



Brussels,  
AGRI.E/PB(2024)5817449

## MINUTES

### *Meeting of the Civil Dialogue Group on Agricultural Markets – Dried Fodder and Energy Crops*

**online, via the Interactio platform, on Thursday, 13 June 2024 from 14:30 to 17:30**

Chair: AGRI E.4

#### **1. Approval of the agenda**

The agenda was approved.

#### **2. Nature of the meeting**

The meeting was non-public.

#### **3. List of points discussed**

##### ***3.1 Dried fodder***

###### *a. Production in 2023/2024 and forecast for 2024/2025*

A representative of CIDE presented the EU dried fodder production forecast.

In 2023, the production of CIDE's members reached 3.07 million tonnes, the main product being alfalfa with a share of 69%. The main producers were Spain, Italy and France.

For the past two years the main factors that have influenced the market are: (i) the inflation, (ii) low demand, (iii) increase in processing and transformation costs, (iv) significant stock levels.

Because of the droughts in Spain, production levels have decreased to only 980 000 tonnes while in the past the production had been well above a million tonne. Simultaneously, other countries had good production levels. Currently, the industry is depending much on the weather when it comes to supply and demand. The industry as of now does not have the capacity to stock large amounts of the product. The forecast shows ample availability of alfalfa in 2024 with production rising back to historical level and

high stock levels in the main producer countries. Promotion of consumption of dried alfalfa within the European Union and on international markets will be very important.

Dried fodder production contributes to improve biodiversity, preserves pollinators, and requires a low amount of fertiliser and chemical treatments. It also plays a role in CO<sub>2</sub> sequestration and fixes atmospheric nitrogen. It also contributes to climate change mitigation and animal welfare.

A representative from CIDE (FR) commented that milk prices have a big impact on fodder sales and livestock farmers, while attempting to maximise their profits, try to find alternatives to dried fodder.

*b. Market situation (Presentation by CIDE + roundtable)*

A representative of CIDE highlighted the main market developments in different major producing countries.

Germany has 30 dehydration plants, mainly cooperatives, who produce mostly for their own cattle farmers. Almost 66% of their total production is self-consumption. Spain supplies mainly international markets. France has a production of around 800 000 tonnes, mostly cooperatives, producing for French market and neighbouring countries (Switzerland Germany, UK, Italy, Belgium and the Netherlands). 55% of the production is commercialised in bales and the rest in pellets. The Netherlands has a small production with only 5 dehydration plants. It focuses on organic sector and on products contributing to animal welfare (for pigs and poultry), mainly for the domestic market. The consumption came down the last year because of the high energy costs and low milk prices. Italy produces both for their own market and international markets. The sales for the international markets were not easy in 2023 and 2024 as cereals prices dropped and became more attractive in feed compared to dried fodder. This led to an accumulation of stocks. Denmark focuses completely on a bio refining from organic grass, clover and alfalfa. Bulgaria produces a little for their local market and rather targets international markets.

*c. Impacts on the implementation of the CAP on protein crops*

The Commission (DG AGRI) provided an overview on CAP strategic plans and the opening of the operational programs in the sectoral interventions to the other sectors. 22 of the 28 CAP strategic plans provide an overview of their protein crop-related context and intervention, but only some provide concrete context indicators. Only a few provide targets to increase their protein leguminous crops for the current period. The planned financial allocation for protein crops has increased by 26% in average compared to the previous programming period. This increase is mostly led by France.

Nearly all Member States have planned at least one eco-scheme or an agri-environmental climate commitment intervention within the rural development on crop rotations, including legumes. In total, there are 33 eco-schemes and 20 CAP strategic plans that cover the promotion of rotation and diversification, including leguminous crops, 20 agri-environmental measures.

Currently the state intervention economics and environmental values are linked, but the approaches are quite separated, which could be unified to have stronger strategies to develop new sectors.

CIDE commented on the French operational programmes for leguminous crops (including alfalfa). CIDE manages to use this opportunity to structure the sector in France. The operational programmes focus on: investments (material and immaterial), biodiversity, advisory services (agronomic ones or adaptation to climate change), promotion & communication and quality.

### **3.2 Energy crops**

#### *a. Overview of RED III and RePower EU: the implementation and next steps*

The Commission (DG AGRI) presented the recent developments in the Renewable Energy Directive (RED), which is part of the border policy framework that aims to ensure that by 2050 the EU achieves full decarbonization of the economy. There were a number of important changes in the review of RED. There was an increase of share of renewable energy to at least 42.5% in 2030 (compared to 32% in RED II). As regards the target in the transport sector (where biofuels traditionally play a big role in the decarbonization of transport) the target increases to 29%.

Furthermore, there are also targets which aim to promote the uptake of renewable fuels in sectors which are considered to be difficult to decarbonize, in particular the maritime and the aviation sector. If advanced biofuels and renewable fuels of non-biological origin are used in those sectors, they can benefit from an additional multiplier, which increases the weight of the fuels in the calculation of the targets.

Under the old RED, the target was calculated as a share of energy consumption in road transport, and now these targets are calculated as a share of energy consumption in overall transport modes, including international aviation as well as international shipping.

Concerning conventional biofuels (biofuels produced from agricultural commodities) the policy has been maintained. Conventional biofuels continue to play a role and Member States can decide to promote conventional biofuels and they are accounted towards the targets. However, there are limits on the maximum level of such fuels which can be accounted towards. These limits are calculated based on the consumption of conventional biofuels in 2020. There is also a specific treatment for biofuels which are produced from crops that are associated with significant deforestation. There is a trajectory for the phase out of biofuels with high indirect land use change (ILUC) - risk and to review the ILUC delegated act. Currently, palm oil is considered as such a crop, and therefore it is subject to this gradual phase out until 2030.

As regards annex IX of RED, part A and part B, the 1.7% limit for Annex IX Part B fuels remains but becomes more flexible. Member States may increase the limit, taking into account the availability of feedstocks listed in Part B of Annex IX. Increase must be notified and is subject to approval. Commission is empowered to adapt the 1.7% limit on the basis of an assessment of the availability of feedstocks. The limit shall be at least 1.7%. If the Commission adopts such a delegated act, the limit will apply to all MS. However, Member States may apply for an increase.

There were also changes to the sustainability criteria in the revised RED. These criteria had been first introduced in 2009 for biofuels but were expanded then to other fuels.

For example, the criteria were extended to smaller bioenergy installations. Moreover, cascading principle was introduced, which aims to avoid undue distortions of the raw material market (focusing on biomass which has no alternative uses)

*b. RED II: annex IX state of play*

The Commission (DG AGRI) presented the recent developments on the review of Annex IX of RED, part A and B. The Commission conducted a thorough assessment of feedstocks already included in the Annex and the new ones that could be added. Based on the findings, the Commission decided to add a number of different feedstocks which can be considered as waste and residues and some new types of feedstocks, which can also be grown. These are also the types of feedstocks, which have possibly the highest potential in terms of volume to be used for the production of biofuels.

All feedstocks, which can be processed into biofuels or biogas with mature technologies are added to part B of Annex IX. The new feedstocks added were: intermediate crops and crops grown on severely degraded land.

In part A of Annex IX, which covers feedstocks used for production of advanced biofuels, the intermediary crops and crops grown on severely degraded land (except food and feed crops) were also added. However, only when used for the production of fuel for the aviation sector because the technologies for the production of aviation biofuels are not yet as widespread.

The dedicated delegated directive has been adopted by the Commission on 14 March 2024 and was transferred to the Parliament and the Council. It was published on 15 May 2024 and entered into force 20 days later. Member States have 18 months to transpose it.

Commission is currently reflection on guidance to certify new feedstocks (in particular how to make the distinction between the end users, either in the aviation sector or in other sectors and on the qualifiers for the feedstocks) and on complementing Annex IV of Regulation (EU) 2022/996. The Commission has not yet decided how to integrate this guidance. It could be a guidance to the voluntary scheme or could be integrated in the implementing regulation on certification.

*c. Study on land use and biomass*

The Commission (DG AGRI) presented the latest news on the ongoing study on the land use and the biomass and described in detail all the elements of the study, the methods and tools used.

The aim of the study is to have an analysis of the land use in relation to sustainable farming. The overall objective of the study is to provide a comprehensive analysis of the main impacts of the sectoral development on land use in the European rural area and to identify recommendations for optimal land use and in particular to promote sustainable farming in the light of other demand on land. This concerns not only agriculture, but also forestry, energy production, the protection of natural area and urbanization. The study also looks at the demographic side, the evolution of the demography and the consumption patterns. The scope of the study is EU-27 as a whole and also regional when data are available.

The study started in September 2023 and the final report of the study will be ready in November 2024.

An important part of the work is dedicated to data analysis and trying to understand the link between the data and in some cases, even the correlation with land use evolution. There is also a dedicated part to balance sheet approach related to the agricultural production of biomass and the link between the food, the feed, the bioenergy and other non-food biomass using term of ton production, but also in land use.

Last part of the study concerns the development of scenarios, one with no change in the land use and a second scenario, taking into account different political approaches.

COPA asked if the study was also looking at the amount of biomass that would be produced on these lands, namely, if in some areas there is a decrease of biomass production and if in other areas there is an increase.

COPA further asked if the study was also looking at the reasons why land is going out of farming sector.

As regards the first question, the Commission (DG AGRI) responded that the study is looking at the forest biomass and also at agricultural biomass, depending on data availability and its details. Depending on data quality it could be used for further scenario modelling. At the level of NUTS3 there is no specific data on biomass available.

As regards the second question, the Commission (DG AGRI) responded that yes, the study is also looking at the influence of other sectoral developments (for example the urban sprawl and urbanization). The aim is to first quantify what is the impact of urban sprawl on agricultural land, but also to try to explain what the drivers of these phenomena are and if there are different impacts in different regions. Another important element is land abandonment, which is also a driver that is currently being looked at in the study.

#### **4. AOB**

#### **5. Next meeting**

Next meeting will take place in a year's time. The precise date will be set at a later stage.

#### **6. List of participants**

See in Annex

List of participants– Minutes  
*Meeting of the Civil Dialogue Group on Agricultural Markets –  
Dried Fodder and Energy Crops  
Thursday, 13 June 2024*

ORGANISATION
CEFIC - EUROPEAN CHEMICAL INDUSTRY COUNCIL
CEJA - CONSEIL EUROPÉEN DES JEUNES AGRICULTEURS / EUROPEAN COUNCIL OF YOUNG FARMERS
COGECA - EUROPEAN AGRI-COOPERATIVES / GENERAL CONFEDERATION OF AGRICULTURAL CO-OPERATIVES OF THE EUROPEAN UNION
COPA - "EUROPEAN FARMERS / COMMITTEE OF PROFESSIONAL AGRICULTURAL ORGANISATIONS OF THE EUROPEAN UNION
FEFAC - EUROPEAN FEED MANUFACTURERS FEDERATION / FÉDÉRATION EUROPÉENNE DES FABRICANTS D'ALIMENTS COMPOSÉS