



European
Flour
Millers



Joint Statement: Yeast producers and users – Brewers and Bread EU Initiative members

Paris, November 29th, 2022

Proposal for RED III (Renewable Energy Directive) Joint position of the European Yeast producers & Yeast users for bread and beer production to preserve European sugar coproducts for yeast production

“No yeast, no bread, no wine, no beer!”

The European Yeast producers, together with the main users of yeast, i.e. the EU Bread chain, and the EU Beer Industries, warn on the **life-threatening impact** that certain provisions of **RED III** would raise to the **European yeast sector and to the European food sovereignty**. The current proposal fails to integrate **molasses and low-green syrup** in the **“food & feed crop”** category, and so to establish a ceiling of incorporation in Renewable Energy for these critical bio-based feedstocks. It would create an unsustainable supply situation for the EU yeast production.

Missing this is in complete contradiction with the European commitment to prioritize food over energy, and the considerations under the European Food Security Crisis preparedness and response Mechanism (EFSCM).

Yeast is an essential ingredient in the production of bread, wine and beer. These traditional fermented foods and drinks are part of the daily life of Europeans and are deeply rooted in their culture.

Yet, due to these measures and especially following the European Parliament’s position on RED III, the EU yeast sector is facing a **risk of severe shortage of its essential, non-substitutable raw material: molasses and low-green syrup (LGS)**. These co-products result from the beet sugar production and are pivotal to the economic sustainability of the EU yeast production.

We all have in mind the frightening shortage of yeast during the Covid-19 pandemic. **The current proposal** would significantly exacerbate the severe tensions that already weigh on European yeast producers¹. Through damage on the EU Yeast sector, it **would create a structural dependency on imported yeast, and therefore a threat on food sovereignty, that we cannot accept as yeast users.**

¹ The EU needs to consider sugar and carbohydrates as a strategic asset, **constituting the basis of the entire fermentation industry that has leaked at high flow outside of the EU**, creating very detrimental dependencies (pharma active, amino acids, vitamins, organic acids, etc.). The situation of the yeast sector in RED is only the tip of a large industrial strategy issue.

The outcome of RED revision is decisive, because it could provide strong competitive advantage to the Turkish and Chinese competitors, which could, in a relatively short term, gain a foothold in the European Market by ousting EU yeast producers, and making the European Union dependant on 3rd countries imported yeast to produce emblematic food and drinks such as bread, wine or beer

The status of “advanced biofuels” was created to avoid competition between fuel and food uses. But the situation is much more complex than only protecting raw grains. The RED III proposal brings back unsustainable competition for food/feed ingredients.

Therefore, to avoid a European-wide shortage of these raw materials, the consequential distortion of competition against the EU yeast sector **and a significant setback in European food sovereignty, the European yeast producers, and European users of yeast for bread and beer production urge policy makers to support the following position:**

- **Prevent any introduction of molasses and low-green syrup in Annex IX, neither in part A nor B**
- **Maintain a separate GHG accounting rule for biofuels derived from residues "fit for the food and feed market"**. Such biofuels should not be considered as having zero “field” GHG emissions (see Annex V point 18).
- **Prevent the eligibility of molasses and LGS** in the list of eligible feedstocks for biogas production in fixed installations; **this will imply removing molasses and LGS** from the list introduced by the European Parliament amendment (deletion of the 2nd part of point e) of the new point Ba of Annex VI which refers to molasses and LGS).
- Include molasses and LGS in the **“food and feed crop” category (article 2 point 40), hence subject to a cap**, given their high sugar content, their very significant use in the food and feed sector and their production resulting from a deliberate choice in the sugar production process.

ABOUT US



***AIBI** is the International Association of Plant Bakers. It represents more than 2200 large bakers in Europe and beyond with 470,000 employees. Its mission is to advocate the common interests of plant bakeries at the level of the European and international institutions and providing information services for its members.*



***The Brewers of Europe** brings together national brewers' associations from 29 European countries to represent and promote the interests of Europe's 10,000+ breweries. It promotes the positive role played by beer and the brewing sector in Europe and advocates the creation of the right conditions to allow brewers to continue to freely, cost-effectively and responsibly brew and market beer.*



***CEBP** is the craft association of the national Bakery and Confectionery Associations in the EU member states. CEBP represents more than 190,000 small and medium-sized enterprises with more than 2 million employees in Europe.*



***COFALEC** is the confederation of yeast producers that represents the EU yeast industry in Europe. With 29 factories scattered through the European Union, one million tons of yeast produce each year and more than 30% of the production exported outside Europe, the yeast industry is an important player of the European food industry.*

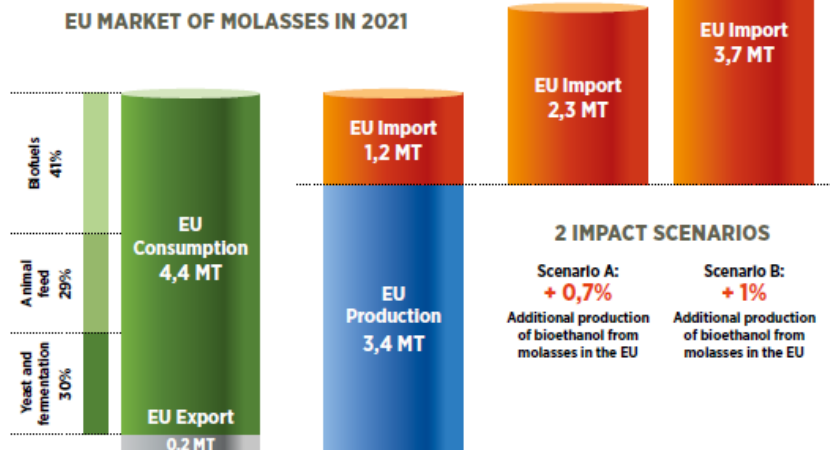


***Fedima** is the European trade association representing the bakery, patisserie and confectionery ingredients' manufacturers. Our mission is to shape a favorable environment to ensure a sustainable and an innovative bakery industry. Our vision is to be the European bakery ingredient platform to support and grow the bread and pastry market.*

ANNEXES TO COFALEC POSITION ON RED III November 2022

ZOOM 1

Any additional production of biofuel from molasses would further increase EU molasses import dependency



The European market is already highly dependent on imports from third countries for molasses by one third of its needs. Moreover, imports from Russia account for 22% of the total.

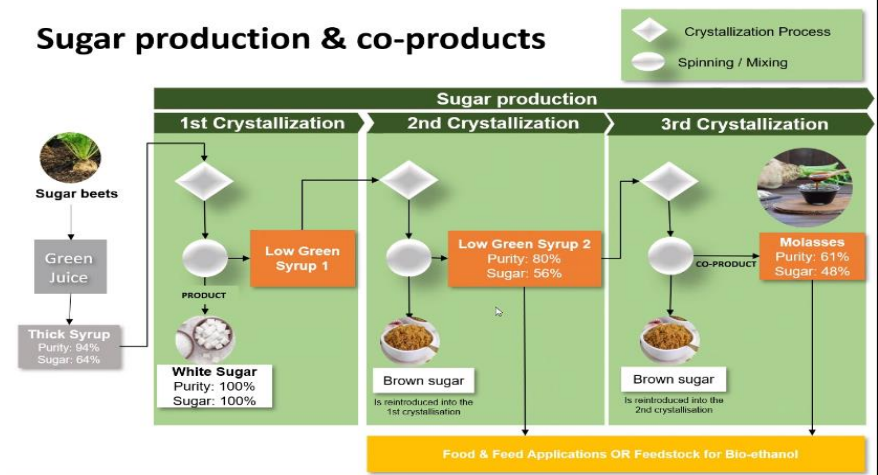
ZOOM 2

Bioethanol producers can arbitrate between two types of crystallization process

A **2 cycles process** will produce sugar & low green syrup (LGS) as coproduct, when a **3 cycles process** will produce more sugar and molasses as coproducts

Low green syrup & molasses are the result of a deliberate choice in the production process and hence **should not be considered as residues** according to the RED II definition of residue:
“a residue is not the primary aim of a production process and is not deliberately produced”

Sugar production & co-products



ZOOM 3

The new uses of yeast: many strategic opportunities under threat

Yeasts are living microorganisms used in many fermentation-based processes.

- To feed the yeasts during the production process, the yeast industry in Europe only uses molasses and LGS
- Molasses and LGS are co-products of sugar production made from sugar beet in Europe. These products rich sugar can also be used in animal feed and for other fermentation industries as well as for biofuels production

By hindering molasses supplies for yeast production, the EU would undermine the industry's innovative and promising future in many new areas of applications which are of key importance:

IN ADDITION TO
EMBLEMATIC FOOD USES:

- Ferments to produce bread • wine • beers
- Food ingredients: nutritional yeast • flavor enhancer

New uses in human health	New uses in food	New uses in agriculture	New uses in energy
<p>Probiotics</p> <p>to strengthen the immune system in connection with breakthroughs in the field of human microbiota</p>	<p>New protein sources</p> <p>in view of the food challenges linked to the growth of the world's population</p>	<p>Products to promote sustainable agriculture:</p> <ul style="list-style-type: none"> • Biofertilizers • Biocontrol products • Probiotics for animals to limit the use of antibiotics 	<p>New strains for the production of 2nd generation biofuels</p> <p>from cellulosic or woody residues</p>

ZOOM 4

E4 Tech Recommendation on molasses

E4 Tech consortium has evaluated in its final report that molasses should not be integrated in Annex IX since this would contradict major eligibility criteria for inclusion.

Task 2: Summary of feedstock assessments (2 of 4)

Feedstocks	Circular economy	Union sustainability criteria	Sustainability GHG	Sustainability Others	Market distortion	Land demand	Processing technologies (A or B)
Final molasses (formerly "molasses")							B

E4 Tech recommendation: "By considering molasses covered under the definition of food/ feed crop, they would fall under the corresponding food/feed crop cap, which would limit the amount of final molasses being used for biofuel production".

GLOSSARY

ADVANCED VERSUS CONVENTIONAL BIOFUELS

Raw material used to produce advanced biofuel do not compete with food and feed usage while conventional biofuels are made from raw materials from the food and feed crop category.

DELEGATED ACTS

Delegated acts are legally binding acts which enable the Commission to supplement or amend non-essential elements of EU legislative acts, for example to define detailed measures. The Commission adopts the delegated act, which enters into force if the Parliament and the Council do not oppose it.

RED II (Renewable Energy Directive)

Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 (RED II) is the recast of RED I, Directive 2009/28/CE of 23 April 2009 on the promotion of the use of energy from renewable sources.

RED III AND FOOD AND FEED RESIDUS

RED III Commission's proposal introduced the new notion of "food & feed" residues, with a less favorable rating than normal residue in terms of greenhouse gas (GHG) emission reduction, but no cap on the use of these residues to avoid their overuse in biofuel production in contradiction to the prioritization principle of food versus fuel. Normal residue-based biofuel is considered to have 0 cultivation GHG emission when biofuels made from "food & feed" residues are considered to have GHG cultivation emissions equal to those of their closest food substitute.



WHO ARE WE...

COFALEC is the Confederation of yeast producers that represents the European Union yeast industry. The European yeast sector is the world leader by volume of production with 29 factories scattered in 22 countries. They produce one third of the world yeast production (more than 1 Mt each year), one third of the production being exported outside Europe.

COFALEC members account for a large part of the world research on yeast.

Essential to produce many emblematic fermented food (bread) and drink products (wine and beer), the yeast sector is also a key solution provider for healthy food and feed as well as sustainable agricultural practices.

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