



## **NATIONAL RENDERERS ASSOCIATION**

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U.S.-EU Regulatory Compatibility  
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Thank you for the opportunity to comment on the differences between U.S. and E.U. regulatory systems that may be impeding regulatory compatibility. In particular we would like to comment on your specific request to detail differences between existing regulation in the United States and Europe that may impose unnecessary costs and burdens on American businesses.

The National Renderers Association (NRA) is the international trade association for the industry that safely and efficiently recycles and processes by-products from the food production system into valuable finished products for the livestock, pet food, chemical, cosmetic, and energy industries. NRA represents its members' interests to regulatory and other government agencies, promotes greater use of rendered products, and fosters the opening and expansion of trade between North American exporters and foreign buyers. NRA's members are 49 companies that operate more than 200 rendering plants. Over 50 percent of NRA members are small and medium-sized enterprises (SMEs). These companies are a manufacturing base that is U.S. based and will remain U.S. based, employing local labour in rural areas and urban areas.

Regulatory harmonization to the World Organization for Animal Health (OIE) standards between the U.S. and the EU in regards to trade impediments on rendered products is essential.

### Tallow Trade:

The World Health Organization declared in 1991 and reaffirmed in 2004 that tallow is not a health risk to either humans or animals. Also, the World Organization for Animal Health (OIE) states that tallow free of impurities (maximum level of 0.15% in weight) and derivatives made from this tallow should not be restricted for import or transit reasons "regardless of the BSE status of the exporting country."

In 2005, the European Food Safety Authority (EFSA) assessed the validity of the outcome of a quantitative risk assessment of the residual BSE risk in tallow. The risk assessment supported earlier statements from the EU Scientific Steering Committee (SSC) which said there is no evidence that tallow derived from ruminants or tallow derivatives present a risk of BSE transmission.

Trade in tallow from the U.S. to the EU for use in the biofuel and oleo chemical industries should be occurring but it is not.

In regards to biofuels, the EU has approved a binding biofuels mandate of 10% by 2020 and has recognized the need for imported raw materials to meet this mandate. In addition animal fats have been favorably mentioned in the EU's Renewable Energy Directive of having greater greenhouse gas savings than other raw material sources such as palm oil and soybean oil. However, in practice trade from the U.S. to the EU of tallow for biodiesel production has not occurred due to technical barriers to trade. If the two sides can't come to an agreement on the safety of animal fat to be converted to biodiesel and used in the automotive fleet, it is hard to see how other more complex agreements could be accomplished. Trade in tallow for use in the EU biodiesel and oleo-chemical industries benefits both importers and exporters with the potential trade valued at approximately \$500 million dollars annually.

Trade of tallow (less than 0.15% impurities) and derivatives made from this tallow should not be restricted.

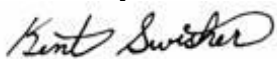
Trade in Processed Animal Proteins:

Processed animal proteins (PAPs) are a high quality source of protein and other nutrients for the livestock, aquaculture, and pet food industries globally. However, Article 2 of Council Decision 2000/766/EC prohibits the feeding of processed animal proteins to farmed animals which are kept, fattened or bred for the production of food. Article 3 of the same regulation prohibits the exportation to third countries of processed animal proteins intended for the feeding of farmed animals.

These regulations did not curb the export of PAPs from Europe, it only encouraged companies to find a way around the onerous regulation by exporting PAPs as "fertilizer" even though they are in practice feed ingredients. Europe now exports approximately 800 thousand metric tons of PAPs annually and is the largest exporter of these products in the world. Since there is a limited market in Europe for the product due to the aforementioned emotion based regulation, it has little value within Europe and is being dumped at low prices onto the global market. This product is displacing U.S. processed animal protein meals in overseas markets at the cost to the U.S. rendering industry of approximately 400 million dollars in 2011. The practice of EU exports of processed animal proteins labeled as "fertilizer" being targeted to the feed sectors in importing nations is openly admitted by the importers and end users.

Basic harmonization to OIE standards would allow the rendering industry and traders in the EU to utilize their own processed animal proteins internally and to legitimately begin exporting the aforementioned products to a world starving for feed ingredients.

Sincerely



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