

General News

Deal on Grain Exports from the Black Sea

Ukraine and Russia signed a deal on 22 July that will allow the resumption of grain exports from the Black Sea from three key Ukrainian ports - Odesa, Chornomorsk and Yuzhne. Supported by Turkey, the UN has backed the deal warning of the global food security issues caused by the war.

The objective of the agreement is to export 20MT of grains from Ukraine and it is hoped that the move will help bridge the gap in global food supplies and reduce pressure on high prices. Turkey, the UN, Ukraine and Russia will work together in a "joint coordination center" in Istanbul to ensure the good management and monitoring of this corridor.

However, the security challenge is widely acknowledged despite assurances from Russia and Ukraine that they will withhold attacks on the commercial vessels or ports engaged in the initiative to transport vital grain. Concerns remain that the expected high costs for insurance might discourage operators and there is also uncertainty on the quality of the Ukrainian grain due to storage conditions.

Russian Sanctions – ‘Maintenance and Alignment Package’

On 21 July, the EU adopted additional sanctions in response to Russia's military aggression against Ukraine. These sanctions build on, and expand, the earlier sanctions. Members are reminded that EU regulations have direct effect in all EU Member States and, as such, are legally binding in Ireland. Private companies, therefore, have an obligation to ensure that they are in full compliance with these new measures. The [DETE webpage](#) summarises the key trade provisions of the EU sanctions enacted to date. The Department has also prepared an associated [Guidance Notice](#). Traders should consult the EU Regulations directly, and when necessary, obtain professional advice.

These latest sanctions are the EU's seventh since Moscow launched its invasion of Ukraine. They are officially named the "maintenance and alignment package" and not the 7th package. The measures in general are technical and have the objective of closing loopholes that have been detected since the previous six packages were enacted, in addition to adding items and names to already established sanctions lists. For example, regarding the ban on Russian-flagged vessels entering at EU ports that was introduced earlier this year, the exclusion now covers not only ports but also locks, because national officials noticed that some ships were unloading cargo at the entry ports of canals leading to some EU harbours.

At the moment it does not appear that further food or feed items have been added to the list and the Commission as yet has not indicated a willingness to review the implementation dates for the 6th package that will impact cargos of beet pulp from Russia to the EU as of July 10th 2022.

Czech Republic EU Agri Priorities

The Czech Republic took over the rotating presidency of the EU at the start of July. The Czech Minister of Agriculture said that the Presidency's top priority will be to ensure food security in the EU and improve the competitiveness of the

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WHAT'S ON

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RASFF 'S July 2022

Total Food & Feed	347
Total Feed	24
Feed Materials	15
Feed Additives	2
Nuts and Seeds	1
Compound Feed	1
Pet food	5

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sector compared to third countries. In a recent speech he stressed the need to “refocus” the Presidency’s priorities to make them more relevant to dealing with Russian military aggression in Ukraine. He highlighted the importance of fertilisers in assuring sufficient agricultural production and therefore assuring food security. The plan is to make an early start for the reform of the CAP to provide member states with flexibility and temporary exceptions to handle the crisis. The Presidency will also prioritise negotiations on the sustainable use of plant protection products, antimicrobial resistance, food labelling, the deforestation free products proposal and animal welfare.

Summer 2022 Market Outlook Report

A short-term market outlook is published by DG Agri three times per year. It is based on the latest data and the reflections of market experts within the European Commission. According to the latest report published last week, the fallout from Russia’s military aggression against Ukraine continues to impact global commodity markets and pose a major threat to food security. Global agricultural prices have risen by 30% since the invasion began, although some relaxation has been observed in recent weeks. Weather conditions in the EU are also creating further issues for the new harvest, with a fall in earlier forecasts now foreseen. Some of the highlights are outlined in the table below



- Natural gas deliveries via pipeline from Russia to EU between late May and mid-June decreased by -35%. EU natural gas prices will likely increase further if Russia continues delivering reduced volumes.
- Since the start, there was another 50% spike in aggregate fertiliser prices (potash and phosphates prices increase in particular). However, the recent reduction in Russian gas deliveries to the EU could translate with some delay into another surge in nitrogen-based fertiliser price.
- Fossil fuel markets are due to remain very tight and highly uncertain prices are expected to stay high.
- EU consumer prices for food in May 2022, year-on-year increased by +10%.
- Container freight price seems to have levelled off at about 5.5 times its level in the second half of 2019.
- The total availability of EU cereals in 2022/23 is expected to be almost identical to the previous season (357.4 million t versus 358.1 million t)
- The use of cereals to produce biofuels is expected to decrease by 3%.
- EU oilseed areas for 2022/23 harvest have increased (7.5% year on year) due to high prices and temporary derogation to allow sowing of crops on fallow land.
- 2022/23 EU total oilseed production is forecast to increase 6.9% year-on-year to pass 32.1 million t for the first time since 2017.
- Sown areas of protein crops are due to increase following the relaxation of the greening obligations. The projected increase stands at 6% (2.2 million ha).
- In 2022, the demand for both biodiesel and bioethanol is forecasted to remain stable or slightly lower.

[read more](#)

National Fodder and Food Security Committee

The National Fodder and Food Security Committee (NFFSC) was set up in March 2022 in response to the war in Ukraine. It was tasked by government with preparing an industry response, contingency plans and advice to assist farmers in managing their farm enterprises through a period of high input price inflation and potential supply pressure. John Coleman, Chairman of the IGFA Feed Committee attended on behalf of IGFA and the most recent meeting took place on 13 July 2022. Download the presentation and fodder survey reports here [NFFSC Meeting 4 Fodder Sector Updates | Fodder Survey Results July 2022](#)

Member States Commit to Reducing Gas Demand by 15%

The Commission has put forward a plan to take early action in the case of further disruption of Russian gas supplies and Energy Ministers agreed the plan at a meeting on 26 July. Member states have signed up to a reduction of natural gas demand by 15%, compared to their average consumption in the past 5 years, between 1 August 2022 and 31 March 2023. Measures taken to reach the target reduction will be decided by the member states themselves.

Member states that are not interconnected to other member states’ gas networks are exempted from mandatory gas reductions as they would not be able to free up significant volumes of pipeline gas to benefit others. Ireland therefore has the possibility of an exemption from the reduction target. However, in a press release the Department of the Environment said ‘The department will now review and consider the implications of this regulation... to examine options to reduce gas demand in solidarity with other EU Member States’. Further details [here](#)

Environment News

Government Sets Emissions Ceiling for Agriculture

On 28 July the government announced the Sectoral Emissions Ceilings that have been set for the electricity, transport, buildings, industry and agriculture sectors. After contentious negotiations the ceiling for agriculture has been set at a level that will require the sector to deliver a 25% reduction in emissions, based on 2018 levels, by 2030.

Tánaiste Leo Varadkar said that ‘we will help farmers every step of the way’ adding that ‘Farmers can help us by embracing these new opportunities. It’s the government’s job to make it worthwhile and attractive financially and we will not be found wanting in that regard’. However, the IFA has described the proposed reduction as ‘a potentially devastating blow for Irish farming and the rural economy’.

The Climate Action Plan 2021 lists 40 actions under the agriculture chapter to deliver climate targets. Many of these could impact on animal feed businesses but specific to our sector are actions

- 306 - Reduce the crude protein content of livestock feeding stuffs to minimise nitrous oxide and ammonia loss
- 307 - Progress the development on feed additives on methane emissions for use during the housing period
- 308 - Introduce measures to promote improved efficiency and reduced emissions in livestock via improved animal health and welfare
- 318 - Continue to invest in research to develop novel feed additives to reduce biogenic methane during the grazing season

An updated Climate Action Plan is due to be published by the end of 2022 and we will keep members informed.

Deforestation Free Supply Chains Regulation

The European Parliament (EP) Environment Committee, which is leading the EPs response on a new regulation on deforestation free supply chains in the EU, has agreed its final report. Aspects of the report have been welcomed by FEFAC on issues such as the need for more effective outreach to exporting countries by establishing forest partnerships. They say this should include financial support and will be crucial to enhance traceability and ensure all players in supply chains are working together in synergy. However, the industry has strongly criticised other aspects of the report including the three-tier benchmarking systems which they say will stigmatize future “high risk” countries and regions leading to their possible exclusion from the supply chain and removing any incentive for farmers to invest in forest-protection measures. They are also opposed to the inclusion of some of the traceability measures supported in the report, highlighting the operational challenges and the lack of time allowed to introduce changes.

The report will need to be signed off by the whole EP at their plenary session on 12/13 September and other amendments may be introduced at this stage. However, this is not the end of the process as a final text must be discussed and agreed amongst the 3 institutions - the commission, council and EP over the following months. This will not be an easy task as there are a number of areas where they disagree.

Animal Health

Avian Influenza (AI)

On 8 July, a case of avian influenza subtype H5N1 was confirmed in a wild bird which was found off the Kerry coast. This is the first case of AI confirmed in a wild bird in Ireland since 1 April. HPAI H5N1 is known to be circulating in wild birds, especially breeding seabirds around UK coast. DAFM is advising members of the public should not handle sick or dead wild birds and poultry and captive bird keepers are urged to remain vigilant and maintain strict biosecurity. More [here](#)

Technical News

Fourth Update of the Catalogue of Feed Materials

The 4th update of EU Catalogue of feed materials was published ([Regulation \(EU\) 2022/1104](#)). It enters into application on 24 July 2022, with transition measures whereby feed labelled until 24 July 2023 in accordance can be placed on the market and used until stocks are exhausted.

One of the major amendments to the Catalogue is the explicit prohibition of rumen protection with formaldehyde. The transition period provided says that feed materials may still be rumen protected with formaldehyde until 23 July 2023 and,

if labelled before 24 July 2023, may be placed on the market and used until stocks are exhausted. Other amendments include that sorbitol, mannitol and calcium hydroxide have had their status changed from feed material to feed additive and will therefore be removed from the EU Catalogue. However, the legislator left until 30 May 2028 for an operator to seek authorization as a feed additive and, until this has been granted, the products may still be placed on the market as feed materials.

The Regulation also amends the denominator for certain feed materials originating from the bio-economy, food or biofuel sector to “co-product” rather than “by-product”. It also amends the provisions of the Annex to Regulation (EU) No 68/2013 concerning products and co-products obtained by fermentation to better reflect different kinds of fermentation products.

Outcome SCoPAFF 28-30 June 2022

Below a summary of the outcome of the last SCoPAFF meeting . If you wish to receive a copy of the full minutes of the meeting contact cornelia.oconnell@eorna.ie. The next meeting will take place in November 2022.

Ethoxyquin	The SCoPAFF Section on Animal Nutrition voted in favour of the denial of authorization of ethoxyquin. This will take immediate effect, since the use of ethoxyquin was already suspended.
BHT (antioxidant)	EFSA had delivered a non-conclusive opinion, therefore additional data will be asked of the applicant.
Natural flavourings	As a result of a joint FEFAC/FEFANA/FEDIAF letter to the EU Commission, the SCoPAFF discussed the scope for establishment under the undesirable substances directive of max. limits for hazardous substances present in phyto-genic compounds. Further discussion is needed.
Regulation (EU) 767/2009	Further discussions on future modifications to the annexes of Regulation (EU) 767/2009, with a particular attention to annex III (setting of a maximum level for total iodine in feed, specific restrictions for the use of hemp-derived products, discussion on the use of waste material for the production of feed such as phosphate recovered from municipal water, etc.).
Undesirables including mycotoxins	The topic of undesirable substances (including mycotoxins) was barely discussed and the EU Commission is still planning the last consultation at a meeting of the Expert Group Animal Nutrition in autumn before adoption and publication by the end of the year.
Medicated feed	Several Member States expressed interest in a common interpretation of certain provisions and exchange of best practices on e.g. how to manage cases of prescriptions for volumes lower than the minimum batch size to secure homogeneity. A Commission working group is tentatively planned over summer to address these questions. On the setting of maximum limits for carry-over of antibiotics in non-target feed, the Commission has not defined its strategy yet and it is unlikely that any such limits can be set before the second half of 2023

Medicated Feed

The EU Commission services plan a working group meeting on medicated feed to discuss questions raised on how to interpret and enforce the medicated feed regulation 2019/4. Questions on behalf of IGFA medicated feed members have been submitted.

In other related news Member States supported the establishment of a list of antimicrobials that are only to be used for treating certain infections in humans. It means that they cannot be used in animals under any circumstances. The regulation (EU) 2022/1255 giving effect to this list ie “designating antimicrobials or groups of antimicrobials reserved for treatment of certain infections in humans”, was published on 19 July and shall apply from 9 February 2023. See [list page 3](#).

2-Chloroethanol in Wheat Gluten - Update

Several notifications linked to the detection of 2-chloroethanol in wheat gluten destined for food and feed (see [RASFF 2022.2318](#).) were issued last spring. 2-chloroethanol (2-CE) is used as an indicator of the illegal use of ethylene oxide (ETO). Starch Europe, representing the EU starch industry, advised that the origin of the contamination had nothing to do with the illegal use of ETO, but is due to the use of a processing aid, monochloramine, which generates 2-chloro-ethanol during the production of wheat gluten. Members of Starch Europe who may have used monochloramine have put in place actions whereby its use in the future, if any, will not result in the formation of 2-CE. The EU Commission services have now informally indicated that they have sufficient evidence that the presence of 2-CE was not due to the use of ETO.

Glyphosate Pesticide - Update

The Risk Assessment Committee of the European Chemical Agency ECHA, has published a report stating that the classification of glyphosate as a carcinogen was not justified. This [opinion](#) was published on 5 July 2022 and will be forwarded to EFSA which is expected to deliver its conclusions in July 2023. The EU Commission is expected to propose to the SCoPAFF an extension of the approval of glyphosate which was initially due to expire on 15 December 2022 in the absence of impact on public health.