



PFP position on the bio-based economy for Europe

Primary Food Processors are the largest users of domestic grains, starch potatoes, sugar beet and oilseeds in the EU. As they add value to bulk commodities, they have to deal with large volumes of agricultural raw materials sourced within the EU and imported. They provide the link between agricultural production and final products (secondary processors in the food and non food sectors). Besides food and feed several PFP members increasingly produce renewable materials for pharmaceuticals, detergents, plastics, lubricants, fuels, paintings, cosmetics and other industrial products. This is the reason why they feel contribution to achieve their goals of the KBBE is of major importance.

One of the Primary Food Processor's key challenges will be to secure sustainable agricultural raw materials in the context of a sharp increase in global demand. Production on limited arable land and facing the impact of climate change will even more have to respond to sustainability requirements. This requires a strategic vision on the long-term evolution and viability of the European agricultural sector striving for the EU bio-economy.

PFP industries are making efforts to ensure sustainability of the food chain in line with the emerging development of the EU bio-based economy. This is done on several levels and specifically by:

- Supporting increase of sustainable food production while ensuring competitive and profitable food production and food safety.
- Reducing environmental impact of food production through employing best environmental practices. These can be achieved by use of renewable resources while promoting energy efficiency, reducing, recycling and reprocessing of waste and optimization of transport and logistics.
- Water recycling and efficient use of water.
- Investing in knowledge, skills, research and development.

PFP consider that bio-based production requires support through concrete measures under the Lead Market Initiative on bio-based products emphasizing the need to establish a concrete regulatory, institutional and societal environment that supports the development of a knowledge-based bio-economy and also demonstrates the benefits to the European consumer of innovative technologies, including plant breeding, and the potential of life

sciences and biotechnology. PFP members are keen to apply new know-how and innovation to their processes to provide new, safe and eco-efficient products.

EU policy makers should develop a regulatory framework which encourages innovation in the first-processing industry. Mechanisms for technology transfer, particularly for SMEs are indispensable.

A supportive and coherent policy framework is necessary, covering policy areas such as industry competitiveness, climate change, energy, agriculture, food and feed, environment and trade and research and innovation while ensuring ability of the EU first processing-industry to serve various markets.

In particular, for sectors of the bio-based economy like PFP, exposed to **international competition, a level-playing field is increasingly important** to avoid that imported goods with lower environmental credentials progressively replace EU-made products just by the fact that they don't have to support the same standards of environmental protection. It is not only a matter of fair competition for the emerging bio-based industries in Europe but, also, a level-playing field is necessary to avoid that the impact of EU environmental policies is not diluted by the simple effect of replacement by 'less-virtuous' imports. The EU should encourage **regulatory convergence of our trading partners** so that they apply equivalent environmental standards and, until that convergence takes place, it should **balance the unfair competitive advantage of some imports by protecting EU bio-based production** to the extent necessary to achieve such a balance.

The CAP towards 2020 will also be pivotal in securing constant and regular access to quality and safe agricultural raw materials (mainly maize, wheat, soybeans, sugar beet, starch potatoes, rapeseed, sunflower seed...) in sufficient quantities. A bio-based economy will create an extra outlet for agriculture and in that sense will add to the development opportunities of that sector within the EU and abroad. CAP and related policies need to take up the challenge and set the basis for the long-term sustainability of an innovative and competitive European agriculture. As more pressure on areas with a high nature value and particularly rainforests is to be avoided, authorities in developing countries should be supported in their efforts, though for example, the establishment of global funds for financing farmers that render eco-services.

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