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By e-mail
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Open Letter

Imminent feed sourcing challenges expected with entry into application of EU Deforestation Regulation

The undersigned organisations express deep concern about the expected adverse economic impacts and supply chain disruption risks to essential feed supplies for the EU livestock farming value chain resulting from the imminent implementation of the EUDR (EU Deforestation Regulation) on 30 December 2026.

Enforcement of the EUDR is foreseen in a period where the EU feed chain faces compounded, exceptional adverse impacts due to the summer drought in large areas of the EU, which sharply reduced availability of home-grown feed supplies (forages, maize and other oilseed crops and feed grains) as well as Black Sea trade disruption for grain exports. This exceptional situation can only be mitigated by increasing imports of feed materials, including high-fibre feed for the cattle sector and other small ruminants, as well as energy-rich crops (maize) and feed protein sources (soybean meal) for all livestock sectors.

As the **EU livestock sector now needs urgent relief** and targeted mitigation measures to facilitate access to alternative-sourced feed materials, the **EUDR poses an additional challenge** due to an estimated loss of market access to direct soybean meal imports and palm kernel expellers, exacerbating a 'perfect storm' scenario for the marketing year 2026/2027.

On 16 September 2026, FEFAC released the 4th update of its EUDR Economic Impact & Feed Supply Chain Disruption Risk Assessment for Soybean Meal (Outlook 2027, Situation September 2026), with updated estimations following information provided by feed industry market experts. As key conclusions, the market information collected by FEFAC from soy supply chain partners and members indicates that

- the direct extra costs for sourcing EUDR-compliant soy products for feed use in 2027 are estimated at up to 1.05 Bio € (30€/ton EUDR market premium for an estimated 35 million tons soybean meal total EU feed usage), representing only 8% of the global trade with soy products
- due to the indirect cost increases for alternative hi-pro feed proteins (rapeseed meal, sunflower meal), whose price quotations are coupled to that of soybean

meal (at a rate of 65%), the total additional hi-pro feed procurement could even move up to 1.4 Bio €
- the direct cost impacts per ton for EU pigmeat and poultry meat production are estimated to be around 40€/T and 15€/T respectively

The compound feed manufacturing sector is experiencing this 'imminent EUDR entry into application' for the 3rd year in a row, following two earlier one-year postponements. Though feed industry market experts have indicated that anticipated EUDR risk premiums are expected to stabilise, the **economic perspective has in fact strongly deteriorated** due to the feed material sourcing shortfalls suffered because of the **severe summer drought and Black Sea trade disruption**. The estimation is that there could be an EU supply gap of approximately 4 – 5 million tonnes for direct SBM imports, roughly 20% of the EU's total soybean meal imports (20 Mio tons in MY 25/26), for the 2026/2027 marketing year, with very limited local and import substitution options available.

At this stage of the year, there are again no guarantees that key soybean suppliers can export to the EU the needed volumes of soybean products subject to EUDR requirements, let alone increase the market offer to compensate for the shortfall in EU production of soybean meal and other oilseed meals affected by drought. As experienced before, the EUDR again disrupts the common soybean meal forward buying strategy by feed manufacturers, with purchase contracts/agreements usually secured 6-8 months ahead of delivery to compound feed manufacturers and livestock farmers. At this stage, only limited offers are available for soybean meal for Q1 2027, with no market offers for Q2.

The signatories fully support the objectives of the EUDR and acknowledge the importance of sustainable soy production. It is, however, unfortunate that the design of the EUDR has inherent constraints that make it incompatible with global commodity trading for soybean meal. It is important to note that there is no shortage of 'deforestation-free soy' available on the global market, due to the success and market acceptance of the FEFAC Soy Sourcing Guidelines, in place since 2015 and with over 20 soy certification schemes benchmarked by ITC (International Trade Center). However, EUDR compliance requires significant investments in logistics infrastructure demonstrating dedicated supply chains, which significantly reduces market availability of EUDR-compliant soybean meal deliveries to the EU from key export countries, despite heavy investments already having been made.

The signatories **call on the European Commission to take exceptional measures to ensure feed security through a contingency plan**, thereby preventing an economically unviable situation for the EU livestock sector in early 2027. There is an urgent need for targeted simplification of the EUDR as well as practical implementation measures, ensuring trade of 'in-scope' feed ingredients (soybean meal, palm kernel expeller, palm fatty acid distillates, cocoa hulls) is not further disrupted.

We recommend the EU consider additional trade facilitation instruments, setting up targeted bilateral agreements with key exporting countries for 'in-scope' feed materials to the EUDR, making use of existing and future EU trade agreements, as part of a necessary broader commodity-specific approach. It is also important to note that, if not addressed, the aforementioned issues faced by feed supplies will also have a significant impact on our already existing relations with third-country partners.

It must be noted that the EUDR simplification measures adopted so far have not addressed the persisting challenges encountered by "1st placers on the market". The announced repositories for certification schemes and legality frameworks, intended as support trade facilitation tools, are vastly overdue and are not expected to be able to make a meaningful impact for feed material sourcing from January 2027, if any meaningful impact at all, as again this concerns non-legally binding guidance. There are clear indications that the lack of clarity has opened the door to varying interpretations at national level, thereby endangering the functioning of the Single Market.

We express our utmost concern that the EUDR will negatively and disproportionately affect the competitiveness of EU livestock production, placing third-country exporters of finished animal products at an economic advantage by being able to benefit from feed materials not subject to EUDR-induced cost increases. This 'self-inflicted wound' runs counter to the EU Livestock Strategy objectives, as its adverse impact on market access for essential feed ingredients will reduce the competitiveness of our livestock farmers and the affordability of products of animal origin for EU consumers.

We thank you in advance for taking into account our concerns regarding imminent EU feed chain disruption risks and remain at your disposal for any additional information you may require on the deteriorating market outlook for the availability of essential feed in the new Marketing Year 2026/2027.

On behalf of the following associations:

AVEC – EU Poultry Meat Association - TRN 9803788883-16

COPA-COGECA - European Farmers and Agri-Cooperatives - TRN Copa 44856881231-49 | Cogeca: 09586631237-74

EDA – European Dairy Association – TRN 42967152383-63

FEFAC - European Feed Manufacturers' Federation – TRN 77105321408-83

UECBV - European Livestock and Meat Trades Union – TRN 4422649896-52