ADVISORY COMMITTEE ON ANIMAL FEEDINGSTUFFS

Position Paper

UPDATE ON THE BIOFUELS POSITION PAPER

Action required

The Committee is asked to:

- **agree to the proposed update to ACAF's paper on biofuels.**

ACAF Secretariat
September 2011

UPDATE ON BIOFUELS POSITION PAPER

Purpose

1. To seek the Committee's agreement to the updated position paper.

Background

2. The Committee previously considered this subject during 2007, resulting in the publication of its position paper on 30 April 2008 (Annex III). At its 3 March and 3 June 2010 meetings, the Committee received presentations on biofuels. Following these presentations, the Committee agreed that its position paper should be revised and adapted in line with emerging developments.

3. There have been significant developments in the biofuels industry since 2008 and as a result there are some changes to the section headings.

4. The Committee was sent an inter-sessional paper ACAF/11/06 on the 27 April 2011 and asked to provide comments. The Secretariat has updated the paper based on the comments received and now seeks approval of the update to ACAF's paper on biofuels.

Biofuel Legislation, Targets and Use

5. On 23 April 2009, European Parliament and Council Directive 2009/28/EC on the promotion of the use of energy from renewable sources was published (the Renewable Energy Directive). From 1 January 2012, this amends and repeals Directives 2001/77/EC and 2003/30/EC on the promotion of the use of biofuels and other renewable fuels for transport (the Biofuels Directive). Council Directive 2009/28/EC came into force at the end of June 2009, with a transposition date of 5 December 2010, and sets targets for all Member States to source 20% of their energy from renewable sources by 2020, with the transport sector sourcing 10% of its energy from renewable sources. The Directive also requires that only sustainable biofuels are used, which generate a clear greenhouse gas saving with no negative impact on biodiversity and land use. On the 10 March 2011 the Department for Transport began a public consultation on the implementation of transport elements of the Renewable Energy Directive. The consultation ended on 2 June 2011.

6. Other legal drivers that impact on biofuels include:

- the Climate Change Act 2008: this came into force in January 2009 and recognises that the Renewable Fuels Agency (RFA)[1] has a role in encouraging transport fuel suppliers to supply 'good' biofuels; and
- the Biodiesel Duty (Biodiesel Produced from Waste Cooking Oil) (Relief) Regulations 2010: this SI came into force on 1 April 2010 and expires on 31 March 2012. It provides for a tax relief scheme for biodiesel produced from waste cooking oil.
- the Fuel Quality Directive (2009/30/EC of 23 April 2009) by which fuel suppliers must deliver a 6% reduction in greenhouse gas emissions by 2020. This target is likely to be achieved largely through the use of biofuels, which must comply with the same sustainability characteristics as those set out in the Renewable Energy Directive.

UK Government policy leads

7. The Department for Transport (DfT) has primary responsibility for biofuels policy. However, biofuels is a wide-ranging topic and DfT liaises closely with other government departments and consults with a number of these during policy development, including:
    - the Department of Energy and Climate Change (DECC);
    - HM Treasury;
    - Defra;
    - the Department for Business Innovation and Skills (BIS);
    - the Foreign and Commonwealth Office (FCO); and
    - the Department for International Development (DFID).

8. Policies on renewable energy (including biofuels) have yet to be finalised following the change in Government in May 2010.

Renewable Transport Fuel Obligation (RTFO)

9. In its 2008/09 report on the Renewable Transport Fuel Obligation (RTFO), the Renewable Fuels Agency (RFA) confirmed that 2.7% of the UK's total road transport fuel supply was biofuel (this exceeded the Government target of 2.5%, and was more than twice the supply of biofuel in 2007/08).

10. The report noted that the UK biofuels market was yet to have a large impact on agriculture in the UK. Biofuels from UK grown crops account for 9% of the total

[1] On Thursday, 31 March 2011, the Renewable Fuels Agency (RFA) was dissolved as part of a wider review of arms-length government bodies. Its duties were transferred to the Department for Transport.

supplied under the RTFO in 2008/09. Although the UK biofuel industry used about 4% of the annual UK oilseed rape crop and approximately 8% of the sugar beet crop, the quantities of biofuel sourced from UK crops was relatively low. Biofuel crops for the RTFO used an estimated 33,000 hectares (ha) of land in the UK. The report also estimated that about 1.3 million ha of land outside the UK was used for crops producing biofuel feedstocks for the UK market, primarily soy in the USA and Argentina, sugar cane from Brazil and oilseed rape in Germany.

11. The table below gives the targets for the RTFO for the first three years.

Year:	**2008/09**	**2009/10**	**2010/11**
Biofuel use by volume	2.5%*	3.25%	3.5%
Data capture	50%	70%	90%

Table 1. RTFO targets for 2008-2011.
** the intended target of 2.5% biofuel in the total road transport fuel supply in 2008/09 was compromised by the identification of a drafting discrepancy in the RTFO Order.*

12. Provisional data for the second RTFO report for 2009-10 indicate that almost 1.6 billion litres of biofuel were produced. This accounts for 3.33% of the UK's road transport fuel, exceeding the Government's target of 3.25%.

Current Status of the UK Biofuel Industry

13. There are two types of biofuel production: bioethanol and biodiesel. Bioethanol production uses biomass and / or the biodegradable fraction of waste to produce ethanol, whereas biodiesel uses vegetable or animal oil to produce a diesel type fuel by transesterification.

14. The infrastructure of the UK biofuel industry has changed significantly since 2008. There were four biodiesel plants in operation in 2008; three plants have now been decommissioned, and the remaining plant is expected to produce little to no co-product for animal feed use (Ensus, 2010).

15. The UK has two active bioethanol plants and two plants under development. Of the two active plants, one uses wheat feedstock and the other uses sugar beet feedstock. The plants under development in 2010 are shown below, although at the time of writing, the plant in Wilton was temporarily closed.

Bioethanol plant location	Feedstock	Amount of feedstock used (million tonnes/year)	Bioethanol produced (million litres/year)	Animal feed produced (million tonnes / year)
Wissington, Norfolk	Sugar beet	0.65	77	0.5
Wilton, Cleveland *	Wheat	> 1	400	0.35
Saltend, Hull**	Wheat	1.1	420	> 0.5
Immingham, Lincs**	Wheat	0.5	Unknown	Unknown

Table 2. Table showing bioethanol plants that are active or under development in the UK, their location and possible production rates. (Data from Ensus, 2010, Feed Compounder, Nov 2010 and Renewable Energy Association).

** temporarily closed.*
*** under development*

Feedstocks, co-products and biofuel R&D

16. Co-products from first generation biofuels continue to be the only significant input to the feed industry, despite significant research and development in the use of alternative feedstocks (raw products used in the production of biofuels). The previous ACAF position paper stated that the use of second or third generation biofuels could become viable in the UK in the future. Biofuel production from second generation feedstocks has proved to be difficult and it is expected that UK production will be negligible for the near future (Ensus, 2010). Research has continued on carbon neutral third generation biofuels based on algae and bacteria, that are able to break down cellulose. However, there is increasing focus on the use of genetic modification (GM) to improve the capture and storage of energy; these are sometimes defined as fourth generation biofuels. GM is used to direct cell metabolism to confer advantageous traits such as creating or promoting the synthesis of valuable substrates, to accelerating the synthesis of an end-product (Carere et al, 2008). Together with advanced bioconversion techniques, this can improve yields and lead to the production of carbon negative biofuels.

17. Due to a change in animal by-product (ABP) legislation, there is more scope for the use of ABPs in biodiesel production. EU Regulation 1774/2002 has recently been superseded by Regulation 1069/2009, which allows a variety of fats and oils produced from category 1, 2 or 3 ABPs (animal fat or used cooking oil) to be used in biofuel production, also known as FAME production. The legislation only allows category 3 tallow to be used where the co-products (glycerol and mineral salts) are intended for animal feed (FABRA, 2010).

18. Glycerol derived from biodiesel production was frequently used as animal feed in 2008. Animal by-products (ABPs) can be processed to produce ingredients or products for biofuel production and biodiesel in particular (FABRA, 2010). In December 2010, EFSA published an Opinion on the use of glycerine as a co-

product from biodiesel production from Category 1 animal by-products (ABP) and vegetable oils. EFSA stated that inclusion rates of glycerol are usually up to 15% of the diet of ruminants and up to 10% in non-ruminant diets, with no adverse effects on animal health. It also found that residual amounts of methanol (up to 0.5%) and sodium (up to 1%) had no adverse effects on animal health. However, a maximum level of 0.2% methanol is proposed for the EU Catalogue of Feed Materials required under Regulation 767/2009, but we envisage that any MPLS should only apply to category 3 tallow.

19. EFSA noted that there were no data on other impurities or environmental contaminants present in glycerine from biodiesel production, such as catalysts, potassium, ethanol or other production aids. It concluded that there was a concern to human and animal health unless it was proven that the chemical processes involved in biodiesel production with animal by-products inactivated these chemical contaminants, and recommended collection of data on the presence of these impurities in crude glycerine intended for animal feed.

20. According to the Foodchain and Biomass Renewables Association (FABRA), the use of glycerol and mineral salts derived from biodiesel production in animal feed has largely ceased in the UK (FABRA, 2010). All FAME production in the UK is made from Category 1 tallow and the value of Category 3 tallow means that the potential of FAME co-products being used as animal feed is unlikely in the near future.

Impacts on the feed industry

Feed Safety

21. In August 2008 following notifications through the Rapid Alert System for Food and Feed (RASFF), the European Commission asked all Member States to monitor for the presence of the antibiotic monensin in spent yeast from bioethanol production from Brazil that had been imported for animal feed. The levels reported in the notifications ranged from 0.3 - 30 mg/kg. EFSA published an Opinion on the cross-contamination of non-target feedingstuffs by monensin (2008) and a maximum permitted level (MPL) of 1.25 mg/kg monensin for feed materials was introduced under Directive 2002/32 (as amended by Commission Directive 2009/8/EC). Member States have informally reported that the use of monensin as an antimicrobial in biofuel production is rare in the EU.

22. According to Wu and Monkvold (2008), mycotoxins can be concentrated by up to a factor of three in dried distillers grains solubles (DDGS) compared to the original grain, as mycotoxins are not destroyed during biofuel production. To ensure feed safety and avoid production losses, biofuel producers must ensure good quality feedstocks are used and that regular testing for mycotoxins is carried out.

23. Co-products originating from GM biofuel feedstocks will require assessment and authorisation according to Regulation (EC) 1829/2003 on GM food and feed before they are permitted for use as animal feed. Therefore, co-products from

fourth generation biofuel production may have little impact on the UK feed industry in the near future.

Feed Quality

24. Some studies confirm that DDGS biofuel co-products may act as an alternative protein and energy source for a wide range of species (Archibeque et al, 2008; Bonoma et al., 2008; Christen et al., 2010; Loar et al., 2010; Schroeder, 2010; Stein et al., 2009; Widmer et al., 2008 and Youssef et al., 2008). The table below shows the relative protein levels found in cereal grains, soy meal and DDGS.

Feedingstuff	**Protein levels * (%)**
Cereal grains (UK)	9-13
Soy meal	~ 46-50
DDGS / rape meal co-products	25-35

Table 3. Protein levels of animal feedingstuffs.
**ideally should be based on g/kg and confirmed on a fresh or dry matter basis*

25. Several studies have stated that DDGS may be used for pigs and poultry to benefit at certain inclusion rates (although this may only be true for highly productive animals) (Loar et al., 2010; Stein, 2009; Widmer et al., 2008 and Youssef et al., 2008). Differences in protein digestibility and levels of essential amino acids in DDGS (and other nutrients) compared to soy meal can limit the use of DDGS as a feedingstuff for some species. However, a collaborative project called 'the environmental and nutritional benefits of bioethanol co-products (ENBBIO)' is being undertaken by ADAS. The project aims to investigate the use of DDGS as an alternative for imported soya in the UK by quantifying sources of variability in wheat DDGS, identifying limitations associated with feeding UK sources of DDGS, finding ways to enhance its value as a feedingstuff and considering processes to reduce fibre content (for non-ruminants) (ADAS, 2011). It has been sponsored by Defra and involves 25 industry and academic partners and results will be published late 2013.

26. Second, third and fourth generation biofuels are still in development in the UK. As the previous position paper concluded, the use of new feedstocks will produce co-products with significant differences in nutritional value and composition, however these are unlikely to impact the UK feed industry in the near future.

Cost and availability of Feed Supplies

27. In April 2008, Defra produced a report on the impact of biofuels on commodity prices. It concluded that biofuel demand was not the only factor affecting commodity and fuel prices and overall, increases in cereal prices appeared to be linked more to the quantity and quality of annual harvests and with stock levels

than with structural changes in demand. However, the report also concluded that more research was required to understand the impact of biofuel demand on commodity prices, and to understand better the potential costs and benefits of biofuel production on food security and agricultural development.

28. The RFA's Gallagher Review (2008) also looked at this issue, and concluded that increasing demand for biofuels contributes to price increases for some commodities, in particular oil seeds such as soy, but that the effects are complex. In January 2010, the Government's Global Food Markets Group produced a report on the 2007/8 agricultural price spikes together with its causes and policy implications. The report concluded that biofuels only made a small contribution to the price spike, where the impact was largely limited to maize, with some knock-on effects on soy prices.

29. In July 2010 the World Bank published a working paper on the 2006 - 2008 commodity price boom, which considered the influence of biofuels on commodity prices (e.g. wheat or soya). It concluded that biofuels played some role in the boom, but less than originally thought. The paper suggested the cause was a mixture of factors (e.g. adverse weather conditions, biofuels, financialisation of commodities and Government policies) that brought global stocks of commodities to low levels, resulting in price spikes.

30. It is a requirement of the Renewable Energy Directive (Articles 22 and 23) that the effects of biofuels on commodity prices are monitored by EU Member States and the Commission.

Sustainability of biofuels and co-products for use in animal feed

31. In January 2008, the House of Commons Environmental Audit Committee published its First Report on the sustainability of biofuels. The report recommended a moratorium on policies aimed at increasing the use of biofuels due to concerns over sustainability. However, the Government argued against a moratorium because:
    - targets were set an 'appropriately cautious level';
    - an opportunity to make carbon savings from biofuels would be missed; and
    - it would mean reneging on an earlier commitment on whose basis investment decisions had been made.

32. Due to growing concerns about the sustainability of biofuels the Government commissioned Professor Ed Gallagher, the Chair of the RFA, to carry out a review of the indirect impacts of biofuels. The 'Gallagher Review' was published in July 2008 and recommended that, due to the risk of unintended indirect effects, the UK Government should slow down the rate of increase for the supply of biofuels. This resulted in the Renewable Transport Fuel Obligations (Amendment) Order 2009 (SI 2009/843) in April 2009.

33. As required by Article 4 of Directive 2003/30/EC, the UK was obligated to report to the European Commission on the UK Government's support for biofuels by 1 July 2010. This cited that the UK Government had set the following targets for suppliers:

Annual Target	**2008/09 (%)**	**2009/10 (%)**	**2010/11 (%)**
Feedstock meeting a qualifying environmental standard	30	50	80
Annual average greenhouse gas saving of biofuel supplied	40	45	50
Data reporting on sustainability characteristics	50	70	90

Table 4. Environmental targets for biofuel suppliers set under Directive 2003/30/EC.

34. To encourage the sourcing of sustainable biofuels, the RFA requires fuel suppliers claiming Renewable Transport Fuel Certificates to submit monthly reports on the lifecycle of GHG saving and the sustainability of the biofuels they supply.

35. The European Commission is required, by December 2010, to submit a report to the European Parliament and to the European Council, reviewing the impact of indirect land use change on greenhouse gas emissions and addressing ways to minimise that impact. The European Commission is also reviewing indirect land use change associated with biofuels and bioliquids.

36. At its March 2010 meeting the Committee was informed by Professor Chris Reynolds (University of Reading) that agriculture accounts for approximately 40% of UK methane (CH4) emissions (FAO, 2006). CH4 is a greenhouse gas that has a global warming potential (GWP) 21 times that of carbon dioxide (CO2), and is a significant contributor to climate change. CH4 emissions from ruminants are related to the amount of feed consumed and levels of dietary fibre; higher fibre diets tend to result in higher CH4 emission per unit of feed dry matter consumed.

37. Given improved sourcing of sustainable biofuels and increased use of home-sourced cereal feedstocks in biofuel production, the substitution of co-products for soya in animal feed appears to offer significant environmental and social benefits. Soya is currently the most significant protein source for animal feed in the EU; 87% of soya used in the EU originates from South America. The expansion of the soya industry in Latin America has been linked to deforestation, desertification, loss of biodiversity, illegal appropriation of land, displacement of small farms and indigenous people and non-compliance with labour laws (FEFAC, 2009 & FAO, 2006). Feed production causes over 40% of GHG emissions, mostly linked to land use change from soya production, but also from the transport and processing of feed (FAO, 2006). Substituting wheat DGGS for imported soya in animal feed

may result in potential GHG savings, where this is possible. Home-sourced cereal co-products may offer the best environmental benefits, although only nine percent of biofuel feedstocks originated from the UK in 2008-9 and a significant proportion of biofuels were produced from soya from South America (RTFO, 2010). The Environmental and nutritional benefits of bioethanol co-products (ENBBIO) project is also investigating the contribution of the co-products to overall GHG balance of the UK, and quantifying the benefits of DDGS in reducing diffuse pollutants such as methane, nitrogen and phosphorus (ADAS, 2011).

Action

38. The Committee is asked to:

- agree to the proposed update to ACAF's conclusions on biofuels.

ACAF Secretariat
September 2011

ANNEX I

BIOFUELS – UPDATED GLOSSARY OF TERMS

Third generation biofuels		Biofuel produced from carbon neutral algae. Sugars are fermented from the degradation of the sugar cellulose by bacteria.
Fourth generation biofuels		Biofuel produced from a range of carbon negative biochemical or thermochemical processes, usually involving genetic modification.
Animal by-products (ABPs)		Animal carcases, parts of carcases or products of animal origin that are not intended for human consumption. This includes catering waste, used cooking oil, former foodstuffs, butcher and slaughterhouse waste, blood, feathers, wool, hides and skins, fallen stock, pet animals, zoo and circus animals, hunt trophies, manure, ova, embryos and semen.
Category 3 ABPs		Products from animals slaughtered fit for human consumption.
FAME biofuel		Also known as fatty acid methyl esters or biodiesel. The oil produced from production is turned into a diesel type fuel by transesterifaction.
Greenhouse gas (GHG)		Natural or man-made gases that absorb and emit heat or infrared radiation and trap heat to cause a warming effect on the atmosphere.
Global warming potential (GWP)		Allows comparisons of the warming potential of each greenhouse gas; it is the warming influence over 100 years relative to that of CO_2. Also known as CO_2 equivalent.
Glycerol (updated)		Chemical compound that is also known as glycerine. A by-product of the FAME rather than tallow processing.
Renewable Transport Fuels Obligation (RTFO)		Requires suppliers of fossil fuels to ensure that a specified percentage of the road fuels they supply in the UK is made up of renewable fuels.
RFA		Renewable Fuels Agency.

ANNEX II

ACAF BIOFUELS POSITION UPDATE: SEPTEMBER 2011

Proposed Conclusions

1. **The Committee continues to anticipate no significant risk to consumer health from the use, in feed, of co-products from biofuel production**.

2. However, the Committee notes some concern regarding the presence of residues of contaminants in glycerol, although there is limited use in animal feed in the UK. Additionally, there have been two feed safety incidents relating to biofuel production in the last three years and concerns raised regarding the concentration of mycotoxins in wheat DDGS. **Therefore, the Committee recommends that the Agency carries out research on the presence of impurities and contaminants in biofuel feedstocks and co-products that are intended for animal feed**.

3. There remains some variability in the nutritional composition of biofuel co-products for animal feed, which can limit their use as feed for some species of food producing animal. **The Committee continues to believe that this does not cause a significant problem for the use of these products in feed**, as manufacturers can change their formulations to compensate for any nutritional variability**.** However, it may be possible to substitute high protein feedstocks with biofuel co-products in feed for highly productive animals.

4. **The Committee noted that new types of biofuel feedstocks and associated technological developments in biofuel production are still in development in the UK and are unlikely to be used for animal feed in the near future**. However, ACAF believed that the biofuel industry is in a period of significant change with regard to the development of new feedstocks, new bioconversion technologies and the development of new production plants in the UK. **Therefore, this position paper should be reviewed regularly.**

ANNEX III

PREVIOUS ACAF POSITION PAPER ON BIOFUELS (2008)

Introduction

1. As part of its work programme for 2006-2007 the Committee examined the impact of biofuel production on the safety, composition and availability of animal feed. In particular, it reviewed the types of co-products derived from the production of biofuels that have, or may have, a use in animal feeding. This took into account the possible use of new types of co-products from the biofuel industry. The Committee also examined the implications for the use of crops for biofuel production on the continued supply of materials for use as animal feed.

2. During the course of its review the Committee received a number of presentations from the feed industry and other organisations. This paper summarises the relevant information presented to the Committee and sets out the Committee's conclusions, which will be subject to future review in the light of developments in this sector.

Biofuel Legislation, Targets and Use

3. European Parliament and Council Directive 2003/30/EC of 8 May 2003 on the promotion of the use of biofuels and other renewable fuels for transport (the Biofuels Directive) established targets for the use of biofuels and other renewable sources of fuel as a means of reducing the transport sector's contribution to the emissions thought to be causing climate change. In the UK, the targets are incorporated in the Renewable Transport Fuels Obligation (RTFO), which requires UK fuel suppliers to ensure that, by 31 December 2008, 2.5% of the petrol and diesel sold on garage forecourts is from a renewable source, rising to 3.75% by 31 December 2009 and 5% by 31 December 2010.

4. The UK also has a legally binding target for the reduction of greenhouse gas emissions under the 1997 Kyoto Protocol to the UN Framework Convention on Climate Change, which requires it to reduce its carbon dioxide emissions to 12.5% below the 1990 figure by 2008-2012. The Government has set a further domestic goal of reducing these emissions to 20% below the 1990 figure by 2010. The UK's draft Climate Change Bill, which was introduction in Parliament in November 2007, proposes a statutory duty to reduce UK carbon dioxide emissions by 26-32% by 2020 and 60% by 2050, against a 1990 baseline.

5. The 2007 Energy White Paper confirmed the Government's target of 5% biofuel penetration into the transport fuel market by 2010. A Renewable Energy Directive was adopted by the European Commission on 23 January 2008 and sets out a 10% biofuel target for 2020 (subject to conditions including production being sustainable and second-

generation biofuels becoming commercially available), as part of a 20% target for renewable energy in the EU as a whole. Bioenergy is expected to contribute to meeting the overall 20% target, alongside a range of other renewables including wind, wave and solar power.

6. Biofuels can reduce fossil carbon emissions, because the carbon dioxide emitted as they are burned has already been offset by the carbon dioxide the crop absorbed as it grew; although these carbon savings will be affected by the energy used in the crop's cultivation, harvesting, processing and transportation. In general, most biofuels offer a potential carbon saving compared to fossil fuels, although the actual saving varies widely depending on feedstocks used and processing technologies.

Co-products of Biofuel Production

7. The animal feed industry has traditionally used certain co-products from the food, drink and milling industry (e.g. wheat bran) in the manufacture of feeds but co-products are now also available from the biofuel industry. World biofuel production currently generates three main co-products with a potential feed use. Rapeseed meal (a co-product of oilseed rape) and glycerol (a co-product of vegetable oils) are derived from the production of biodiesel. Distillers' dried grains with solubles (DDGS) are derived from the production of bioethanol. Rapeseed meal and DDGS are also obtained from the food and drink manufacturing industry and are already widely used from this source as feed materials in the UK. There has been limited use of glycerol in animal feeds but increased quantities from biofuel production means that larger quantities are now available for feed use.

8. In the short term, co-products from the production of biofuel from oilseed rape are likely to have a similar nutritional profile to existing co-products from the manufacture of food for human consumption. However, the nutritional profile of DDGS from the production of bioethanol from wheat is likely to differ from that of DDGS currently generated as a co-product from the distilling of alcohol for human consumption and is subject to nutritional variability.

9. Glycerol derived from the production of biofuel may have a high methanol and salt content which has safety implications for livestock: high levels of methanol can be toxic to livestock and excessive salt levels can cause dehydration in animals. It is expected that EFSA will provide advice as to what would be an acceptable level of methanol in glycerol. The UK Food Standards Agency is of the opinion that excessive methanol residues are more of an animal health issue than one of consumer safety.

10. In the medium term new varieties of crops may be developed for biofuel production, which will result in a lower protein content in co-products for feed use.

Alternative Crops

11. In the longer term advances in technology are expected to enable a switch to what are known as second generation biofuels - chiefly non-food crops such as wood, miscanthus, the stalks of cereal crops, various sources of lignocellulose (a structural material that comprises much of the mass of plants), and waste biomass. There may also be increasing R&D effort on the use of alternative oilseeds and, on a longer timescale, the development of third generation biofuels based on algae. It is currently estimated that it will take seven to ten years for second generation biofuels to become competitive, but that by 2020 they could account for approximately 30% of all biofuels used.

12. The Department for Environment, Food and Rural Affairs (Defra) operates the Energy Crops Scheme in England, which provides grants to farmers to support the establishment of short rotation coppice (ash, alder, hazel, lime, poplar, silver birch, sycamore, sweet chestnut and willow) and miscanthus. The crops can be used for heat and power generation and potentially for second generation biofuels. The scheme is run by Natural England under the Rural Development Programme for England 2007 to 2013.

Availability of Feed Supplies

13. Concern has been expressed that the growth of the biofuel sector may lead to shortages of feed materials as crops, and co-products derived from the manufacture of food for human consumption, are being used as alternative sources of energy. Globally, this growth has to be set in the wider context of other factors influencing the supply of feed materials, e.g. the recent poor harvests of cereal crops.

14. Recent media coverage and a number of high profile reports have raised concerns about the impact of biofuels on rising food prices and the destruction of tropical rainforest through clearance for palm oil plantations. This includes the House of Commons Environmental Audit Committee which called for a moratorium on biofuel targets.

Conclusions

15. From the information made available to it, ***the Committee does not anticipate a significant risk to either animals or human consumers of animal products from the use, in feed, of co-products from biofuel production***. However, the Committee noted that in the future new types of crops may be used for biofuel, which could result in an increasing range of co-products with potential feed uses. ***The Committee therefore considers that the position should be kept under review to ensure that emerging co-products with potential feed uses do not present a risk to the feed and food chains***.

16. Regarding the use of glycerol, ***the Committee considers that the feed industry should take into account the methanol and salt contents of this feed material when formulating compound feeds***.

17. The Committee also noted the potential for nutritional variability in co-products derived from crops grown for biofuel use, which could be an issue for feed manufacturers seeking to source feed ingredients with the nutritional profiles required to satisfy their feed formulations. ***The Committee considers that currently this does not appear to be a significant problem. The development of plant breeding methods and more efficient biofuel production might address this potential problem***.

18. The Committee noted the concerns which have been expressed about the potential impact of the growth of the biofuel sector on the availability of feed materials. The supply of feed materials is dependent on a number of other factors. ***The Committee agreed that it was important for the feed industry to have continued access to good affordable quality feed materials, and considers that the potential impact on the feed industry, including the nutritional and safety status of feed, should be taken into account when biofuel targets are set***.

19. ***The Committee will review, as appropriate, significant developments on the above issues, so that it can monitor any further impact on the safety of food and the feed industry from the production of biofuels***.

ACAF Secretariat

April 2008

BIOFUELS – GLOSSARY OF TERMS

1st generation biofuels		Fuels made from food - grade crops such as sugar, starch, vegetable oil using conventional technology.
2nd generation biofuels		Generally advanced technology fuels such as fuels made from non-food feedstocks, such as waste from agriculture and forestry.
Biodiesel		A methyl –ester produced from vegetable or animal oil, of diesel quality, to be used as biofuel.
Bioenergy		Renewable energy made available from materials derived from non-fossil biological sources e.g. wood agricultural crops, forestry and agricultural residues and organic waste.
Bioethanol		Ethanol produced from biomass and / or the biodegradable fraction of waste, to be used as biofuel.
Biofuels		The description "biofuel" is a generic one used to describe liquid or gas fuels that are not derived from petroleum based fossil fuels or contain a proportion of non fossil fuel. Biofuels fall into two main categories – conventional biofuels produced from plants, crops as sugar beet, rape seed oil or reprocessed vegetable oils –and advanced biofuels from gasified biomass. At present, most biofuels fall into the conventional category.
Biogas		A fuel gas produced from biomass and / or from the biodegradable fraction of waste, that can be purified to natural gas quality, to be used as biofuel, or woodgas.
Biomass		Means the biodegradable fraction of products, waste and residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste.
By-products		See co-products.

Cellulose		Complex carbohydrate which forms the chief component of plant cell walls.
Co-firing		The burning (combustion) of two different types of materials in the same plant. One of the advantages of co-firing is that an existing plant can be used to burn a non-fossil fuel which may be cheaper or more environmentally friendly.
Co-products		Secondary products from food and drink manufacture and biofuel production which can be used for animal feeds or other uses (tallow biodiesel)
EFSA		European Food Safety Authority.
Feedstocks		Raw materials used in the manufacture of foods and / or fuel e.g. fats or arable crops.
Fossil fuel or mineral fuel		Any non-renewable carbon-containing fuel such as oil, peat, coal and natural gas that originates from decayed plants and animals.
Glycerol		Chemical compound that is also commonly known as glycerine, a by-product of tallow processing. It is a sugar alcohol, and may be used as a feed material in relatively low incorporation rates.
Lignin		Complex chemical compound most commonly derived from wood and an integral part of the cell walls of plants.
Lignocellulose		Term used to refer to the bulk of plant material. It consists principally of lignin, cellulose, hemicellulose and extractives.
Methanol		A toxic alcohol present as a contaminant in glycerol produced as a co-product of biodiesel production. Methanol can be stored in a convential fuel tank and converted into hydrogen and carbon dioxide prior to use a hydrogen fuel cell, potentially removing the problems inherent in the storage and use of hydrogen as a source of power.

Miscanthus		A perennial grass that provide a high biomass yield. Currently grown for biomass but has the potential to produce biothanol commercially once second-generation technologies are further developed.
Renewable energy		Energy derived from natural resources including sunlight, wind, tides and geothermal heat which are naturally replenished. Biogas, biomass and biofuels require an element of cultivation and / or processing.

ANNEX IV

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