

Annual Report 2006



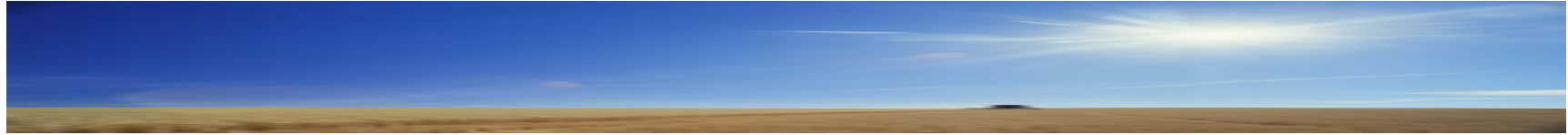
FAMI^{QS}

FAMI-QS Asbl/ European Feed Additives and PreMixtures Quality System

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President's Report

This is the first annual report published by FAMI-QS. It reminds us that FAMI-QS is still a very young organisation. Just over three years ago, the feed additive and premixture industry decided to support the efforts for safe feed and consumer protection by developing its own certifiable standard.

In 2003, a group of industry experts started to develop a safety standard. One year later, the FAMI-QS organisation was founded. 2005 was busy with establishing this standard in the industry and a rising number of certifications as well as an intensive dialogue with stakeholders.

But it was 2006 that was really exciting. FAMI-QS became a truly global standard. The number of certified sites and those in the process of certifications exploded. After intensive discussions with other standard owners, agreements for mutual recognition between the various systems were finally signed. Our code was also introduced to the EU Commission, resulting in a number of suggestions for improvement. After considering these and following them, we have now received very positive and encouraging feedback.

FAMI-QS has thus become a very valuable tool for all its full as well as associated members. As it has been set up by industry experts following best practices, it maximizes the feed additives and

premixtures safety, yet minimizing the costs for such efforts due to requirements based on effective know-how.

In a joint effort, the feed additive and premixture industry has thus been successful to achieve its own goals: providing safety for feed and consumers through a widely accepted, effective standard.

Nevertheless we cannot rest. 2007 will be very busy with expanding the code to more sites and countries. This will need a good cooperation and extensive training of the independent certification bodies. Further dialogue with other system owners will support improvements. Own ideas for improvements have to be established. So there still is quite a challenge ahead, but the return on investment of efforts is expected to even increase.

The past years have been a very good experience. Working with a dedicated team of experts, an enthusiastic board and being successful was a great experience. I do believe that FAMI-QS will have a bright future if we can manage to maintain our momentum and I am confident FAMI-QS will do that.

Yours truly,

Rolf-Dieter Reinhardt





Secretary General's Report

Although being still a very young organisation, FAMI-QS is establishing itself as one of the significant elements of the animal feed landscape. This success finds its roots in two main aspects: the sustained dynamic that its members have put into the project and the strong support that the additive and premixture industry gave to it.

From its very conception, FAMI-QS was designed as a tool intended to support the implementation of the Feed Hygiene Regulation and of the Food and Feed Control one. It was also developed in order to answer the legitimate attention that the compound feed industry put on securing sources of incoming materials as far as our sector is concerned.

The Feed Hygiene Regulation is very ambitious. In line with the fundamentals of the Food Law, it called the stakeholders to endorse a part of the implementation responsibility, particularly by requesting sectors to develop codes and guidance.

Throughout the process of recognition under the Feed Hygiene, FAMI-QS was enriched with a number of additional elements and guidance documents, intended to support practical implementation by the operators. This also led to a clear-cut separation between the code and the independent certification system that we put in place. The code is clearly linked to the Feed Hygiene Regulation, while the independent certification supports the Food and Feed Control one. At the outlet of this formal EU recognition, the system is not only perfectly in line with the EU legal requirements but has also gained in consistency and practicability. This process was underlined by a strong and efficient co-operation spirit with the European Commission and Member States representatives. Our industry is very satisfied with such an approach of the implementation of the EU legislation.

The value of the FAMI-QS system is increasingly obvious to the operators who see it as a convenient and coherent way to satisfy both legal and market requirements. The steep increase in the number of additive and premixture companies that have and continue to adopt it as their safety and quality system is

a strong indicator of this fact. The market is now recognising and increasingly requesting FAMI-QS certification. A significant part of the additives, and to a lesser extent premixtures, placed on the EU market comes from third countries. With about 30 % of the affiliates being established outside the EU, the system is becoming a key reference in order to meet legal requirements for placing feed additives and premixtures on the EU market. In this respect and in the context of the demanding legal requirements in the EU, FAMI-QS strongly contributes to the always difficult establishment of a safety playing field at global level; this has an important impact on the safety of the feed chain. With the support of its partner network of certification bodies, the system not only helps to inform third country operators but also implements in practice the EU requirements directly at operators' level. In this area, FAMI-QS is assuring close co-ordination of the certification bodies and, besides several events in EU, organised a first training session in China that gathered more than 20 auditors this year. The development of FAMI-QS in China is amazing, but other exporting countries do not lag behind.

FAMI-QS has also invested significant efforts in co-ordination with other chain partners, having particularly taken an active contribution to the establishment of EFIP (European Feed Ingredient Platform), which brought together the vast majority of EU associations of feed ingredients suppliers (processed, non-processed, co-products and additives).

In this context, FAMI-QS made its young experience available to other sectors and seeks consistency between the sectors in the way they implement the Feed Hygiene Regulation. The recognition gained by FAMI-QS from the established and leading feed schemes greatly contributed to the operability of the system on the market place, in a context of mutual trust.

The feed additive and premixture industry has obviously achieved something important with the establishment of FAMI-QS, recognising that it is for each operator to take its responsibilities for assuring the safety of the feed chain. FAMI-QS will not rest on its laurels.

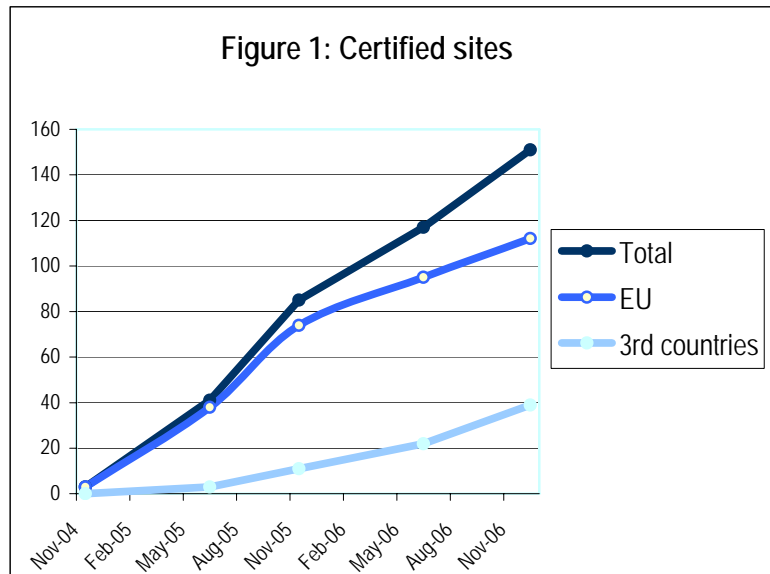
Dr. Didier Jans





Members and Statistics

Note: These figures have been updated on December 22, 2006.

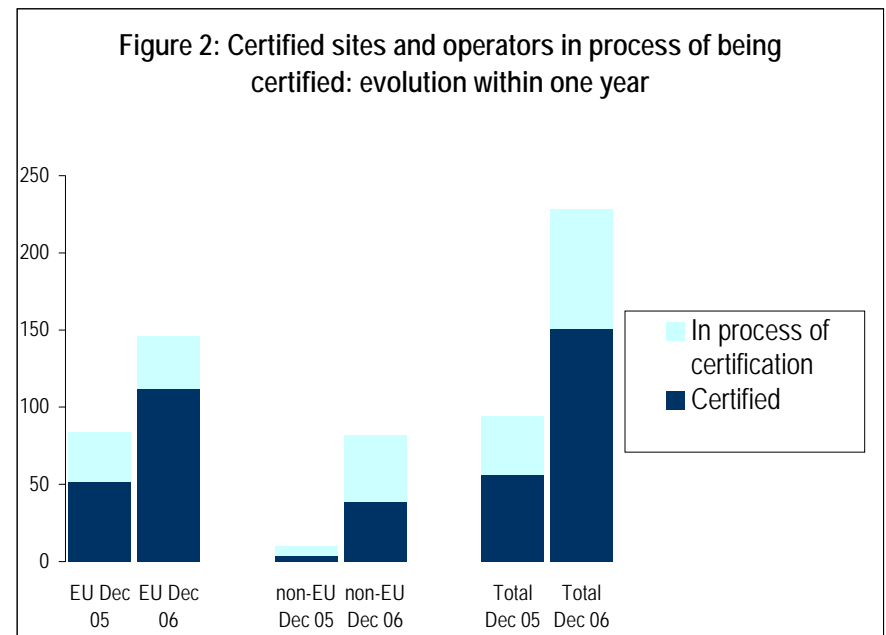


As it is obvious from these figures, the feed additives and premixtures industry is strongly supporting the evolution of FAMI-QS, not only in the EU but also worldwide.

In Figure 1, the evolution of the number of certified sites is represented since FAMI-QS Asbl was created in November 2004. In a 2-year period, this number has considerably increased and today there are 151 FAMI-QS certified sites distributed worldwide. This figure also shows the recent and significant interest of FAMI-QS in 3rd countries.

In Figure 2, the number of operators currently in the process of being certified is also included. In this case we can see that FAMI-QS now exceeds 220 sites while it had 94 sites in December 2005.

As in Figure 1, we can see the striking evolution in 3rd countries, most notably in China (see also Figure 4).



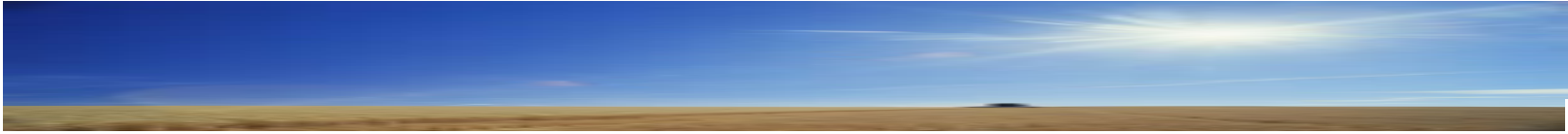


Figure 3: EU- Certification status per country

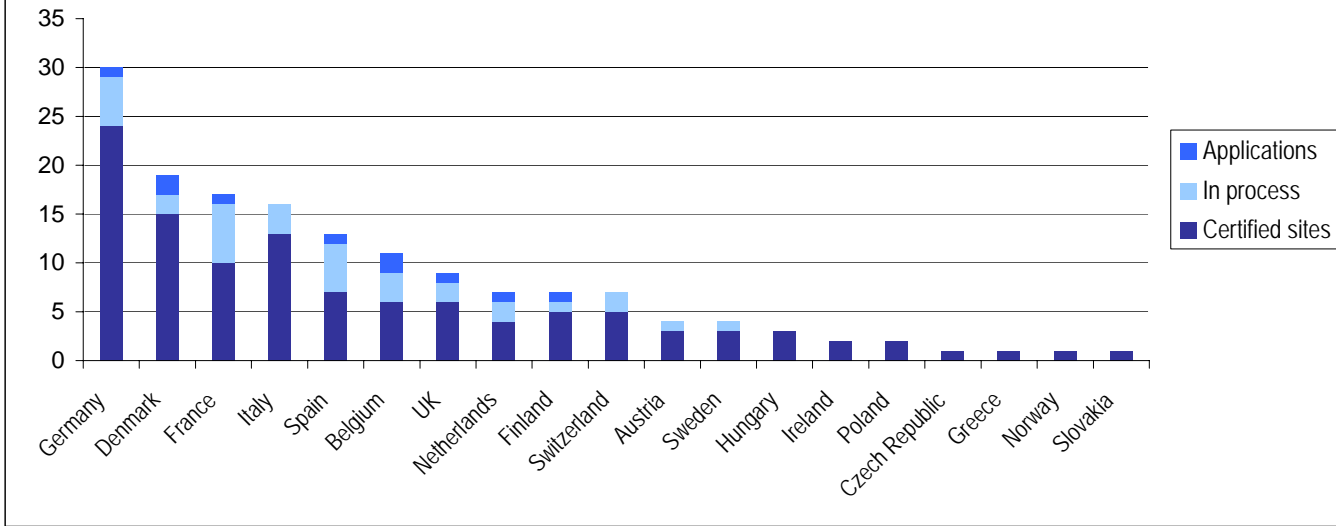
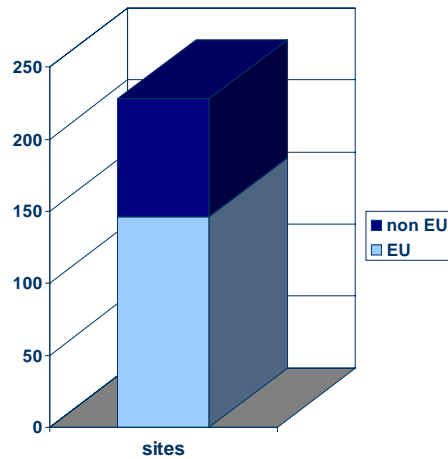
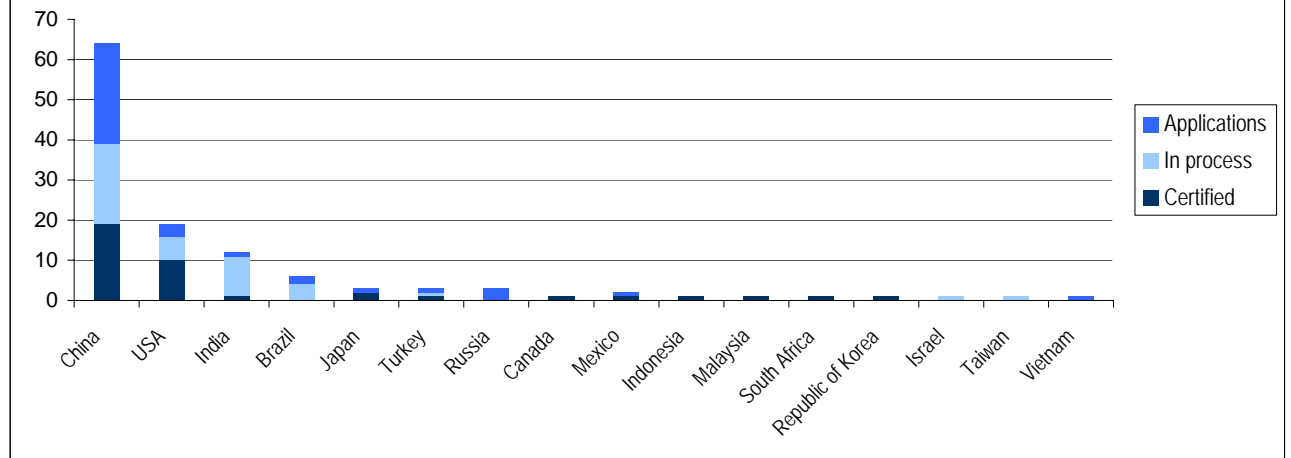
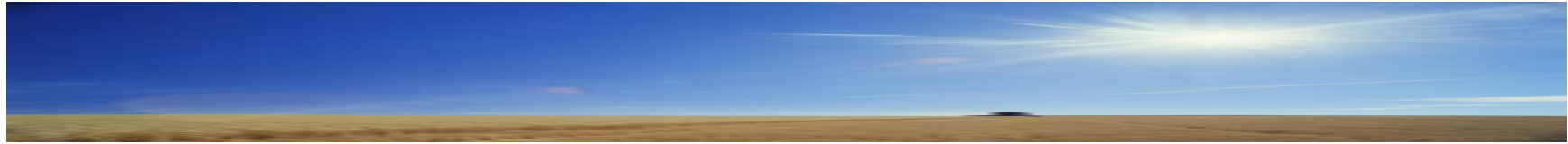


Figure 4: 3rd countries - Certification status per country





2006 Activity Review

In addition to the day-to-day and internal activity, FAMI-QS has extended its actions to the following areas:

Seminars and Conferences

During the year 2006, FAMI-QS has developed several external promotional actions by attending and actively participating in events such as the 2nd International Fresenius Conference on Feed Additives, the VIV Europe in Utrecht or the EurepGAP Conference in Prague. Furthermore FAMI-QS, in collaboration with the SYNPA (Syndicat National des Producteurs d'Additifs et d'Ingredients de la Chaine Alimentaire), organized in Paris a practical training session focusing on the implementation of the FAMI-QS Code.

FAMI-QS Brochure

In order to support the associated members and certification bodies regarding the promotion of FAMI-QS, brochures were published for distribution within the sector. This brochure was meant to help feed additives and premixtures operators explain what FAMI-QS is and what the advantages of its implementation are.

Training session in China

The Chinese feed additives and premixtures industry has especially welcomed the FAMI-QS system, and consequently FAMI-QS traveled to Beijing and brought Chinese auditors a training session on EU legislation, the FAMI-QS Code of Practice and its application. At the end of the session, the auditors were submitted an examination with the objective to evaluate their level of understanding on the subjects. The results were more than satisfactory and the auditors showed to be well prepared to provide FAMI-QS audit and certification to the Chinese feed additive and premixture industry.

Communication plan and website

Internal and external promotion is a necessary tool to support FAMI-QS, make associated members involved and to keep companies informed about the last developments and activities of the association. To better promote FAMI-QS, a strategic communication plan was developed including the publication of press releases in the most relevant media of the sector, direct distribution of newsletters to the members via email and permanent website updates.

The FAMI-QS website is the fundamental tool of external communication with operators, certification bodies and any other interested party. In the news section, the last 6 outstanding items related to the association are highlighted. The list of certified companies and companies in the process of certification is also transparently available there.

As a recent development, FAMI-QS has included a new section in its website that shows the tracking of changes between the different versions of the Code, Guidance and Process Description. It helps operators and certification bodies to identify the most relevant modifications found in the FAMI-QS documents.

Visit the site:

www.fami-qs.org

- Home
- News and archives
- Membership
- Documents
- Certification bodies
- Certified companies
- History
- Links
- Contact us



EU Guide to Good Practices

The FAMI-QS Code was submitted to the European Commission's evaluation with the aim to get its official recognition as a Community guide to good practice, as described in Articles 20 and 22 of the Feed Hygiene Regulation (which encourage the development of Community guides to good practice in the feed sector). Following the recommendations of the EC, the document was presented as a Guide to Good Practices, including the same contents of the Code and Guidance in a single document. Therefore, the content of both documents is identical. They only slightly differ in their form of presentation. Whereas the Code is the basis of the FAMI-QS system and includes certification, the Guide will be available to operators who do not choose to apply the full system. The Guide is being assessed by the Standing Committee and has successfully overcome a period of public consultation on the SANCO website that was open for comments until December 29, 2006.

Stakeholders meetings and recent success

During this year 2006, FAMI-QS Asbl established an agreement with other organizations which seals the mutual recognition between their schemes, pursuing similar safety aims (see figure below).

Established and confirmed mutual recognition:

UK (AIC)	UFAS/FEMAS
The Netherlands (PDV)	GMP+
Belgium (Ovocom)	GMP

Additives and
Premixtures

The scope of the mutual recognition covers both additives and premixtures.

On that basis, certificates obtained in either of the schemes are fully equivalent and will allow the participant to buy from certified operators under the other scheme without any additional requirements. These systems do not require from each other's operators any other formality or step than the proof they are holding a valid certificate in order to consider them as "assured supplies".

The four organizations have engaged a periodical program of meetings to guarantee proper coordination and technical developments between their systems.

FAMI-QS has also established a "de facto" mutual recognition with the QS system in Germany.

EFIP

A special mention has to be given to the very active participation of FAMI-QS within the EFIP Platform, the European Feed Ingredients Platform, from which it is a member since its foundation. EFIP is conformed by all of the major European associations or federations representing the sectors that supply Feed Ingredients to the EU market, and is a voluntary platform set to develop benchmark tools, evaluate sectors' guides, share experiences, cooperate and offer concerted guidance to all of their members on the implementation of the Feed Hygiene Regulation and relating safety schemes. Together, the EFIP members represent the vast majority of all "ingredients" that enter the food chain via compound feed (cereals, processed vegetables or animal products, additives, and co-products from the food processing industry).

EFIP website: <http://www.efip-ingredients.org/>

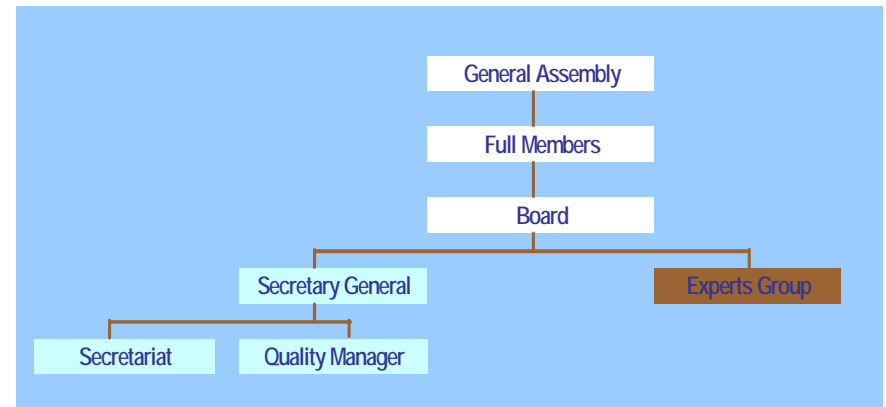


FAMI-QS Structure

FEFANA Asbl (EU Association of Feed Additives and Premixtures Operators) promoted and developed the FAMI-QS Code of Practice in 2003. With the aim of running and managing this Code, the FEFANA Asbl created a brotherhood association in May 2004, the FAMI-QS Asbl (Feed Additive and premixture Quality System European Association).

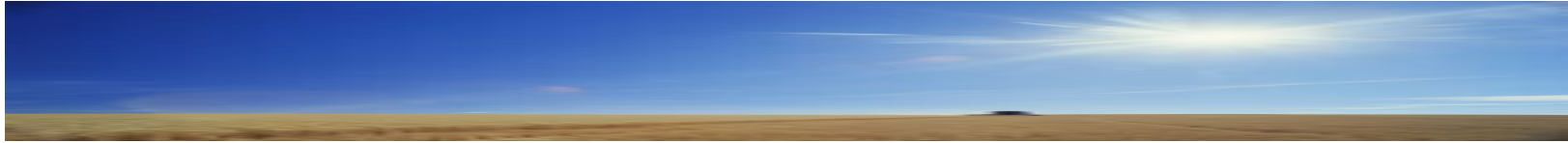
Since then, FAMI-QS Asbl has been composed by Full Members and Associate Members:

- **Full Members** are manufacturers or traders of feed additives or premixtures, and are also members of FEFANA. They are the permanent members of the General Assembly
- **Associate Members** are involved in the business of feed additives or premixtures, and have obtained from one of the approved certification bodies a certification that fulfils the criteria of the FAMI-QS code.



List of FAMI-QS Full Members:

ADM	BASF	Lohmann
Adisseo	Danisco Animal Nutrition	Novozymes
Ajinomoto	Degussa	Novus
Alltech	DSM	Phytobiotics



Board members 2006	Company
Rolf-Dieter Reinhardt	BASF
Matthew Russell	Alltech
Manfred Peisker	ADM

Experts Group Members 2006	Company
Peter Fidder	Trouw Nutrition
François Fourrier	Ajinomoto
Jutta Hoerr	Degussa
Helle Lilholt	Novozymes
Henry van Sadelhoff	ADM
Volker Wessely	DSM

The Association is represented in any act by a Board of Directors, created for the administration and management of FAMI-QS. The Board of Directors is driving the political and operational strategy of the association.

The day-to-day management is delegated to the Secretary General who, together with the permanent staff, is responsible of the smooth running of the Association. The FAMI-QS permanent staff is headquartered in Brussels.

FAMI-QS receives technical support from the Experts Group. The purpose of this group, composed by a team of highly qualified experts in the quality field, is to embody the objectives and main working lines previously defined by the Board of Directors.



Report of the Experts Group

Code of Practice

It changed from version 2.1 at the beginning of the year, to version 3 in May 2006 and version 4 in October 2006.

The changes in version 3 were minor and of descriptive character except for addition of two definitions, minerals and agents, which cleared the scope of the Code.

The changes in version 4 were mainly due to recommendations from the European Commission and stakeholders. Thus FAMI-QS had 17 comments to consider, and all except one were acknowledged and implemented. The major changes were addition of some new definitions and addition of references to legal documents for each definition, if possible. Furthermore, the questionnaire tables were substituted by a list of concepts that the operator has to ensure to fulfill with the demands of each paragraph.

Annexes – Guidance documents

The Guidance document changed from version 3 to version 4 in October 2006. Some of the annexes were revised and some new ones were added. The major innovation was:

Annex 1: GUIDANCE ON THE IMPLEMENTATION OF HACCP
– Extension of the CCP section

Annex 6: GUIDANCE ON CARRY-OVER
– Extension of the section on general information; what to look for and how to prevent.

Annex 11: GUIDANCE ON RISK ASSESSMENT IN PRODUCTION
– 5 examples (fermentation, mining, extraction, chemical, premixtures) were added to help and inspire operators working in different sectors.

Annex 12: GUIDANCE ON PRODUCT RECALL
– Focus on how to determine whether a product is safe or not as, an important exercise prior to a recall.

Annex 13: TABLES OF REFERENCES OF FAMI-QS REQUIREMENTS WITH THE CORRESPONDENT LEGAL TEXT
– To visualize that all legal requirements have been included in the Guide.

Resume of technical modifications *	
Code v1	Jul-04
PD v1	Jul-04
Guidance v1	Jul-04
PD v1.1	Aug-04
PD v1.2	Oct-04
Code v2	Jun-05
PD v2	Jun-05
Code v2.1	Jul-05
Guidance V2	Aug-05
PD v2.1	Oct-05
Code v3	May-06
PD v3	May-06
Guidance v3	May-06

* Track changes to be consulted here:
www.fami-qs.org/documents.htm

NEW!!
Code v4, Oct 2006
Guidance v4, Oct 2006
And PD v4 coming soon...



Process Description

Version 2.1 was the valid version at the beginning of the year. Version 3 appeared in May 2006 and the most important change was that the accreditation requirement changed from EN 45012 to EN 45011.

For the upcoming version, some changes have reached agreements and others are still in the discussion phase. The changes were presented and discussed at the Certification Bodies meeting in November 2006. The most important changes of the new version include:

- the obligation of the representative of the Certification Body to attend the full training sessions organized by FAMI-QS;
- an update of the auditor's requirements;
- the prohibition to issue a certificate until the operator has been registered as a FAMI-QS member and therefore listed on the website;
- a formalized audit report template;
- the description of the gatekeeper principle;
- the specific requirements in the certificate for some products that do not have a functional group.

Certification Bodies

The pillars of the FAMI-QS certification system are auto-control as well as control and supervision from a third independent party: the certification body.

By receiving a copy of the summary audit report, FAMI-QS carries out the general monitoring of the work done by the certification bodies at the operator's level. FAMI-QS maintains the confidentiality of this reports.

With the aim to guarantee an optimum level of knowledge of its auditors and maintain the quality and excellence of the system, FAMI-QS provided two full-day technical training sessions to its Certification Bodies in Brussels during the year 2006.

Certification Bodies approved by FAMI-QS

Bureau Veritas Certification Holding SAS

CSQA Certificazioni Srl

Certiquality

Danish Standard Certification

DEKRA Certification GmbH

DNV Certification B.V.

DQS

EFSIS

HSL Certification Service

Lloyd's Register Nederland BV

SGS

SQS

TÜV SÜD Management Service GmbH

The program and contents of these sessions are carefully conceived and developed by the Experts Group together with the FAMI-QS Quality Manager, which actively participate in the training program. In addition to this,

the certification bodies have shown during this year a big progress in covering FAMI-QS under the scope of their EN 45011 accreditation.

H. Lilholt



Contact information

120, Avenue Louise (5th floor B)
1050 Brussels – Belgium
Phone : +32 (0)2 639.66.66
Fax : +32 (0)2 640.41.11
E-mail : info@fami-qs.org
Web : www.fami-qs.org