



## **OPENING SPEECH ASBJØRN BØRSTING FOR 3 FEBRUARY SOY SOURCING GUIDELINES LAUNCH EVENT**

Dear participants,

I am very pleased to welcome you all to the launch event of the FEFAC Soy Sourcing Guidelines 2021. The first event of our FEFAC Feed Sustainability Charter Webinar Series. We know the Guidelines are highly anticipated and we most certainly hope that we can live up to the expectations.

We also know we have a very diverse audience with us today. Plenty of the stakeholders joining us today deal with the topic of sustainable soy supply chains on a highly regular basis – both in Europe and across the Atlantic. Holding this event in the European afternoon allows our many soy partners there to also be part of this very important event today. FEFAC is convinced we are in this together, it is two-way traffic. In that regard I also want to express my thanks to IDH and FEDIOL as our long-term partners in this sustainable soy journey which we started as FEFAC exactly 15 years ago.

But I also want to especially welcome our value chain partners in animal production. They will be keenly aware that challenges exist when it comes to the use in animal feed of imported soy – identified as a “forest risk commodity” by the European Commission - and they will expect their feed chain partners to be able to present solutions that can support sustainable and competitive livestock farming in Europe.

Although the momentum for working on sustainability is very high, I also want to give you a reality check in these challenging COVID times. We are again facing high market volatility, showing a historic spread between farm gate prices for animal products and global grain and protein prices, not seen in more than 10 years. Maintaining competitiveness and the economic viability of our livestock customers is a key driving factor for our feed industry. We will have gained nothing by “cleaning our supply chains in Europe” and splitting ourselves from the global market, which will only reduce competitiveness of our livestock farmers with no positive impact on the ground in our supply countries.

It is also important to highlight that the picture on European soy use and links to deforestation is not as dramatic as certain images and media stories assume. Thanks to the IDH Soy Monitor 2018, we know that the



majority of the soy used in animal feed for European farm animals originates from regions and biomes where there is a negligible deforestation risk. On top of that all soy sourced from the Amazon Biome is under Soy Moratorium contractual agreements, which means that the soy European feed manufacturers purchase from the Amazon Biome is not grown on land deforested after 2008. Therefore, the large majority of soy used in animal feed is originating from deforestation-free areas. According to the IDH Monitor it was around 78% of our soy in 2018. This also means that we still have a challenge with the remaining part.

So - we fully acknowledge there is more work to do to credibly disassociate European soy use from potential conversion of natural ecosystems. Today we will be presenting and discussing soy supply chain solutions, but we know of course that the question of sustainable protein sourcing for animal feed is broader. Finding European protein alternatives is part of the story, but we must also be realistic that European animal production for the foreseeable future will remain reliant on soy, which is a key ingredient in animal nutrition for the European and global feed industry.

I would like to be very clear on the purpose of the Guidelines and mandate FEFAC has in this regard. The Guidelines contain criteria on Environmental Responsibility - but also Good Agricultural Practices & Responsible Working Conditions – and jointly these criteria set the required level of sustainable soy production for existing soy sustainability standards from anywhere in the world. The FEFAC Soy Sourcing Guidelines are a so-called “benchmarking providing market transparency. They should also not be seen as recommended sourcing policies or guidance on supply chain risk management. FEFAC remains in a pre-competitive environment by providing market transparency to its members and value chain partners, but FEFAC as an organisation does not take purchasing decisions.

The Soy Sourcing Guidelines 2021 presented today signify an overall upgrade in requirements, but the real novelty is that we also try to provide enhanced market transparency for ‘certified conversion-free soy’. In this context, again FEFAC is a facilitator of different levels of ambitions on the mainstream market, which we know exist throughout Europe. With these Guidelines we hope to provide additional value to different existing chain approaches on ensuring conversion-free soy, reflecting different



conditions in various Biomes. We are a basically a “bridge builder”, providing a platform for market partners to find each other.

So what do we think to achieve with the upgraded Soy Sourcing Guidelines? We hope that this can reinvigorate trust in sustainable soy use. And we hope that the mainstream market demand for sustainable soy will further solidify. We estimate that currently at least half of the soy used in animal feed is in compliance with the Soy Sourcing Guidelines, so there is room for growth still. This upgraded version of the Guidelines will hopefully also inspire feed companies to sign the Responsible Soy Declaration. This is a voluntary commitment for feed companies to source all their soy in line with the criteria of the Soy Sourcing Guidelines by 2025.

A key part of today’s webinar is the presentation of the new Guidelines, but I am delighted we are able to combine this with a panel session with high level representatives. I hope the audience today is aware of the unique moment today with both the upstream and the downstream value chain partners represented, by the Soft Commodities Forum and the Consumer Goods Forum respectively. Having WWF and IDH on board too completes the picture on driving more sustainable value chain practices. There is real growing momentum to take responsibility across the whole value chain. There is a window of opportunity for our companies to meet both societal and market expectations. Policy developments in Europe play a role of course, but let’s not forget that only value chain actors can develop and implement robust and verifiable operational supply chain solutions.

With that I wish to thank you for listening to me and I hope you will enjoy today’s digital event. Florence I hand over to you again.