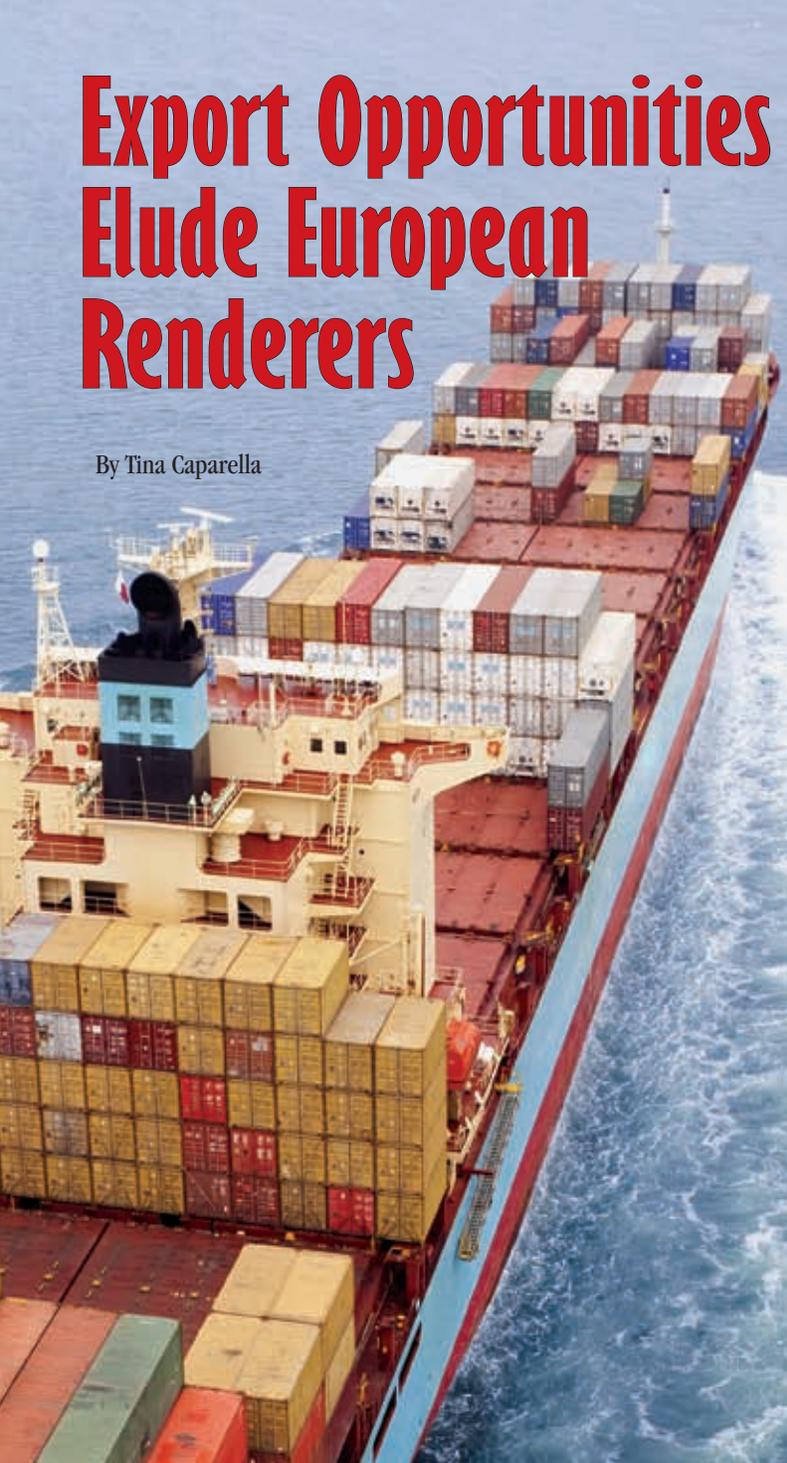
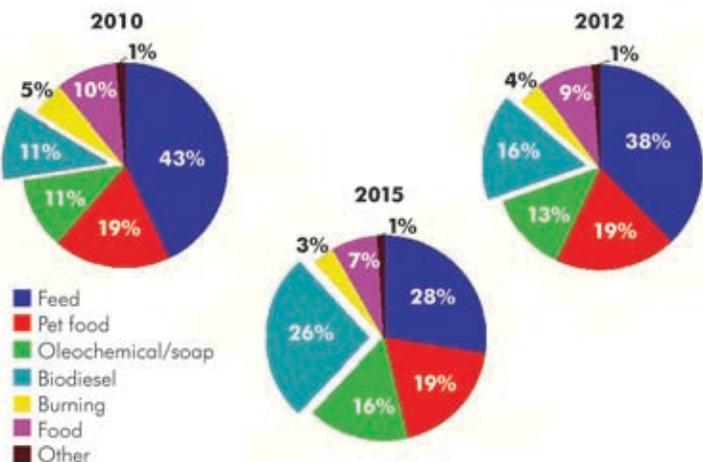


# Export Opportunities Elude European Renderers

By Tina Caparella



**Chart 1. Estimates of global animal fats market shares**



While the challenges of the European rendering industry have significantly improved since bovine spongiform encephalopathy (BSE) first emerged 20-plus years ago, there are still some battles to be won and opportunities to be had. So was the focus at the 16th annual European Fat Processors and Renderers Association (EFPRA) Congress held in Messinia, Greece, in early June.

Dr. Martin Alm, EFPRA technical director, explained that 10 years ago the cornerstones to fighting BSE were a complete ban of processed animal proteins (PAPs) and fats in feed, removal of specified risk material (SRM), and monitoring (testing) of fallen stock. The situation today is much better but far from ideal for European renderers: non-ruminant PAPs are allowed in fish diets, the SRM list has been reduced, and the monitoring of fallen stock shows only a handful of BSE cases today, with many of those spontaneous cases. However, the import and export of cattle, meat, and slaughter by-products is allowed in Europe as is the importation of PAPs and category 1 and 2 fats, yet rendered products produced in the European Union (EU) cannot be exported.

“This is opposite of what European law says that what can be imported can be exported, so why not animal by-products?” Alm asked. He described the work EFPRA has ahead of it to convince the European Commission to lift the export ban.

Wouter Vanderpoorten, ETSA Group in Portugal, shared an economical and technical view of incinerating category 1 meat and bone meal, which is at the highest risk for transmissible spongiform encephalopathy. One of the benefits is it replaces 4,000 metric tons of fossil fuel annually. The company recently invested in a biomass boiler, collects waste foodstuffs (i.e., expired foods) and processes them for animal feed, and collects and processes used cooking oil for the biodiesel industry. Vanderpoorten said that future challenges include utilization of waste heat and surplus steam as well as valorization of about 250 metric tons of bottom ash, which is currently landfilled but is approved as fertilizer on non-grazing lands.

Albert Gilbert, APC Europe in Spain, revealed that the company lost 80 percent of its business when the BSE crisis hit due to its lack of crisis management and communication. Yet when porcine epidemic diarrhea virus (PEDv) hit the United States a few years ago, Gilbert and the European Animal Protein Association (EAPA) were prepared when animal blood plasma was blamed for the spread of the virus. EAPA acted quickly by contacting key decision makers with evidence that blood plasma could not be the carrier, reassuring customers, meeting with the president of the World Organization for Animal Health, or OIE, engaging the services of a public relations firm, and improving its website to show the position of the industry.

“It’s not about what you say, it’s about what others understand,” Gilbert commented. “And luck is always needed. Europe got lucky. When PEDv came to Europe, it was a different strain and the experience in the US offered a low-key response.” In preparing for a crisis response, Gilbert advised understanding who the audience is then enlisting the help of a public relations firm that can assist with a response.

Dr. Ana Garrido-Vara, University of Cordoba in Spain, shared existing knowledge on using near infrared spectroscopy (NIS) for quality control and detection of the nutritional

composition of PAPs. She said existing legislation prohibiting PAPs in animal feed will only be changed once analytical methods are available that ensure new legislation can be enforced. Although NIS has demonstrated that it is mature enough to be used by the rendering industry, the European Commission does not want to validate this method so more sampling and studies are needed to reduce errors.

Next up was Dr. Nicolai Denzin, Risk and Options Consulting in Germany, who described how to assess the impact of disease outbreaks on rendering plant capacity using a stochastic modeling approach. He showed pictures of burning pyres during the foot and mouth disease outbreak in the United Kingdom in 2001 as an example of the need to improve preparedness so as to avoid implications of second-

best disposal of diseased animals. Denzin talked about various software programs that could be used to predict when rendering capacity would be exhausted during a disease outbreak, adding that these programs may also be applied to other aspects affecting the industry, such as policy changes.



Albert Gilbert, APC Europe, shares his experience on crisis management.

Switching focus to global markets was David Jackson, LMC, who explained the “price band” where all oil prices (including petroleum) move together, with palm oil always the lowest priced of all the vegetable oils. In the EU, vegetable oil prices never trade below the Brent crude oil price because vegetable oil can be converted into fuel/energy. He said that vegetable oil prices are traditionally set due to supply and demand, but then something odd happened this year. Although Malaysian palm oil stocks were high, the price did not fall because Indonesia introduced a 10 percent biodiesel blending mandate that took all the palm oil and thus kept prices up.

“So government did what markets usually do,” Jackson commented. As for animal fats, tallow and palm oil prices have always been closely linked yet since 2010 a gap has appeared (palm oil is cheaper) due to EU legislation allowing double-counting of tallow used in biodiesel.

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**EFRA’s next congress is  
May 31-June 2, 2017, in  
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“Fuel companies love this because they only have to use half the amount of oil in petroleum,” Jackson stated. Although biofuels have taken more and more animal fat since 2010 thus driving up the price, currently the price premium with palm oil is gone due to an overstock of tallow in Europe so feed is currently the market to focus on for animal fats in Europe (see chart 1).

“We need to reinvigorate the feed sector,” Jackson said.

On that note, David Primrose, Synergy Food Ingredients, focused on the global pet food market, which is predicted to grow about 4.2 percent annually until 2022. Of the 22.6 million metric tons (MMT) of dry pet food produced globally – the largest segment of all pet food – North America is currently the largest region at 8.9 MMT, followed by Europe at 5.9 MMT, and Latin America at 5.3 MMT. Primrose showed the evolution of commercial pet food since the 1860s – from cakes to wet food, then dry kibble, moist food pouches, and now premium foods including freeze dried and fresh foods. He shared that pet food sales are currently driven by three factors:

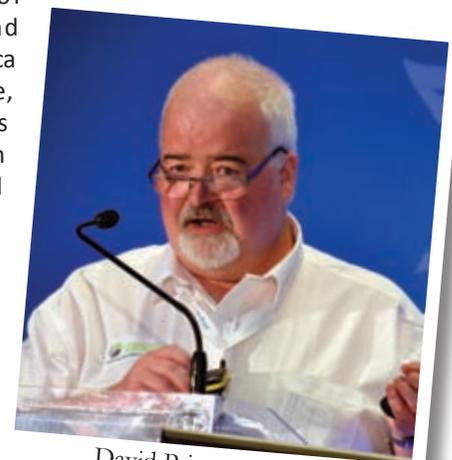
- developing maturity of markets;
- premiumization – inclusion of high added-value ingredients; and
- humanization – pets as a family member concept.

Primrose said that pet food safety is a shared responsibility from “field to bowl” and that today’s consumers, especially the millennial generation, are better informed. He noted that the rendering industry is a highly sustainable partner for pet food manufacturers and encouraged renderers to use social media to transparently communicate the safety and nutritional value of their products. Primrose closed his talk with this notable quote from Charles Darwin (1809-1852):

“It is not the strongest of the species who survives, nor the most intelligent, but the one most responsive to change.”

Dirk Dobbelaere, EFRA secretary general, reiterated the importance of the pet food market for PAPs in his presentation of the yearly data for the EU rendering industry (see “European Production Remains Stable” on page 14).

Sotiria Mpourmpou, animal health division of the Directorate of Agriculture and Veterinary Policy/Attica Region in Greece, described the country’s current action plan for handling animal by-products, which includes a new national department, a working group, and regional officers and groups. In addition, animal by-product producers, transporters, and operators will be registered



David Primrose, Synergy Food Ingredients, talks about pet food.

electronically and linked to the existing farm and slaughterhouse information system. Producers will also be legally required to report the animal by-product production amount and destination of finished product to provide better traceability and prevent illegal and fraudulent practices.

Greece has put a four-year plan in place that includes a program for collection and management of fallen livestock by 2017 and an integrated animal by-products outline for energy uses by 2020. All department staff involved with animal by-product control is receiving five days of training. **R**