

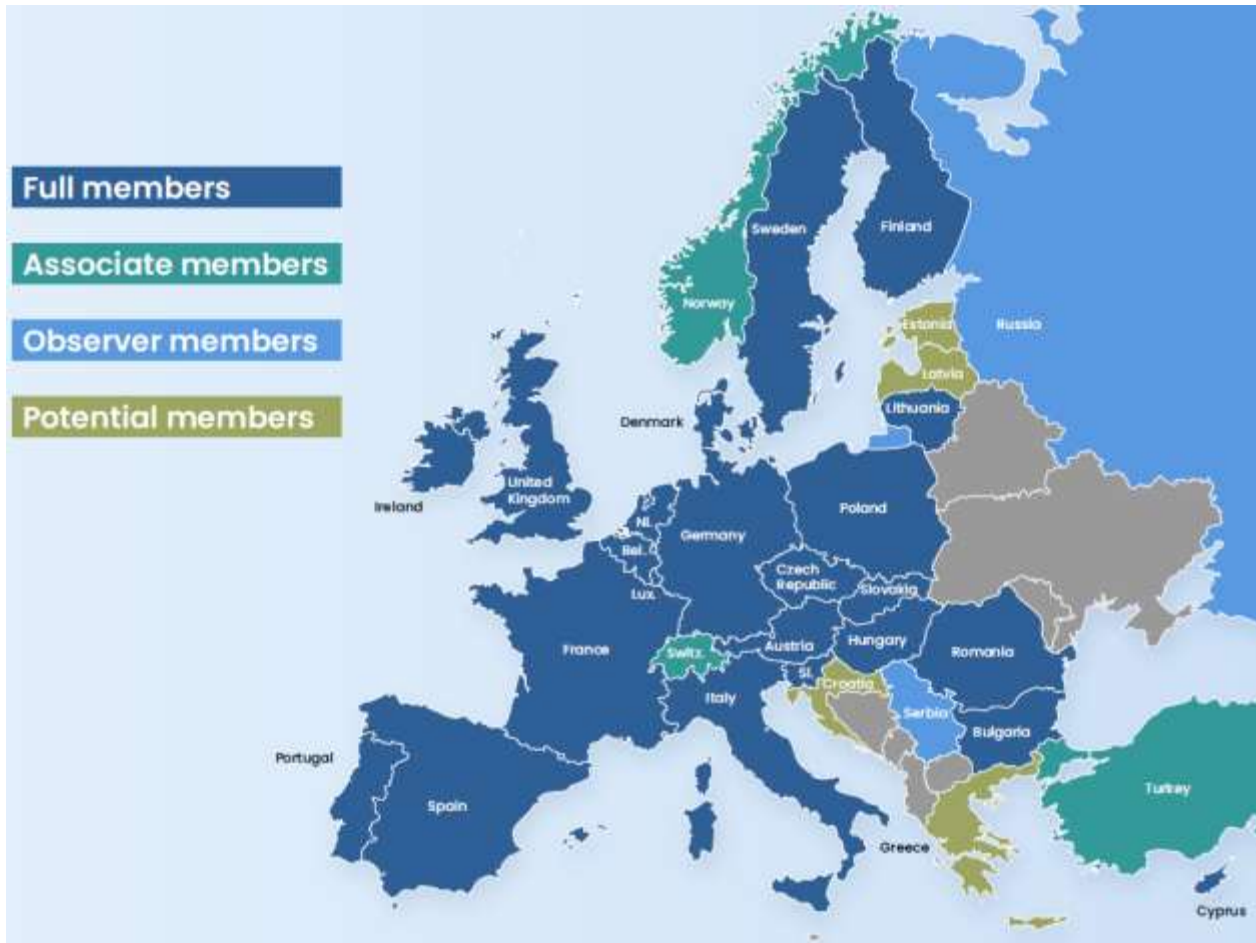


Asbjørn Børsting
*President European Feed Manufacturers'
Association*

Main drivers for the feed sector and some of the key adaptive solutions



FEFAC in a nutshell

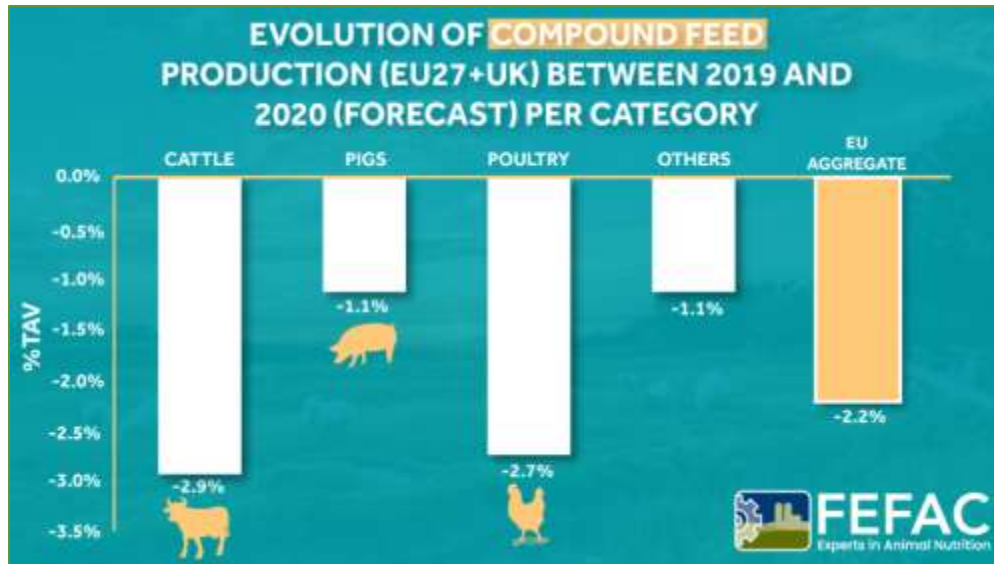


- Created in 1959
- Represents industrial compound feed and premixtures manufacturers
- 32 Members:
 - 23 Member Associations
 - 2 Observer Members (Serbia, Russia)
 - 6 Associate Members (Turkey, Switzerland, Norway (2), EMFEMA, EFFPA)
- 164 mio. t of industrial compound feed in EU-28 in 2019
- 7 Technical Committees:
 - Animal Nutrition
 - Industrial Compound Feed Production
 - Premix & Mineral Feed
 - Feed Safety Management
 - Fish Feed
 - Milk Replacers
 - Sustainability



Feed industry contribution to EU Green Deal / Farm to Fork targets

- **Climate change (Ambition1)** : use of PEFCR feed and GFLI LCA database – information on GHG reduction potential of feed to farmers (Green claims)
- **Circular Economy (Ambition2)**: EU feed industry use 61 mio. t. of co-products, 86% of human non-edible feedstuffs (FAO), Increasing nutrient efficiency („ONE NUTRITION“ approach)
- **Animal health & welfare (Ambition4)**: nutrition solutions help to improve AH/AW status of farm animals & to reduce need for antibiotics (prevention)



Industrial Compound Feed Production Forecast 2021 – Major market drivers

Disease Trends:

- Covid 19
- African Swine Fever
- Avian Influenza

Global Feed and Food Trade:

- Increasing price level for grains and proteins on the world market and in the EU
- In the last months a relatively sharp decline in prices for pigs, poultry and some other products

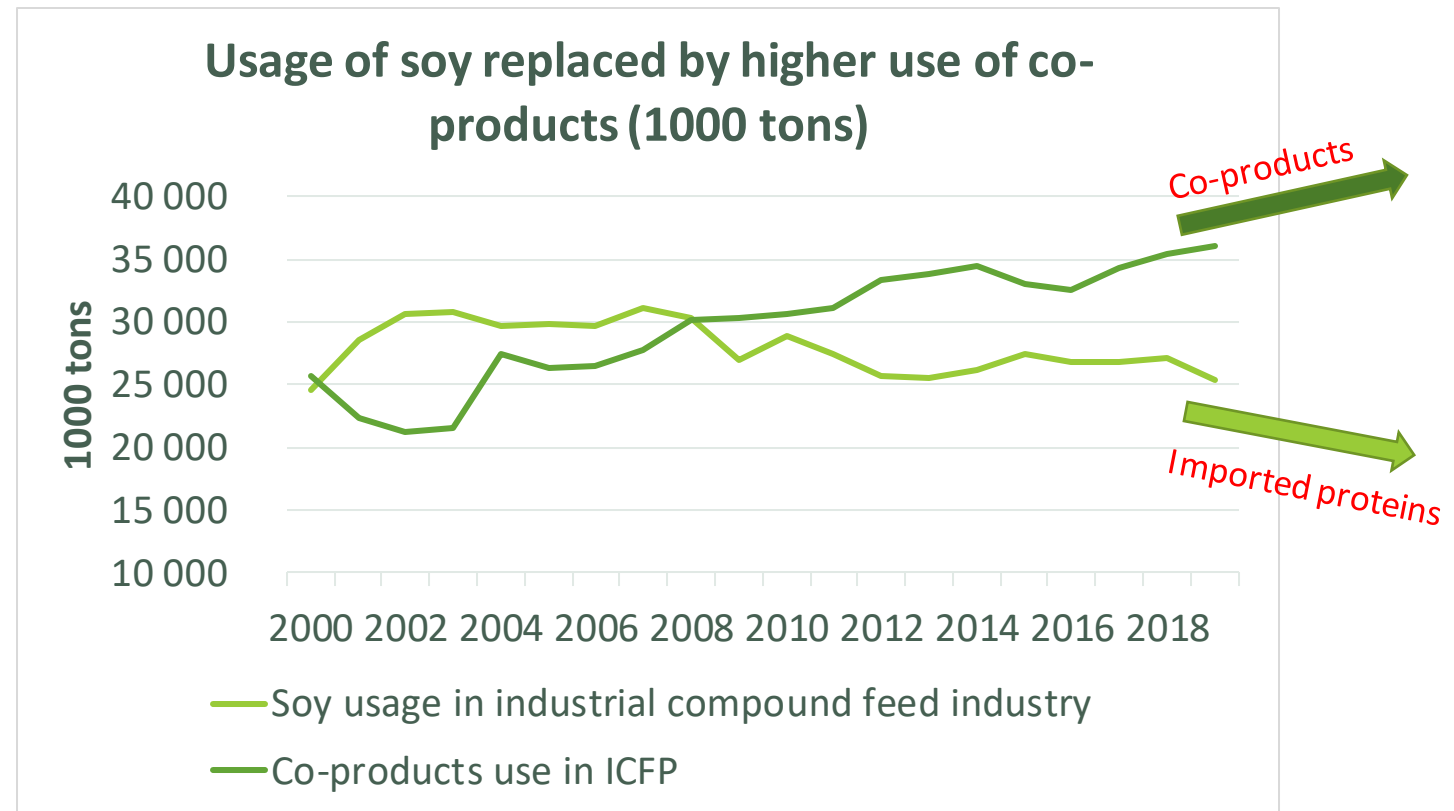
Ambition 5: Enhance the Socio-Economic Environment... (Lessons learned)

- **Agri-food supply chain** is essential including feed business
- **EU (and international) coordination** is essential because single market and global trade could be challenged during sanitary emergency
- **Food security:** EU Contingency plan crucial step
 - EU Stock inventory, measures to support EU production of feed additives, higher protein crop production, F2F impact assessment on food security
- **Continuity/Crisis Management** with stakeholders to anticipate potential market disruption → Sharing knowledge/experience
- **Competition rules/guidance:** to clarify rules how to share capacity to prevent disruption of supply chain

FEFAC sustainability charter 2030

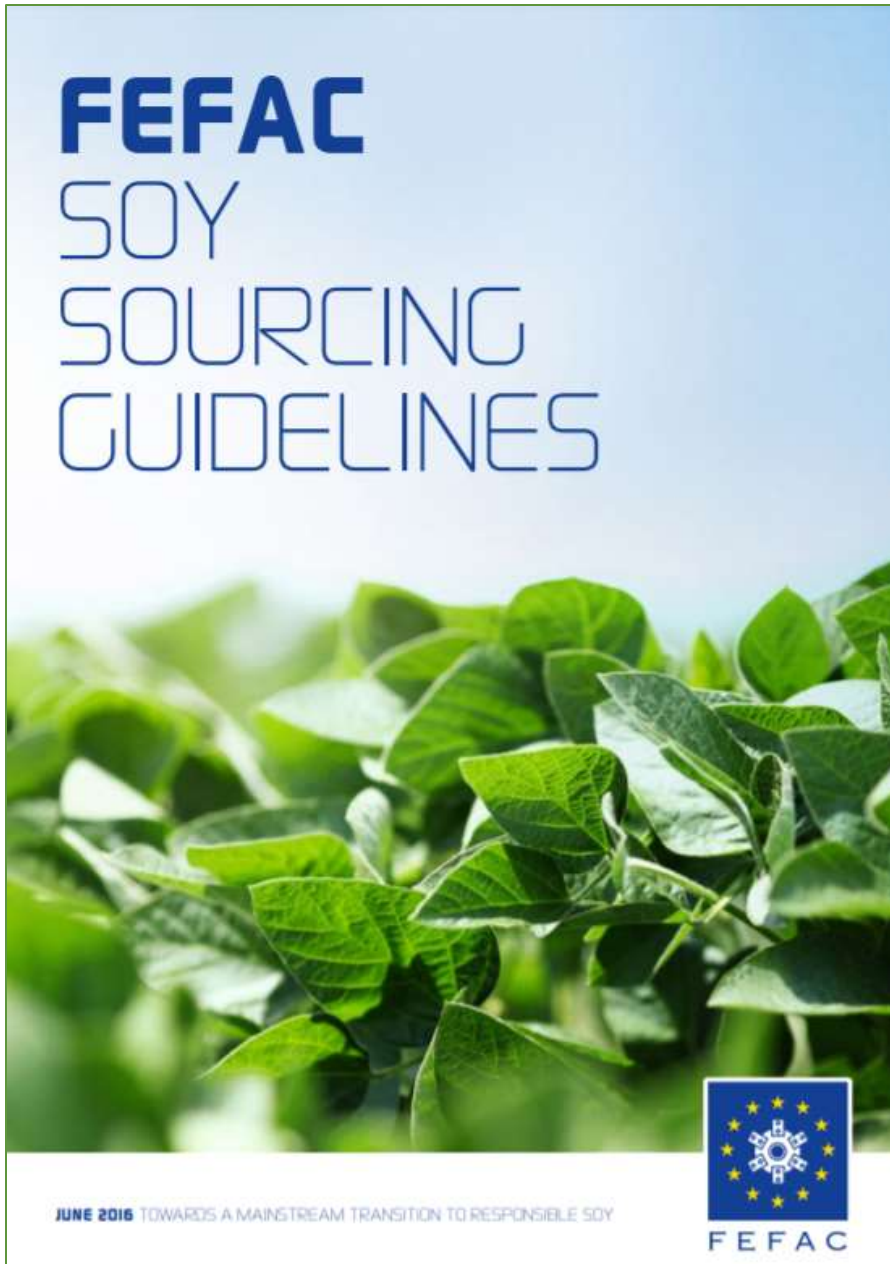
Key industry indicators:

1. Feed Conversion rate
2. Share on non-edible feed materials
3. Share of responsible & deforestation-free soy
4. GHG reduction potential
5. Share of EU protein on total feed protein use



Ambition3: Promote sustainable sourcing practices

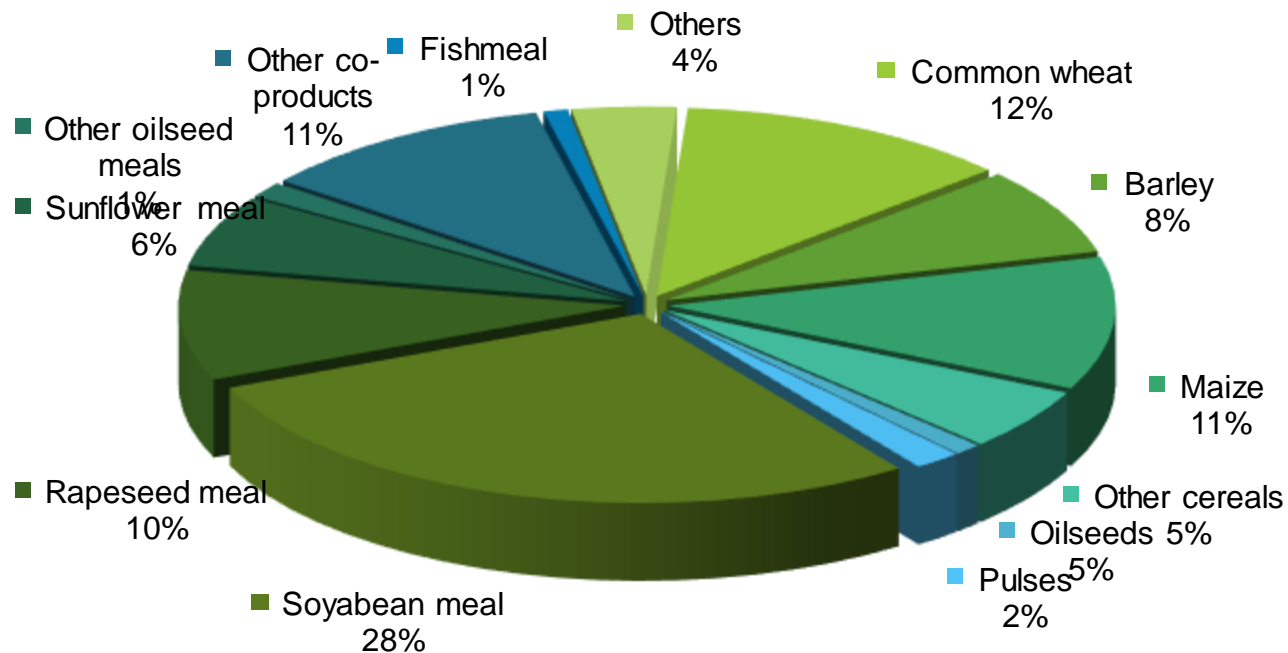
- **SSG Launched in 2015** : 19 schemes benchmarked by ITC
- **Current market impact, 2018/19 (estimates):**
 - 80% deforestation-free soy use in EU (FEFAC & TRASE)
 - 49 % (above 10 mio. Tonnes) responsible soy use in EU feed industry
- **Pre-competitive tool-box** to improve transparency on chain of custody for soy products used in feed
- **New version of SSG covering no-deforestation / no-conversion criteria** to be released in jan-feb. 2021



Ambition 5: ...Resilience of the Livestock & Aquaculture Sectors

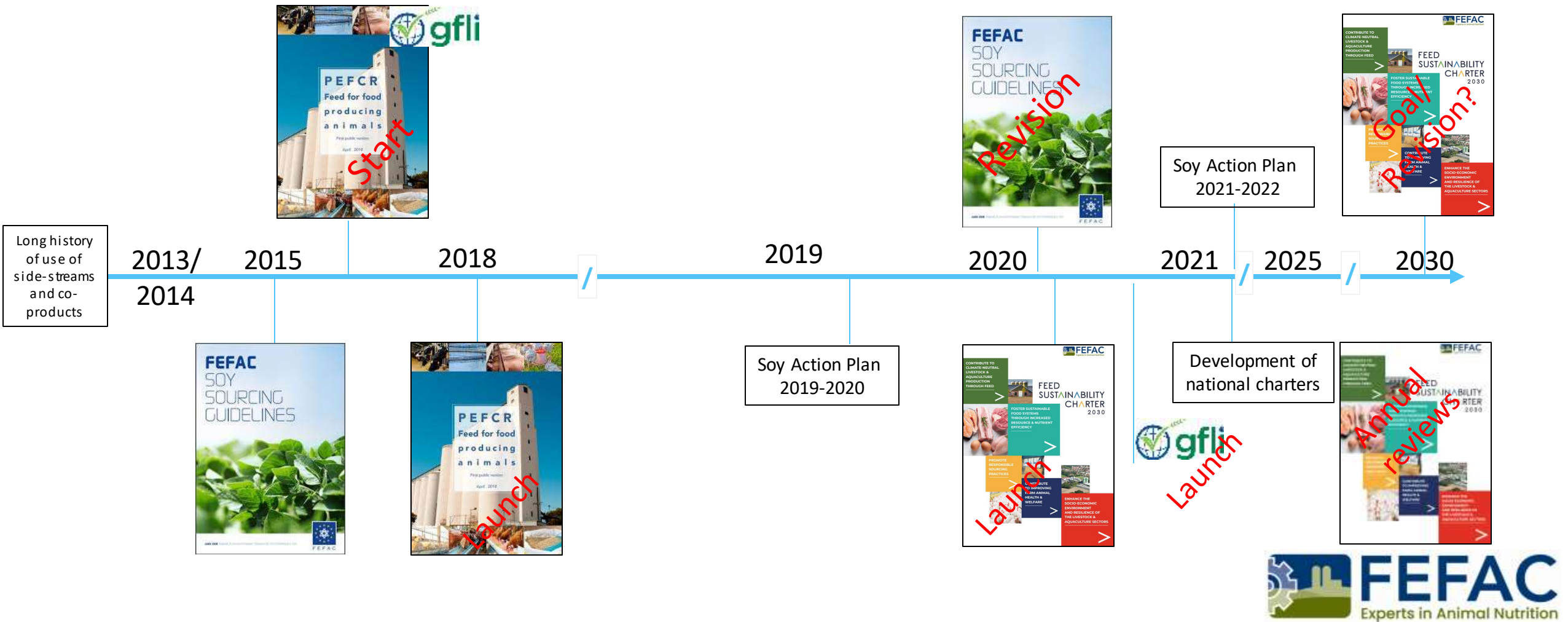
Sources of proteins for feed use in the EU-28 in 2018/19

Expressed in "equivalent protein", excl. forages



- Open access to International market is key to competitiveness as the EU protein challenge will persist
- Introduction of NGT is crucial for improving the competitiveness of the European crop production and for our trade with 3. countries
- **Potential conflict/dilemma F2F (fertilizer target vs EU protein):**
 - Too high reduction in fertilizer norms
 - lower protein content in EU grains
 - Increase of EU feed protein imports

Sustainability not a new subject for the feed sector



Thank you for your attention



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