



Brussels, 6 December 2022

Ref. 22PRESS379

## Press release

### **Joint COCERAL, FEDIOL, and FEFAC Reaction to the Provisional Deal between European Parliament and Council on the EU Regulation for deforestation-free supply chains**

The European Parliament and the Council concluded, last night, trilogue negotiations on the EU Deforestation Regulation. COCERAL, FEDIOL, and FEFAC, acknowledge the efforts to swiftly strike a deal and set an ambitious EU framework that will prevent commodities associated with deforestation to be marketed in the EU. An EU regulation tackling deforestation is a necessary initiative which should give a strong signal to players and governments around the world.

COCERAL, FEDIOL, and FEFAC, welcome aspects of the deal on the EU regulation that will prove positive for the implementation through the palm oil and soy supply chains, such as guidelines, the timelines for implementation of 18 months, and lower percentage of checks for low-risk countries. COCERAL, FEDIOL, and FEFAC also consider positively that the agreement refrains from broadening the scope to maize and to other ecosystems from the outset, without further assessment of the implications.

On the other hand, COCERAL, FEDIOL, and FEFAC regret that the requirement for traceability and implied chain of custody, as defined, will have a number of unintended consequences. These consequences will be felt deeply, particularly as this may lead to the exclusion of smallholders, the most vulnerable players in these supply chains, given the tight implementation deadline, or to disinvestment from high-risk areas. Failure to set in place similarly ambitious accompanying measures for government-to-government engagement and partnerships, with incentives and support, will not help overcome the many legal, organisational or logistical impediments arising, as operators will be looking at implementing the EU regulation throughout these complex supply chains.

The deal between European Parliament and Council on the deforestation regulation needs to be examined in further detail and its implications will require further assessment. COCERAL, FEDIOL, and FEFAC remain fully committed to support solutions for the implementation of the Regulation to make it work in practice and at the same time to tackle global deforestation.

\*\*\*

**COCERAL is the European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats, animal feed and agrosupply.** It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above-mentioned agricultural products. COCERAL's direct members are located in 14 EU

countries, with one European association, Unistock representing the professional portside storekeepers for agribulk commodities within the EU and one associated member in Switzerland. With about 3,000 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. Gafta is an extraordinary member of COCERAL.

**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 EU 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.

**FEFAC, the European Compound Feed Manufacturers' Federation**, represents 23 national Associations in 23 EU Member States as well as Associations in Switzerland, Turkey, Serbia, Russia and Norway with observer/associate member status. The European compound feed industry employs over 100,000 persons on app. 3,500 production sites often in rural areas, which offer few employment opportunities.