

Taxonomy: Revised draft delegated act on climate-related objectives

Despite improvement, more changes are needed to allow Primary Food Processors to be part of the solution towards carbon/ climate neutrality

Primary Food Processors (PFP) is an alliance composed of six trade associations, representing manufacturers of sugar, starch, wheat flour, vegetable proteins, cocoa, and vegetable oil and protein meal products, respectively. PFP members process agricultural raw materials into a range of commodities and ingredients that are purchased by secondary processors for food, feed, and non-food uses. The primary food processing industry uses around 220 million tonnes of agricultural raw commodities annually, directly employs over 120,000 people in the EU and provides one million indirect jobs.

Primary food processors strive for resource efficiency and have a long history of processing agricultural raw materials and of separating all of their valuable components for use in food, feed and industrial applications, thereby producing no food waste. PFP processes optimise the valorisation of raw materials by producing a wide range of products which include, among others, pharmaceuticals, detergents, cosmetics, bioplastics, lubricants, fuels, paint and other industrial products. PFP products and by-products substitute fossil-based ingredients with renewable ones, thus contributing to the development of the EU bioeconomy.

PFP take note of the revised draft Delegated Act that will be discussed on Wednesday 24th at the meeting of the Member States' Expert Group on Sustainable Finance. While we recognize that the revised DA's Annex I is a first step in the right direction, we consider that further modifications in coherence with other pieces of legislation are needed to enable Primary Food Processors and the bioeconomy value chains to contribute to the climate transition effectively.

We welcome the fact that "*Food or feed crops*" are no longer the referred terminology for industrial applications such as plastics and organic base chemicals and we are currently assessing the full implications of broadening the application of Renewable Energy Directive's sustainability criteria, as well as that of the 27% greenhouse gas emissions' reduction.

However, the revised Annex I of the draft delegated act still refers to the uses of agricultural raw materials for energy applications such as biofuels for transport and biowaste, stating that a key criterion is that "*Food or feed crops are not used as bio-based feedstock for the manufacture*" of these bio-based products and ingredients.

Great concerns remain for PFP because of the repercussions that such wordings would have in terms of investments and forthcoming policies. Indeed, we see taxonomy being referenced as a tool by many, either on a voluntary or mandatory basis. While this could be considered initially as a positive development – as we believe the bioeconomy to be instrumental in achieving the European Green Deal objectives – the eradication of those bioeconomy outlets from the positive taxonomy contradicts the objectives of the EU Green Deal.

Primary Food Processors look forward to working with the European Commission and Member States to ensure we continue to be part of the solution towards carbon/climate neutrality.



The **Primary Food Processors of the EU (PFP)** is composed by:

European Committee of Sugar Manufacturers ([CEFS](#))

European Cocoa Association ([ECA](#))

European Flour Milling Association ([European Flour Millers](#))

European Starch Industry Association ([Starch Europe](#))

European Vegetable Protein Federation ([EUVEPRO](#))

European Vegetable Oil and Proteinmeal Industry ([FEDIOL](#))

PFP members process approximately **220 million tons of raw materials** (cereals, sugar beet, rapeseeds, soybeans, sunflower seeds, crude vegetable oil, cocoa products, starch potatoes...) **employing over 120 000 people** in the European Union.