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Press Statement

## **EU market adjusting to lack of sunflower oil following Russia's invasion of Ukraine**

**Brussels, 24 March 2022** – A month after the invasion of Ukraine by Russia, FEDIOL member companies continue monitoring market developments and assess the short and longer-term consequences of the sudden loss of Ukrainian oil crops.

The shortfall of Ukrainian commodities on the EU market, notably sunflower oil, which cannot be replaced in the short-term, has already triggered adjustments on the market. There have been fast reactions of downstream operators who decided to reformulate their product recipes with a view to replace sunflower oil with rapeseed oil where possible. In the case of frying oils, there have been replacements of sunflower oil against palm oil, soybean oil and rapeseed oil. As other oils can be made available from other sources, further temporary replacement and reformulation could take place.

FEDIOL and its members are engaged with authorities to seek flexibility, in particular for food labelling requirements, to accommodate short-term variation of vegetable oils' botanical origin. Even if implementation of the labelling legislation is a national competence, FEDIOL supports EU guidance in support of more aligned approaches on possible flexibility.

Like the redirection of sunflower oil to food at the beginning of the war, operators divert volumes of rapeseed originally intended to be processed for the biodiesel market also towards food uses. This confirms the critical role of crop-based biofuels that are functioning as buffer for the food market to cover the shortfall of commodities in exceptional circumstances.

The FEDIOL short-term assessment confirms that markets are fully functional and that the current market situation is ultimately working to facilitate the redirection of vegetable oils to food. Public intervention in the biodiesel market, changes to mandates, bans or other restrictions should be avoided, hence, preventing the equally tense situation in the energy market to be further exacerbated.

### **Note to the editors:**

FEDIOL, the EU vegetable oil and protein meal industry association, represents the interests of the European oilseed crushers, vegetable oil refiners and bottlers. FEDIOL members are 10 national associations and associated company members in 7 other European countries. With about 180 facilities in Europe, the sector provides 20,000 direct employments. Its members process approximately 55 million tonnes of basic products a year, both of EU origin and imported from third country markets. The sector processes notably rapeseed, sunflower seed, soybeans and linseed into oils and meals for food, feed, technical and energy uses essentially on the European market.