



066/LET/20

Brussels, March 24th, 2020

TO: **Frans Timmermans**
Executive Vice-President for the European Green Deal
European Commission

CC: **Diederik Samsom**, Head of Cabinet
Riccardo Maggi, Member of Cabinet

RE: **Potential impact of the COVID-19 crisis on the European Biofuels Value Chain**

Dear Executive Vice-President Timmermans,

The European Associations representing the European Biofuels Value Chain would like to bring to your attention the potential impact of the COVID-19 crisis on our chain and address possible mitigations measures.

Biofuels production delivers valuable co-products, including animal feed for the livestock sector, allowing the EU to reduce its dependence on imported feed meals to supply its existing protein deficit, to the benefit of both livestock and arable producers, and have a positive impact on the EU's trade balance and food security for its citizens.

The production of the European Biofuels Value Chain is severely affected by the strong drop in fuel consumption and the corresponding reduction in the demand for our products, accentuated by the drop in fuel prices. This puts a further strain on the availability of EU produced protein supplies for livestock and hence impacts the animal production chains.

In spite of the inevitable restrictions put in place, all of our members and employees are working hard to ensure the proper production and supply of current market demands, both for biofuels and their by-products. This includes European ethanol producers cooperating with Member States where needed to ensure the production and supply of ethyl alcohol for hand sanitizer, including by unlocking stocks to respond to the specific higher demand and by producing hydro-alcoholic gel. The same applies to the producers of biodiesel, a co-product of which is glycerine, a critical raw material for the production of hydro-alcoholic gel.

Although the European Biofuels Value Chain sectors experience no difficulty in meeting the existing - decreasing – demand for biofuels, it has come to our attention that some Member States are considering implementing derogations to their blending obligations. If implemented, such derogations would exacerbate the negative effects already experienced by our sectors and:

- Quickly lead to a shutdown of biofuels production units due to a further reduction of demand;
- Jeopardise the continuous supply of strategic products due to their integration in our industrial production;
- Reduce the production of the much-needed hydro-alcoholic gel;
- Impact the proper functioning of the EU internal market for fuels, since biofuels are distributed cross-borders;
- Increase difficulties in the supply of the European animal feeding stuffs;



- Go against the proposed European Green Deal and jeopardise the European renewable energy and climate commitments, while the Commission clearly stated that “*climate action must not be obscured by more urgent and immediate challenges.*”

In view of the above, **we respectfully ask you to instruct your services to remain vigilant concerning the potential introduction of such measures in any Member State**, and to cautiously consider any request for approval of measures that might further disrupt the critical work of the European Biofuels Value Chain.

Yours sincerely,

The European Biofuels Value Chain

The **European Biodiesel Board (EBB)** is a non-profit organisation established in January 1997. Today, EBB gathers close to 60 members across 21 Member-States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock. EBB is constantly working towards the development of improved and greener technologies.

The **European renewable ethanol association (ePURE)** represents the interests of European renewable ethanol producers to the European institutions, industry stakeholders, the media, academia and the general public. The organisation, established in 2010, promotes the beneficial uses of ethanol throughout Europe. Based in Brussels, ePURE speaks for 35 member companies and associations (including 19 producers), with around 50 production plants in 16 member states, accounting for about 85% of the renewable ethanol production in Europe.

CEPM brings together Professionnal and inter-Professionnal organisations whose mission is to represent and defend in their respective countries the interests of all or part of the maize chain: corn, maize silage, maize seed and sweet corn. To fulfil these objectives, CEPM carries out monitoring, lobbying and communication activities, and makes concrete proposals.

FEDIOL represents the interests of the **European vegetable oil and protein meal industry**. With over 180 facilities in Europe, the sector provides over 20.000 direct employments. Our members process approximately 55 million tonnes of basic products a year for the food and non-food markets. Oilseed crushing produces vegetable oils and protein meals as co-products. While vegetable oils are used for food and technical uses (pharmaceuticals, paints, detergents, biodiesel, etc.), protein meals are used to meet the increasing global demand for meat and protein.

The **European Oilseed Alliance (EOA)** brings together the oilseed producing organizations from the main European countries (Germany, France, UK, Poland, Czech Republic, Finland and Belgium) and represents 90% of European oilseed production.

The **C.I.B.E.** is the international confederation of sugar beet growers. It represents the interests of beet growers vis-à-vis European Institutions and international organisations since 1927. CIBE is composed of national and regional associations from 18 European beet-producing countries. These include 140,000 growers from 16 EU countries (Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Romania, the Slovak Republic, Sweden, the United Kingdom) and roughly 130,000 growers from 2 non-EU countries (Turkey and Switzerland).

Founded in 1953, **CEFS** represents European beet sugar manufacturers, cane sugar producers and refiners covering sugar production in 18 EU countries (Austria, Bulgaria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Romania, the Netherlands, Slovakia, Spain, Sweden) plus the United Kingdom and Switzerland.