



PRESS RELEASE

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FOOD AND FEED MARKET CRISIS LOOMS LARGER THAN EVER AS MINISTERS AVOID SOY IMPORT PROBLEM AGAIN

FARMERS, INDUSTRY AND TRADE WARN OF DISRUPTION OF SUPPLIES

Brussels, 20 October 2009.

Industry and trade groups FEDIOL, FEFAC and COCERAL with the European farming association COPA-COGECA, increase their warnings over the severity of the problem of scarce soybean supplies in the EU after agriculture ministers meeting yesterday again failed to take responsibility for dealing effectively with the issue. Without a clear and effective response – urgently – the problem will get far worse.

The looming crisis in the EU food and livestock feed chain, with a total cost impact between E3.5bn and E5bn, remains. Since minute traces of US-approved genetically modified maize not yet authorized in the EU were discovered in consignments from the US in June 2009, breaching the EU's policy of zero tolerance, around 180,000 tonnes of US soya have been denied entry to the EU. Whatever precautions are taken, it is not possible to guarantee the absence of minute levels of foreign materials, other than by ceasing the trade altogether, a problem the EU's own Joint Research Centre has also recently identified in its report on the GM pipeline.

With the current lack of alternatives, and still no immediate action from the European Commission to propose a technical solution in the form of a so-called "low-level presence (LLP) threshold" for food and feed, this situation will leave Europe's farmers, livestock producers and agricultural trade, as well as food and feed processing industries, in an extremely precarious position, keeping the global competitiveness of the EU agricultural sector at risk. The threat of lay-offs in the trade and processing industries, of already vulnerable livestock farmers going out of business, and of consumers being hit through knock-on effects on choice, availability and price all still remain.

Yesterday's Farm Council was a missed opportunity to speed up the GM authorization process and provide an urgent solution to the looming crisis. Yet Member States have again left the decisions on individual product approvals to the Commission, which, though entering a period of political uncertainty with less than two weeks of its mandate remaining, should now follow up rapidly on the different GM events at stake. As regards LLP, the ball is once again firmly in the court of Commissioner Vassiliou, who must do what she has consistently resisted doing – come forward urgently with a proposed technical solution on zero tolerance for food and feed. Without it the situation could prove explosive for the whole food and feed chain.

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NOTES TO EDITORS OVERLEAF

Notes to editors:

About the coalition members

FEDIOL represents the interests of the European seed and bean crushers, meals producers, vegetable oils and fats producers/processors. Its members crush 30 million tonnes of oilseeds a year, and the EU industry serves the second largest world market of vegetable oils after China.

FEFAC is the European Feed Manufacturers' Federation. The European compound feed industry employs over 110,000 persons on around 4,500 production sites often in rural areas, which offer few employment opportunities. Farm animals in the EU-27 consume an estimated 470 million tonnes of feed a year, of which 150 million tonnes are produced by the compound feed manufacturers. Turnover of the European compound feed industry is estimated at 40 billion €.

COCERAL is the voice of the European cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply trade. Its members are the national trade organisations of most of the EU-27 Member States, who represent collectors, distributors, exporters, importers and agribulk storers of the above mentioned commodities

COPA-COGECA is the united voice of farmers and their cooperatives in the EU. Overall membership of both organisations has risen to 76. COPA represents 15 million people working either full or part- time on EU farm holdings whilst COGECA represents the interests of 40,000 farmers' cooperatives employing some 660,000 people and with a global annual turnover in excess of 300 billion euros throughout the enlarged EU. COPA-COGECA aim to ensure that EU agriculture is sustainable, innovative, strong and competitive, guaranteeing food security to half a billion people throughout Europe.

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Further reading

"An Avoidable Market Crisis", August 2009

JRC report: The Global pipeline of new GM crops: implications of asynchronous approval for international trade, July 2009

<http://ipts.jrc.ec.europa.eu/publications/pub.cfm?id=2420>