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Key-note address FEDIOL President by J. Grossmann
FEDIOL 60th Anniversary

What will the next decade bear for the crushing and reefing sector?

Good evening!

In the next 15 minutes when I do my quick speech to celebrate FEDIOL 60th anniversary 1.500 tons of commodities will be processed by all of the associated members across Europe.

We have achieved considerable changes and improvements in our industry over the last 60 years of FEDIOL existence. While in all honesty I cannot envision our industry in 60 years from now, there are certain trends, which we see prolonging over at least the next decade.

Let me focus first on the ***food market*** which is likely to remain the key outlet. ***Food safety*** will continue to be a driving concern. In a context of better performing test methods, we will see maintained pressure on contaminants and on unwanted residues in our products. Society demands enhanced transparency on products and on processes. We also risk facing more chain players trying to profile themselves on food safety. This is highly problematic to the trust in the whole food chain. As industry, we will build on our experience and expertise. We will remain committed and show leadership across the supply chain (as we did on process contaminants, such as Glycidyl esters). We will continue bringing solutions that are science-based, that are proportionate to the risks incurred and also with solutions that are workable for all players.

Beyond the food safety concerns, ***nutrition and quality objectives*** will remain high on our agenda. Beneficial fatty acid profiles will have new opportunities and we could see more interest for specialty oils, oils responding to specific uses and to specific health concerns. With industrial users trying to reduce saturated fat, growth opportunities for new oilseed varieties may emerge. We may also have to respond to calls for more "natural" products, products using less or no chemicals, products manufactured in softer processes. In essence, we will continue to process and produce commodities, but there may be opportunities for more customized products and services.

Increasing ***EU production of protein***, will still be an objective, even if this cannot eliminate the EU protein deficit. Hopefully there will be new impetus given by the up-coming EU Protein Strategy to an overall growth in EU protein production. We are confident that recent double digit growth in EU soybean cultivation will be maintained over the next years. A sustained demand from the animal feed market for non-GM feed will drive this further. But more vegetable protein will also be needed for human consumption. To live up to expectations, further research on improved protein content and profile, varieties with better agronomic performance, but possibly also to enhanced processing techniques will be needed.

Speaking about EU protein production, I have to add, that the final ***Renewable Energy Directive*** will determine whether a sufficient space is kept for crop-based biofuels. This is the condition for maintaining our sector's current contribution to the production of vegetable protein with regard to rapeseed meal.

Having looked at the potential for EU protein production, we know that they need to be complemented with EU imports. This explains why we drive an ambitious **sustainability agenda** in support of existing corporate initiatives. Sustainability is part of the demands expressed by society about enhanced transparency on our supply chain activities (soy and palm). With regard to soy, together with ABIOVE, APROSOJA (Brazilian Crushers and Mato Grosso farmers), FEFAC and IDH we are undertaking a joint effort to promote good practices in soy cultivation based on legal compliance with environmental legislation and beyond.

Sustainability requirements also arise when considering ***technical uses of our products*** *and vegetable oils in particular*. This has been and still is the case in the context of RED. It will remain relevant in an enhanced bio-economy, boosting the use of renewable material in a difficult competition with the non-renewable, fossil equivalent. This is where policy incentives and regulatory support should help the development of a more renewable and sustainable economy.

There is one aspect, where our sector should aim for improvement: ***visibility on what we are doing***. This industry has been apprehensive of speaking about itself. We find it difficult to explain complex logistics and processes. But at a moment when industrial activity is no longer trusted, there is high need for more openness, information and communication. There is need for improvement.. We will have to overcome the reluctance to talk about what the industry is doing and why.

Speaking about the ***complexity of our supply chains***, there are opportunities for companies to considerably enhance logistics and production processes, but also better knowledge about traceability throughout the value chain with digitalization and the use of block-chains.

Let me now raise two regulatory developments because of their serious future impacts on the agri-food sector as a whole.

1. The on-going revision of plant protection products associated with the lowering of Maximum residue levels. The fact that the EU is changing from a risk-based to a hazard-based approach for its assessment is at least disconcerting and raising questions because Europe is drifting away from global practice, with considerable implications for all imported agricultural raw materials.
2. The classification of mutagenesis technology for breeding as falling under GMO legislation. This would imply the exclusion of European farmers from the benefits of these techniques and, again, the isolation of Europe from international agricultural raw materials.

A few words on ***Europe***, since it was the trigger for FEDIOL's creation. The difficulty to overcome current challenges, is a real matter of concern, as much as the outlook of the UK departure. Europe has brought us closer, made us work together, offered us many opportunities, it will continue inspiring us, pushing us to get better at what we are doing. Fighting policy developments we consider inappropriate or disruptive, does not make us blind for the immense benefits and positive advances Europe brings to each of us. We are committed to continue playing a constructive role of responsible stakeholder in the policy-making process.

Talking about ***FEDIOL as representative body,*** we can be proud of the robust scientific, technical and economic expertise we have today. There is strong company commitment and involvement to support this expertise. We will continue focusing on evidence-based advocacy, which we have reinforced over the years. Our association is well-connected with the different representations of the food, feed, energy and bio-economy value chains. Developing our ability to dialogue, to collaborate with different chain players and build trust and lasting coalitions (with PFP members, with FEFAC, with COCERAL, with the biodiesel chain…) has helped addressing supply chain issues more effectively. Coordinated outreach, regrouping our forces and increasing impact will remain our way to operate. It will be important to develop these capacities further and find new ways of collaboration within the chain.

As we mark these 60 years of existence, my hope is that in 10, in 20 or in even 60 years from now, we will be as proud as we can be today about what we have achieved.

Before leaving the floor to our distinguished guest speakers, I would like to extend ***sincere thanks*** to:

- FEDIOL members for the deep involvement in the associations' work
- FEDIOL staff for their support and dedication throughout the year
- You all for joining us in our celebration