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Press Release

FEDIOL assesses the impact of a potential phase out of conventional biofuels

The European Parliament is set to examine the EU Commission's proposal for a Renewable Energy Directive post-2020. The debate around the future of conventional biofuels in the European Union will resume, raising many concerns for the biofuel industry and for the entire European agricultural sector.

FEDIOL - representing the European Vegetable Oil and Proteinmeal industry - in its recent [Position Paper](#) questions the Commission's ability to meet the main objectives it was initially conceived to achieve. The Directive, as proposed, would fail to reduce GHG emissions, would increase the EU's dependency on fossil fuels and would eliminate an important market outlet to the agricultural sector.

The Commission's decision to phase out conventional biofuels as of 2020 outlines a reduction path which should bring the share of biofuels such as rapeseed biodiesel down to 3.8% by 2030. *"In the absence of any blending obligations, there is no reason for fuel suppliers to include conventional biofuels in their energy mix any longer"* - claims Director General Nathalie Lecocq. *"As a consequence, the decreasing trajectory set by the Commission will most likely entail an even sharper and quicker phase out for those feedstocks, putting at risk 220,000 jobs in the EU biofuel sector and depriving farmers of a vital revenue"*.

Further difficulties in the development and availability of advanced feedstocks, linked with a lack of confidence by investors in view of the uncertain policy context, make the target set for advanced biofuels overly ambitious and highly unlikely to be achieved. For these reasons, FEDIOL calls on the European Parliament and Council to maintain the 7% cap for conventional biofuels and further invest in advanced low-carbon technologies alongside conventional biofuels, so as to meet an overall minimum 15% renewables' target in transport.

To support the statement in its position paper and analyse the implications of a potential phase out of conventional biofuels, indeed, FEDIOL produced a detailed Impact Assessment entitled ["Implementing the Commission's proposal on conventional biofuels: the consequences for agriculture and industry"](#). The study quantifies the huge financial losses that a slowdown or halt in rapeseed production would trigger throughout the production chain: cutting a total of 16 million tons of rapeseed crush as well as 2.7 million tons of soybean crush out of production would cause the closure of almost half of the EU crushing plants, representing around 10,000 direct jobs. This would result in the loss of more than 9.6 million tons of rapeseed meal and 2.1 million tons of soybean meal. The cumulative loss in turnover would be in the order of €16.9 billion for farmers, €22.5 billion for crushers and €11.7 billion for compound feed manufacturers over the assessed 5-year period, with continuous losses also thereafter.

Finally, a factsheet called ["An EU without first generation biofuels? Impact on the oilseed and agricultural markets"](#) provides a graphic adaptation of the Impact Assessment, describes the benefits of biofuel production and addresses some misperceptions linked to it.

The documents are available on the FEDIOL website following this [link](#)

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Note to editors

About FEDIOL

FEDIOL represents the interests of the European vegetable oil and protein meal industry. FEDIOL counts national associations in 12 member states and associated members in 5 other EU countries. With about 180 facilities in Europe the sector provides 20.000 direct employments. Companies of the sector crush about 40 million tons of oilseeds and refine about 20 million tons of crude oil a year for the food and feed markets and also to non-food technical and biofuel industries. More information can be found on the FEDIOL website www.fediol.eu

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