



**President Ursula von der Leyen
European Commission
Rue de la loi 200
1049 Brussels**

Brussels, July 11th, 2024

Object: : Fraudulent imports of Chinese feedstocks and biofuels into the EU - Request to the European Commission to take appropriate and immediate measures

Dear President von der Leyen,

On May 6, 2024, you stated that the EU was approaching the EU-China relationship "clear-eyed, constructively and responsibly" and that "Europe will not waver from making tough decisions needed to protect its economy and its security," a statement that we very much welcome.

However, we would like to bring to your attention the fact that this new approach is taking too much time to materialize when it comes to the EU biofuels sector, which is having severe consequences for EU farmers and associated processing activities. So far, nothing has been done to counter the massive imports from China into the EU of fraudulent feedstocks (such as Used Cooking Oil - "UCO") and biofuels (such as Used Cooking Oil Methyl Ester - "UCOME"). **We therefore consider that the European Commission should immediately take a set of measures, listed below, to stop these fraudulent imports by strengthening certification procedures and reducing incentives for fraud.**

Over the past months, there has been a surge of fraudulent imports from China into the EU of feedstocks and biofuels falsely labelled as "Annex IX". Of the 17 million tonnes of biofuels consumed in Europe in 2023, those based on feedstocks imported from China accounted for 2.9 million tonnes, or 17% of consumption. These imports have increased 7-fold since 2017. Currently, 95% of total Chinese biodiesel exports are now directed towards the Union market.

Types of fraud related to Annex IX have been clearly identified and documented for several years, notably by the European Court of Auditors¹, by independent experts, and the Commission². Such frauds consist in particular of (i) mixing virgin palm oil with UCO, (ii) using virgin palm oil for biodiesel production instead of UCO, (iii) certifying UCOME twice by different voluntary schemes and (iv) artificially increasing the production of UCO.

Such frauds have severe consequences on the EU market, reducing consumption and

¹ 2016 Special Report, The EU system for the certification of sustainable biofuels.

² *Assessment of the potential for new feedstocks for the production of advanced biofuels* - Final report (October 2021).

production of sustainable biofuels, thus increasing oilseed rape stocks, maintaining oilseed rape supply at a very high level and seed prices at low level. Rapeseed oil prices have fallen by more than 30% in the first five months of 2023.

These frauds have already led to a production shutdown in several plants, while additional plants are operating below their normal production and considering halting in the short term. The UCO collection supply chain is facing similar consequences with shutdowns of collection sites. Last but not least, these frauds contribute to lowering the rapeseed farmers revenues and negatively affect farmers' decision to plant rapeseed.

It is all the more important that the Commission takes immediate and appropriate actions to tackle the global circumvention of the sustainability criteria, including:

- Launching as soon as possible the working group as agreed following the Minister of Transport Council of the 30th of May to take concrete actions to fight against fraud ;
- Imposing that independent auditors can certify that Chinese products and companies are subject to controls at least equivalent to those imposed on EU similar feedstocks and related products; Failure to be properly certified, all imports of, and all certificates on UCO and other fraudulent Annex IX feedstocks and related biofuels should be suspended ;
- Strengthening the robustness of certification mechanisms with an ex-ante accreditation of factories willing to export to the EU and generalizing physical inspections to ensure the conformity of imported products ;
- As an interim precautionary measure removing double counting for UCO and tidying up customs codes;
- Voluntary schemes should be suspended vis-à-vis China as long as fraud cannot be excluded and the effective equivalence of control with EU cannot be certified ;
- Adopting a decision that the Commission will not accept in the reporting made by Member States double counting of data related to Chinese UCO, POME and fraudulent Annex IX feedstocks and related biofuels.

We thank you for your mobilization in this strategic subject for the agricultural sector, for the sovereignty of the EU and for the credibility of the decisions made in order to build the EU energy transition.

Yours sincerely,

Benjamin Lammert
Farmer,
President of the Green Energy
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Luc Vernet
Secretary General
Farm Europe

