



## **PRESSE RELEASE**

### **Biodiesel and oilseeds**

For a balanced development of food and non-food outlets

**In the context of the EU Energy policy, biodiesel development in Europe must be supported. The development of biodiesel can be done in accordance with the sustainability principles and with no unbalance of supply for food purposes. Moreover, the development of biodiesel will improve the EU self-sufficiency in vegetable proteins.**

In order to fulfil its goals of reduction of greenhouse gas emissions, the EU Commission has set the targets of 5,75% of biofuels in fuel for transportation in 2010, and a minimum target of 10% in all Member-states by 2020.

For diesel motors, it means incorporating more biodiesel, a biofuel mainly made from vegetable oils (mainly rapeseed and sunflower but also soya, palm) as well as animal fats. Biodiesel reduces greenhouse gas emissions by 70% to 75%. Biodiesel energy balance from « from field to wheel » is over 3,5 (biodiesel requires 1 ton of fossil fuel to produce 3,5 tons of petrol equivalent). Moreover, biodiesel addresses the demand of the mineral oil companies in Europe where the diesel vehicles' already dominant share is still increasing.

#### **Diversification of crops.**

By diversifying rotations, EU-27 oilseeds area will rise to over 13 million hectares, within the limits of agronomical constraints, allowing EU oilseeds production to rise from a current 23 million tons up to over 35 million tons by 2015-2020 of which 22 to 28 millions tons of rapeseed.

#### **Food : vegetable oils supply will be maintained**

Parallel to the development of the production, the supply of the various demands for vegetable oils, food and non-food, will require additional imports.

It must be stressed that the EU has always relied on imports for vegetable oils. With biodiesel development, the self-sufficiency ratio for oils should remain stable (55%).

The development of the oilseed production appears as a challenging goal which will require the commitment and efforts from all the stakeholders of the oilseed sector. The European Union should support these efforts through a monitoring of the progress realised. The Commission should see to it that the imports are done without competition distortion.

In any case, the food demand is the priority for all the oilseed sector stakeholders. The European industry is committed to the satisfaction of the consumer and will maintain a policy of progress and constant improvement of quality, giving the priority to food safety.

### **More protein meals for animal feed.**

Oilseeds produce vegetable oils and protein meals. Oilseed meals are used by the animal feed industry to produce quality meat for human consumption. With the development of oilseed production, the availability of oilseed meals has already increased by 3 million tons since 2002 with a potential of 8 million tons more by 2015-2020, that would allow for an improvement of the self-sufficiency ratio for proteins meals rising from 20% to 30%.

### **Strong but controlled prices.**

Some fear the biodiesel development could lead to price increases. The outlook for the development of biodiesel (20 million tons worldwide) has to be compared with the strong growth of the world vegetable oils production which rises by 5 million tons annually for a current total production of 120 million tons.

According to econometrical models, prices would be strong at current high level for vegetable oils.

### **Attention given to sustainability.**

The European oilseeds production which improves crop diversification, complies by crop-compliance rules and is often subject to agro-environmental measures.

The industry as well as the producers, commit themselves to quality and sustainability of their production. It is legitimate that the same standards are being applied to imported feedstocks, equally to food as well as to non-food purposes.

### **For a European policy of support**

In the perspective of the review of the Biofuels Directives by the EU Commission, the organisations require the following .

- The mandatory target of 10% for 2020 is a good measure. In order to reach this target, Member-states must have the ability to implement both incorporation mechanism schemes and fiscal incentives extended until 2020.
- The setting of mandatory set-aside to 0% make it necessary to develop the energy crop support policy.
- Biodiesel quality is a condition for users acceptance. The 14214 standard must be maintained.
- Realisation of the targets of 5,75% and further 10% requires that the diesel fuel standard CEN 590 be revised in order to increase from 5 to 10% and later 15%, the percentage of biodiesel incorporation allowed in diesel blends.
- Development of biodiesel in Europe must not be hampered by the import of biodiesel already subsidised through indirect export support (differential export taxes in Argentina, fiscal measures in Malaysia) or benefiting from a direct export support like in the USA (B99). The EU Commission must prevent competition distortion on the biodiesel market where protections are very low ( tariffs of 6,5%).

*EOA (European Oilseed Alliance) and EBB (European Biodiesel Board) represent professionals, producers and industry, from the European oilseed sector for food, feed and energy purposes.*

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