

## FEDIAF position paper on the revision of the Renewable Energy Directive



FEDIAF<sup>[1]</sup> welcomes the ambitious climate package and supports mainstreaming of renewable energy across all economic sectors. Our members have made several commitments in this area already. As the EU takes bold steps towards decarbonizing transport, it is important to ensure coherence with established policies such as circular economy and food and feed security.

This is particularly relevant when valuable by-products are used for biofuels, diverting raw materials from sectors which have for decades used them in line with the waste hierarchy.

### **Essential pet food materials should not be diverted towards biofuels**

Category 3 animal by-products are the key ingredient in pet food. Fats derived from category 3 by-products have many functions in pet food, providing a source of energy and palatability but above all essential fatty acids. They are subject to strict requirements on sourcing and collecting, animal origin materials processing, and control. According to EU legislation, the use of any other category of animal by-product e.g. Category 1 & 2 is strictly forbidden based on health concerns but the ABP regulation does allow for the re-categorisation of Cat 3 by-products to Cat 1 or 2, which potentially removes valuable raw materials from the animal feed production.

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[1] FEDIAF, the European Pet Food Industry Association represents pet food manufacturers across Europe (15 National Associations and 5 direct companies from a total of 18 countries), who provide pets with nutritious and balanced pet food every day.

Our industry has experienced well-documented and unprecedented pressure on raw materials availability and one of the often-raised aspects is the demand of raw materials in fuels. Even though category 3 animal fats are not mentioned in the Renewable Energy Directive, it is increasingly being used and marketed as sustainable biofuels.

For our industry category 3 animal fats are critical. For biofuels it is a choice. Not only that, credible NGOs, have shown that there are many, more credible pathways of making transport more sustainable.

## **There are manifold social and environmental sustainability issues behind using category 3 animal fats in biofuels**

- Our industry will have to look for less adequate alternatives, both in terms of nutrition, safety and environmental footprint. Our sustainable business model is based on valorizing animal by-products sourced locally, whereas the lack of local supplies might lead to higher demand for animal proteins from other parts of the world, which could lead to a whole new set of sustainability challenges.
- Vegetable oils such as palm oil could only be used in some niche products. Furthermore, switching from animal by-product to vegetable oils, might increase our land use footprint and potentially enter into competition with human food products.

- Pets, like humans, are sentient beings, and owning a pet has been shown to lead to many health and societal benefits, which were even more pronounced during the Covid crisis. These benefits should remain accessible to all EU citizens. In terms of household expenditure and consumption patterns, the issue is very similar to food safety and should be approached as such by legislators.
- We have concerns that will be penalized for making our business inherently circular, compared to sectors who rely on primary raw materials. According to the EU waste hierarchy (which is referenced in the Renewable Energy Directive) and the cascading principle, resources should be used as long as possible in line with applicable product legislation, with energy recovery being a residual option.

## **Renewable energy legislation should clearly regulate the eligibility of feedstock based on broader sustainability concerns**

The Renewable Energy Directive already has examples of setting eligibility criteria for sustainability biofuels based on sourcing and processing characteristics.

## We therefore propose four ways forward:

- 1** Category 3 animal fats should not be added to Annex IX list of sustainable feedstocks, except if they are not eligible for feed (used cooking oils issued from catering waste). For feedstock to be added to Annex IX, it must be assessed against principles of circular economy, avoid significant distortive effects on by-product markets and avoid creating additional demand for land. Adding category 3 animal fats would run entirely against these requirements of the Renewable Energy Directive.
- 2** Since the European Commission is empowered to conduct a detailed sustainability analysis of biofuel raw materials, we therefore call on legislators to make Annex IX a closed list. Therefore, only feedstock assessed by the Commission and added to Annex IX should count towards transport targets.
- 3** For purposes of legal certainty, legislators should introduce in the Renewable Energy Directive additional sustainability criteria for by-products and waste-based biofuels. This could potentially be done by carving out raw materials whose reuse and recycling is approved and regulated under other EU legislation.
- 4** Cascading principle could be better defined to ensure national support schemes do not artificially change demand and price patterns away from material use. The future delegated act on the cascading principle could include some best practices e.g. national authorities consulting with material users or monitoring and remedying market distortions (withdrawing support or limiting contributions to transport GHG targets).