



Committee of Agricultural Organisations in the European Union

General Committee for Agricultural Cooperation in the European Union



Renewable Raw Materials in the EU

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chairman of COPA/COGECA Committee on
“Biotechnology, bio-energy and agricultural resources”



Committee of Agricultural Organisations in the European Union
General Committee for Agricultural Cooperation in the European Union



COPA exists since 1958

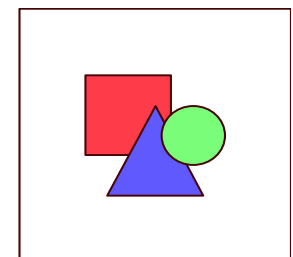
as

“one farmer’s voice for all farmers in the EU countries”

COPA and COGECA

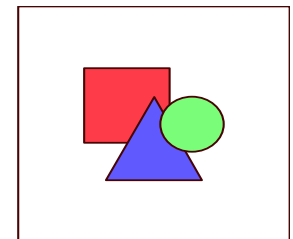
joined the secretariats in 1962 in Rue de la Science 23-25 Brussels

Chairmen of Committees
are elected by farmers’ and their co-operatives



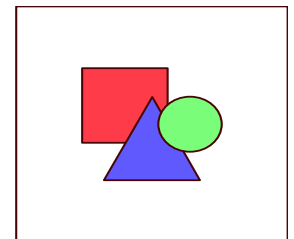
Position COPA and COGECA on RRM in general

- **task force on renewable raw materials** (in Eur.Comm.)
- **targeted policy for renewable raw materials** (no dependence on set-aside system)
- **stabilise prices to promote RRM markets** (measures)
- **European information and awareness-raising campaign**



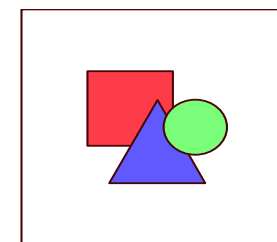
Position COPA and COGECA on bio-energy

- **coherency in the measures of EU and MSs** (esp.taxes)
- **promote bio-gas plants** (sustainable EU energy policy)
- **lasting development prospects for bio-fuels** (harmonised tax)
- **pro-active EC trade policy** (abolish restrictions oilseed production)



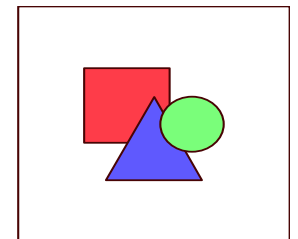
Non-food activities COPA/COGECA

- Committee ‘Biotechnology, Bio-energy and Agricultural resources’
- Standing groups (DG-Agriculture) on bio-energy, non-food applications
- ECCP Renewable Raw Materials participation
- ECCP Agriculture participation
- Workshops with DG-TREN and DG-AGRI on bio-fuels directives (7 November 2001)



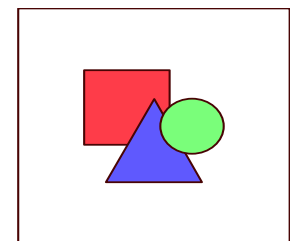
COPA /COGECA on RRM regulations

- Current renewable resource regulations **'push'**, but do not **'pull'**
 - A **'need for pull regulations'** additional to 'push regulations'
 - Need for regulations that pull from **'consumer specific markets'**
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- Can system of **'production restitution be extended'** to other agricultural products or fractions (ex. Fatty acids)?
 - Can current regulations for 'production restitution' be changed for the sake of **'fossil product substitution'**?



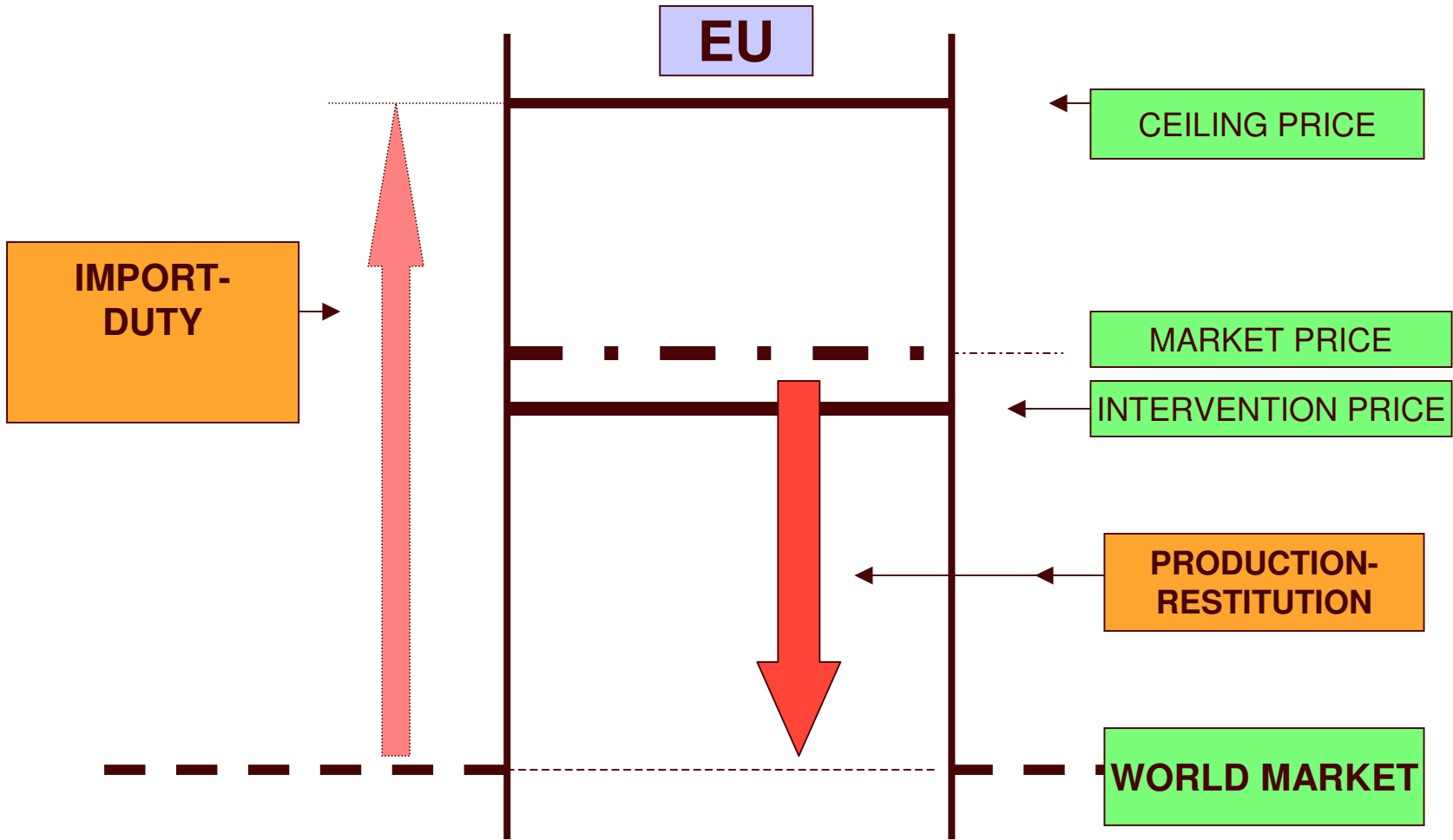
[Quasi-]Existing instruments for non-food applications

- Production restitution sucro-chemical [EEC 1010/86]
- Production restitution starch [EEC 1722/93]
- Industrial set-aside [EC 2461/1999]
- Proposed bio-fuels directives [COM (2001) 547] (PULL)

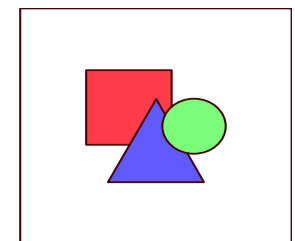
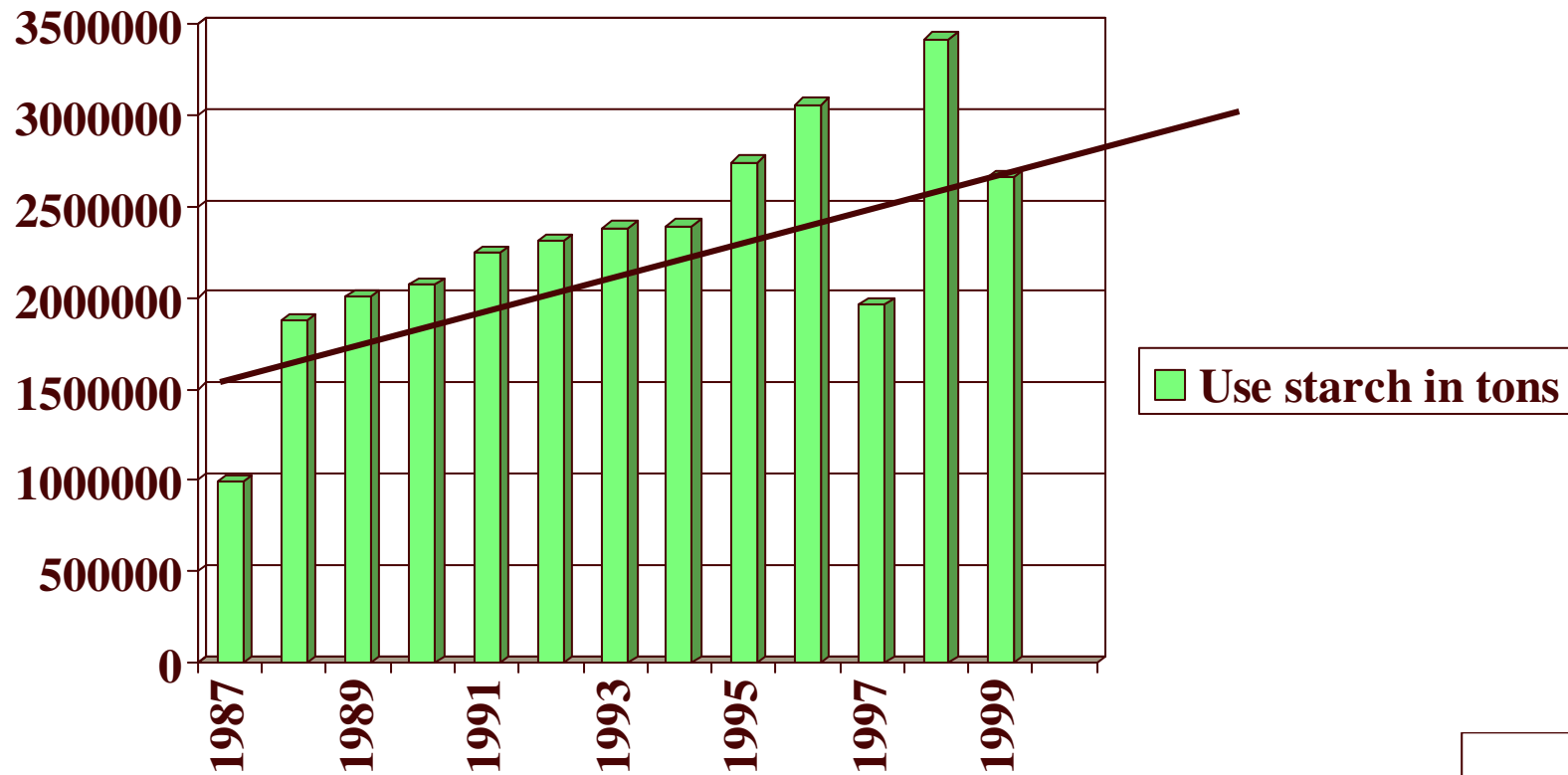


ABOUT PRODUCTION RESTITUTION

PRODUCTION RESTITUTION



Annual growth-rate of about 8% of industrial starch and derivatives use



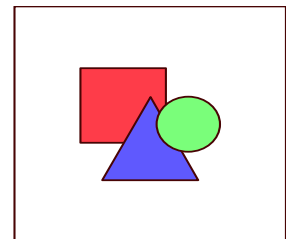
Can production restitution survive ?

Should production restitution be used for

bridging the gap with mineral products ?

or be used for

bridging the gap with world market prices ?



ABOUT INDUSTRIAL SET-ASIDE

Principle of industrial set-aside

-1-

**Set-aside land can *again* be cropped
(while maintaining the premium per ha)
when the principle aim is production of non-food products**




-2-

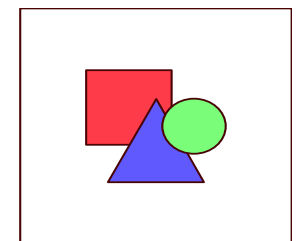
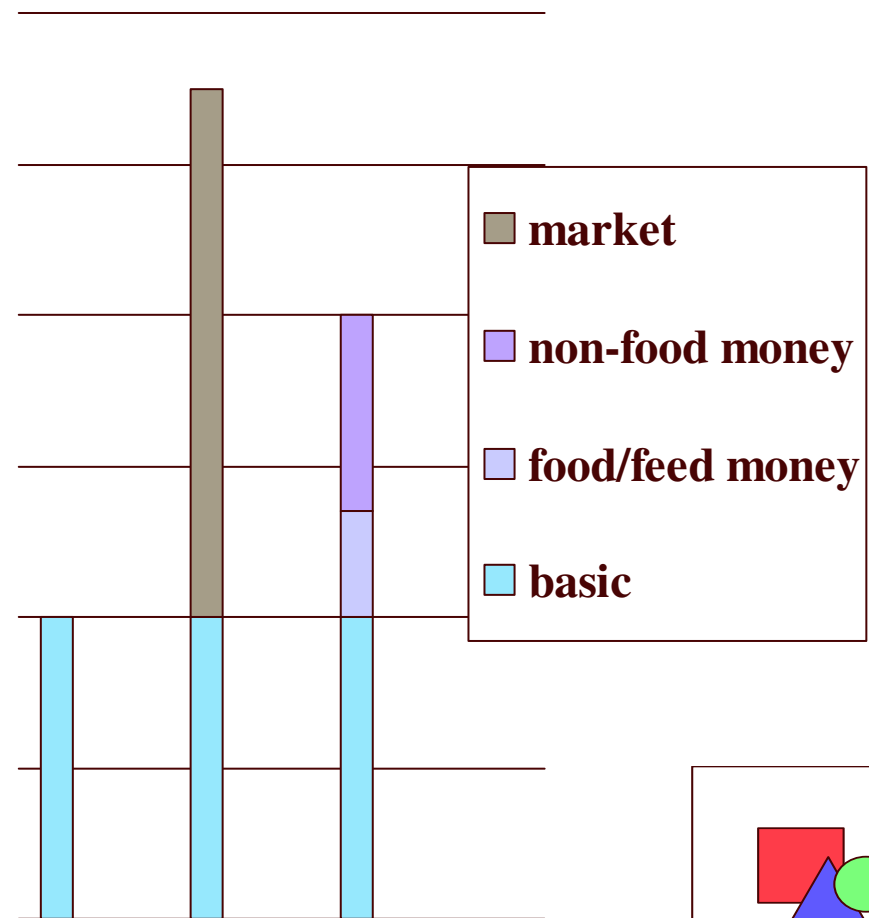
**There is a detailed list of the crops and of the non-food products
that are accepted under 'industrial set-aside'**

-3-

**For sugar-beet growing a separate clause counts in the
'industrial set-aside regulation'**

Economics of Industrial Set-aside

- Basic amount of money per ha that is set aside

- Price per ton (contract between industry and farmer)

- At least 50% of price has to be obtained from non-food




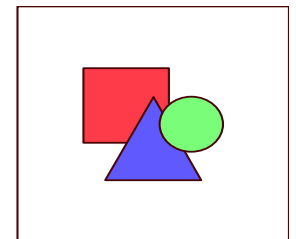
Can industrial set-aside survive ?

Is the industrial set-aside system

stable enough to supply the non-food market ?

or is it true that

*stability requires a fixed amount of land or
of agricultural commodities per year ?*



ABOUT PROPOSALS FOR BIOFUELS

Two directives
proposed by the European Commission on November 7. 2001
to
Council, Parliament, Ecosoc and Committee of Regions

1

**Directive
of the
European Parliament
and of the
Council
on
“The promotion
of the
use of
biofuels for transport”**

2

**Council Directive
amending
Directive 92/81/EEC
with regard to
“The Possibility
of applying a
reduced rate of excise duty
on
certain mineral oils
containing biofuels
and on biofuels”**

Aspects of Directive
on “*The promotion of the use of biofuels for transport*”

GENERAL

To set a minimum percentage of biofuels to replace diesel or gasoline for transport purposes in each Member State

SPECIFIC 1

Minimum proportion of biofuels in each MS sold on their markets of 2% of market at 31/12/05 in LHV
(MS-min.of 5.75% in 2010; aim for blend-min. of 1.75% in 2010)

SPECIFIC 2

Activity report from MS to the Commission before 1 July each year

SPECIFIC 3

MS laws, regulations and provisions before 31/12/04

**Amendment of 7 November 2001 to
Directive 92/81/EEC
“Harmonisation of the structures of excise duties”**

Specific 1 (art. 8b)

“from 1/1/02 MSs may..apply a reduced rate of excise duty..on taxable products..
made up of or contain one or more..biofuels”

Specific 2 (art. 8c-1)

“reduction in excise duty on biofuel part <100%”

Specific 3 (art. 8c-2)

“reduction in excise duty on fuel containing bio-part <50%”

Specific 4 (art. 8c-3)

“excise duty exemption for pure biofuels until 31/12/03”

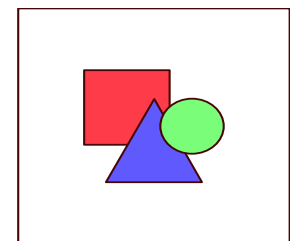
Specific 5 (art. 8d)

“fleet applications of pure biofuels are not subject to art. 8c-2”

ABOUT
LIFE CYCLE ASSESSMENT
OR
FROM CRADDLE TO GRAVE
OR
SUSTAINING WITH
AGRICULTURE

GOALS FOR AGRICULTURE

- Investigate development non-food 1990-2000
- Translate own development in CO₂-abatement
- Promote CO₂-abatement by non- food applications
- Get the right method for Life Cycle Assessment; assessing all fractions of products



**Right method for
Life Cycle Assessment:
assessing all fractions of products**

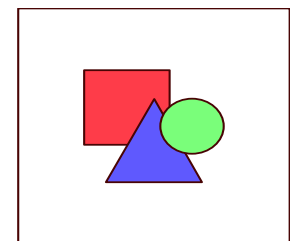
**Accept a Life Cycle Assessment or
an energy balance calculation, if and only if:**

Account is taken of the full and diverse potential of agriculture

FINAL

Goals For Society

- An economic **healthy** European **agricultural sector**
- Production of **safe** and **stable** supplied **food**
- Contribution to **fossil CO2 abatement**
- Use **all crop fractions** in Food, Feed and Non-food
- Energy and CO2 balances that **assess** the **multiple function** of agriculture



Economics of Production Restitution

Internal <i>EU price</i> corn (built up from prices in Bayonne, Bordeaux, Padova and Alexandria)	Euro/ton 128,02 (01/03/01)
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Price corn Yellow Corn 3 CIF Rotterdam (= <i>Chicago</i> YC3 price + premium FOB Gulf + Transatlantic freight * Dollar-Euro rate)	Euro/ton 121,99 (01/03/01)
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Production Restitution	128,02 - 121,99 = 6.03 Euro/ton corn	1.6 * 6.03 = 9.65 Euro/ton native starch
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MOST EXTENDED SINGLE PRODUCT NET ENERGY BALANCE

