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To the attention of

Jacob Jensen  
EU Council President AGRIFISH

By email

## **Urgent Warning on EUDR-Related Trade Disruption for Essential Soy Supplies to the EU Feed and Livestock Sector**

Dear Minister Jensen,

We write to you with urgent concerns as regards the developments of the EU Deforestation Regulation (EUDR), for which the European Commission has proposed a “targeted simplification” on 20 October 2025, while maintaining the entry into force for large operators on 30 December 2025. FEFAC considers the new European Commission proposal as completely unacceptable and a blatant breach of trust, as it **contradicts the earlier public announcement in September 2025 on a likely 1-year postponement** of the entry into force due to unresolved IT issues. As has happened in the past, markets react strongly on such ‘clear’ indications, prompting our members to sign forward contracts for soy deliveries in Q1-Q2 2026. This development provided the European compound feed and livestock sector with much-needed relief to an ongoing market deadlock caused by a lack of offer of “EUDR compliant” soy products.

The loss of the anticipated 1-year postponement, combined with the proposed ‘grace period’ for 1 January – 30 June 2026, where national competent authorities would allegedly not impose any penalties, has created significant legal uncertainty, to which markets are again reacting heavily. **Suppliers of soybean products have withdrawn their market offers for 2026, while the offers for the remainder of 2025 have been strongly limited and subject to sharp price increases.** These price hikes are also felt in protein alternatives such as rapeseed meal. Annex I includes a chart on soybean meal price developments over recent months, illustrating the market reactions on 23 September 2025 (following the announcement of ‘imminent’ EUDR postponement) and on 20 October 2025 (when the Commission released its current proposal).

FEFAC deeply regrets the economic turbulence caused by these political deliberations, which is already damaging the competitiveness of European livestock production. It must be understood that, in the broader context of global feed commodity trade, other dynamics - such as the ongoing China-US dispute - are significantly reshaping traditional soy trade flows and preferential buyer status in key producer countries, greatly limiting the diversification options for Europe.

There is a need for the EU to adopt a more pragmatic approach to the requirements for deforestation-free supply chains, one that reflects the realities of global commodity trade and Europe’s position on the world market. Compound

feed manufacturers are again facing a 'frozen market' for soybean purchases for Q1-Q2 2026, a situation that is becoming more acute as 30 December 2025 draws nearer. **FEFAC therefore urgently calls upon the EU AGRIFISH Council to request an immediate postponement of the application of the EUDR to relevant products.** This is an absolute necessity to prevent severe trade disruption for essential soy imports, avoid further cost increases for the EU livestock sector and contain inflationary pressures on animal products.

FEFAC hereby again shares its latest update (situation October 2025) of the FEFAC EUDR Economic Impact & Feed Supply Chain Disruption Risk Assessment for soybean meal (Annex II). This risk assessment, is based on expert market analysis from within the feed industry, highlights that only very limited EUDR compliant market offers for Q1 2026 soy deliveries were available until September 2025. This is a source of immediate concern, requiring urgent action at EU level as this implies that trade disruption may become unavoidable to meet the total EU feed market demand for 2026, of approximately 33 million tonnes of soybean meal (based on imports in MY 2024/2025) with EUDR-compliant products. The persistent legal uncertainty for first placers on the market—both for soybean imports and EU-grown soy products—remains largely due to the absence of operational guidance for soy value chain partners, **particularly regarding proof of compliance on the legality of soy production.**

Our market experts estimate that the combined effect of direct costs linked to EUDR risk premiums and indirect costs caused by rising costs for alternative protein sources (e.g. rapeseed meal, sunflower meal), **could reach a total amount as high as €1.5 billion € during in 2026**, severely undermining the competitiveness of the EU livestock sector. Food inflation is also a serious subsequent concern, with estimated impacts including feed cost increases of approximately 3-4 euros per pig, alongside significant cost effects for poultry products.

The imminent threats arising from the current **EUDR implementation challenges run counter to the ambitions outlined in the EU Vision for Agriculture and Food**, which explicitly commits to supporting a competitive, resilient, and economically viable livestock sector at the heart of vibrant rural communities. Implementing the EUDR without workable and pragmatic solutions undermines these core objectives by threatening the sector's competitiveness, weakening rural livelihoods, and exposing farmers and food producers to disproportionate market risks. Ultimately, it jeopardises the very viability and resilience of EU livestock production that the new Vision seeks to secure.

Yours sincerely,



Pedro Cordero

FEFAC President