Organic feed

- EU organic livestock sector dependency on China and India -sourcing of high protein feed materials
  - 12 to 18% China
- EU organic concentrated feed: 7 -10 mio tonness (estimate!)
- Protein rich materials: 25 % of the diet
- non-GM B2: non-conclusive opinion of EFSA



Things to watch



- **Growing EU disconnection from global market trend?**
  - New genomic techniques (NGTS)
  - Farm to fork – reduction targets on plant protection products (-50 %) and fertilizers (20 %): impact on EU protein supply & quality?
  - EU Due diligence (DD) regulation (human rights & Deforestation-risk commodities)
  - Carbon border adjustment mechanism (CBAM)

To do & EU Contingency plan

- Keep open access to raw materials: **removal of EU tariffs on US maize**

- Leverage EU support to maintain/strengthen food security:
  - Protect our livestock industry – »level playing field » with meat imports (DD & CBAM):
  - increase EU protein autonomy not only in raw materials but also in meat & fish (e.g. aquaculture: EU produces less then 10% of its seafood consumption in fish farming sector)
  - Monitoring of **strategic stocks** / reliable statistics (quarterly data), knowledge of stock

- Develop & apply new tools at farm level
  - EU protein balance sheet – a successful exercise, assists value chain to focus on effective future policy tools & measures
  - EU PEFCR feed: ecological foot printing of feed supply is operational (farm gate level) to drive further reduction of GHG and other impacts (N/P)

- Do not overregulate (F2F) – do not push out investments for more sustainable & competitive feed and livestock/aquaculture production (e.g. feed additive production)!

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Thank you for your attention

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