



Primary
Food
Processors



The Vital Link in the Food Chain

“Global markets and their impact on the Primary Food Processors”

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From farmer's gates to shelves PFP is the vital link in the EU food chain

Producing high-quality and safe
primary food to European
Consumers

Liaising with the chain partners,
sharing best practices, developing
a sustainable and competitive EU
industry



The EU Primary Food Processors (PFP)

- **3,130** companies in **26 Member States**
- **123,500** people employed
- Over **60 billion euro** turnover

Supplying **sugar, flour, vegetable oil, starch products, vegetable protein, cocoa-based products & other food ingredients** to variety of 2nd processors



Everything starts with the raw materials...

Over **220 m tonnes** of **agricultural raw materials** processed per year, mainly from EU domestic production, of which:

100 mil. tonnes of sugar beets

52 mil. tonnes of wheat and rye

22 mil. tonnes of rapeseeds

14 mil. tonnes of soybeans

7.5 mil. tonnes of starch potatoes

7.1 mil. tonnes of maize

6 mil. tonnes of sunflower seed

1 mil. tonnes of cocoa beans

0.5 mil. tonnes of linseed



Specificities of Primary Food Processing

- Processing large quantities of agricultural commodities in a continued process
- Investment intensive processing into products and co-products (bio-refineries)
- Mitigate the seasonality of the activity or the availability of raw materials to ensure continued supply of downstream industries
- Margins resulting from prices of agricultural commodities (costs) versus prices of processed bulk goods (revenue)
- Managing various risks (sourcing, financial, shipping and transport, logistics, timing gaps); prevalence of forward contracting

PFP and global markets

- **Reliable supplies of safe, high quality agricultural raw materials**
- **Level playing field, without undermining EU standards, through international regulatory convergence**
- **Addressing long-term implications for EU supplies and productivity of global GMO development**
- **Sufficient market information; need for price-discovery and financial risk coverage**

PFP and global markets (continued)

- **EU policies need to be supportive of industry competitiveness and priorities must be coherent**
 - **Agriculture: a competitive, dynamic farming sector able to respond to market signals is key to our success**
 - **Food safety: responsibility, proportionality, ability to implement need to be at the core of regulatory action**
 - **Trade: FTA negotiations part of the solution for solving trade irritants but also a threat to competitive edge**
 - **Environment: EU precursor's position drives industry improvement but increases vulnerability**

**PFP objective:
Sustaining primary food
processors as part of a
strong and competitive
EU food supply chain**

