Global Trade and the Sustainability of Sustainability

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Overview

- Trade Policy - 101
- Sustainability
- Trade and Sustainability – NRA’s Approach
- Sustainability Threats
- Conclusion
Final - Conclusion

- Sustainability is a critical component to agriculture and the feed industry.
- Sustainability has been the core of our industry from day 1.
- Sustainability – Potential to be a new non tariff trade barrier.
Multilateral Trade Agreements

• 1st Round: Geneva Tariff Conference, 1947
• 2nd Round: Annecy Tariff Conference, 1949
• 3rd Round: Torquay Tariff Conference, 1950-51
• 4th Round: Geneva Tariff Conference, 1955-56
• 5th Round: Dillon Round, 1960-61
• 6th Round: Kennedy Round, 1963-67
• 7th Round: Tokyo Round, 1973-79
WTO Negotiations

• Doha, 2001
• Cancún, 2003
• Geneva, 2004
• Paris, 2005
• Hong Kong, 2005
• Geneva, 2006
• Potsdam, 2007
• Geneva, 2008
• Nairobi, 2015
Sustainability Standards/Certification
Sustainability
Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainability – Venn Diagram

John Venn, 1880
Environmental footprint rendered products (FeedPrint, 2013)

<table>
<thead>
<tr>
<th>Rendered product</th>
<th>Origin</th>
<th>Carbon footprint (g CO$_2$-eq /kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Production</td>
</tr>
<tr>
<td>Fat rendering</td>
<td>Animal meal</td>
<td>EU</td>
</tr>
<tr>
<td></td>
<td>Animal fat</td>
<td>EU</td>
</tr>
<tr>
<td>Blood rendering</td>
<td>Blood meal (spray dried)</td>
<td>EU</td>
</tr>
<tr>
<td>Feather rendering</td>
<td>Feather meal</td>
<td>EU</td>
</tr>
</tbody>
</table>

**Alternatives**

<table>
<thead>
<tr>
<th></th>
<th>Origin</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine products</td>
<td>Fish meal</td>
<td>S-Am</td>
<td>1047</td>
<td>1374</td>
<td>-</td>
</tr>
<tr>
<td>Vegetable meals</td>
<td>Soybean</td>
<td>S-Am</td>
<td>395</td>
<td>575</td>
<td>394</td>
</tr>
<tr>
<td>Rapeseed</td>
<td>EU</td>
<td>526</td>
<td>572</td>
<td>178</td>
<td></td>
</tr>
<tr>
<td>Potato protein</td>
<td>EU</td>
<td>987</td>
<td>1094</td>
<td>223</td>
<td></td>
</tr>
<tr>
<td>Vegetable oils</td>
<td>Palm oil</td>
<td>Asia</td>
<td>3715</td>
<td>4017</td>
<td>284</td>
</tr>
<tr>
<td>Vegetable oil mix</td>
<td>EU</td>
<td>1591</td>
<td></td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>

*: incl. transportation to average NW-European feed mill, excl. Land Use & Land Use Change

Source: Nutreco 2014
## EU Renewable Energy Directive (RED)

<table>
<thead>
<tr>
<th>Biofuel Production Pathway</th>
<th>Greenhouse Gas Emission Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rape Seed Biodiesel</td>
<td>38%</td>
</tr>
<tr>
<td>Soybean Biodiesel</td>
<td>31%</td>
</tr>
<tr>
<td>Palm Oil Biodiesel</td>
<td>19%</td>
</tr>
<tr>
<td>Palm Oil Biodiesel with Methane Capture at Oil Mill</td>
<td>56%</td>
</tr>
<tr>
<td>Waste Vegetable or Animal Oil Biodiesel</td>
<td>83%</td>
</tr>
</tbody>
</table>
Carbon Footprint Animal Fats

- Rapeseed oil
- Palm oil
- Soybean oil
- Cat 3 mixed fat
- Cat 3 poultry fat
- Food grade fat

LULUC emissions of vegetable oils
LULUC emissions of animal fats
Carbon footprint of vegetable oils
Carbon footprint of animal fats

Source: Hans Blonk, EFPRALA Congress 2010
Carbon Footprint Animal Proteins

Source: Hans Blonk, EFPRA Congress 2010
What’s Our Story?

• The Rendering Industry Has Estimates of Greenhouse Gases Avoided by Utilizing By-Products
  – Dr. Gooding’s “Carbon Footprint Model” (published scientific work utilizing industry averages funded by FPRF)
    o The industry can publish averages
    o Companies can compare themselves to this benchmark
• The Rendering Industry Has Excellent Arguments
  – Dr. Gooding’s “Comparison of the Safety and Sustainability of Methods ...(published scientific work)
  – Meeker & Meisinger’s “Rendered ingredients significantly influence sustainability, quality, and safety of pet food” (published scientific work)
• Individual Companies Can Develop Metrics and Comparisons Relating to All Tenets and Control Their Own Data
Rendering sequesters at least 5 times as much greenhouse gas as it emits! Many plants are even better/more efficient!

Rendering’s Carbon Footprint

• Recycling fat and protein significantly reduces the amount of greenhouse gases, such as CO$_2$, released into the environment.

<table>
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<th>CO$_2$ equivalents recycled, metric tons/year</th>
<th>66,958,000</th>
</tr>
</thead>
</table>

• Using the EPA method, the CO$_2$ renderers recycle each year is equivalent to the following actions taken to reduce greenhouse gases:

<table>
<thead>
<tr>
<th>Greenhouse gas reduction strategy</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cars taken off the road per year</td>
<td>12,263,370</td>
</tr>
<tr>
<td>Seedling trees planted per year</td>
<td>1,716,871,791</td>
</tr>
<tr>
<td>Tons diverted from landfills per year</td>
<td>23,088,966</td>
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- Using the EPA method, the CO$_2$ renderers recycle each year is equivalent to:
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  - 23,088,966 tons diverted from landfills per year
Case Studies

- NRA Global Certification Initiatives
- NRA Defensive Measures - Sustainability
- U.S. Soy Sustainability Assurance Protocol (USSP)
- IFFO Global Standard for Responsible Supply (IFFO RS)
Global Aquaculture Alliance

- Best Aquaculture Practices (BAP)
- Chairman of the Feed Mill Certification
NRA Represented on the World Wildlife Fund Aquaculture Stewardship Council

WWF ASC Responsible Feed Project - TWG-Terrestrial Animal Ingredients Committee
Sustainability Attacks

Low carbon biofuels for the UK
Sustainability
Threats/Opportunities

Driving to Destruction
The impacts of Europe's biofuel plans on carbon emissions and land

Unilever
STOP DESTROYING RAINFORESTS FOR PALM OIL

Nestlé
Killer
Ask Nestlé to give rainforests a break
Roundtable on Sustainable Palm Oil (RSPO)

- An example of a sustainability initiative forced back on the producer from the consumer
- Initiated by the World Wildlife Federation (WWF) in 2001
- Formalized in 2004 with the seat of the association located in Zurich, Switzerland and the Secretariat in Kuala Lumpur, Malaysia
Can RSPO Overcome This?

Indonesia

Singapore
Final - Conclusion

• Sustainability is a critical component to agriculture and the feed industry.
• Sustainability has been the core of our industry from day 1.
• Sustainability – Potential to be a new non tariff trade barrier.
Thanks

The End

NO, IT ISN'T