



PRESS RELEASE

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FOOD MARKET CRISIS STILL LOOMS DESPITE MINISTERS ATTENTION TO SOY IMPORT PROBLEM

FARMERS, INDUSTRY AND TRADE WELCOME EU AGRICULTURE MINISTERS' DISCUSSION ON DISRUPTION OF SUPPLIES BUT WARN OF NEED FOR CLEAR, URGENT RESPONSE TO BE AGREED

Brussels, 8 September, 2009.

Industry and trade groups FEDIOL, FEFAC and COCERAL with the European farmer association COPA-COGECA, welcome the fact that ministers from 8 countries recognised the severity of the problem over scarcity of soybean supplies in the EU outlined by Commissioner Fischer Boel, but warn that until the EU agrees a clear and effective response – urgently – the problem will not go away.

The looming crisis in the EU food and livestock feed chain, with a total cost impact between E3.5bn and E5bn, remains. Since minute traces of US-approved genetically modified maize not yet authorized in the EU were discovered in consignments from the US in June 2009, breaching the EU's policy of zero tolerance, around 180,000 tonnes of US soya have been denied entry to the EU.

EU operators have been forced to stop all imports of North American soybeans and soybean meal as, whatever precautions are taken, it is not possible to guarantee the absence of minute levels of foreign materials, other than by ceasing the trade altogether, a problem the EU's own Joint Research Centre has also recently identified.

With the current lack of alternatives, and still no immediate action from the EU to agree a so-called "low-level presence (LLP) threshold", this situation will leave Europe's farmers, livestock producers and agricultural trade, as well as food and feed processing industries, in an extremely precarious position, keeping the global competitiveness of the EU agricultural sector at risk. The threat of lay-offs in the trade and processing industries, of already vulnerable livestock farmers going out of business, and of consumers being hit through knock-on effects on choice, availability and price all still remain.

The speeding up the GM authorization process as discussed at the Council would be highly appreciated by the food and feed coalition. However, even if approvals took the minimum three months to agree, there would be no solution before the end of the year. In the meantime there is still no solution to the immediate soybean shortage.

At the October Farm Council meeting, Farm Ministers must urgently deal with technical measures in relation to an EU LLP threshold for GM events which, unlike the current zero tolerance policy, could be implemented and enforced, so protecting EU consumers' interests. Without it, the crisis will become inevitable.

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NOTES TO EDITORS OVERLEAF

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About the coalition members

FEDIOL represents the interests of the European seed and bean crushers, meals producers, vegetable oils and fats producers/processors. Its members crush 30 million tonnes of oilseeds a year, and the EU industry serves the second largest world market of vegetable oils after China.

FEFAC is the European Feed Manufacturers' Federation. The European compound feed industry employs over 110,000 persons on around 4,500 production sites often in rural areas, which offer few employment opportunities. Farm animals in the EU-27 consume an estimated 470 million tonnes of feed a year, of which 150 million tonnes are produced by the compound feed manufacturers. Turnover of the European compound feed industry is estimated at 40 billion €.

COCERAL is the voice of the European cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply trade. Its members are the national trade organisations of most of the EU-27 Member States, who represent collectors, distributors, exporters, importers and agribulk storers of the above mentioned commodities

COPA-COGECA is the united voice of farmers and their cooperatives in the EU. Overall membership of both organisations has risen to 76. COPA represents 15 million people working either full or part-time on EU farm holdings whilst Cogeca represents the interests of 40,000 farmers' cooperatives employing some 660,000 people and with a global annual turnover in excess of 300 billion euros throughout the enlarged EU. Copa-Cogeca aim to ensure that EU agriculture is sustainable, innovative, strong and competitive, guaranteeing food security to half a billion people throughout Europe.

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Further reading

"An Avoidable Market Crisis", August 2009

JRC report: The Global pipeline of new GM crops: implications of asynchronous approval for international trade, July 2009

<http://ipts.jrc.ec.europa.eu/publications/pub.cfm?id=2420>