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Mr. David Clarinval
EU Farm Council President
EU Council Presidency
B-1048 Brussels

EU Feed industry concerns about the growing risk of disruption of trade for the feed supply chain (soy and palm products) to the EU livestock sector linked to the current state of preparations for the EUDR implementation

Dear President of the EU Farm Council, dear Mr. Clarinval,

FEFAC, representing the EU compound feed and premix industry, takes the liberty of contacting you directly to express our members growing concern about the potential risk of disruption of established trade patterns for the supply of essential Hi-Pro soy products for the EU livestock sector which may result from the lack of clarity of key provisions of the EUDR Regulation for feed chain operators and traders and in particular the absence of a robust, "road-tested" Central Information System meeting business needs.

FEFAC members have noted with great interest the high-level discussions at the EU Farm Council level in March and April 2024 on EUDR implementation impacts on EU farming and forestry sectors. Many Member States called for a rapid revision of the EUDR regulation, pointing to unresolved implementation challenges (IT system, disproportionate administrative burden etc.) due to the current risk classification of EU Member States resulting from the announced postponement of the EC's country benchmarking system.

We do recall our full support for the common objectives of the EU and COP28 to reduce global deforestation and consider that as key supply chain partners for the EU livestock sector, we have taken responsible, verifiable actions to secure our essential supplies for "deforestation-free" soy and palm co-products together with our supply chain partners in the EU and overseas, which should be recognized by the EU's competent authorities.

As you are aware, FEFAC members have invested for many years in practical tools based on FEFAC's [Soy Sourcing Guidelines](#) which were first issued in 2015 and updated again in 2023. They include 73 sustainability criteria covering good agricultural practices, environmental protection (incl. "non-conversion" criterion), responsible working conditions and land rights of indigenous people. Currently, there are more than 20 available soy certification/verification programs in the market, which have undergone rigorous, independent benchmarking facilitated by the International Trade Centre (ITC) in Geneva, published on [FEFAC's dedicated webpage on ITC Standards Map](#).

However, we need to draw your attention to the specific EU feed supply challenges linked to a lack of clarity and legal certainty on current practical sectoral EUDR guidance for operators and traders of soy and palm products destined for the feed sector, which accounts for app. 30 Mio tons of soybean meal and app 1,5 Mio tons of palm products.

This has led to a situation where our suppliers from a wide range of export countries do not currently submit any market offers for soy and palm products for deliveries to the EU after January 2025, prompting growing market concerns about potential trade disruption and loss of market access which could trigger significant risk premiums for essential feed ingredients with very limited market alternatives. This may cause significant adverse economic impacts on EU livestock farmers, including loss of competitiveness due to rising feed costs, while still recovering from the combined effects of the COVID crisis, Animal diseases and the Russian aggression in Ukraine.

At this time of the year, our feed companies would normally sign forward contracts both for deliveries of key feed ingredients but also for compound feed sales to EU livestock farmers, many of whom sign contracts in advance for up to one year of feed use coverage.

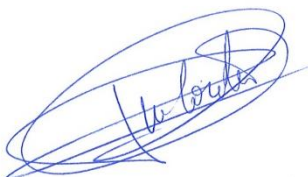
In its own sectoral Risk Assessment, FEFAC estimates that there is sufficient availability of deforestation-free soy to cover market demand in Europe, both from home-grown and imported origins. Most of the soy used in the EU originates from no-risk/ low-risk areas. However, the absence of a robust central IT system meeting business needs and inadequate practical sector-specific advice and guidance by the EC and competent control authorities for operators are rapidly increasing the risk of potential EU feed supply chain disruption. FEFAC already alerted the European Food Security Crisis Preparedness Mechanism (EFSCM) on EUDR implementation challenges as an emerging threat to the EU feed supply chain.

We would therefore urge you to consider a targeted list of measures at the EU Council level, which could ensure continued market access of the EU feed sector to EUDR-compliant soy and palm products, based on the very pertinent advice of EU Farm Ministers and the EU Farm Commissioner, as well as respective EU agri-food chain sector recommendations.

We believe that at this stage the EU needs to concentrate its efforts on key simplification measures for the mandatory Due Diligence Statements, mainly linked to the new traceability requirements based on geolocation data (for crops) by providing a "road-tested" robust IT system, which meets business needs, as a matter of urgency. In this context, we fully support calls by EU Farm Ministers and agri-food & forestry chain partners to make use of existing, well-established traceability and certification systems and best practice guidance by operators (as in the case of our FEFAC Soy sourcing guidelines which require ISO standard based farm audits). We, therefore, recommend to the Belgian EU Council Presidency to establish a realistic "phasing in" EUDR working calendar with clear milestones, tackling the key traceability provisions and the respective IT system as the "1st hurdle" for the EUDR implementation.

We do remain at your full disposal to provide any additional information on our EU feed supply chain concerns and practical proposals on facilitating EUDR implementation to maintain established trade patterns for the essential supply of soy and palm products for feed use. FEFAC members will continue their efforts to diversify the feed supply chain supporting more resilient, sustainable, and competitive EU livestock production systems.

Yours sincerely,



Pedro Cordero
FEFAC President

cc: EC President von der Leyen, EVP Dombrovskis, EVP Šefčovič, Commissioner Wojciechowski and Commissioner Sinkevicius