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EU Commission plans to cut farmers' and crushers' jobs, revenues and investments by phasing out conventional biofuels post-2020

The European Commission has published today a proposal for a Renewable Energy Directive after 2020 as part of its Clean Energy Package, officialising its intention to phase out conventional biofuels. FEDIOL strongly opposes this move and expresses its serious concern on the damaging effects this will trigger on the entire agricultural sector without any added benefits.

In a hazardous move which is not backed by any scientific consensus, the EU Commission has decided to call for a phase out of conventional biofuels as of 2020, outlining a reduction path which should bring the share of biofuels such as rapeseed biodiesel down from 7% to 3.8% by 2030. Actually, **since incorporation obligations for fuel suppliers will no longer be applied to conventional biofuels, this will most likely entail an even sharper and quicker phase out, with dramatic consequences for the whole EU oilseeds production chain.**

FEDIOL Director General **Nathalie Lecocq** stated: *"We are extremely concerned about the content and certain misconceptions included in the proposal. Negative effects of the phasing out on markets are disregarded or wrongly assessed, while the positive contribution of biofuels to rural economies development is underestimated or completely ignored"*.

The way in which such a major negative step has been proposed is a quite clear proof that its impact has not been assessed properly by Commission services: the effects on the upstream agricultural sector would be devastating, since a phase out of conventional biofuels would deprive European agriculture of a critical outlet, thus considerably affecting the industry and putting thousands of jobs at risk.

EU biodiesel is mainly produced from rapeseed, a European crop which consists of 40% oil and 60% meal. Should farmers stop producing current volumes of rapeseed allocated to biodiesel, which amount to 16 million tons, there would be limited room to find alternative productions which can deliver equivalent revenues. Also, the EU protein self-sufficiency would be severely reduced and environmental benefits triggered by this crop would be lost, as rapeseed in a crop rotation system can help reduce the need for pesticides and increase the yield of following crops.

At a preliminary assessment, FEDIOL estimates yearly potential losses in turnover of more than 6 billion € for farmers, 7.5 billion € for oilseeds crushers and additional costs for compound feed manufacturers in the order of 1.2 billion €, to compensate for the loss of protein meal from rapeseed production via additional volumes of imported meal.

Moreover, since the current ILUC Directive already sets a cap on the contribution of conventional biofuels to the renewable energy target, FEDIOL believes that further restrictive measures would be counterproductive for the full deployment of advanced biofuels, since the perceived uncertainty would restrain investments in the sector, thus jeopardising the achievement of EU transport decarbonisation targets.

*"Incorporation obligations are essential to grant economic stability to our industry", **Nathalie Lecocq** concluded. "For this reason we call on the European Parliament and Council to review the Commission's proposal so as to restore EU blending mechanisms for first generation biofuels, while promoting a gradual phasing in of advanced biofuels"*.



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FEDIOL represents the interests of the European vegetable oil and protein meal industry.

With over 150 facilities in Europe, the sector provides over 20.000 direct employments. Our members process approximately 55 million tonnes of basic products a year for the food and non-food markets. Oilseed crushing produces vegetable oils and protein meals as co-products. While vegetable oils are used for food and technical uses (pharmaceuticals, paints, detergents, biodiesel, etc.), protein meals are used to meet the increasing global demand for meat and protein.

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