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Statement by COCERAL, FEDIOL and FEFAC following the vote on EP report on EU legal framework to halt EU-driven deforestation

COCERAL, FEDIOL and FEFAC - together representing the EU grain and oilseed trade, crushing and animal feed industry – take note of the adoption of the EP own-initiative report “*on an EU legal framework to halt and reverse EU-driven global deforestation*” (2020/2006 (INL)) by MEP Delara Burkhardt, during the Parliament’s plenary session on 22 October 2020.

As key EU soy value chain partners, our members and companies are heavily engaged in voluntary supply chain initiatives, fostering responsible production practices and implementing certification and verification programmes in “high-risk” areas. This is done in close partnership with local farmer organisations, processors, exporters and competent authorities. These long-running efforts have led to significant improvements in such “high-risk” areas, resulting in a marked reduction of conversion of native habitat, as demonstrated by the Amazon Soy Moratorium (which is in place since 2006). We recognise that a lot more needs to be done, including through private-public partnerships, to incentivise farmers to achieve the stated goal of delinking EU soy production from conversion of natural habitat.

Beyond voluntary initiatives, we agree with the EP that a **mandatory due diligence** can accelerate sustainable transformation of supply chains at risk of causing deforestation: companies’ increased awareness and understanding of their supply chain, their elaboration of mitigation plans to provide remediation in case of identified problems and enhanced transparency of actions undertaken are supportive of such change. The scope of the obligations and the type of liability provisions are crucial to determine to what extent such EU regulatory measures will actually have an impact in tackling deforestation and human rights issues on the ground.

The **civil liability** foreseen by the report may appear as a way to “force” companies into a better behaviour. However, we fear that the approach favoured by the EP will provoke the disengagement of companies from high-risk areas to forego unavoidable legal proceedings and penalties. This space left open is very likely to be taken over by other companies with significantly less focus on conversion of natural habitat. Companies could then favour other sourcing areas that are considered to be at lower risk, instead of contributing to a positive change in production practices in “hot spot” areas in high-risk regions.

The EP’s call for penalties and sanctions under **public enforcement** should remain under Member States’ competence. Currently there is no evidence that penalties as proposed by the EP will help incentivize positive measures and change practices on the ground in producing countries. On the contrary, it may prove counter-productive, leading companies towards less-regulated countries instead of contributing to a change in sustainable sourcing.

COCERAL, FEDIOL and FEFAC will continue to promote best sustainable practices along the whole soy value chain calling on EU policy makers to focus on the right policy mix combining non-regulatory and regulatory action to halt deforestation, which will make a measurable impact on the ground in producing countries.



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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. For further information, please contact Iliana Axiotiades, Secretary General, secretariat@coceral.com

FEDIOL represents the interests of the European vegetable oil and protein meal industry. With over 180 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. For further information, please contact Nathalie Lecocq, FEDIOL Director General, fediol@fediol.eu

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. For more information see our web site (www.fefac.eu) or please contact Alexander Döring, Secretary General, fefac@fefac.eu