



A Cefic Sector Group

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APAG Position on Sustainability Criteria for Biomass, Biofuels and Bioliquids

Executive Summary

Allowing animal fats or tallow as feedstock for energy will lead to their substitution by palm oil in traditional applications like Oleochemicals or soap.

Including animal fats in the definition of biomass, bioliquids or biofuels will lead to unintended environmental damage due to **Indirect Land Use Change** with negative consequences for CO₂ savings as well as for biodiversity.

All categories of animal fats need to be exempted from the Renewable Energy Directive.

The suggestions of the new Animal By Product Regulation 0110/2008 to use animal fats for the production of industrial products needs to be ensured.

The position of the European Medicines Agency confirming the suitability of animal fats for industrial products like Fatty Acids and Glycerine irrespective of their geographical origin and the nature of the tissues needs to be considered to exclude from the use as feedstock for energy.

The Issue

The Renewable Energy Directive 016/2008 enforces the Commission to report by 31.12.2009 on requirements for a sustainability scheme for energy use of biomass and to particularly consider the method of accounting for wastes, residues and co-products.

APAG - A Sector Group of Cefic - representing the European Oleochemicals Producers, welcomes the acknowledgement in the Directive "Not to include animal oil produced from animal by-products classified as Category 3 material in accordance with Directive 1774/2002". This assures that tallow, which represents the major renewable feedstock for the European Oleochemical Industry, will not be wrongly favoured by any member state as biomass or as feedstock for bioliquid or biofuel.

Palm Oil represents the only suitable, natural substitute for animal fats in oleochemicals (i.e. fine chemicals), soaps, candles, metal working lubricants as well as surfactants et al. If animal fats, whose supply is inelastic to an increase in demand, would be supported as feedstock for energy, this would immediately lead to **indirect land use change** and damage the ecosystem as a result of conversion of more than 300.000 ha of bio divers forest or peat land and release millions of tons of CO₂ over the years to come.



The Animal By Products Regulation 1774/2002 is currently in the process of being replaced by the new Regulation 0110/2008. This regulation acknowledges the use of animal fats in a large number of sectors and like EFSA suggests, that animal by products should be recovered and used for the production of technical and industrial products and proposes the exclusion of oleochemical products from this regulation, independent of their categorisation.

APAG appreciates the view of the Council, the Parliament and the Commission that animal fats are neither waste nor residues, but represent instead valuable by-products. Industries will continue, in line with the Ladder of Lansink, to recycle them into value adding fine chemicals and consumer products. This will avoid the usage of oils from the food and feed chain and from petrol oils instead.

Any contribution of animal fats of any category (none of which can be called “waste animal oils”) as a GHG saving value, will likely create an incentive and lead to increased GHG emissions due to more carbon intensive palm oil replacing tallow in its existing applications.

This would also be in line with the conclusion of the High Level Group on Competitiveness of European Chemicals, sponsored by Mr. Verheugen and stating that **“Incentives in energy policy can seriously jeopardise attractive established uses of bio based raw materials in the chemical industry by favouring other applications (e.g. threat to tallow availability as feedstock for the detergent industry due to higher subsidies for biofuel use). Policy makers should seek to avoid such unwanted side effects”**.

If animal fats will not remain available to the industry, it would end technological innovation based on this traditional, renewable raw material and it will imply the economic and social impacts of factory closures as well as the negative environmental impact of increased land use change through palm oil production in Asia!

Conclusion

Foe animal fats, all aspects for palm oil, grown on currently bio divers land, need to be included in the calculation of typical and default values for the reduction of GHG emissions of biofuels and bioliquids in comparison to fossil fuels.

It should be made clear, that animal fats are neither waste nor residue and irrespective of their geographical origin and the nature of the tissues they derive from, should not count as described in Article 21 (2) of the Renewable Energy Directive!

Alternatively animal fats of all categories should be excluded from the scope of the Renewable Energy Directive.

Brussels, July 2009



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Reference List:

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