International Feed Industry Federation Annual Report 2011

IFIF
Feed the world

Vision

The International Feed Industry Federation's vision is to represent the global feed industry as an essential participant in the food chain that provides sustainable, safe and nutritious food.

Mission

Provide unified leadership to promote the global feed industry in order to contribute to the sustainable supply of safe and healthy feed and therefore, food.

Goals

1) Host global forums', focusing on science-based solutions and information sharing for the feed industry

2) Interact with governments, regulators and other international organizations and agencies (including UN FAO, WTO, WHO and OIE) on crucial feed and food issues

3) Gather and publish global statistics and market trends on the feed industry

4) Promote global equivalency through the adoption of the Codex Code of Practice on Good Animal Feeding

5) Support the establishment of national feed industry associations

6) Inform the global feed industry, food processing industries and consumers about current developments in the global animal feed industry

7) Promote fair trade and the competitiveness of feed and livestock industries

8) Communicate and promote IFIF's purpose and membership values

Contents

»If the projections are right, we'll need to double food production by 2050. If we also want to reduce our environmental impact, we'll need to build a food system that is operating extremely efficiently. That requires continuing development of technology. The global food system will also become increasingly interdependent in terms of sustainability. We in the feed industry need to operate globally so we make best use of natural resources.«

Dave Cieslak, Chairman, IFIF

International Feed Industry Federation letter from the chairman

Dear Members,
It has been a short three years since I succeeded Fred Stephens as Chairman of IFIF. Although much has changed, there are many similarities between October of 2011 and the same time of year in 2008. Three years ago, we thought commodity prices were high. We were right, but now we know that wasn't a one-time event. We are again facing high costs of inputs for animal feed, making for a challenging environment for our industry, our customers and consumers. Also in 2008, the world was faced with a financial crisis. The echoes of that crisis continue three years later, and it seems that more work, and some time, will be needed to re-establish a solid foundation for economic growth and increasing prosperity.

Although there may be many similarities in the environment, there are also many changes that have occurred for IFIF over the past three years. We successfully held the third Global Feed and Food Congress in Cancun in 2010, hosted by CONAFAB, and announced that AFMA will host our fourth event as we move to a new continent at Sun City South Africa in 2013. We have also continued the annual International Feed Regulator's Meeting with the fourth consecutive event held in Atlanta this past January, and are currently in the planning stages for the fifth IFRM in January 2012. These accomplishments are a credit to the commitment and effort of the IFIF membership, and examples of the role IFIF can play to promote dialogue on policy, awareness of technology and increased education about the global food production system.

To guide our activities, the Board approved adoption of a new Vision, Mission and Goals at our January 2010 meeting. This emphasizes the expectation that IFIF is the representative body of the global feed industry, providing a unified leadership and coordinating role to defend and promote the global feed and food chain. This is a lofty aspiration for our organization, but our industry needs and deserves nothing less.

Many of the accomplishments in 2011 are closely connected with the addition of IFIF's new Executive Director, Alexandra de Athayde. Alexandra started on April 1st of this year, and has been a great addition to IFIF. She has already made important contributions with her work to update IFIF's registration and statute filings, renew the IFIF website and communication image, and increase our connections with other associations serving the animal production industry.

The global situation reminds us that progress toward a goal of global food security is far from accomplished. Continuing development and productive application of technology to increase the effectiveness and efficiency of food production is a continuing need. Education of food producers and consumers is increasingly important to the success of agriculture in this highly connected and interdependent world. And, government policies play an increasing role in the practice of food production. With this in mind, the IFIF committees for Policy, Education and Technology can play an important role to align our priorities and activities to meet the challenges of our industry.

It has been an honor to serve as your Chairman. I look forward to the continuing growth of IFIF, both in size and in the breadth of its influence. Thank you for your support.

Yours truly,

Dave Cieslak, Chairman, IFIF

IFIF in 2011

REPRESENTING THE GLOBAL FEED INDUSTRY

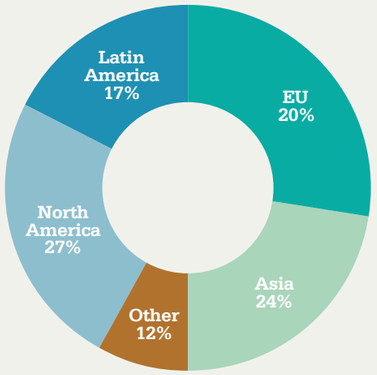
The International Feed Industry Federation represents the global feed industry as an essential participant in the food chain that provides sustainable, safe and nutritious food. IFIF is made up of national feed associations, feed related organizations, supplier associations, and corporate members from around the globe. Overall, IFIF members represent over 80% of the global animal feed industry.

IFIF provides a unified leadership and coordinating role to promote the global feed industry in order to contribute to the sustainable supply of safe, healthy feed and therefore food. Given the anticipated growth of the world's population to around 9 billion people by 2050, and the associated higher demand for animal proteins like beef, poultry and fish, it is vital that we can meet this challenge in a sustainable and safe way.

IFIF helps to ensure high standards of health and welfare for animals and people, for example by collaborating with the United Nations Food and Agriculture Organization (FAO) and other international bodies to help set stringent international regulatory standards for the whole feed chain.

In addition, IFIF works with its Members to promote a range of safe processing technologies in feed manufacture and sponsoring university research in animal nutrition and other fields and conducting feeding and animal husbandry trials. IFIF also aims to play a proactive role in educating feed manufacturers, consumers and regulatory authorities worldwide on a variety of issues that affect the supply of safe and affordable animal proteins such as beef, poultry, fish and dairy products.

WORLDWIDE COMPOUND FEED PRODUCTION 2010



Top Ten	tonnes in millions
USA	160
EU 27	150
China	160
Brazil	60
Mexico	28
Canada	25
Japan	24
Russia	18
Korea	16
India	15
Total	**720**

Source: IFIF / World Feed Panorama Feed Info

THE GLOBAL FEED INDUSTRY

Animal feeds play a leading role in the global food industry, enabling economic production of animal proteins throughout the world. Feed is the largest and most important component to ensuring safe, abundant and affordable animal proteins. Animal feeds may be produced in industrial feedmills or in simple on-farm mixers. In 2010, the world compound feed production was of an estimated 720 million tonnes and the turnover of the global commercial feed manufacturing generates an estimated annual turnover and sales value equivalent to US$300 billion worldwide. Commercial production or sale of manufactured feed products takes place in more than 120 countries and directly employs more than a quarter of a million skilled workers, technicians, managers and professionals.

The global feed industry continues to expand in volume and value in response to increases in world population, urbanization and growing consumer purchasing power.

IFIF EXPERT COMMITTEES UPDATE

Experts from member companies and national associations participate in IFIF's three expert and technical committees: Policy, Technology and Education (PET). These consider key industry issues and help develop global feed and food industry standards. Each is chaired by a member representative and coordinated by the Executive Director of IFIF. A list of members appears at the end of this report.

Policy

In 2011, the Policy Committee continued its work with Codex Alimentarius to ensure that IFIF's position is fairly represented in Codex feed-related work, including input into the Codex Task Force on Animal Feeding draft documents. This critical effort will continue in 2012.

Education

The Education Committee worked to promote the adoption and use of the IFIF FAO Feed Manual and the Codex Code of Practice for Good Animal Feeding (see details in third column). Translations into the other FAO working languages, including Spanish, Arabic and French are being finalized and will be launched at the beginning of 2012. In 2012, the committee will focus on organizing the IV Global Feed & Food Congress in Sun City, South Africa in April 2013.

Technology

The Technology committee finalized work on the Comparison of Approvals Process and Risk Assessment Procedures for Feed Ingredients Project. This will lead to the creation of a model for ingredient equivalency between countries. In 2012, the committee will focus on expanding this project to other world regions.

WORKING WITH CODEX ALIMENTARIUS

Joel G. Newman, president and CEO of the American Feed Industry Association, and chairman of the IFIF Policy Committee, represented IFIF at the annual and 33rd and 34th Codex Alimentarius Commission meeting in Geneva, Switzerland, in July 2010 and July 2011. At the meeting in 2010, the Commission agreed to establish a time-limited Task Force on Feed, chaired by Switzerland, to complete the following two items:

- Development of guidelines for governments on the application of Codex risk-assessment methodologies for various hazards related to contaminants/residues in feed and feed additives used for food-producing animals; and
- Development of a prioritized list of hazards in feed ingredients and feed additives for governmental use

This decision followed on from the work of a Codex Electronic Working Group that made recommendations to the Commission on how some key issues associated with feed and food safety in the Codex process.

IFIF in 2011 has worked to review the CODEX Task Force on Animal Feeding draft documents, and is committed to present and discuss the recommended changes to the Secretariat, and will be present at the meeting in Bern from 20 to 24 February 2012. IFIF will continue to support the work of Codex Alimentarius in the field of feed, trade and feed safety.

IFIF / FAO FEED MANUAL

In 2010 IFIF and FAO published and launched the Feed Manual of Good Practices for the Feed Industry and launched both the English and Spanish versions at the opening of the third Global Feed & Food Congress in Cancun, Mexico in April. The Feed Manual has three other languages in production for publication in 2012: Chinese, Arabic and French.The publication of the Feed Manual is a milestone in the development of the Federation and its relationship with FAO and associates the work of IFIF closely with feed safety and feed quality at the production level. The Feed Manual is being distributed to all IFIF member associations, its corporate and other members and through individual mailing to feed mills and is available for download on www.ifif.org

INTERNATIONAL FEED REGULATORS MEETING

The fourth International Feed Regulators Meeting took place in Atlanta, Georgia, USA in January 2011 and was marked by very positive engagement between regulators and industry representatives. Short presentations were followed by panel discussions and then a open question and comment period. The format offered greater engagement between regulators and industry representatives to deliver significantly more outcomes. The 4IFRM covered:

- An outlook on the new Codex Task Force on animal feed, including a review of the risk assessment methods and management tools.
- IFIF's Feed Regulatory Comparison Report for Feed Additives, which is a comparison between the regulatory process for feed additive approvals in Canada, US and EU
- FAO/WHO's outlook on the possible mechanisms for the notification of emergencies affecting the feed industry.
- New regulatory developments on feed labeling.
- Report on the Safe Supply of Affordable Food Everywhere (SSAFE) project and its prerequisites for animal feed safety.

This is a rapidly developing venue for industry and regulators to come together to share experiences and issues surrounding trade and food safety. The fifth International Feed Regulators Meeting will take place in Atlanta, USA, on 23-24 January 2012 and the meeting will focus on the Codex Task Force on Animal Feed, international trade issues and crisis response and management.

GLOBAL FEED & FOOD CONGRESS

IFIF hosted the third Global Feed & Food Congress in Cancun, Mexico from April 20-23, 2010. The event attracted 350 delegates and even though it suffered from the Icelandic volcanic ash cloud that closed northern European airports during the time it was a success not only for its range of topics covered, but also in the wide-ranging representation of the feed-related industries and countries. IFIF wishes to express a vote of thanks to its sponsors and in particular to DSM, its Platinum sponsor, for all their support. IFIF is now looking forward to host the fourth Global Feed & Food Congress in Sun City, South Africa in April 2013.

FEED INDUSTRY ALLIANCE

Further to the FAO invitation to IFIF to participate in the 'Consultation on Livestock Issues between the FAO Animal Production and Health Division (AGA) and Agribusiness representatives' (October 14-15, 2010 in Rome), IFIF coordinated a meeting of respective organizations in Brussels in early September 2010 to update each other on current joint project initiatives with FAO in the area of GHG emissions and to discuss future collaboration/ coordination. Throughout 2011, IFIF was part of the FAO process and the project continues in 2012.

IFIF SUPPORTS DAIRY SECTOR FEED RESEARCH

IFIF has joined in a partnership to support the International Dairy Federation (IDF), which is working in collaboration with the FAO and the International Farm Comparison Network (IFCN) on a World Mapping of Animal Feeding Systems in the Dairy Sector. This is an initial step to assess the impact of feeding modifications on existing systems. In 2012 a guide will be developed on animal feeding in the dairy sector.

WELCOME TO OUR NEW MEMBERS

We are very pleased to welcome Japan's leading feed representative group, the **Japan Feed Manufacturers Association (JFMA)** as a national association member. Japan is the world's fifth largest feed producer and brings strong support to the Federation from Asia, joining Australia, New Zealand, India and China in that region.

We also extend a very warm welcome to the **Animal Nutrition Association of Canada (ANAC)** who represents Canadian feed industry interests. Canada is an important feed production and consumption market in the Americas and we are delighted to have them on board as a national association member.

We also would like to welcome **Impextraco** and **InVivo** as our newest corporate members to IFIF. Both companies are critical players in the feed production chain and we are very pleased to be able to draw on their expertise and support as members.

AFIA American Feed Industry Association USA

The American Feed Industry Association (AFIA), based near Washington, D.C., is the recognized leader on international feed industry issues and developments. Members include more than 500 domestic and international companies and state, regional and national associations. Member-companies are livestock feed and pet food manufacturers, integrators, pharmaceutical companies, ingredient suppliers, equipment manufacturers and companies which supply other products, services and supplies to feed manufacturers.

The feed industry makes a major contribution to food safety, nutrition and the environment, and plays a critical role in the economical production of healthy, wholesome meat, milk, fish and eggs. More than 75 percent of the commercial feed in the US is manufactured by AFIA members.

AFIA is particularly proud of the Safe Feed/Safe Food (SF/SF) Certification Program. The SF/SF program includes more than 400 feed mills and feed-ingredient facilities operated by 115 companies in the US and Canada. The SF/SF program is an independent, third-party-certified program that promotes accountability and leadership at feed facilities.

A similar program, the International Safe Feed/Safe Food (I-SF/SF) Certification Program, launched in 2010 as a result of an alliance AFIA formed with FEFANA, the Feed Additives and Premixtures Association of the European Union. FEFANA is the developer of the Feed Additives and Premixtures Quality Systems, or FAMI-QS, program. I-SF/SF is designed to help facilities' trade with European customers by illustrating compliance with the EU's feed hygiene regulation 183/2005. Seven US facilities and one international facility have received certification and many others are in the process.

Joel G. Newman, AFIA president and CEO, said: "AFIA welcomes this important achievement in feed and food safety, which is a result of the shared and coordinated efforts of the EU and US. Our combined efforts make for a truly outstanding program that will open doors to increased trade and new business opportunities."

AFIA staff strive to provide members with the highest level of service and advocacy on a range of complex issues. While much of AFIA's focus is on the federal government, which includes the US House of Representatives and the US Senate, the US Department of Agriculture, the Food and Drug Administration (FDA) and the Environmental Protection Agency, the association also works with agencies and legislatures in individual states.

AFIA tackles a variety of concerns on behalf of its members. Commodity-market regulation, Salmonella, Food Safety Modernization Act, ingredient approvals and the use of animal-health products in livestock and poultry are a few of the issues AFIA addressed in the past year.

Outreach to FDA officials on a number of issues is a matter of consistent engagement for AFIA. One issue of great importance concerns the continued use of certain antibiotics in livestock and poultry. FDA officials met with AFIA and other stakeholders to better understand why low-level use of antibiotics, generally administered through feed, is important. The invitation to share with FDA officials the views of the feed industry is significant to AFIA, and the association hopes to have similar opportunities in the future. In a somewhat related issue, AFIA was one of two trade groups that provided feedback to the agency on the veterinary feed directive (VFD) with a fellow trade group which may help protect the feed industry from liability with the use of VFD animal drugs.

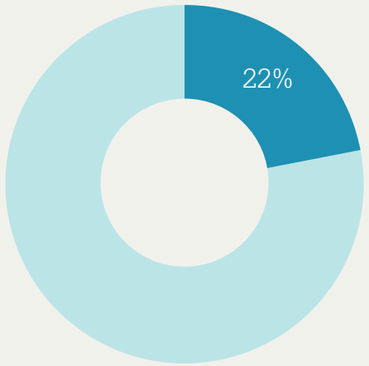
In addition, AFIA has worked with FDA officials on the new Compliance Policy Guide (CPG) on Salmonella. The new CPG on Salmonella will lessen regulatory detentions at the border and lower anxiety over Salmonella sampling in feed. However, the new issue of higher liability for finding the rare serotypes reference in the CPG remains and AFIA will be addressing this through research studies. AFIA's Pet Food Committee issued a new Salmonella Control Guidelines document this year to assist the industry on this important matter.

The process for defining and approving ingredients used in livestock feed and pet food in the US has received renewed attention from AFIA, and already the effort is showing. Not long after AFIA formed a committee to address issues surrounding ingredient approvals and definitions, FDA officials established a new ingredient safety unit within its Center for Veterinary Medicine. FDA has started a new system for granting notifications of Generally Recognized as Safe, or GRAS, status for new feed ingredients. This is another mark of success for AFIA, which has urged FDA for some years to allow an additional path for GRAS notification similar to what is done for the US food industry.

AFIA's years-long effort to effect change regarding how the Commodity Futures Trading Commission (CFTC) regulates certain financial instruments is on target. In 2010, Congress passed a financial reform bill which addressed many of the issues that AFIA raised. These reforms maintain the quality of this risk management tool for bona fide end users and restrict the ability of non-traditional financial participants to excessively influence and artificially drive these markets. Throughout 2011 AFIA provided feedback to the CFTC on the implementation of the Dodd-Frank Act to ensure the voice of the feed industry end users is heard.

Key developments The AFIA membership and staff have defined a sustainable feed industry as one that provides a continuous, safe and nutritious feed supply for poultry, livestock, fish and pets in a manner that optimises environmental quality and the use of natural resources, while positively affecting the social and economic wellbeing of customers, their communities and the industry

FEED PRODUCTION AS A PERCENTAGE OF GLOBAL OUTPUT



USA'S feed production accounts for 22% of global output

Feed production by all mills

	2009	2010	Forecast 2011
Total	**161,000**	**160,000**	**170,000**
Poultry Broilers	55,100	54,75	55,83
Poultry Layers	22,260	22,12	22,53
Hog	23,380	23,23	23,02
Dairy Cattle	18,780	18,66	19,04
Beef Cattle & Sheep/Goats	22,980	22,84	22,84
Turkey	7,140	7,1	6,38
Other	11,360	11,29	11,37

AFIA: Total feed produced by all mills (x1000 tonnes)

A PREVIEW OF AFIA'S KEY ISSUES IN 2012

Regulatory and legislative issues, both domestic and international, will continue to be of utmost importance for the association in the coming year. Food safety, in particular, has been the subject of much activity at the FDA this past year. AFIA has five member working groups addressing various issues that are covered in the Food Safety Modernization Act. These topics are:

1. Records and registration;
2. Hazard ID and risk based prevention programs;
3. Performance standards;
4. Mandatory recall and administrative detention; and
5. Foreign supplier verification/ qualified importer program.

International regulatory issues continue to impact AFIA members and as such, Joel G. Newman, president and CEO of the American Feed Industry Association, represented the AFIA at the annual Codex Alimentarius Commission meeting in Geneva, Switzerland, last July as part of the US delegation and as chair of the IFIF Policy Committee. In addition at the 2010 meeting, the commission agreed to establish a time-limited Task Force on Feed, chaired by Switzerland, to specifically complete the following two items:

» Development of guidelines for governments on the application of Codex risk-assessment methodologies for various hazards related to contaminants/residues in feed and feed additives used for food-producing animals; and

» Development of a prioritized list of hazards in feed ingredients and feed additives for governmental use.

AFIA was very involved in the process when the US drafted the terms of reference for this task force to ensure it remains specifically focused on these objectives. AFIA will actively participate as part of the US delegation on this task force and provide input that best represents the interests of the AFIA membership.

Sustainability for the feed and feed-ingredient industry has increased in importance in recent years. The AFIA membership leadership and staff have defined a sustainable feed industry as one that provides a continuous, safe and nutritious feed supply for poultry, livestock, fish and pets in a manner that optimizes environmental quality and the use of natural resources, while positively affecting the social and economic wellbeing of customers, their communities and the industry. In the coming year, AFIA will focus its efforts in six core areas:

» Continuously improve feed and food safety;

» Enhance nutritional utilization;

» Optimize the use of energy and natural resources;

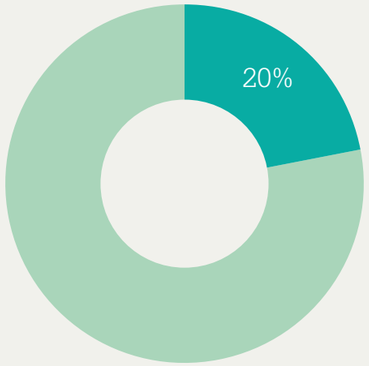
» Embrace innovation;

» Support the community;

» Promote an understanding and appreciation of US food production.

FEFAC
European Feed Manufacturers' Federation
EU

FEED PRODUCTION AS A PERCENTAGE OF GLOBAL OUTPUT



Europe's feed production accounts for 20% of global output

Feed production by all mills

	2010	Forecast 2011
Total	**150,000**	**149,000**
Poultry Broilers/ Poultry Layers	51,000	51,000
Hog	49,500	49,500
Dairy Cattle Beef Cattle	39,000	38,500
Aquaculture - Fish	1,100	1,100
Pets		

FEFAC: Total feed produced by all mills (x1000 tonnes)

KEY MARKET DEVELOPMENTS

FEFAC members recorded a slight recovery for the compound feed production for the EU-27[1] in 2010. The total production estimate is now set at 150 million tonnes, i.e. 1.4% above the figure for 2009 but still below the record level of 2008 (153.4 million tonnes). The moderate increase was mostly linked to poultry feed, with a +3% increase vs. 2009, whereas cattle feed recovered by 1% while pig feed remained stable (0.1%). For the first time ever in the EU, poultry feed overtook pig feed to become the leading segment of compound feed.

Two key factors have weighed on the EU feed demand in 2010:

- A partial recovery regarding consumer's demand for animal products after the financial crisis of 2009: meat consumption in the EU-27 increased by 1 kg per capita in 2010 vs. 2009, but is still 3.5 kg per capita below the 2008 figure;
- The dramatic market crisis affecting the pig sector, aggravated by the high feed materials costs, which led to a stalling demand for industrial pigfeed, although pigmeat output increased by 2%.

Production trends at Member State level showed a highly contrasting picture: Germany, Belgium, UK and Poland saw an increase of the total feed production by 4 to 6% whereas Denmark, The Netherlands, Spain and Hungary suffered from a significant drop of industrial compound feed output by -1 to -5%. These figures are mostly influenced by the demand for industrial pig feed. Germany recovered the position of EU leading country in terms of total compound feed production, with a narrow lead over France and Spain.

FEFAC experts identified the following key drivers for the compound feed market in 2011:

- the expected lower availability of forages and cereals as a consequence of the severe spring drought affecting key EU producing areas which may trigger a higher demand for industrial compound feed;
- the practical application of the expected technical solution for the presence of GM events not yet authorised in the EU in feed materials imported from third countries, e.g. soybean meal, cereals and cereals substitutes if needed;
- a prolongation of the market crisis in the pig sector, exacerbated by expected high cereals quotations, considering the present expert outlook of the global cereals market for the next campaign, which will further affect the profitability of pig farmers resulting in a continued trend towards closing down of pig farms.

As a consequence, FEFAC experts foresee an increase in cattle feed production (+2%), a slight increase in poultry feed demand (+0.5%) and a further setback in pig feed production (1.5%). Overall, compound feed production is expected to remain stable vs. 2010.

KEY REGULATORY & POLICY DEVELOPMENTS

A. Feed safety

Impact of the dioxin feed fat contamination in Germany

FEFAC members picked up for the first time via their auto-control systems a fraud case at the level of a single fat blender. However, we have to think harder how to avoid these crises in the first place and how to reduce their dire economic and reputation consequences if they happen again in the future. We have to thoroughly review the risk analysis of our whole supply chain and make sure our suppliers take the adequate measures to put safe products on the market. The Codex task Force on Animal Feed may provide the right vehicle to ensure a harmonized approach on risk assessment at global level. This should also be a task for the IFIF comparison project – global harmonization of feed safety risk management measures depends on the capacity of industry and control authorities top perform harmonized Risk assessments.

B. The EU feed material catalogue and register

FEFAC members welcomed the adoption of the updated EU feed material catalogue in November 2010. This major milestone was achieved through the very effective cooperation between 39 EU Associations of the EU feed chain, the competent EU Commission services and the members of the Standing Committee of the Food Chain and Animal Health.

The EU legislator gave representatives of the EU feed chain the mission to propose a more meaningful, up-to-date and comprehensive version of this catalogue in order to raise market transparency on feed materials currently in circulation on the EU market for users. After 18 months of development, the 39 EU organisations of the feed chain joined efforts to deliver an inventory of more than 500 feed materials – the most frequent on the EU market – with clear descriptions so as to ensure full transparency for transactions between feed chain operators, as well as appropriate labeling for end users of feed materials, the EU citizens and the public authorities. This success story proves that co-regulation can work in practice if organisations of the feed chain work together in an efficient manner in close cooperation with public authorities.

In parallel, the EU feed chain platform managed to set up, on time, the first on-line EU feed materials register, which became operational on 1 September 2010. Individual operators actually are obliged to register feed materials which are not listed on the voluntary, non-exhaustive feed catalogue.

C. GM/LLP technical solution

FEFAC members also were pleased that the EU legislator finally adopted "technical solution for the presence of not yet authorised, but EFSA risk-assessed GM events in feed imports setting a threshold of 0.1%". This will provide legal certainty to feed operators but does not represent the answer to prevent future trade problems resulting from the rapidly expanding GM pipeline for may crops. FEFAC and its chain partners must continue to seek political support at Commission and Member States level for synchronising GM approvals in the EU, to avoid another looming feed supply crisis.

D. Lifting of the EU feed ban

After 10 years since the implantation of the EU feed ban, the European Commission is now proposing the reauthorisation of non-ruminant Processed Animal Proteins to non-ruminant farm animal under strict single species line channelling conditions. They are however not considering to set a practical tolerance level for intra-species recycling at the level of multi-purpose feed mills, which make up for more than 90% of all feed mills operating in Europe. Neither the official microscopic testing method nor the new PCR method have been validated for quantification. This is why FEFAC members are not supporting the lifting of the feed ban for use non-ruminant PAP's until the EU legislator can provide a practical tolerance. In a first step FEFAC would therefore favour the reauthorisation of non-ruminant PAP's for fish feed only.

E. Sustainable feed production

In line with our strategic plan, FEFAC actively pursued its commitment to the two ongoing sustainability initiatives at EU level, with the EU SCP Roundtable for the Food Chain and, at global level, with the RTRS initiative. Before going into these key milestones, it is also important to point out the launch of a new major initiative, namely the first joint feed industry / FAO project development for setting up a global feed ingredient database for greenhouse gas emissions.

FEFAC&AFIA - FAO GHG global feed LCA database project

Thanks to the leadership of seven key national member associations including our US sister association AFIA and seven leading feed companies, the new joint Steering Committee agreed to submit a project proposal entitled 'Towards Sector Specification for LCA for Animal Feed' to FAO for a future joint project cooperation. The main objective of the project is to make a key step forward towards the standardisation of LCA methodology for feed, concentrating on carbon footprint calculation. A key deliverable is the development of the first global database on greenhouse gas emissions for key feed ingredients which should contain default CFP values.

This project allows the feed industry to demonstrate our sector's commitment to reduce the environmental burden linked to livestock production. In its latest global LCA reports on meat production, FAO estimated the feed related impact at 69% in the case of pig meat production. FAO is keen to intensify the cooperation with the private sector and offered a multilateral agreement to private sector organisations, Governments and NGOs. FEFAC jointly with other international livestock chain partner organisations, including NGOs and independent research institutes, committed to cooperate with FAO in building the Environmental Chapter of the Global Agenda of Action which focuses on impacts of the livestock value chain on natural resources.

RTRS

2010 was also the year of the long-awaited adoption of the global RTRS standard for responsible soy, after four long years of protracted negotiations between producers, NGOs and industry. We are now facing the crucial implementation period to lead RTRS through the delicate take-off phase which should be facilitated by a more flexible, stepwise implementation of the new standard. FEFAC therefore highly welcomed the election of Jaap Oskam, CPO of Nutreco as new RTRS chairman which will allow him sharing his expertise on global and European markets thus increasing our capacity to convince the markets to supply not only safe but also sustainable feed ingredients to our industry!

1) Greece, Malta and Luxembourg excluded

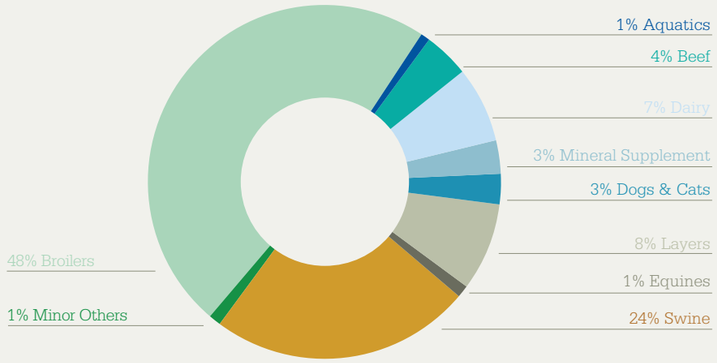
2) AAF, AICV, AIJN, AIPCE, APAG, Brewers of Europe, CEEREAL, CEEV, CEFI, CEFIC, CEFS, CEPS, CIAA, COCERAL, COFALEC, COPA-COGECA, EABA, EAPA, EBB, eBio, EDA, EFPRA, EMFEMA, EMIDAS, EUCOLAIT, Euromaisiers, EUROMALT, EUROPATAT/UEITP, European Flour Millers, EUSALT, EUVEPRO, FEDIAF, FEDIOL, FEFAC, FERM, IFFO, IMA-Europe, PROFEL, UEPA

Sindirações Brazilian Feed Industry Association Brazil

Feed production by all mills

	2010	Forecast 2011
Total	**59,500**	**62,000**
Poultry Broilers	30,260	31,770
Poultry Layers	4,830	4,980
Pigs	15,370	15,680
Dairy Cattle	4,630	4,900
Beef Cattle	2,520	2,700
Sheep / Goats / Horses / Others	1,340	1,390
Aquaculture - Fish	345	397
Aquaculture– Shrimp	84	92
Pets (only dog food + cat food)	2,060	2,120

Sindiracoes: Total feed production by all mills (x 1000 tonnes)



"The Brazilian Feed Industry Association members produce 80% of all feed consumed in Brazil.The reason is that bigger integrators as well as large on-farm feed mixers and co- operatives are now members." - Ariovaldo Zani, CEO – Brazilian Feed Industry Association, SINDIRAÇÕES."

Despite the global economy threatened once more by a new agriculture inflationary cycle, Brazilian livestock producers recovered bravely during 2010 after surviving the crisis of confidence triggered late 2008 and along 2009. The proof is that the optimism remained through keeping investments on production (GMP, HACCP implementation) as well as usage of newest technological solutions (additives, fine-tuning nutrition, GMO, amongst others). The production of animal feed in Brazil registered an increase of 5.3% in 2010. From January to December were produced 61.4 million tonnes of feed that handled over U$ 19 billion only in raw materials (excluding costs for packaging/shipping and profit margins) and over 2.15 million tonnes of mineral supplements.

Despite having enough stock to supply domestic consumption and export needs the curve of corn (number one feedstuff for animal nutrition) price in Brazil has followed an uptrend since July 2010. This leverage gained strength mainly because the assumptions of external origin, such the drop in wheat harvest by weather problems in Russia, the end stocks of grain that has dropped year by year, the voracious appetite of China that in a few years will become a major importer of corn, the FAO's predictions for a mankind explosion and growing consumption by 2050, and the strong movement of speculative investors seeking reliable and profitable assets towards future markets.

It is noteworthy this rampant curve of corn price affecting domestic landscape has jeopardized the interchanged rings of the production chain, from raiser to consumer, i.e., from farm to table. Too much pressure could be disastrous if it had caused enough of a gap for the inhibition of demand, since the purchasing capacity of consumers has been tested at the point of retail and determined your level of loyalty to a particular meat or alternatively to replace it.

BROILER FEED

Broiler production maintained robust growth; it added almost 9% in 2010 and consumed more than 30 million tonnes of feed. The overvaluation of local currency inhibited the amount of chicken exported which reached less than 5% and totaled 3.8 million tonnes and revenues of $ 6.8 billion.

Chicken was anchored in the strong appreciation of beef that had a high of 39% in the year, however the profitability of the producer was in part compromised by the cost of feed that increased significantly. Per capita demand for chicken in Brazil reached 43.5 kg in 2010 in response to production of 12.3 million tonnes.

For 2011 producers and exporters have projected a growth rate of about 3 to 5%, or 12.9 million tonnes of chicken. The Brazilian Supply Company envisions housing of 6.5 billion broiler chicks and the Brazilian Feed Industry Association has estimated consumption of 31.8 million tonnes of chicken feed.

LAYER FEED

Feed intake of laying hens remained stable and reached slightly over 4.8 million tonnes in 2010 in response the housing of 78 million chicks for egg production (herd housed in 2009 supposedly underestimated). High prices of corn and soybean meal to feed the hens hurt the producer profitability, since the average price for eggs recorded the lowest value since 2007. Forecasts for 2011 follow the precautionary measure, since the flock of layers is 29% higher and production cost remains quite high. The Brazilian Feed Industry Association still has estimated a growth rate of about 3% and suitable to reach 4.98 tonnes of feed.

BEEF CATTLE

The sector of feed for beef cattle offset the accumulated losses in 2009 and produced just over 2.5 million tonnes and a growth rate of 6.8% in 2010. Since July there was an improvement in the exchange ratio between live cattle and calves, but less than optimal. Production reached 9.15 million tonnes and exports of beef got $ 4.8 billion as well as shipments followed stability reaching 1.8 million tonnes. The slaughter of cows in previous years, the decline in the rate of feed lots, the limited supply of live cattle because of the extended drought, the imbalance in trade relations between calf raisers, cattle producers, feed lot enterprises and retail stores, rising domestic consumption and recovery of exports fueled the virtuous cycle of adjustments and leveraged the live cattle price during the peak season. Forecast for 2011 is a 2.5% growth rate in the herd and slaughter activity as well as 1.5% on the price along the year, despite the approach of the livestock cycle reversal. The Brazilian Feed Industry Association has estimated a 7% growth rate increase in feed consumption that can reach 2.7 million tonnes in 2011.

DAIRY CATTLE

Despite the growth of almost 5% on consumption and 4.6 million tonnes of dairy feed in 2010, it was not enough to offset decline found in the previous year. Nevertheless a 5% increase in production which exceeded 30 billion litres, the price of milk during the year was unusual and even fell down out the season. The long drought delivered poor quality pasture replaced by complete feed and concentrates inflated by the cost of corn and soybean meal that further impacted profitability of dairy producers.

For 2011 a 4.5% increase on milk production is expected in response to domestic consumption, GDP growth rate and foreign demand. The Brazilian Feed Industry Association estimates a production of 4.9 million tonnes of dairy feed, i.e. a growth of almost 6% in 2011.

HOGS

Despite the 9% growth in revenues from pork exports, the amount totaled only 540,000 tonnes. Production, in turn, reached 3.2 million tonnes and consumed 15.4 million tonnes of feed in 2010, because the stability found in the housing of breeder sows.

The opening of new markets such as the US, EU and South Korea can put it back to historical levels. In 2011 exports can reach about 600,000 tonnes. The domestic market already has consumed almost 15 kg/capita and can keep growing. The Brazilian Feed Industry Association estimates a production of 15.7 million tonnes of swine feed during 2011, i.e. a modest growth of 2%.

DOGS & CATS

The production of food for dogs and cats grew 7% in 2010, reaching just over 2 million tonnes. The comfortable situation of the Brazilian economy strongly correlated with high levels of consumer confidence and strengthened with higher incomes, certainly helped in the recovery of this segment, since 44% of Brazilian households have pets. Despite the large installed capacity for local production, only 45% of the population of dogs and cats in Brazil has been supplied with pet food. The significant tax charge on products , which is close to 50%, continues to hamper access of millions of consumers to these products. During 2011 the increase of consumers in the middle class sector leads the Brazilian Feed Industry Association to estimate a 2% growth rate and production of 2.12 million tonnes of food for dogs and cats.

FISH & SHRIMP

The demand for fish feed in 2010 was 345,000 tonnes with 15% growth. The demand of shrimp feed increased 5% and reached 84.000 tonnes. The consumption of aquatic organisms has reached 7kg per capita and aquaculture now accounts for 25% of the overall production of 1.2 million tonnes of fish, crustaceans, mollusks and other aquatic organisms. The Brazilian production could reach 2 million tonnes in 2020, boosted by favorable climate, availability of freshwater, coastal extension and million hectares of wetlands and reservoirs. The vigorous and progressive development of aquaculture will offset decline in fisheries production that nowadays has much of its activity already explored and exhausted. The Brazilian Ministry of Fisheries and Aquaculture has set target to increase consumption to 12 kg/capita. The Brazilian Feed Industry Association estimates production of 489,000 tonnes of feed for fish and shrimp and a growth rate of 14% during 2011.

FURTHER CONSIDERATIONS

Pressure on prices may remain due to the hypothetical influence of rain delaying or even hindering the collection and shipment of soybean crops in Brazil and Argentina; by the amazing appetite of China that in a few years will become a major importer of corn and the predictions of FAO for a mankind explosion and growing consumption by 2050. It is also important to be aware in regard to agricultural market movements that can continue to suffer from the extreme volatility caused by investors who took up the interest in commodities due to the abundant global liquidity, tiny sluggish economic growth and monetary expansion in the US, in addition to signs of inflation increase in China. The Brazilian production of feeds throughout 2011 will depend mainly on the growth of broiler and swine production industries that have been affected by the performance of exports, since domestic consumption records have set fairly similar to those of developed countries. The feed industry is highly influenced by decisions and purchasing power of consumers and their requirements in relation to supply and food safety. The Brazilian Feed Industry Association, in turn, will continue to promote the economic, social and environmental sustainability of the animal protein production chain, since its mission is to be the voice of the animal feed industry, building an appropriate as well as competitive environment and contributing to food production insurance, advocating ethics in business, fair trade, equality and regulatory efficiency, always making decisions based on scientific evidence.

ANAC Animal Nutrition Association of Canada

Canadian Feed Industry Statistics (in mill. tonnes)

Total feed production (commercial and on-farm)	**30.5**
Commercial feed production Est'd 400-500 feed mills	20.5
On-farm feed production Est'd 25,000 sites	10.0

Source: ANAC

Complete feed production by species (in mill. tonnes)

	2010
Total	**30.5**
Swine	11.0
Beef	8.8
Dairy	5.5
Poultry	4.3
Other	0.9

Source: ANAC

ANAC AND THE CANADIAN FEED INDUSTRY

The Animal Nutrition Association of Canada (ANAC) is the national trade association for Canada's animal feed industry. ANAC's 170 member companies manufacture livestock, poultry and fish feed and supply grains, oilseed meals, micro-ingredients and other commodities and services to the industry. ANAC member companies account for approximately 90 percent of commercial feed production in Canada.

The key role for ANAC is to advocate on behalf of the feed industry with government regulators and policy makers. The association's objective is to foster a favourable business environment for its members while maintaining the highest standards of feed and food safety.

The feed industry is an important part of Canada's agri-food economy and a critical partner in the country's food safety system. The estimated total commercial production of feed in Canada is 20 million tonnes and in addition, an estimated 10 million tonnes is produced on-farm.

THE NEED FOR MODERNIZATION OF THE FEED REGULATORY FRAMEWORK IN CANADA

The nation's feed industry accepts that, as an integral part of the agri-food value chain, it should be subject to regulation. However, the prevailing view within the industry is that the current regulatory framework–largely unchanged for over a quarter-century–is outdated and misdirected. It must therefore be refocused and modernized to reflect the realities of today's feed industry, and allow government to redirect enforcement resources where they are most needed.

The primary emphasis of the regulatory system should be on the identification and control of risk, both in the ingredients used to produce feeds and in the manufacturing environment itself. Therefore, the regulations administered by the Canadian Food Inspection Agency (CFIA) should focus clearly on safety, and not attempt to control the nutrient content of feeds, as is now the case.

GUIDING PRINCIPLES FOR REGULATORY MODERNIZATION

To lay the groundwork for ANAC's efforts to bring about regulatory reform, the association's board of directors endorsed a set of guiding principles and core objectives for a new regulation. These objectives are intended to provide the context for more detailed regulatory proposals going forward.

- Safety – maintenance of animal health and welfare, protection of the human food supply, and mitigation of environmental risks
- Market access and competitiveness – regulations must not create barriers to innovation and market entry, nor put the Canadian feed industry at a competitive disadvantage with its international counterparts
- Consumer protection – control over false or misleading claims, and assurance that labeling reflects the intended use of the product

THE ROLE OF ANAC'S FEEDASSURE PROGRAM IN A NEW REGULATORY SYSTEM

ANAC's FeedAssure program is a Hazard Analysis Critical Control Point (HACCP)-based feed safety management system under which almost 170 facilities are certified, accounting for over 70 percent of commercial feed production. If recognized appropriately in the regulatory system by CFIA, FeedAssure would allow CFIA to focus its scarce enforcement resources where they are needed most. ANAC sees this as an appropriate solution, since in 2010, FeedAssure was formally recognized by CFIA to be equivalent to the agency's own Food Safety Enhancement Program (FSEP).

THE FEED INDUSTRY'S PROPOSALS FOR MODERNIZED REGULATIONS

- Establish a collaborative process between government and industry – The first step is to institute a formal dialogue between ANAC and CFIA aimed at working cooperatively to reach agreement on a modernized regulatory framework.
- Provide enhanced recognition of FeedAssure – ANAC recommends further recognition of FeedAssure as a risk-control measure, coupled with government oversight to the extent needed to ensure adherence to accepted safety standards. This would allow CFIA to deploy enforcement resources more effectively, by focusing on program compliance for certified facilities, and by stepping up inspections of establishments with no accredited risk control measures in place.
- Refocus registration system to include facilities – ANAC proposes that the feed regulatory system undergo a shift in focus, to include the registration of feed mills based on their risk profile, rather than the current concentration on nutrient content. The existing Table 4 of the Feeds Regulations, which attempts to control nutrient ranges, would be eliminated and replaced with a science-based screening process to evaluate ingredient risk.

ANAC has recently been advised by CFIA that as part of an agency-wide examination of its regulatory frameworks, the Feeds Regulations will be subject to detailed review in the near future. ANAC will play an active role in that process, which will involve not only bilateral dialogue between the regulators and the feed industry, but will also take into account the views of a broad range of stakeholders in the agri-food value chain.

AFMA Animal Feed Manufacturers Association South Africa

The focus of AFMA activities in 2011 remained centred on four main areas: Feed regulatory matters; Grain- and food-value chain matters; Association activities; Industry self-regulation and Feed Regulatory Matters.

FEED REGULATORY MATTERS

Significant time is spent liaising and interacting with the South Africa's Feed Regulators, both on current and new legislation and regulations. South Africa has completed the drafting of the new Feeds and Fertilizer Bill, which will replace Act 36 of 1947 (which regulates the feed industry and associated industry role players) has proven to be outdated for the new era our industries find themselves. AFMA has played a pivotal role in the drafting and liaison process of this new legislation. The Bill will now enter the Parliamentary process for open debate and public consultation.

AFMA also played an important part in the liberalisation of Trade Policy specifically impacting on Agricultural Products as well as ingredients and additives to the Feed Industry. This will however remain a continues process.

ASSOCIATION ACTIVITIES

AFMA activities overseen by its Board of Directors included work done in the following working committees - Technical Committee, Trade Committee, Marketing and Promotion Committee, Legislative Committee, Management Information Committee and Skills Development Committee.

AFMA will be hosting its annual Technical Symposium on 5 October 2011, during which the program reviewed the activities and the achievements of the AFMA Technical Committee and its sub-committees for the year under review.

Besides the annual AFMA Symposium, 2 workshops for non-feed industry members were hosted, familiarising members not directly involved with production with the feed milling environment. This group of attendants included a large share of final year and post graduate animal nutrition students from local universities.

INDUSTRY SELF-REGULATION

AFMA focused on efforts moving towards greater self-regulation in the areas of:

» Code of Conduct
The AFMA Code of Conduct were audited at all AFMA members before end 2010 and all current members passed the Audit of the Code done by an outside third-party auditor. The Code covers 10 fields of discipline pertaining to the legal and international requirements needed to safely produce wholesome feed. To mark the compliance to the Code, AFMA has designed and registered the AFMA Code of Conduct Compliant trade mark to be used by the members on packaging material, company stationary, delivery vehicles, marketing materials, advertisements, etc.

» Transport Protocol for feed raw material
Based on the Dutch Protocol, AFMA has developed and drafted this protocol to suite local conditions, which will enhance feed safety. The development of proper system and SOPs was finalised in June 2011, for implementation. Audits on the **Transport Protocol will be well on their way before October 2011**.

RAW MATERIAL PRICES

The feed industry is daily challenged to provide increasing quantities of food at affordable prices while meeting the ever increasing quality requirements. The post economic crisis has changed around to tighter supply and demand of feed raw materials, resulting in higher price levels. This gave way to a cost squeeze on feed manufacturers, which will be forced to give price increases through to the consumer, causing food inflation as is the case in the rest of the globe.

EXCHANGE RATE STABILITY

The South African exchange rate has strengthen during the past year from a Rand : US$ exchange rate of around 7.50 : 1 to 7.00 : 1, softening the effect of imports.

Interest Rates stability - After decreasing a few % points after the economic crisis, the South African interest rates have reached a bit of stability with Bank Prime rates at 9% and Investment rates at ± 4 – 5 % depending the term and amount. Tight macro economic conditions may result in a further cut in the prime rate.

Competition authority investigations – The number of investigations into the agricultural food-processing industries are still ongoing.

NEW CONSUMER PROTECTION ACT AND LABELLING REGULATION

This act and regulations was finalised and came into force on 1 April 2011. As mentioned special attention went into labelling which also covered GMO labelling with a result of all feed manufacturers needing to label their products – "containing GMO"

IMPLEMENTATION OF AFMA'S CODE OF CONDUCT

The audits of the AFMA Code of Conduct by the external auditing company, were completed as a first round on 31 December 2010. A number of 95% passed the audit the first time, with 5% of member having to address smaller issues within 3 months after the audit. This were completed, thus all AFMA members are now AFMA Code of Conduct compliant.

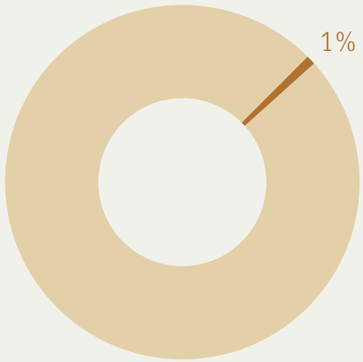
IMPLEMENTATION OF AFMA'S TRANSPORT PROTOCOL

This protocol was signed off by the AFMA Board of Directors and a process of developing a audit system and SOPs was completed by an external auditing company. The first audits will be commencing in October 2011. This will assist feed mills to ensure their feed raw materials be transported and delivered in a safe manner by reputable transport contractor – leading to SAFE FEED for SAFE FOOD.

Key developments When reviewing key issues which may influence South African's feed industry it would be fair to highlight the following anticipated issues:

» Finalising the new Fertiliser and Feeds Bill
» Raw material price volatility
» Exchange rate strengthening
» Flat consumer spending
» Competition Authority investigations
» The new Consumer Protection Act and labelling legislation
» Implementation of AFMA's Code of Conduct
» Implementation of AFMA's Transport Protocol

FEED PRODUCTION AS A PERCENTAGE OF GLOBAL OUTPUT



South Africa's feed production accounts for 1% of global output

South African National Feed Sales

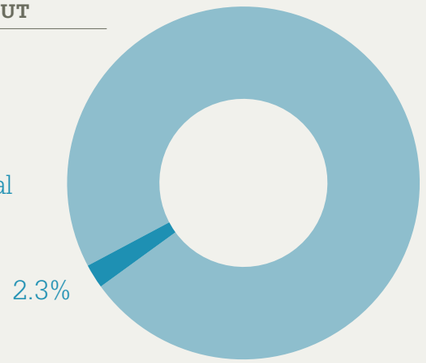
Feed Type	National Feed Production
Total	**10,655,028**
Dairy	1,880,000
Beef & Sheep	3,038,000
Pigs	810,746
Layers	1,130,755
Broilers	3,194,130
Dogs	297,000
Horses	121,047
Ostriches	180,450
Aquaculture	2,900

Source:AFMA

SFMCA Stock Feed Manufacturers' Council Australia

FEED PRODUCTION AS A PERCENTAGE OF GLOBAL OUTPUT

Australia's feed production accounts for 2.3% of global output



The Australian stock feed industry has seen a return to more normal supplied of grain following a successful 2010/11 cereal harvest in eastern Australia. The industry in Western Australia has seen drought conditions and reduced supplies of feed grains.

The increase in milk prices has resulted in increased dairy feed volumes as farmers seek to take advantage on market conditions by lifting milk production. The poultry industries continues to grow with chicken and egg consumption rising. The pig industry is stable with Australian producers competing with imported pig meats. The beef feedlot industry has had a tough year with higher store cattle prices and a stronger Australian dollar making beef exports less competitive. The horse industry is important for feed manufacturers with volumes of feed being used for racing and pleasure horse owners.

FeedSafe remains a significant part of the SFMCA's work as all members are required to complete FeedSafe QA Accreditation. The industries conference will be held 20-22 May 2012 at the Gold Coast Convention Centre.

Feed production by all mills

	Total feed	Total feed 'sold' by all mills	Total feed 'sold' by members
Total	**10,864**	**6,743**	**5,256**
Poultry Broilers	2,620	2,585	1,800
Poultry Layers	900	770	730
Pigs	1,455	1,008	950
Dairy Cattle	2,870	1,690	1,156
Beef Cattle	2,609	350	300
Sheep	318	250	230
Aquaculture	92	90	90

SFMCA:Total feed comsumption by livestock (x1000 tonnes)

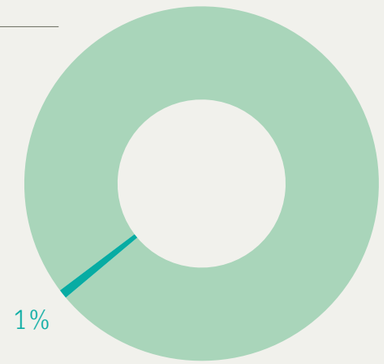
THE MAJOR ISSUES THAT ARE BEING ADDRESSED BY THE SFMCA ARE:

- FeedSafe Review completed with implementation of program modifications.
- Increasing attention being given to the use of in-feed medications and controls over use.
- Progress by federal government in implementing a new National Feed Standard to provide uniform stockfeed regulations across all states and territories.
- Continuing debate regarding a carbon tax implementation and uncertainty regarding the consequences for manufacturers and agriculture.
- Rapidly increasing costs of electricity and the impact upon feed manufacturer's margins.
- Possible introduction of a National Food Plan and the role of the stockfeed industry in providing food security.
- Declining support for agriculture from graduate students and reducing availability of new employees for the industry.

NZFMA New Zealand Feed Manufacturers' Association New Zealand

FEED PRODUCTION AS A PERCENTAGE OF GLOBAL OUTPUT

New Zealand's feed production accounts for less than 1% of global output



The New Zealand Feed Manufacturers Association (NZFMA) is currently facing three main challenges this year:

- A continuing Salmonellosis review across the feed manufacturing industry
- Changes to the Biosecurity (Ruminant Protein) Regulations (1999)
- Finalizing the Feed Manufacturers Code of Manufacturing Practice (2010)

Salmonellosis is currently the second most commonly reported food-borne gastrointestinal illness caused by bacteria in New Zealand. The New Zealand Food Safety Authority (NZFSA) intends to decrease the human incidence of this disease by 30 percent. It is currently reviewing ways to reduce human cases of annual incidence of through tighter controls over animal feed.

The NZFMA has been proactive in addressing consumer food safety concerns and believes that in the case of Salmonella, it is appropriate to implement effective control measures as early as possible. Thus, the NZFMA have been proactive in assisting NZFSA with developing methods to reduce the prevalence of Salmonella spp. in animal products.

The changes to the Biosecurity (Ruminant Protein) Regulation (1999) have very important implications across all ruminant and non-ruminant feed manufacturers in New Zealand. The NZFMA is actively helping members meet the amended Biosecurity (Ruminant Protein) Regulations to ensure compliance across the industry.

The review of the feed Manufacturers Code is in its final stages of development and will be issued shortly.The new feed Manufacturers Code will cover and/or provide a means of locating the following information relevant to:

- All stages in the purchasing and storage of raw materials as well as the manufacture of any compound feed
- Protecting the health of consumers (human or animal) of food products derived from livestock fed compound feeds by either minimizing the risk of residues in animal products and/or through the judicious use of medications in animal feeds
- Protecting the health and welfare of livestock/animals fed compound feeds
- Providing farmers with a consistent and appropriate quality of compound feed enabling them to achieve expected levels of performance
- Helping feed manufacturers ensure that they are compliant with New Zealand legislation

All of the above challenges, proactive engagement as well as cooperation with both MAF Biosecurity and NZFSA is a priority for the NZFMA which will ensure that feed manufacturers can continue to produce quality grains/ feeds in New Zealand.

Feed production by all mills

	2009	2010	Forecast 2011
Total	**966,940**	**-**	**-**
Maize/Corn	79,086	95,275	145,000
Wheat	183,508	271,336	355,000
Barley	131,065	114,631	165,000
Oats	2,096	632	780
Soybean Meal	108,118	101,911	155,000
Rapeseed Meal		< 3,500	< 3,500
Fish meal	3,624	4,511	5,000
Meat / Meat&Bone Meal		47,778	65,000
Fats & Oils		12,531	15,500
Feed Phosphates		< 15,000	< 15,000

NZFMA: Raw materials used in feeds (x 1000 tonnes)

JFMA Japan Feed Manufacturers Association Japan

On March 11, Japan was hit by one of the most powerful earthquake in recorded history. Since then, the country has been strongly supported by the people around the world.

On behalf of Japanese people and our member companies, JFMA would like to express sincerest gratitude for the support and solidarity and also the encouragement to those who suffered by the earthquake and the resulting tsunami and the Fukushima Daiichi Nuclear Power Station accident, which Japan has experienced.

The Japan Feed Manufacturers Association (JFMA) was established in 1957 as a cooperative to contribute to the prosperity of Japanese feed and livestock industry. JFMA consists only of feed manufacturers and does not include general cooperatives or special livestock cooperatives. JFMA has a membership of 49 compound feed manufacturers including 10 large-scale companies, with a total of 80 feed production plants. Total production of compound feed and mixed feed by members was almost 15.93 million tonnes in 2010. In 2011 some factories suffered by the East Japan Earthquake and followed Tsunamis, so production will most likely be less this year. JFMA has its head office in Tokyo, and five branches (Sapporo, Tokyo, Nagoya, Kobe, Kokura).

JFMA'S OBJECTIVES:

- Cooperative purchase of feed inputs
- Market education and promotion of egg, poultry, beef and pork consumption
- Research in the distribution and production of feed and feed inputs
- Provision of information on feed and livestock in Japan and other countries
- Support for improvements in plant facilities

FEED SAFETY LEGISLATION:

The Japanese feed industry has relied on the Act on Safety Assurance and Quality Improvement of Feeds (Act No. 35 of April 11, 1953), which regulates feed manufacturers and feed manufacturing plants, in conjunction with a series of four regulatory guidelines to ensure feed safety. Today, we manufacture about 24 million tonnes of formula feed each year (enough to rank Japan sixth in production volume worldwide).

As you know, most formula feed ingredients are imported, and it is becoming increasingly difficult to secure consistent supplies of feed ingredients due to factors including rising oil and grain prices, and unusual weather. These developments have triggered an expansion of feed ingredient suppliers, and the resulting diversification among suppliers is in turn driving up the diversity and complexity of associated hazards.

By the impact of liberalization spurred by the WTO, FTA, and TPP on producers, lowering the costs associated with feed manufacture and quality control is a pressing issue. Current quality control techniques, which consist of dealing with individual problems on a case-by-case basis in accordance with the existing set of four regulatory guidelines, are proving to be extremely expensive, time-consuming, and inefficient.

JFMA' CODE OF PRACTICE FOR SAFE FEED:

JFMA's Code of Practice seeks to advance the mechanisms for assuring feed safety by incorporating the substance of ISO and HACCP mechanisms into the current four guidelines.

Our goal is to facilitate the safe production of Japanese livestock products by manufacturing formula feed under an efficient quality control system based on safety standards that conform to world trends.

JFMA has taken the initiative to compile this Code of Practice and put it into practice as a form of self-regulation. It is our hope that formula feed manufactured in accordance with this Code of Practice, which conforms to international feed manufacturing practices, will be widely used throughout Japan, and that livestock products manufactured using this feed will be recognized by consumers for their safety.

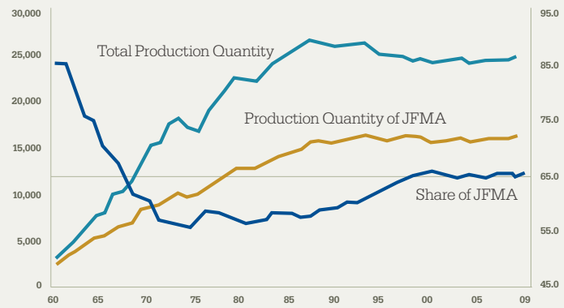
THE EAST JAPAN EARTHQUAKE AND RESULTED TSUNAMI AND THE NUCLEAR POWER STATION ACCIDENT:

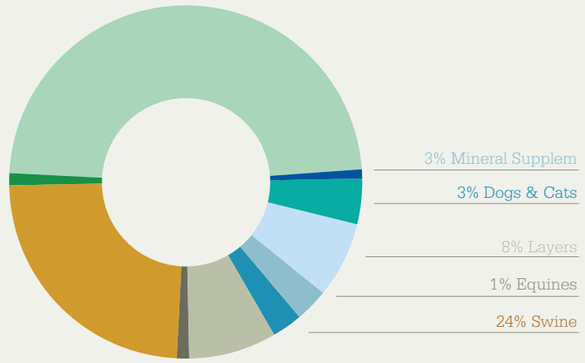
The East Japan Earthquake and resulting tsunamis destroyed port facilities, collapsed banks, caused failure of the water supply, loss of the electric power supply, and also cargo-discharging machines were carried out to the ocean in north east area facing Pacific Ocean. 17 feed mills stopped producing compound feed because of the manufacturing facilities and the function of the office had been seriously damaged by the disaster. 3.67 million tonnes (15% of total production in Japan) of compound feed had been produced in disaster area, and also 3.97 million tonnes (16%) had been produced in Kashima. To keep the compound feed supply flowing to the livestock farmers in the north east Japan area where port facilities were damaged by the disaster, the Japanese feed industry arranged for emergency transportation from from Kyushu and Hokkaido area by using coaster to the ports along the Japan Sea, and from central and western area by using trucks to the farmers via stock points. The Japanese government subsidized the transportation cost partially. Already in May, sufficiency of feed supply was 90% compared to before the disaster. But still some factories are under restoration and discharging ability and storage capacity are not fully recovered.

Japan's Four Guidelines

- **Salmonella Guidelines** (Guidelines on Salmonella Countermeasures in Feed Manufacture: No. 10-12, June 30, 1998)
- **BSE Guidelines** (Guidelines for Prevention of Intermixing of Animal Origin Protein in Ruminant Feeds: Food Safety and Consumer Affairs Bureau, Notice 15 No. 1570, September 16, 2003)
- **Antibiotic Guidelines** (Enactment of Guidelines on Manufacturing Control and Quality Control for Formula Feed and Feed Additive Formulations Containing Antibiotic Feed Additives: Food Safety and Consumer Affairs Bureau, Notice 18 No. 13845, April 10, 2007)
- **Guidelines on the Prevention of Contamination with Toxic Substances** (Enactment of Guidelines on the Prevention of Contamination of Feed and Other Materials with Toxic Substances: Food Safety and Consumer Affairs Bureau, Notice 19 No. 140006, March 10, 2008)

PRODUCTION OF COMPOUND AND MIXED FEED IN JAPAN





»IFIF represents the global feed industry as an essential participant in the food chain that provides sustainable, safe and nutritious food. IFIF is made up of national feed associations, feed related organizations, supplier associations, and corporate members from around the globe. Overall, IFIF members represent over 80% of the global animal feed industry.«

Structure & Membership

NATIONAL ASSOCIATIONS

AFIA | American Feed Industry Association
AFMA | Animal Feed Manufacturers Association, South Africa
ANAC | Animal Nutrition Association of Canada
CFIA | China Feed Industry Association
CLFMA | The Compound Feed Manufacturers Association, India
FeedLatina | Associacion de las Industrias de Alimentacion Animal de America Latina y Caribe
FEFAC | The European Feed Manufacturers' Federation
JFMA | Japan Feed Manufacturers Association
NZFMA | New Zealand Feed Manufacturers Assocation
SFMCA | Stock Feed Manufacturers' Council of Australia
SINDIRAÇÕES | Brazilian Feed Industry Association

CORPORATE MEMBERS

Ajinomoto Heartland

Alltech

Cargill

PotashCorp

DSM Nutrional Products

Elanco Animal Health

Impextraco

InVivo

Novus International

Nutreco

Provimi

SUPPLIER ASSOCIATION

FEFANA | EU Association of Feed Additives and Premixtures Operators

FEED RELATED ORGANISATIONS

NGFA | National Grain & Feed Association, USA

Petfood Institute, USA

Stichting Victam, The Netherlands

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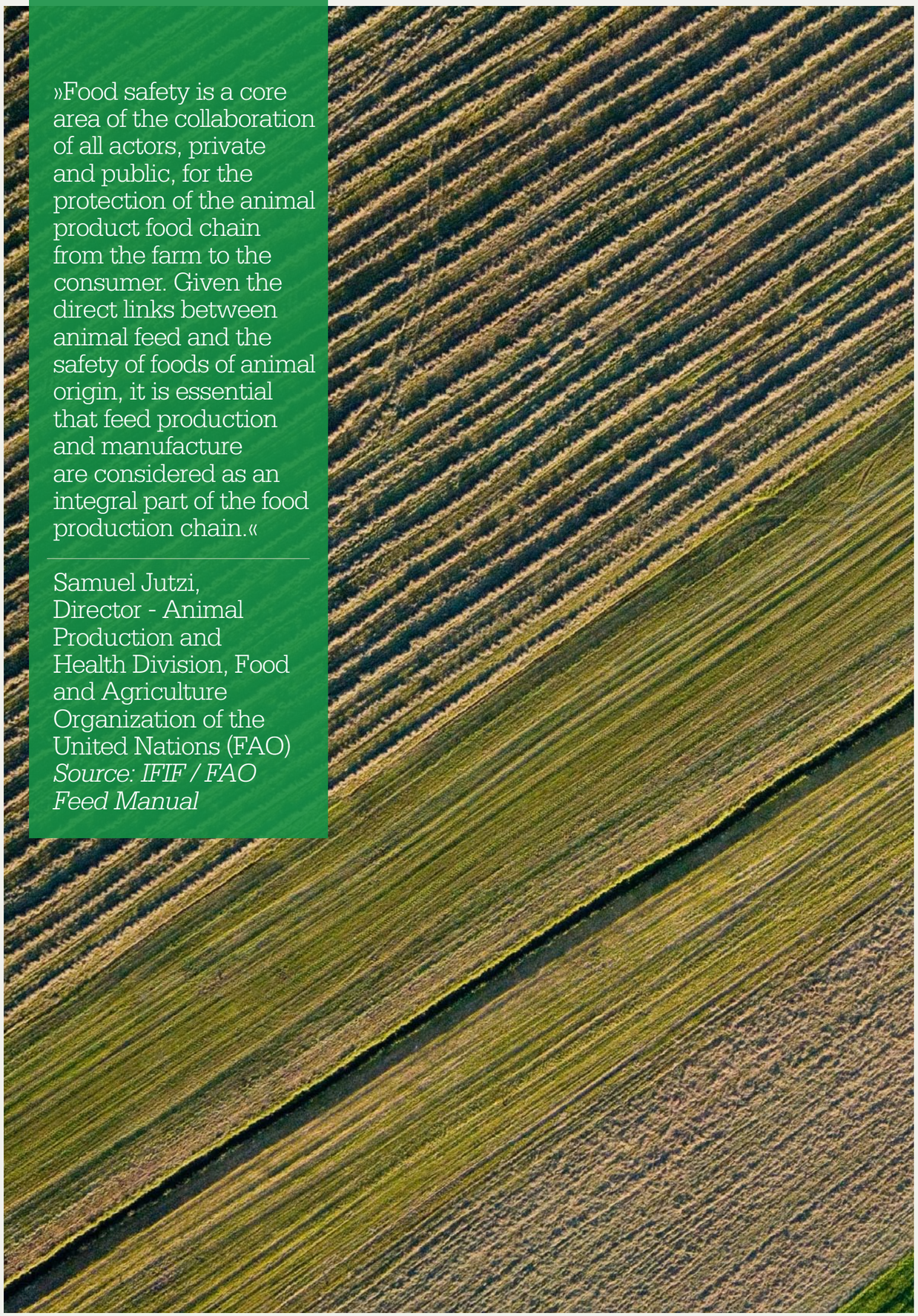

»Food safety is a core area of the collaboration of all actors, private and public, for the protection of the animal product food chain from the farm to the consumer. Given the direct links between animal feed and the safety of foods of animal origin, it is essential that feed production and manufacture are considered as an integral part of the food production chain.«

Samuel Jutzi, Director - Animal Production and Health Division, Food and Agriculture Organization of the United Nations (FAO)
Source: IFIF / FAO Feed Manual

Definitions & Terms

DEFINITIONS

Feed (Feeding stuff)
Any single or multiple materials, whether processed, semi- processed or raw, which is intended to be fed directly to food-producing animals.

Feed ingredient
A component part or constituent of any combination or mixture making up a feed, whether or not it has a nutritional value in the animal's diet, including feed additives. Ingredients are of plant, animal or aquatic origin, or other organic or inorganic substances.

Feed additive
Any intentionally added ingredient not normally consumed as feed by itself, whether or not it has nutritional value, which affects the characteristics of feed or animal products. Micro-organisms, enzymes, acidity regulators, trace elements, vitamins and other products fall within the scope of this definition depending on the purpose of use and method of administration.

Medicated feed
Any feed which contains veterinary drugs as defined in the Codex Alimentarius Commission Procedural Manual.

TERMS

Complete feed
A nutritionally adequate feed compounded by a specific formula to be fed as the sole ration and capable of maintaining life and/or promoting production without any additional substance except water.

Concentrate
A feed used with another to improve the nutritive balance of the total and intended to be diluted or mixed to produce a supplement or a complete feed; may be unsafe if fed free choice or alone as a supplement.

Micro-ingredients
Vitamins, minerals, antibiotics, drugs/ medicines, and other materials usually required in feeds in small amounts as feed additives.

Prem]x
A uniform mixture of one or more microingredients/ additives with a diluent and/ or carrier to facilitate their even distribution in a larger mix.

Primary feed
A feed formulated from single ingredients, sometimes containing a premix (less than less than 45.5 kg per tonne or 100 pounds per tonne).

Trace Minerals
Mineral nutrients required by animals in micro amounts (measured in units of grams per kg or smaller).

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