

**INTERNATIONAL MARKET FORUM**  
**- EU CONSULTANT'S REPORT**  
BRUCE ROSS

October 21, 2011

RGC AT NRA 78TH ANNUAL CONVENTION

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# IF YOU WISH TO FOLLOW ANYTHING UP?

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# MY TWO MAIN AREAS OF ACTIVITY

- Monitoring EU regulatory environment and its impact on markets for rendered products
- Taking part in efforts - with allies - to promote the use of rendered products and thus grow the total market
  
- On the regulatory side there's good news and less good news – as always in the EU it's two steps forward, one step back

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## OR TO USE ANOTHER ANALOGY - SISYPHUS

Anyone dealing  
with the EU gets  
to feel like this



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# EXAMPLES OF THIS PAINFUL PROCESS

- TSE regulation & PAP in feed
- Animal by-products regulation (ABPR)
  - Rendered fats for biofuels use
  - UCO for biofuels use
  - Tallow for oleo-chemical use
- Renewable energy legislation

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# TSE REGULATION – GOOD NEWS

- European Commission proposal on table to re-authorise pig & poultry PAP in pig & poultry and aqua feeds
- PAP would: come from carcasses fit for human consumption; be SRM-free; be from BSE-free species; be produced in mono-species plants
- European Parliament in favour (if strong control systems in place)
- Meat production chain strongly backs the proposal (though feed sector is cautious)

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# TSE REGULATION – BAD NEWS

- Proposal has to be approved by Member State officials – several are unhappy, though for different reasons
- Some big players esp. France and UK don't like it
- Consumer reaction yet to be fully tested
- There is no approved method of detecting presence of non-approved PAP in feeds!

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# WHAT HAPPENS NEXT?

- Commission faces a tough choice:
  - Abandon the whole thing (unlikely)
  - Continue with proposal unchanged (possible)
  - Amend the proposal (more likely)
    - limit authorisation to aqua feeds at this stage
    - alter the control requirements
    - allow member states to do their own thing
- Member state experts scheduled to vote in Nov/Dec
- With European Parliament approval the change could come into effect on July 1, 2012 (optimistic?)

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# NEW ABPR – GOOD NEWS

- US & Canadian tallow can already be exported to the EU
- Product must come from approved plants
- An approved process must have been used
- Product must be marked with GTH marker (a marker has already been approved, at least in the US) @ 250mg/kg
- Consignments must be appropriately labelled
- There could still be trade problems to resolve but, in theory, the administrative systems are in place

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# ABPR & UCO – MIXED NEWS

- UCO goes now to EU for biofuel use under bilateral arrangements
- New (2009) ABPR covers catering waste & UCO is deemed to be catering waste
- So, UCO must be regulated at EU level
- We're getting there; a proposal on the table would allow UCO import under conditions:
  - Specific certificate that looks undemanding
  - No particular processing requirements; no marker
  - Paper controls at EU end to ensure UCO goes for biofuel
- To be voted on in November? If approved would apply within weeks
- Meanwhile current arrangements can apply
- But we're trying to verify all this

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# ABPR – MIXED NEWS

- EU oleo-chemical industry wants more tallow
- Current ABP rules don't allow this
- Either ABPR needs amendment, or oleo-chemical uses must be taken out of ABPR
- Commission is proposing the latter (except for oleo-chemical uses that carry risk of ingestion)
- This would allow import of tallow for most oleo-chemical uses (e.g. soap, inorganic fertilisers, lubricants and others)
- Apparently no additional requirements
- To be voted on in November? If approved would apply within weeks
- But again we're trying to verify all this

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# RENEWABLE ENERGY LEGISLATION

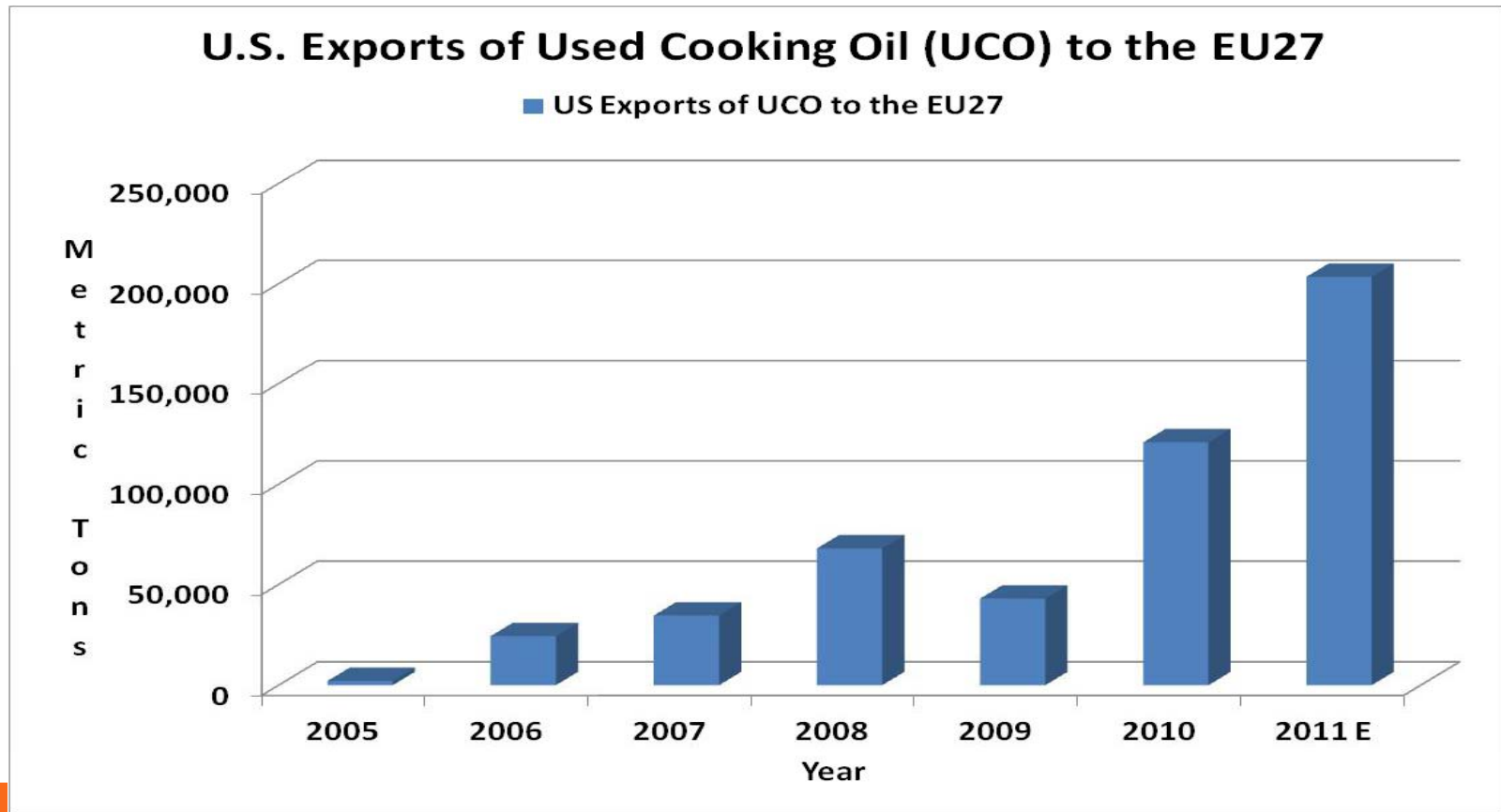
- EU maintaining its targets to increase renewable energy use, reduce GHG emissions and reach biofuels targets
- Will the economic situation cause it to waver?
- If it sticks to its path will animal by-products continue to be favoured as biofuels feedstocks?
- All feedstocks are under scrutiny and Independent Land Use Change (ILUC) restrictions could knock some feedstocks out
- Animal by-products can count double towards meeting biofuels targets ...
- ... but it's up to member states to decide on this
- And member states are wavering
- What about UCO?
- These questions can shape demand for rendered products

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# IS THERE DEMAND FOR IMPORTED UCO?



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# TALKING TO A WIDER AUDIENCE

- NRA is playing a role in spreading the good word about rendered products
- One way is by using speaking opportunities within the EU (e.g. Al Rickard at the World Biofuels Markets Conference)
- We have concentrated on biofuels so far, but PAP could be on the agenda soon (cf. Nov 2011 animal nutrition conference in Brussels)
- As the regulatory situation for rendered products slowly improves we need to do more on this ..... with our friends and allies
- We need to discuss the best forums as well as the right messages
- WRO is already looking at this

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# I'D RATHER NOT BE IN THE OFFICE ALL DAY

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I don't want to be  
Sisyphus



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# I'D RATHER BE HERE

OK, I don't want to be him necessarily



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# OR HERE

It'd be nice to  
help some trade  
to take place



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