FEFAC recommendations for the "New EU Vision on Agriculture and Food" workstream on sustainable and competitive EU livestock and aquaculture production

The EU livestock and aquaculture sectors are at a decisive juncture for their future development. As a follow-up to the European Commission's Vision for Agriculture and Food, **a new workstream to develop a dedicated livestock and aquaculture strategy has been launched at EU level to boost the sectors' sustainable competitiveness.**
The animal feed supply chain, in close partnership with animal breeding and animal health sectors, are critical enablers for incentivising a successful transition towards increased competitiveness and sustainability.

Bearing in mind that feed represents the single most important production cost factor for any animal production system, ranging from 40% up to 80% of total production cost, the announced workstreams need to address all relevant EU policy areas that directly and indirectly affect feed production costs, to make a meaningful impact on the European farmers' competitiveness in comparison with other, global animal production regions. **The repercussions of cost increases** in compound feed production on the millions of people affected through reduced farmer profitability as well as food prices increases makes the feed sector as a strategically important sector that **cannot be ignored**.

At the same time, **the right EU policy framework conditions** for balanced European animal production in an intra-EU and global perspective **must be established to allow the feed sector to optimally contribute to:**

- The strengthening of Single Market implementation of relevant EU feed and animal products legislation should be a key priority to avoid trade distortions between Member States
- Investments are needed for cost-effective transport infrastructure to move feed grains and oilseeds/protein crops from surplus areas to deficit areas inside the EU, learning lessons from setting up the EU-Ukraine Solidarity Lanes, which identified key weaknesses in vital feed grain supply chains
- Open market access must be maintained for preserving essential feed supply chains, complemented by constructive and balanced Free Trade Agreements to ensure a level playing field with animal production systems in third-country imports.

In addition to these general framework approaches, FEFAC provides further sectoral recommendations for the livestock and aquaculture workstream, building on its previous EU 2024-2029 Strategic Agenda and "New Vision" policy recommendations..

Competitiveness of feed as the key driver of animal production competitiveness

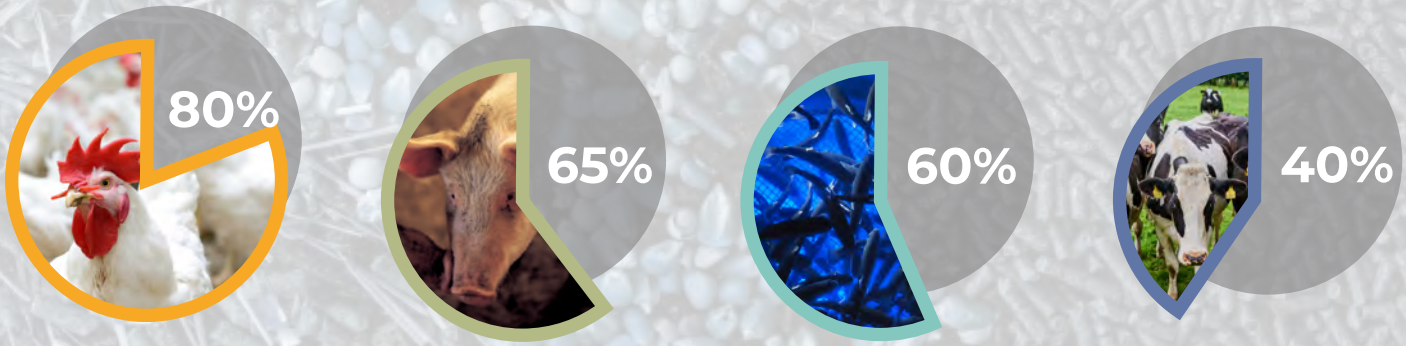


Fig 1: Share of feed of the total production costs for poultry, pig, cattle and fishfarmers (FEFAC source)

1 DELIVERING INNOVATIVE FEED SECTOR SOLUTIONS TO DRIVE SUSTAINABLE COMPETITIVENESS

Support farmers' access to digital tools, including sensor technology, to enhance adoption of precision feeding systems. This will foster EU's global leadership position in nutrient efficiency, feed safety, and sustainability while supporting diverse production systems across livestock and aquaculture sectors.

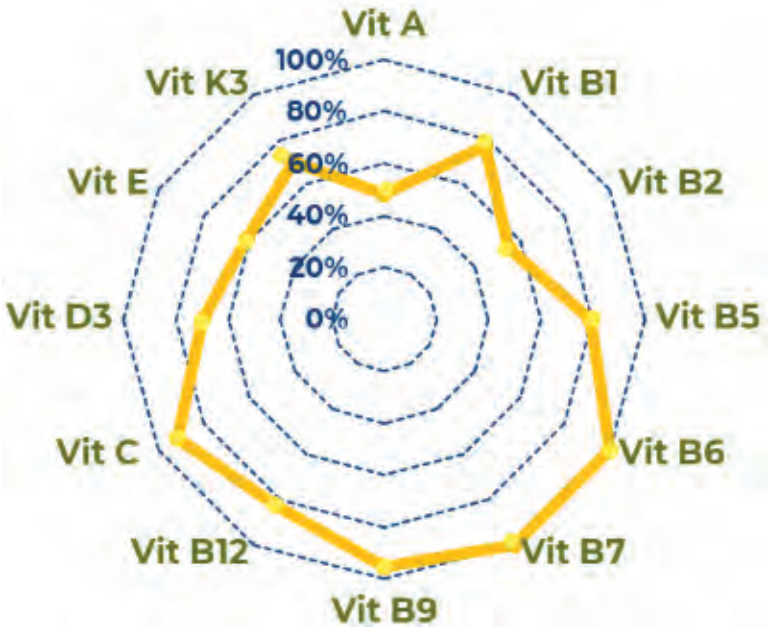
Encourage Member States to develop more CAP eco-schemes targeting feeding strategies. Member States should be encouraged to develop simplified, tailor-made eco-schemes for livestock producers that stimulates the uptake of sustainable feed solutions that can support both environmental goals and economic viability.

Promote the EU-endorsed Green feed labelling guidance as the key tool to drive market demand for low-environmental impact compound feed. This Guidance, underpinned by the GFLI carbon footprint Database for feed ingredients and the PEFCR Feed for Food-Producing Animals methodology, can serve as a key enabling tool to reduce environmental emissions linked to animal production systems.

Promote the role of animal nutrition solutions and feeding strategies to help farm animals cope with pathogens. These solutions and strategies can support on-farm biosecurity and enhance the animal health condition of farm animals, thus reducing the need for veterinary treatment, with for example antimicrobials.

Revise and modernise the EU feed additives legislation to

- streamline authorization processes, foster innovation, and facilitate the market introduction of feed additives that support animal health, environmental goals, and the competitiveness and resilience of EU livestock and aquaculture production.
- stimulate EU production of essential feed additives by fostering investment in new industrial production sites in Europe for critical additives, with a view to improve the EU feed autonomy, reduce strategic dependencies on China and mitigate the vulnerability to supply chain disruptions.



EU dependency on China

Fig 2: FEFAC source

2 PRIORITISE THE ROLE OF CIRCULAR FEED IN THE EU BIOECONOMY

Develop an EU Circular Feed Roadmap to map the potential to accommodate the regulatory framework towards innovative circular feed resources.
The EU should assess where its regulatory framework presents an unjustifiable obstacle for circular feed resources to be used in animal feed production. These resources emerging from the circular economy can assist with decarbonisation efforts and increase the complementarity of the livestock sector with the larger bioeconomy.

Support ongoing research efforts to develop robust circular feed indicators.
These indicators would provide essential metrics for evaluating progress toward circular economy goals in the feed sector, such as the use of non-human edible biomass fractions in animal feed, the economic value of feed co- and by-products respective of the main product and to which extent there is land use competition.

Develop an EU-wide Biomass Balance Sheet.
This tool, building on the example of the Protein Balance Sheet, could help to assess biomass availability and optimise between food, feed and energy use. The tool could in particular support information-based decisions regarding biogas and bioenergy stimulation policies, ensuring they are complementary to feed and food production capacity.

Role and place of livestock in balanced circular food production within planetary boundaries

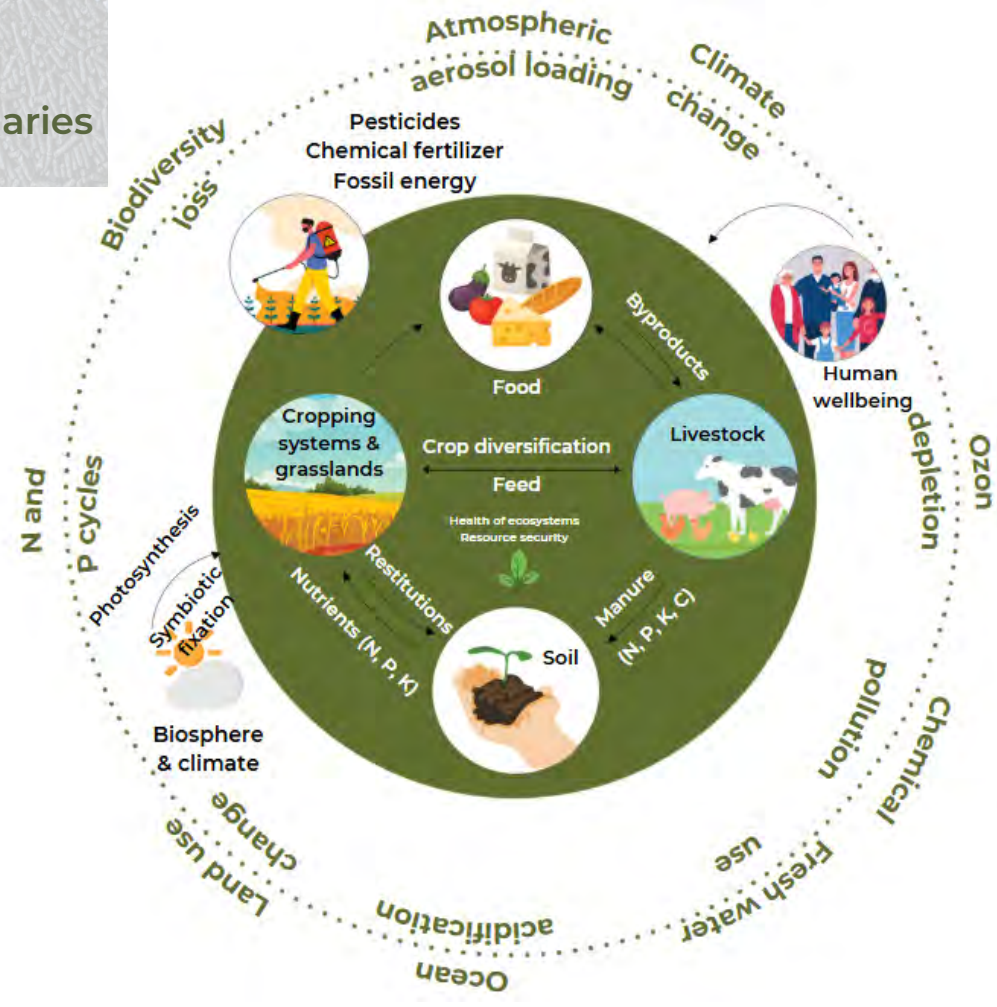


Fig 3: ATF Vision Paper

3 SECURING STRATEGIC FEED PROTEIN SUPPLIES

Promote plant-breeding innovation for EU crop production.
A legislative framework encouraging the use of New Genomic Techniques (NGTs) in breeding programs for oilseeds and protein crops is crucial to increase the supplies of EU grown plant protein, by reducing current yield gaps with cereals which can stimulate an increase of the EU acreage of protein-rich arable crops.

Simplify the EU Deforestation Regulation to reduce cost for EU soy farmers and essential soybean meal imports. Real operational simplification is needed to prevent imminent soy supply chain disruption and unnecessary administrative cost increases for the European animal production chain, which will undermine the EU's objective to increase competitiveness of animal production, in particular for the feed protein supply of monogastric animals (poultry and pigs).

Place more focus and incentives to boost feed processing technology.
Significant efficiency gains can still be made to improve the nutritional profile in feed grain processing to obtain protein-rich co-products, for example by removing fibre and anti-nutritional factors which are key vectors to increase the biodigestibility and nutrient efficiency, reducing environmental emissions.