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About-turn by EU Commission on biofuels policy set to decimate biofuels industry in the midst of the European economic crisis

EU Commission biofuels policy set to decimate the biofuels industry

The EU farmers and biofuels industries remains steadfastly opposed to the European Commission's proposal to limit biofuels made from certain arable crops and to add indirect land use change (ILUC) to the renewable energy and fuel quality directives. A proposal based on unfounded and immature ILUC science and a 5% cap in 2020 would destroy the biofuels industries and related sectors such as crushing and sugar facilities. It would also cut off European farmers from a key market, reducing the crops diversification. Any change in policy must safeguard the investments made and ongoing toward fulfilling the Commission's initial objectives of 10% renewable energy for transport production in the EU. Fundamental problems remain in the EC proposal which will have devastating impact on the biofuels industries and diversification of farmers' revenues.

ILUC is introduced indirectly and immediately in both directives through reporting obligation from fuels suppliers to Member States.

It is totally unacceptable to use the International Food Policy Research Institute (IFPRI) report which has not been peer reviewed as a basis to introduce iLUC values. The model used for the report is not suitable for precisely estimating the extent of land use change and the resulting greenhouse gas emissions, due to critical data errors and important methodical problems¹. As such any ILUC figures – especially as high as 55g for oilseeds - are arbitrary.

The review clause in 2017 leads to more regulatory uncertainty, discouraging investments in advanced biofuels plants.

5% CAP on biofuels

Given that some Member States already have national targets above 5%, the Commission's proposal would first and foremost penalise European production by bringing the development of this sector in the affected Member States to an abrupt halt and leading to a slowdown in industrial and agricultural activity and the loss of jobs. For this reason, an EU policy U-turn would risk restructuring of the industry in the crushing and sugar facilities.

Advanced biofuels

The EU must recognize that multiple counting is not going to boost the advancement of biofuels and putting a break on policy decisions that were made two years ago will diminish investors' confidence: existing companies and investors in arable crop based biofuels are and will be key to producing large scale advanced biofuels.

Total elimination of biofuels made from certain arable crops from 2021

The phasing-out of biofuels made from certain arable crops based on the notion that doing so will substantially influence food security and food prices is faulty. In fact, biofuels production in Europe

¹ For example, they have failed to take into account 410 million ha and the protection measures stipulated in Directive 2009/28 such as bans on land use change are not taken into account. The models cannot make the distinction between direct and indirect land use changes.

triggers local co-products that are essential for the feed and food chain in Europe and the industry is committed to maintaining this balance, which also gives an essential contribution to secure food in Europe.

The EU farmers and biofuels industries look forward to working to ensure that an industry that plays a crucial role in reducing greenhouse gases, enhancing Europe's energy independence; and creating sustainable jobs, remains viable. Today's proposal fails to recognize what the EU farmers and biofuels industries have achieved to date. It will jeopardize investments, jobs in rural areas and prevent development of advanced biofuels. We strongly urge the European Parliament and the Council to incorporate changes to rectify these problems and look forward to working with them to that end.

The biofuels value chain is represented by the following organisations

COCERAL is the European association of cereals, rice, feedstuffs oilseeds, olive oil, oils and fats and agrosupply trade. It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above mentioned agricultural products. COCERAL's full members are **31 national associations in 19 countries** and **1** European association [Unistock]. With about **2700 companies** as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. COCERAL has an associated member in Switzerland.

Copa-Cogeca is the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over **13 million** farmers and their families whilst Cogeca represents the interests of **38,000** agricultural cooperatives. They have **77** member organisations from the EU Member States.

The European Biodiesel Board also known as **EBB**, is a non-profit organisation established in January 1997. Today, EBB gathers nearly **80** members across **21** Member-States, which represents **75%** of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil the International standards for sustainability in GHG emissions and sustainable feedstock. EBB is constantly working towards the development of improved and greener technologies.

The European Oilseed Alliance (EOA) brings together organisations representing partners from the EU oilseed and protein-crops sector: producers, collectors, processors, and other partners closely linked to them. EOA membership represents **90%** of EU oilseed production and is made of oilseed sectors organisations from Germany, France, the UK, Belgium, Poland and the Czech Republic.

ePURE represents the interests of European renewable ethanol producers to the European Institutions, industry stakeholders, the media and general public and promotes the beneficial use of ethanol in Europe. The organization is headed by Rob Vierhout, Secretary General, who has been providing EU political and strategic insight to the European ethanol sector for the past **15** years.

FEDIOL represents the interests of the European vegetable oils and proteinmeal industry. With over **150** facilities in Europe, the sector provides over **20.000** direct employments and has an annual turnover of about **24 billion** euro. Our members crush and refine approximately **56 million** tonnes of basic products a year, essentially oilseeds and crude vegetable oils, for the food, feed, energy and oleo chemical markets.

CIBE represents sugar beet growers from **18** European beet-producing countries; this includes **160,000** growers from **16** EU countries (Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Romania, the Slovak Republic, Sweden, the United Kingdom) as well as **240,000** growers from **2** non-EU countries (Switzerland and Turkey). CIBE gathers **23** national and regional associations.