

The importance of LLP technical solution for both feed and food

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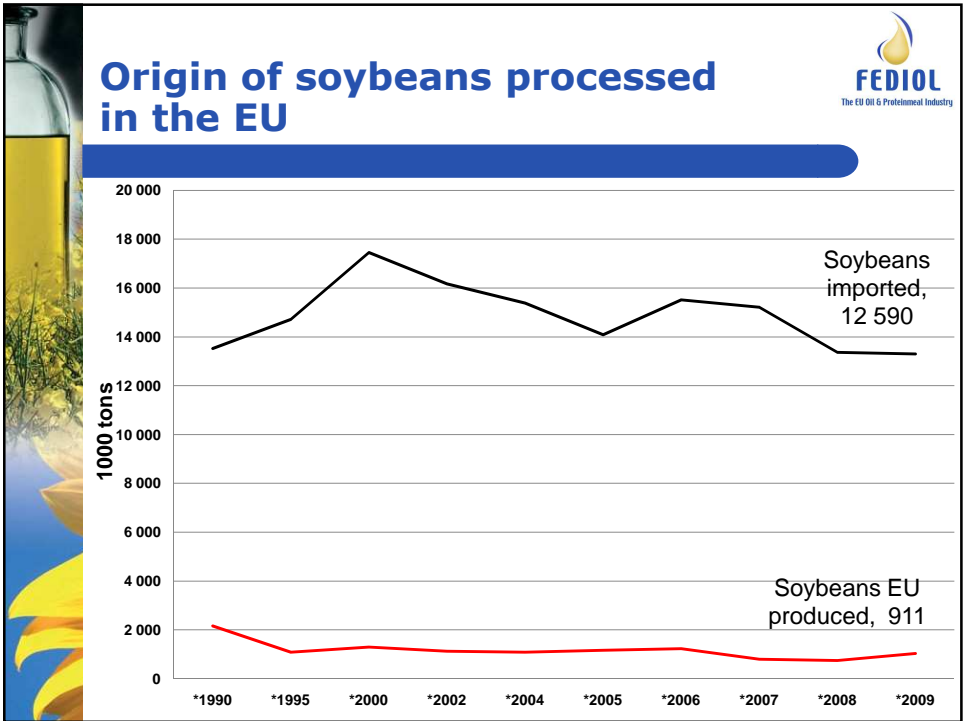
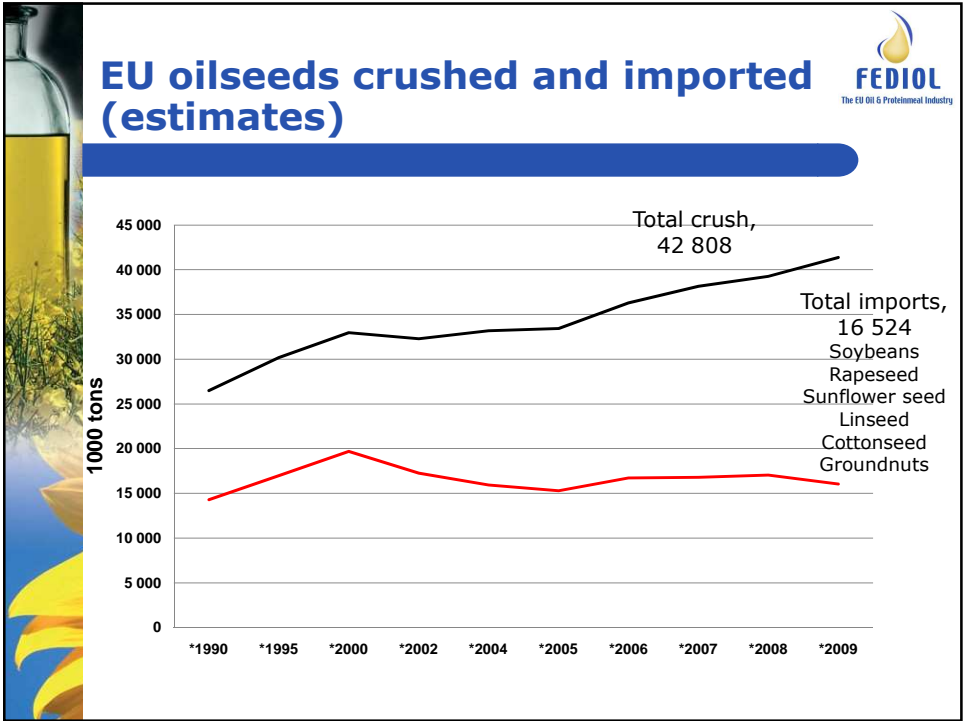


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The role of imports

- 38% of oil seeds crushed in the EU comes from import
- 93% of soybeans are imported to the EU

EU agronomic and climatic conditions imply that:

- Soybeans production in the EU can be only marginally increased compared to current imports,
- Production of other oilseeds can be increased, but will not allow to replace imports

=> Imports are a vital component of our supplies



Challenges for EU vegetable oil and proteinmeal industry

- Worldwide rapidly increasing area of GM cultivation
- Declining conventional supplies

In Brazil the GM soybean cultivation will reach 76% in 2011

In the USA it has reached almost 90%

30 GM events cultivated worldwide

150 GM events cultivated worldwide

2010

2015

EU JRC report on "The global pipeline of new GM crops"

- Limited alternatives as EU has lost its position as a dominant market player hence cannot impose on others its own policy



EU situation with regard to non- authorised GM events



- EU applies zero tolerance for events that are not authorised in Europe
- EU is in the process of harmonisation of the implementation of the zero in feed by defining the lowest level of GM detectable by methods available in Europe (0.1% threshold)
- This measure will be applicable to GM events:
 - authorized in third country
 - for which the EU authorization procedure is pending or has expired
 - for which a validated JRC detection method exist
- **Food remains outside the scope**



Consequences of the lack of the technical solution (2009 experience)



- Numerous sampling/testing costs
- Withdrawal of affected products from customers
- Delivery delays/supply shortages
- Finding alternative sourcing
- Cover above contract price paid for new more expensive sourcing
- Cleaning of installations
- Longer term impact on customer relations
- Legal counsel/litigation
- Liabilities



FEDIOL Position: TS for food has to be presented as soon as possible



Food and feed chains are completely interconnected. The lack of the solution for food:

- Does not provide any legal certainty to operators
- Affects the economic viability of soybean crushing in Europe and hence production of oils and meals
- Weakens outlook for first processing sectors in Europe
- Puts number of jobs at risk
- Creates a clear discrimination between food and feed operators