Towards a coherent EU Bioeconomy:

Safeguarding Sustainable Access to Category 3 Animal By-Products for Pet Food

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EuropeanPetFood

Key Messages

- **Category 3 animal by-products (ABPs) are a finite and strategic resource under increasing pressure from policy-driven demand for biofuels and biogas.**
  EU policies should prioritise the highest-value use of biomass by ensuring that feed and pet food applications remain the primary destination for suitable Category 3 ABPs before energy recovery.
- **Current renewable energy incentives risk creating market distortions that divert feed-grade materials away from the food and feed chain.**
  Renewable energy frameworks (RED, ReFuelEU and related schemes) should be adjusted to avoid over-incentivising the use of nutritionally valuable materials and to maintain a level playing field between sectors.
- **Diverting suitable ABPs to energy undermines circularity and may increase environmental impacts by forcing substitution with higher-footprint ingredients.**
  EU legislation should operationalise the cascading use principle and align biomass policies with the food-feed-fuel hierarchy, supported by coherent LCA and GHG accounting.
- **Category 3 ABPs, especially animal fats, are essential for balanced pet nutrition and animal welfare and are not functionally substitutable.**
  Regulation should recognise the nutritional role of these materials and ensure coherent policies that protect access to safe, high-value ingredients for companion animal nutrition.

Context and Purpose

The European pet food industry plays an essential role in Europe's circular and bio-based economy. Every year, pet food manufacturers responsibly transform Category 3 Animal By-Products (ABPs) — safe materials not consumed by humans but valuable for animal nutrition — into high-quality, nutritious products for 300 million companion animals in Europe.

This sustainable "from farm to bowl" model exemplifies the circular economy in action: maximising resource use, avoiding food waste, and supporting Europe's rendering and agri-food value chains. However, the **growing use of Category 3 ABPs – especially animal fats - for biofuels and biogas production**, driven by public incentives under the Renewable Energy Directive (RED III), ReFuelEU Aviation and FuelEU Maritime Regulations, is creating increasing competition for these limited materials.

FEDIAF fully supports the EU's ambition to achieve climate neutrality and recognises the vital role of renewable energy in this transition. WE also support the principles laid out in the European Commission's Bioeconomy Strategy. However, the diversion of finite, food-grade materials away from feed and pet food to subsidised energy uses is not aligned with the **cascading use principle** or the efficient use of biological resources envisioned in the European Circular Economy and Bioeconomy frameworks.

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FEDIAF therefore proposes a balanced, forward-looking approach that ensures coherence between energy, agricultural, and food policies. These measures contribute to enhancing Europe's competitiveness and maintaining Europe's leadership in sustainability, feed security and innovation.

The Challenge in Perspective

A finite resource under growing pressure: Meat production in the EU is projected to decline over the coming decade, reducing the volume of renderable materials. Meanwhile, the EU pet population continues to grow steadily. The result is a tightening supply of Category 3 ABPs, especially animal fats, which are irreplaceable in pet food for nutritional reasons.

A policy-driven market distortion: Under the RED framework, certain uses of Category 3 ABPs for biofuels may benefit from multiple incentives, including double counting towards renewable energy targets as well as financial support schemes. In parallel, the use of Category 3 animal by-products for biogas production (e.g. biomethanisation) further increases diversion pressures. These mechanisms place non-subsidised feed and pet food uses at a competitive disadvantage, even though their use keeps the material within the food chain and delivers higher environmental value per ton of biomass.

A risk for circularity and competitiveness: When materials suitable for food and feed are burned for energy, they are lost from the circular economy. This would indirectly force the pet food industry to utilise alternative ingredients such as soymeal or palm oil, which carry higher environmental footprints and dependency risks, and affect the nutritional quality of the pet food products. Protecting access to Category 3 animal by-products for pet food helps limit deforestation, reduce emissions, and support EU food autonomy.

Non-substitutability for pet nutrition, especially for cats: Category 3 animal by-products, and animal fats in particular, are not functionally substitutable in pet diets. They provide essential fatty acids, energy density and palatability that are critical for animal health and welfare. This is especially true for cats, which are obligate carnivores with specific metabolic requirements that cannot be met through plant-based alternatives. Diverting these materials to bioenergy risks undermining the ability of the pet food sector to deliver safe, complete and balanced nutrition.

FEDIAF's Vision: A Coherent, Resource-Efficient Bioeconomy

FEDIAF calls for an integrated EU approach that ensures responsible, science-based use of biological resources, balancing the needs of food, feed and energy sectors. The goal is not to restrict renewable energy development, but to prioritise materials according to their highest societal and environmental value, thus preferring food and feed uses to energy.
FEDIAF calls for the following complementary measures:

1. **Reinforce the Cascading Use Principle**
   - Make the cascading use of biomass a binding and operational concept across relevant EU legislation (RED, Circular Economy Act, etc.).
   - Ensure that Category 3 animal by-products are first made available for feed, pet food and oleochemical uses before being directed to energy recovery.
   - Promote data-driven monitoring of biomass flows to identify and prevent inefficiencies or over-incentivisation of energy uses.

2. Ensure Policy Coherence Across EU Frameworks

- Align RED, ReFuelEU and other legislation with the waste hierarchy and food-feed-fuel sequence.
- Recognise Category 3 ABPs as co-products in Life Cycle Assessment and GHG accounting.
- Integrate these principles into future implementing acts and voluntary sustainability schemes.

3. Support Transparent Data and Traceability

- Establish an EU-wide monitoring system on the use of biomass and ABPs across sectors.
- Foster better traceability and transparency from slaughterhouse to end point.
- Promote national control systems to tackle the practice of downgrading and blending of Category 3 with Category 1 and Category 2 ABPs.

4. Promote Balanced Incentive Structures

- Review renewable energy support mechanisms to avoid subsidising the use of feed-grade materials.
- Direct financial incentives towards genuinely residual and non-food/feed biomass.
- Maintain a level playing field between sectors contributing to Europe's green transition while promoting competitiveness.

5. Encourage Collaboration and Innovation

- Strengthen cross-sectoral dialogue among pet food, rendering, biofuel, and agricultural sectors.
- Support research on alternative non-food feedstocks for bioenergy and new circular raw materials for pet food.
- Encourage partnerships to promote efficient use of every part of the animal.

A Call for Partnership

The European pet food industry is a reliable circular partner, not a competitor to renewable energy. Both sectors are essential to Europe's resilience and sustainability. With appropriate policy alignment, the EU can achieve:

- Feed and food security through responsible biomass allocation;
- Climate ambition through credible and transparent accounting of renewable materials;
- Economic competitiveness by preserving Europe's high-value processing industries;
- Public trust through consistent, science-based decision-making.

FEDIAF stands ready to work with the European Commission, Member States, the European Parliament and stakeholders across the value chain to design coherent, future-proof policies that ensure biological resources are used where they create the greatest benefit for people, animals and the planet.

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Who we are

FEDIAF is the united voice of the European Pet Food Industry. Our membership includes 15 European national pet food associations and five pet food manufacturers, covering 18 countries in Europe. This equates to around 95% of the industry.

We represent the Industry's interests with the EU institutions, national authorities, academics, other associations and NGOs. FEDIAF also provides a platform to share, develop and promote best practices in the industry. We aim to ensure that safe, nutritious and palatable pet food is supplied across Europe.

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