



Committee of Professional Agricultural Organisations in the EU  
General Confederation of Agricultural Co-operatives in the EU

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## **COPA and COGECA Memorandum on renewable raw materials for energy and industry**

***“Farmers and foresters, suppliers of renewable raw materials for energy and industry in response to the major challenges facing society today”***

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***“Farmers and foresters, suppliers of renewable raw materials for energy and industry in response to the major challenges facing society today”***

1. **Renewable raw materials<sup>1</sup> (RRM)** provide a clear example of the multifunctional role of **agriculture and forestry** and the contribution they can make to improving the environment and to the sustainable production of energy and industrial products.. For example, by replacing fossil energy sources, renewable raw materials contribute to the reduction of the energy dependence of the EU, a sustainable energy policy and, at the same time, to the reduction of greenhouse emissions as well as a better management of the life cycle of materials.
2. The increasing share of renewable raw materials in energy combinations and industrial uses **contribute to the attainment of the objective of the Lisbon strategy, i.e. that a performing economy must be accompanied by a sustained use of natural resources, and the Kyoto process.**
3. **The EU’s energy and environment policies create a favourable climate for the development of new branches** from native agri-forest renewable raw materials in view of generating innovation and new forms of activity as well as jobs in the EU’s rural areas.
4. COPA and COGECA invite the agri-food industries, agri-businesses or other public and/or private third parties to invest in the processing of renewable raw materials for energy and industry so as to reach the EU’s sustainable development objectives. **They request car manufacturers to ensure that vehicles put on the market in the EU are bio-fuel compatible.**

**COPA and COGECA proposals to guarantee that the EU objectives be achieved by 2010.**

5. **The measures taken by the EU and Member States must take account of the huge variety and diversity of the crops grown** (wheat, maize, rye, oilseeds, sugar beet, short rotation coppice, flax and hemp, cotton and others to be developed through agronomic research), **animal products (dung, fats, etc.) and forestry on the one hand and the many uses that can be made of renewable raw materials on the other** (biofuels, biocombustibles, biolubricants, polymers, surfactants, solvents, in, cosmetics, paints, organic acids and amino-acids).

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<sup>1</sup> Biomass of plant or animal origin, including wood, from the by-product of food production or crops specifically grown for non-food purposes

***To guarantee RRM supply***

6. **The development of crops for non-food purposes** (including miscanthus and short rotation coppice) **must be allowed on all agricultural land**. The oilseed non-food production limitation on by-products on set-aside land (1 mio tonnes soy meal equivalent) ought to be repealed from EU Regulation 1782/2003/EC as there is no longer any production specific support
7. COPA and COGECA requests that the support for energy crops be reviewed regularly to ensure that the support level **encourages production properly**.
8. **The Maximum Guaranteed Area in the aid system for energy crops**, i.e. 1.5 million ha, **must substantially be increased** given the need to develop these crops and the sugar beet area to be taken into account within the scope of the CMO sugar reform.
9. No crop ought to be excluded from the aid scheme for energy crops. Planting short rotation coppices should be co-financed by the EU and Member States so as to make this renewable raw material competitive for energy uses.
10. The use of intervention stocks of cereals for non-food purposes must not interfere with the contracts signed between producers and processors for the use of agricultural raw materials for non-food purposes.
11. **In order to ensure the competitiveness of renewable raw materials in the chemical industry** and to avoid its dislocation, **the allocation of refunds for the production of certain products from the sugar and starch sectors used in industry must also as much as possible be maintained**. Calculation of these refunds must be reviewed as the reform of the CMO for sugar is put in place.
12. COPA and COGECA will review their position when the report on the aid system for energy crops will have been published in 2006 and when the set-aside scheme and, in particular the set-aside rate of 10% fixed by the Council until 2006 will be re-discussed.

***To guarantee the operation of the internal market and fair competition in international trade***

13. The Commission must guarantee the respect of the objectives of the environmental(Kyoto) and energy policies. **The Commission must continue its efforts to ensure that Directives 2003/30/EC and 2001/77/EC** concerning the promotion of biofuels on the internal electricity market are **properly applied in all EU Member States**.
14. Biofuels are costly because the direct and indirect consumption of energy in the growing process of the crops and in the fuel production process as well as because of the lack of scale economies. According to the Commission Communication (COM(2001)547), petrol prices should reach 70€/barril to enable biofuels to compete with conventional diesel oil and fuel (COM(2001)547). Fiscal incentives constitute the most effective way of promoting the use of substitute fuels, as is shown by the current example of tax regimes that favour alternative fossil fuels (leadless fuel).

15. COPA and COGECA request **a total exemption from excise duties for biofuels**. The regime reserved for biofuels must be implemented in the Member States **for at least a ten-year period**.
16. COPA and COGECA support the **introduction of a common regulatory framework for the future analysis of tax exemptions/cuts for biofuels**.
17. From a commercial and production point of view, imports of ethanol are crucial in the discussions on market access in international and bilateral negotiations (WTO, Mercosur) and the Generalised Preference System.
18. **Possible import quotas (7%) should be fixed in accordance with biofuel production throughout the Community**. Proper Community management of ethanol imports is essential for the development and sustainability of ethanol production in Europe.

### *To guarantee markets for RRM*

19. **The use of ethanol in fuel must be encouraged by the various efforts to harmonise standards** and by the revision of Directive 2000/71/EC on the quality of fuel. COPA and COGECA request an increase in the maximum bio-ethanol incorporation %-rate to a more realistic level that takes account of the experience made in Brazil and the USA.
20. **The use of biodiesel in diesel oil must also be encouraged by the revision of the CEN standard for diesel oil**.
21. The Commission must examine the policy of each Member State and make sure that they introduce a legislation that enables them to meet the conditions to reduce the CO<sub>2</sub> emissions so as to speed up the promotion of electricity produced from agricultural and forest biomass.
22. **Member States must ensure stable long term conditions, e.g. financial support from governments and regulated prices in order to enable reliable investment planning.** Member states should **promote**:
  - the renewal of public and private transport fleets that are biofuel compatible,
  - the setting-up of biofuel plants, in particular co-operative plants,
  - **biofuel distribution**, in particular mandatory blending and penalties on distributors based on the polluter pays principle.
  - **proper framework conditions to develop the use of electricity from agricultural and forest biomass**. It is also necessary to facilitate access to the electricity network of "small suppliers" such as biogas plants, biomass co-generation plants and to ensure a high price for electricity from biomass because it contributes to the decentralised energy supply security at local level.
23. **The Community's strategic guidelines for rural development (2007-2013) must stimulate entrepreneurship and partnerships for the use of renewable raw materials for energy and non-food purposes**. The participation of farmers and co-operatives in investments in agro/forestry energy and biofuel plants must be facilitated. Furthermore, the Member States must enable granting agro/forestry-energy and biofuel investment aids to farms in order to improve the energy efficiency

and the use of biofuel on farms. In the longer term, a carbon credit scheme could become a new measure within the second pillar of the CAP.

24. **Biomass for heating and electricity purposes is in itself an important element.** The Commission must develop a Directive on the promotion of heat energy from agricultural and forest biomass **such as wood, cereals, straw and biogas from manure and organic waste.** It must also promote installations of distribution systems and boiler plants in industry, municipalities and small local plants. All categories must be equally promoted provided they have acceptable efficiency and environmental performance.
25. **Trading of wood chips and pellets must be facilitated by the setting of standards.**

### ***Research, technological development and demonstration***

26. COPA and COGECA appreciate that the Commission proposal for a 7<sup>th</sup> EU framework programme for research, technological development and demonstration activities (2007-2013) contains a sub-programme entitled “Food, Agriculture and Biotechnology” amongst the nine themes and, in particular, an activity on “Life sciences and biotechnology for sustainable non-food products and processes” (COM(2005)119).
  27. COPA and COGECA support **the various technology platforms** on plant genomics, forests, white biotechnology and biofuels **which will provide the priority direction for R&DT initiatives on sustainable non-food products and procedures.**
  28. **The barriers to implementing Community and national policies to promote the energy and industrial use of plants, agricultural residues and wood must also be identified.**
  29. COPA and COGECA would like to see the following initiatives identified as R&DT priorities:
    - improving the quality of biodiesel to meet the needs of the automobile industry
    - efficiency of the conversion processes of agricultural and forest biomass into energy products, including fuel for transport purposes
    - improving plant characteristics, and in particular oilseeds, in respect of bio-refinery procedures
    - improving extraction and purification procedures
    - developing biomaterials, including fibresand a co-ordinated action concerning the exchange of economic information on renewable raw materials.
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