

**How to deal with
the non gmo
protein feed supply
chain
in France?**





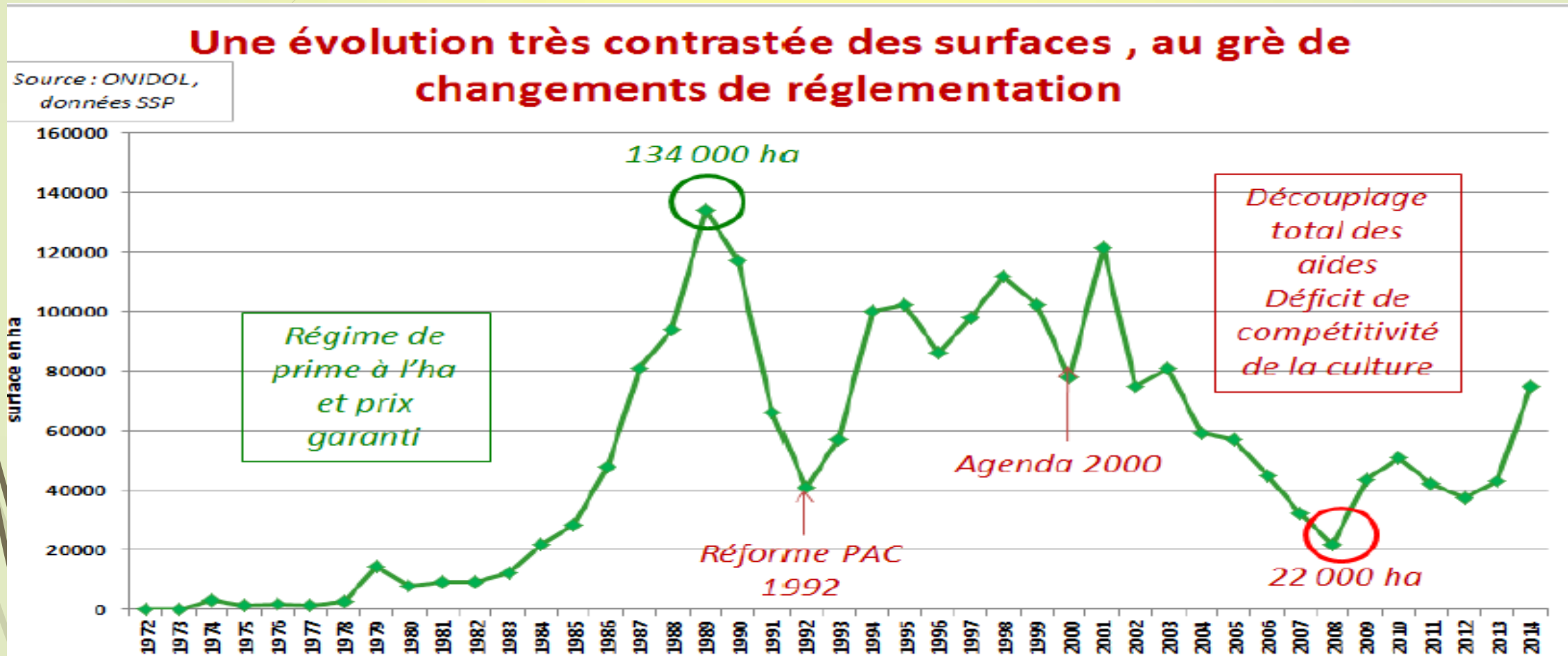
➤ **AGRICULTURAL ECONOMICS AND GMO REGULATION IN FRANCE**

- WHAT FACTORS INFLUENCE NON GMO SECTOR?
- HOW SOLTEAM ENSURES TRACEABILITY OF NON GM SOYMEAL?

Main farm characteristics in France

- Agricultural cooperatives and unions
- Difference in vision compared to a private company
- Attachment to the land – region
- With the aim to meet local needs
- Recreate the links with the population of cities

The evolution of the soybean area



Soy Situation in France

SOJA

Surfaces 2014
74 500 ha



source : SSP (provisoire)

Source : ONIDOL

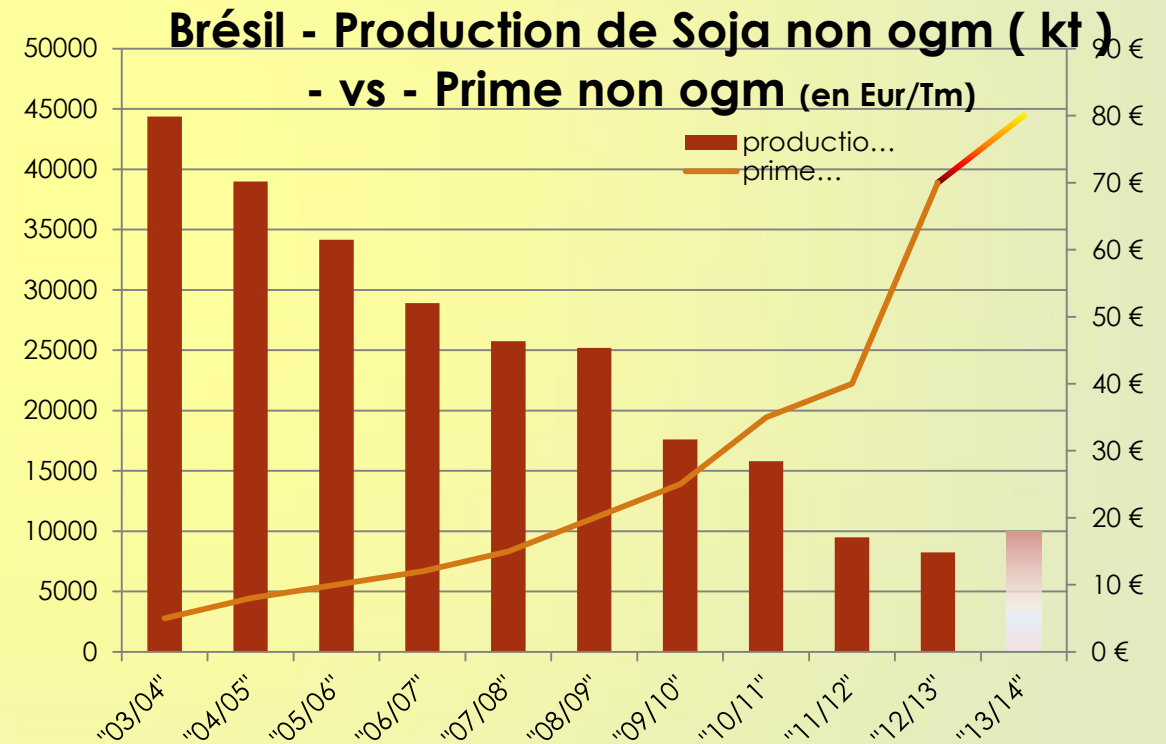
- PRODUCTION 2013/14: 0,11 MT
- FORECAST FOR 2014/15 AREA: 74 500 HA (50-65% with irrigation)
- IMPORTATION 2013/14: 3,2 MT SBM
- IMPORT: NON GMO 15%

The impact of the Brazilian non GMO production on the French market


Evolution of production vs premium for non gm soybeanmeal

- Until 2005, France soymeal purchase are 90% non-GMO
- 2007 Lower surface of non-gmo (extra cost - non gmo market fell sharply)
- Today -15 % of the total sbm consumption is non gmo (75% of the population against GMOs)
- Balanced supply and demand

The French market



Labelling legislation in force in France

FRANCE	EU	
<p>Law 2008-595 (25/06/2008) On genetically modified organisms</p>	<p>Directive 2001/18 On the deliberate release into the environment of genetically modified organisms</p>	
<p>Information note of DGCCRF (OFFICE OF COMPETITION , CONSUMPTION AND PUNISHMENT OF FRAUD) n°2004-113</p>	<p>Regulations 1829/2003 and 1830/2003 Reg. 1829/2003 on GM food & feed Reg. 1830/2003 - GMOs traceability, labeling & derived food & feed</p>	
<p>Decree of 30 January 2012 on the labeling of foods derived from sectors considered non GMO</p>	<p>—</p>	

Decree 2012–128 on the labeling of foods derived from sectors considered non GMO

I. Ingredients of plant origin (ex: flour, lecithin, starch)

1 „Without GMO”

II. Ingredients from livestock (ex: meat, fish, egg, milk,)

1 „Fed Without GMO 0,1%”

2 „Fed Without GMO 0,9%”

III. Ingredients from beekeeping (honey, pollen, royal jelly)

1 „No GMO within 3 km”

I. Ingredients of plant origin

- ▶ The mention "**GMO free**" will apply to plant ingredients for which there is a GMO species on the EU market containing not more than 0.1% of genetically modified DNA from accidental contamination.
- ▶ Only corn and soybeans are concerned.



II. Ingredients from livestock

- ▶ The label "fed without 0.9% GMO" or "from animals fed without GMO 0.9%" will apply equally to ingredients derived from:
- ▶ animals not fed with GMOs but for which food is not Labelled "GMO". For our information, the EU puts in place a claim "with GMO" when genetically modified DNA levels exceed 0.9%.



III. Ingredients from beekeeping

- ▶ **The label „without GMO within 3 km”**, applies to ingredients from beekeeping (honey, pollen, royal jelly) from hives for which no GMO field are listed within three km away. Such labeling shall be valid for one year.



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What factors operate non gmo sector?

- 1) Initiative related to private marketing strategy
- 2) Initiative related to a distributor policy
- 3) A need to respond to society's anxiety

1. Initiative related to private marketing strategy

FARMERS OF LOUÉ

- The image and the concept does not match with a content-gmo
- Strategic communication approach
- Commitment - specifications
- Importance of sustainability



Only non gm claim is not sufficient to differentiate themselves in the market!

Intergrated poultry production chain in LOUÉ

Selection :
SASSO

Agricultural Farmers'
Cooperative
1050 Breeders

Slaughterhouse
CAVOL LCD

Hatchery :
SAFEL



distribution via
groupe LDC

24,500 ha of cereal
production

Food: ALIFEL

Organic foods:
UFAB

Packing of egg
subsidiary of LDC
and CAFEL

Quality management of Loué's farmers

- Free running Chicken . Minimum 90 days breeding.
- No animal meal, no antibiotics or coccidiostats
- Their diet is composed of 80% of cereals, 20% other grains (soybeanmeal, rapeseed, sunflowermeal)
- Reject of gm feed
- « Label Rouge » certification



2. Initiative related to distribution



- ▶ The only distributor to offer products to its brand from animals fed without GMO
- ▶ Decide to inform its customers (from 1998)
- ▶ 2010 launching its green labels on it stating: "**Nourri sans OGM**"
= "**Fed without GMO**"
- ▶ The first lines will include pork, poultry, eggs and farmed fish
- ▶ This is the first time a supermarket chain use such a claim
- ▶ Being a responsible retailer inform their customers and allow them to make their choice



3. A need to respond to society's anxiety

- The gastronomic culture in France
- A general need of nutrition and health Security
- Development biotechnology, as they do not yet exist sufficient long-term results against adverse effects / secondary consumption
- Scandals (contaminated blood, mad cow disease, dioxin) published by the media have created fears, some segments buyers have become more wary
- Producers and their representative react even stronger in France
- There is a demand from the relocation trust ensuring traceability and transparency

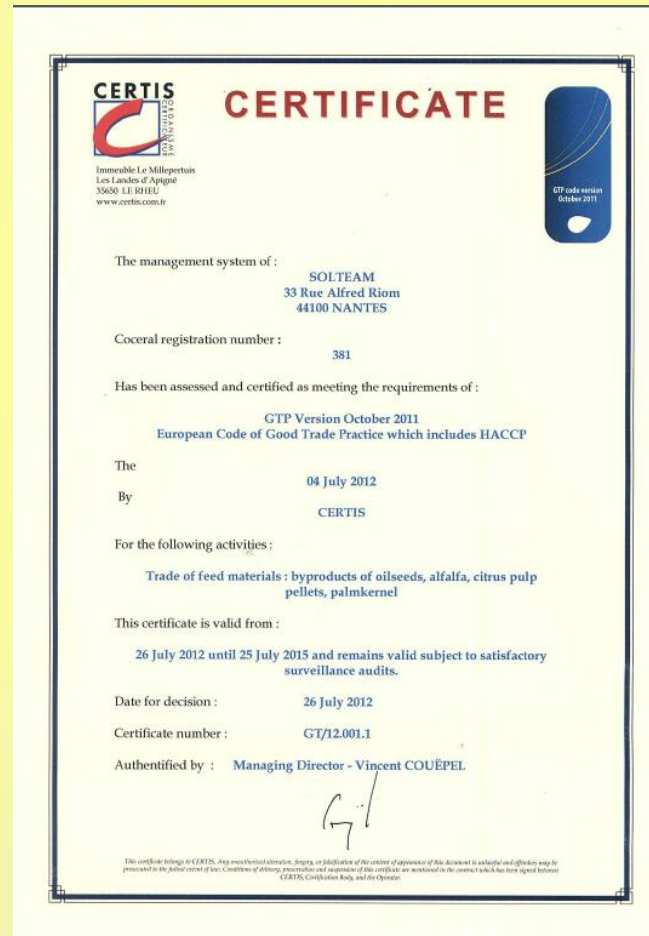
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- AGRICULTURAL ECONOMICS AND GM REGULATION IN FRANCE
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How Solteam ensures traceability of non gm soymeal?

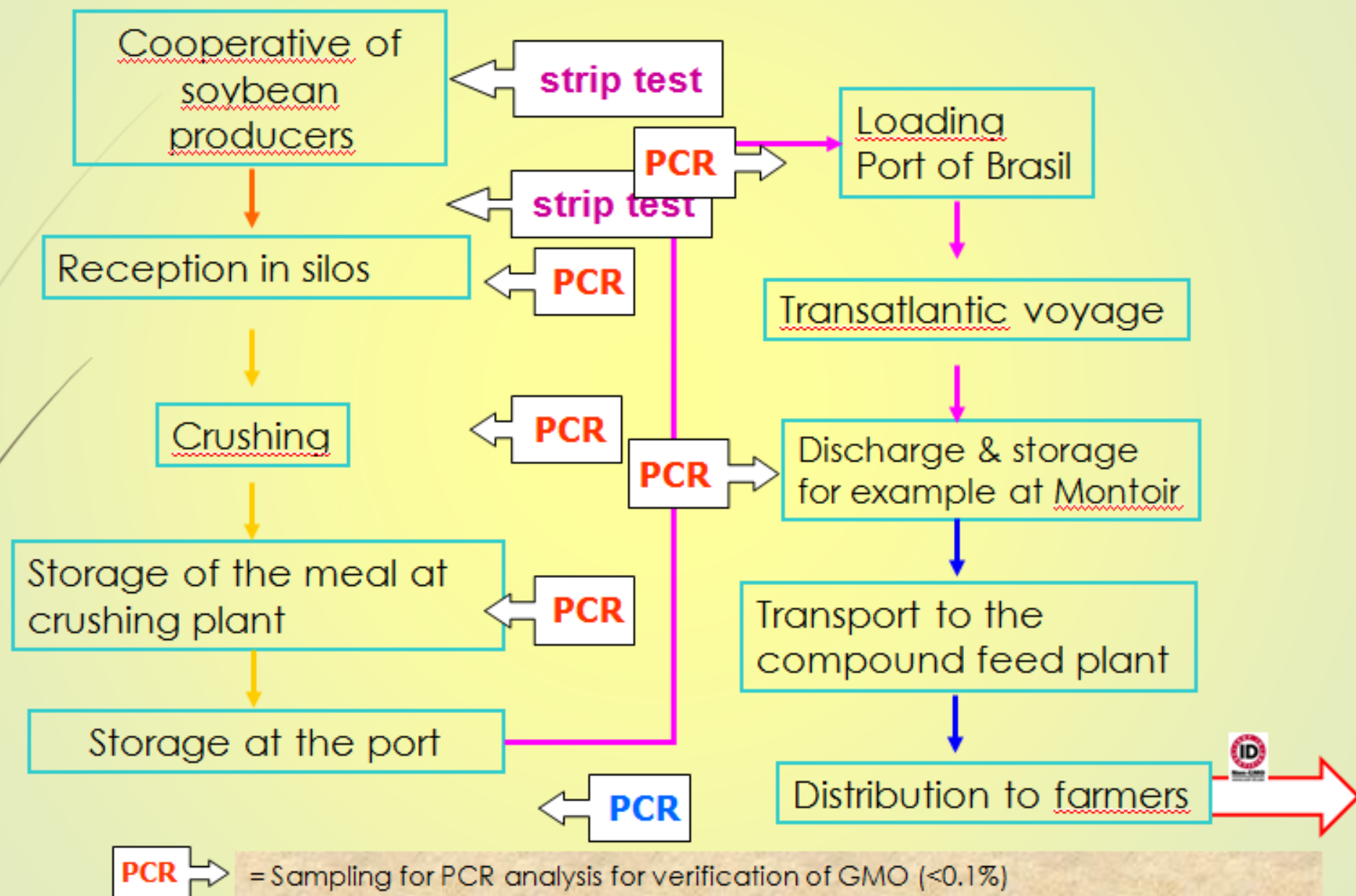
- ▶ In 2005 creation of the company SOLTEAM
- ▶ A business model of long term partnerships with both suppliers and customers and logistics providers (short supply chain connecting directly producers and consumers)
- ▶ A HACCP (risk management) certified under the GTP scheme (Good Trading Practice) gives us the control necessary to meet regulatory requirements and specifications of our customers



How Solteam ensures traceability of non gm soymeal?



Soybean meal supply chain



Non GMO and Pro Terra Certifications

CERT ID® Non-GMO Certification
Traceability Certificate of Compliance

Certificate Number: **14186** Date of Issue: **June 20, 2006**

Product Certified	Quantity	Lot Number(s)	Test Ref Number(s)
CERT ID Non-GMO BRAGGLAN SOLVENT EXTRACTED TOBACCO SUSPENSION, 100% TOBACCO HARD IN BULK	1,200 ml	(1) 507648 and multiple lot numbers including lot 4004048 5059	1,175 (all samples in duplicate) LABORATORY PH. 01 7074 HARVEI, L.A. Ph.D. in Science, Molecular Biology, Genetics University of California, Berkeley

Buyer: **FENACO**
Address: **WITKOLO, DELGADOEN UND FURTENBETTEL,
SCHNITZER-STRASSE 6, 94431 WERSTENHAUSEN**

Seller: **Incopa International LTDA.**
Seller Address: **Rua. das Américas, 5699 - Anápolis - Paraná - Brasil
CEP 83707-000**

Date of Transaction: **April 26, 2006** Client Number: **295-7**

This Certificate is valid for the specific transaction detailed above, between the buyer and seller named herein.

This certificate records the traceability of above named product(s) verified to be in compliance with the CERT ID Non-GMO Standard v1.0 (March 2004) using detection levels of less than 0.1% GM content by DNA (PCR) test. Representative sample(s) have been submitted to JQA (PCR) test to confirm less than 0.1% of authorized genetically modified crop varieties that have received a favorable risk evaluation from the Commodity Science Center (JQA) or the Authority's own independent levels of other unauthorized varieties. Additional information about CERT ID Certificates and Institute of Identity appears at www.certid.com.

Issued on behalf of CERT ID LTD
101 DUNDAS Street
Toronto, ON M5G 1S4, CANADA
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Fax: +1 (416) 593-3300

By CERT ID LTD
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CERT ID Non-GMO
Standard
295-7

Arline Pankratz Proter
Arline Pankratz Proter

CERT ID™ ProTerra Standard Certification
Requirements for Ethics, Social Responsibility
and Environmental Sustainability
Traceability Certificate of Compliance

Certificate Number: **14185** Date of Issue: **June 21, 2006**

Product Certified	Quantity	Lot Number(s)
CERT ID ProTerra BRAGGLAN SOLVENT EXTRACTED TOBACCO SUSPENSION, 100% TOBACCO HARD IN BULK	1,200 ml	(1) 507648 and multiple lot numbers including lot 4004048 5059 HARVEI, L.A. Ph.D. in Science, Molecular Biology, Genetics University of California, Berkeley

Buyer: **FENACO**
Buyer Address: **WITKOLO, DELGADOEN UND FURTENBETTEL, SCHNITZER-STRASSE 6, 94431 WERSTENHAUSEN**

Seller: **Incopa International LTDA.**
Seller Address: **Rua. das Américas 5699 - Anápolis - PR - Brasil CEP 83707-000**

Date of Transaction: **April 26, 2006** Client Number: **522-1P**

This Certificate is valid for the specific transaction detailed above, between the buyer and seller named herein.

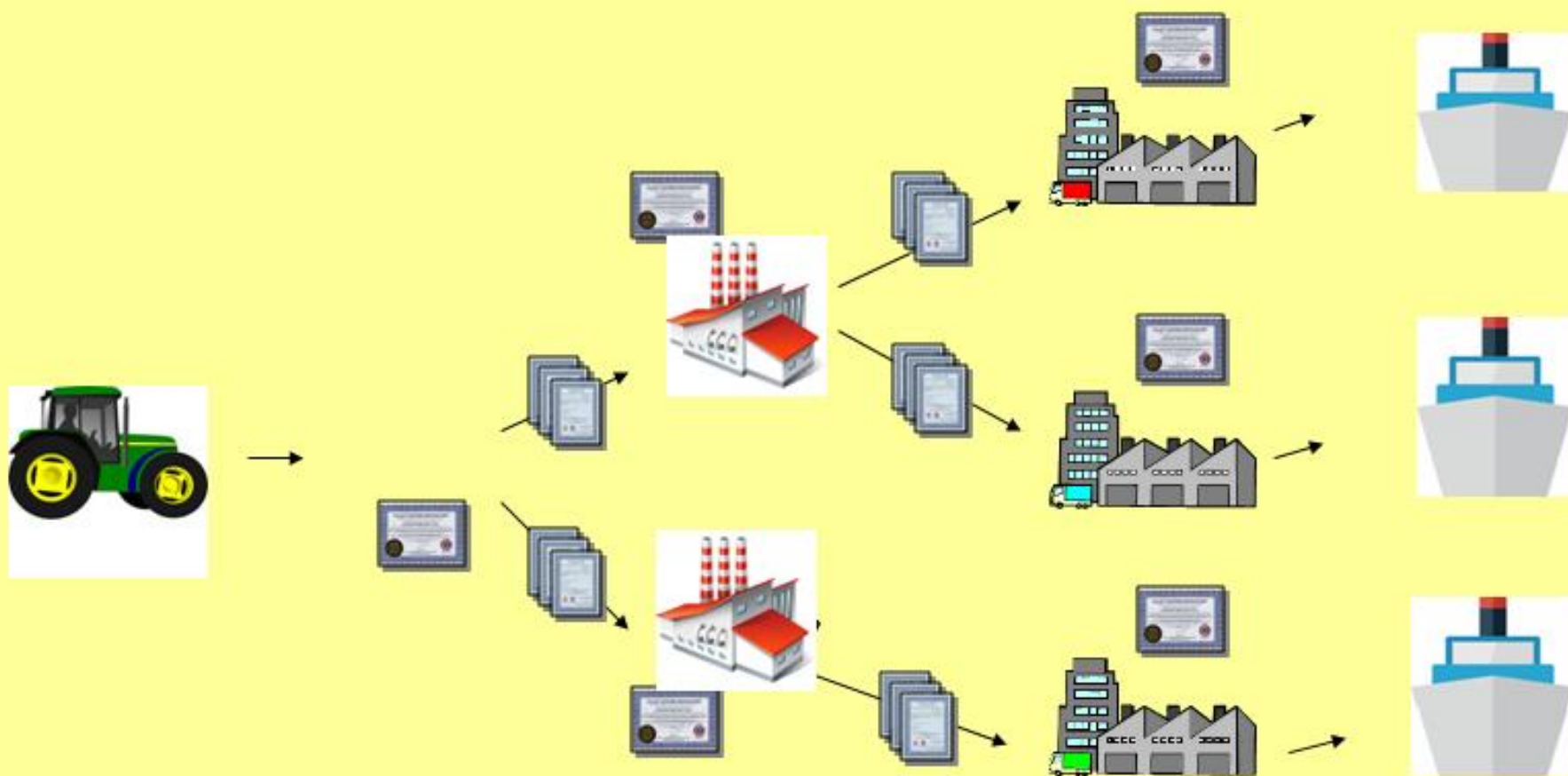
This certificate records the traceability of the above named product(s) verified to be in compliance with the CERT ID ProTerra Standard v1.0 of April 2006 using detection criteria of basic or higher compliance with the Ethical, Social Responsibility and Environmental Sustainability Requirements thereof, by Assessment and Monitoring of the system of production of agricultural commodities used as inputs in all stages of the production chain.

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CERT ID ProTerra
Standard
522-1P

Arline Pankratz Proter
Arline Pankratz Proter

Scheme of full traceability plan (Cert ID)



Producer →

Crush →

Treatment →

Refining →

Shipping



Thank you for your attention!