

Dear members,

Ladies and Gentlemen,

It is with great pleasure that I will open our 53rd Annual General Meeting here in Hamburg at the occasion of our XXVth Congress.

As you are well aware, this will be my final duty as outgoing President of FEFAC at the end of my three-year term. I would like to state here that I hope I could earn the confidence which you placed in me during a very challenging period for the EU livestock and feed sector. I have personally highly appreciated the close collaboration with all Praesidium and Council members and all of our Committee experts as well as our Leaders of Industry. I have admired your dedication for supporting FEFAC and our common issues both at national and European level which, I believe, is the very basis for a successful promotion and representation of our interests within our growing, multiple economic chain partnerships and with the European and International Institutions.

Let me therefore proceed to a final overview on the key developments during my last year as FEFAC President

As forecasted by our leading market experts, the financial crisis took its toll in 2009 on livestock consumption and therefore feed production. Consumer confidence plummeted to historically low levels and, with that, their “appetite” for healthy animal products.

As a consequence, in particular the dairy sector went through its deepest market crisis since the beginning of the Common Agricultural Policy. The pig sector did not fare much better as the crisis prolonged the downturn of the market cycle, leaving farmers in very poor financial condition. As in the previous year, only the poultry sector managed to limit the damage due to its capacity to adjust its production cycle to the consumer demand, which shifted to the lower priced options for products of animal origin.

Our market experts estimate that 2010 won't produce much better results and have tabled on “0”-growth after app. 5 Mio tons have been knocked off in 2009.

Very low market prices for cereals due to persistent weak demand after another excellent EU harvest did not help to improve sentiment in the farming community.

It is therefore no surprise to see intensive pressure building up on the new decision-makers at EP and European Commission level for a new CAP reform.

Our role as chain partner is there to stress during the CAP reform debate the urgent need to review and remove all unnecessary legal and trade barriers which are imposing extra costs penalising our livestock producers while eroding their competitiveness on European and global markets.

FEFAC's follow-up position on the CAP beyond 2013 developed by our Industrial Compound Feed Production Committee points to the real challenge for the European agriculture: **we must produce more and better whilst realising the full potential**

of Europe's agricultural resources in a sustainable manner, allowing the use of modern technology to raise our production efficiency.

This was the key reason for our Council to choose sustainable competitiveness as the key theme for our XXVth Congress here in Hamburg.

When mentioning unnecessary legal and trade barriers, I must admit my deep frustration on our inability as joint feed and food chain partners to convince our public authorities on the need to urgently adopt a "technical solution" for the presence of not yet authorised GM events in our vital feed and food imports on which the EU is totally dependent.

Doing nothing is probably politically correct is, but, I am sure, it is the most irresponsible solution as our livestock farmers are the ones who have to pay the bill.

Now let me move to a true success story in the making for FEFAC and its members. The publication of our first Environmental Report at our 50th Anniversary was highly welcomed by our members, the media and both by European and International institutions, most notably the FAO.

It was the result of two years of intensive research and investigations by our Sustainability Task Force experts who were supported by our Expert Committees, but I'm sure you can agree with me that the author of the report, Arnaud Bouxin, our Deputy Secretary General, deserves our compliments for an excellent, pioneering editorial success He drafted the FEFAC Credo on sustainable feed production which, in a nutshell, captures the key vision and commitment of our industry, putting sustainability at the heart of our sectors future development potential.

This provides a solid basis for arguing our case with political decision-makers that feed and livestock production can provide solutions regarding the mitigation of climate change impacts with an increased feed efficiency as a key tool to meet the new political objectives.

.I'm happy to inform you that our FEFAC Council decided yesterday to adopt the first European transitional import standard for responsible soy based on four core RTRS criteria, this standard is open to all FEFAC members and will become applicable for the soy harvest 2011.

FEFAC could join the new EU roundtable on Sustainable Consumption and Production, SCP in July 2009 as one of 9 Founding members. Our main role as FEFAC will therefore be to ensure a level playing field for operators by contribution to a common environmental impact assessment methodology. It is the key objective of our Task Force on Sustainability to provide key elements of such a methodology for Carbon Foot Print calculations for feed and livestock products.

Our FEFAC Task Force teamed up with our partners of the meat and dairy industry in an "ad-hoc" livestock industry coalition seeking to develop a coherent, non-discriminatory communication strategy on sustainability covering all livestock sector activities. It gives me great pleasure to see that they have accepted to speak on these issues here at our Congress

I cannot conclude my brief summary without mentioning the EU feed material catalogue as one of the key implementation measures of the EU regulation on marketing and use of feed. On FEFAC's initiative, 39 feed-related organisations managed to develop a common draft catalogue consisting of more than 500 product

entries, more than three times the current number of entries in the “old” Directive 96/25/EEC. The catalogue was welcomed by the Commission as a “success” story and presented to the Member States in March 2010. I must thank all our FEFAC industry experts from the national associations who have devoted their time and knowledge to prepare this living “milestone” document, but in particular Julien Taieb from our FEFAC office, whose devotion and passion to the task were “key ingredients” to ensure that we could meet the imposed deadlines, despite obvious diverging commercial interests and strategies.

I’m convinced that the new feed labelling code of practice developed with our partners and customers from COPA-COGECA will provide further proof of our capacity to reach agreements with our customers based on a true B2B relationship without the need for interference by the legislator. It is the ultimate example that we can jointly develop solutions with our partners by providing a practical meaning to legal requirements.

Before sharing my final remarks, let me highlight briefly our working progress at International level.

Our International Feed Industry Federation organised the 3rd Global Feed Regulators’ meeting in Atlanta in January 2010 in cooperation with FAO. Regulators from North and South-America, Europe and Asia shared their views on core elements of a risk-based feed regulatory system with specific attention to feed contaminants and registration system for certain feed ingredients.

Following the FAO publication of its report on “*Livestock in the Balance*” in February 2010, IFIF and FEFAC welcomed the report as a milestone as it does confirm the intensive livestock capacity to contribute to a sustainable development and to mitigate against climate change due to the use of modern technology, in particular by improving feed efficiency.

The FAO report provided a key focus for discussions at the 3rd Global Feed and Food Congress, in Cancùn, organised by IFIF in April 2010. I would like to thank Jorge de Saja for taking the responsibility to represent FEFAC at this event with presentations on our sustainability action plan and the impact of asynchronous GM approval on the EU feed and feed chain and I’m very glad to see that Daniela Battaglia one of the co-authors and FAO leading feed expert agreed to join us on our closing discussion panel sharing with us her ideas on future cooperation between the feed industry and FAO in this important area.

Time has come to share with you my final conclusions and remarks. Please allow me to repeat what I said at our 50th Anniversary event in the Atomium in Brussels on 9 September 2009:

“I’m fully convinced that indeed our industry has entered the “age of reason” as a very mature, highly competitive industry and truly innovative in finding solutions to problems of our livestock customers and our society at large”.

We have all the knowledge and reasons to believe that we hold the keys in our hands to meet the challenges of the future with serenity and determination. Our XXVth Congress in Hamburg will provide further clear evidence that our industry has learned the lessons of the past and is well-positioned to maintain its leadership role in providing safe, high quality and sustainable feed.

Let me thank you again for the trust you have placed in me and invite you to support our newly elected President Mr Patrick Vanden Avenne and the whole Praesidium members with the same dedication, passion and good advice which I received during my term as FEFAC President.

I can reassure all of you that they can count on a reliable, efficient and enthusiastic FEFAC staff and membership. Their combined contribution and dedication helped FEFAC to become a respected organisation, whose opinions and positions count not only in the EU but also worldwide.

A handwritten signature in blue ink, appearing to read 'Pedro Corrêa de Barros'.

Pedro Corrêa de Barros
President