



Annual Report 2007

FAMIQS

European Feed Additives and PreMixtures Quality System

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2007 Overview

“2007/C 64/04” - This is the unimpressive reference in the Official Journal of the European Union stating that the Standing Committee on the Food Chain and Animal Health assessed and approved FAMI-QS pursuant Regulation (EC) No 183/2005.

“Community guide to good practice for feed additives and premixtures operators” - This is the impressive associated title of FAMI-QS, strengthening the standard with considerable added value for our current and future members as it is the formal link with the European Feed Hygiene Regulation.

We are proud that we could pass on this clear signal early in 2007 to the feed industry. It confirms that FAMI-QS is on the right path, it reinforces our position and imposes the obligation to maintain and further develop FAMI-QS as the leading standard for feed additives and premixtures.

The continuously increasing number of FAMI-QS members explicitly proves that it is more than a voluntary guide. Using the auditing by accredited certification bodies, it provides documented

assurance of compliance with European Feed Regulation and a competitive advantage through superior processes. The statistical figures in this Annual Report show that this benefit is of soaring value for third country operators. Concerning the European operators, our ongoing discussions with the Feed Control Officials in the Member States seem to result in the advantage of reduced control activities.

Having a lot of members that have applied FAMI-QS for several years, we are glad to hear that it is more than an aid to comply with regulatory and feed safety needs. As the feed market requests suppliers that are in a position to fulfil the industry requirements on a long term, some operators praise FAMI-QS as a tool to upgrade the company image and to provide continual improvement. They also recognise a clearer view of internal procedures, a reduced amount of complaints and claims and a positive change in the attitude of the employees.



Members and Statistics

Note: These figures have been updated on January 17, 2008.

Figure 1: This figure represents the evolution of the number of feed additives and premixtures operators which have successfully completed the process of certification since the first FAMI-QS certificate has been awarded, in November 2004.

Beside the unconditional support from the European industry to our quality and safety system, it can be seen that 3rd country operators have been increasingly joining FAMI-QS certification as its added value for exporters who want to meet EU legislative requirements has been shown.

Figure 2: This figure shows the amount of certified operators together with those in the process of certification. Companies "in process" will presumably be certified during 2008 (both in EU and non EU countries). Nearly 400 companies are either "in process" or certified. Their names can be consulted through the website: www.fami-qs.org

Both figure 1 and 2 show the striking evolution of FAMI-QS, reaching a global dimension as its membership includes companies operating worldwide.

Figures 3 and 4 (next page): show the implementation of FAMI-QS, in percentage of distribution, per country.

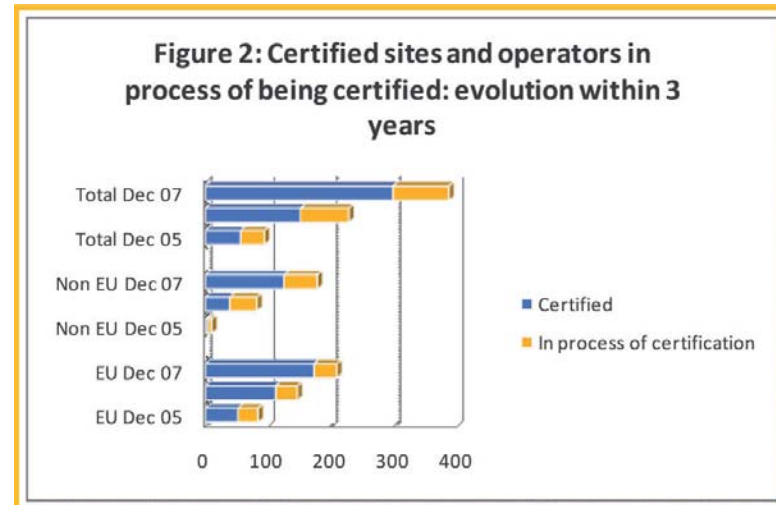
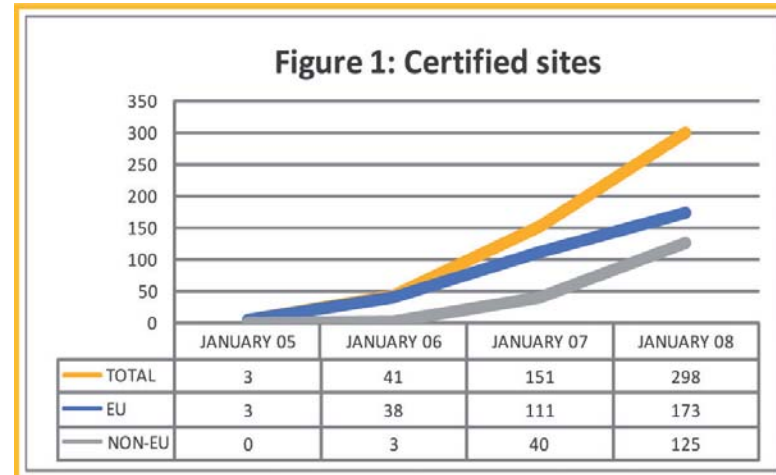




Figure 3: EU-Certification status per country

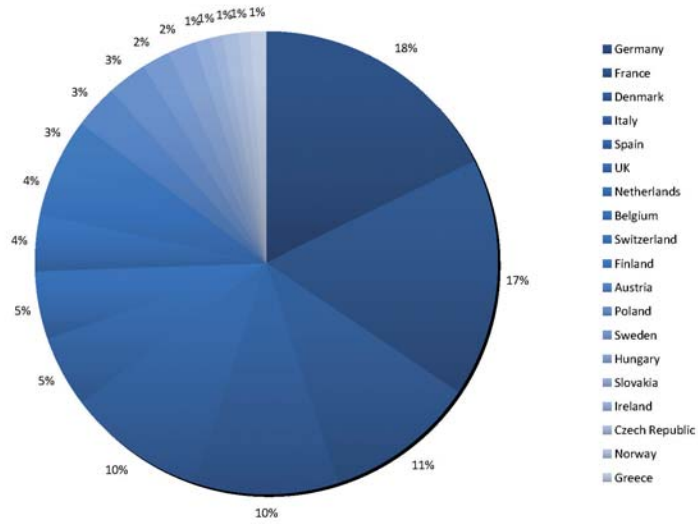
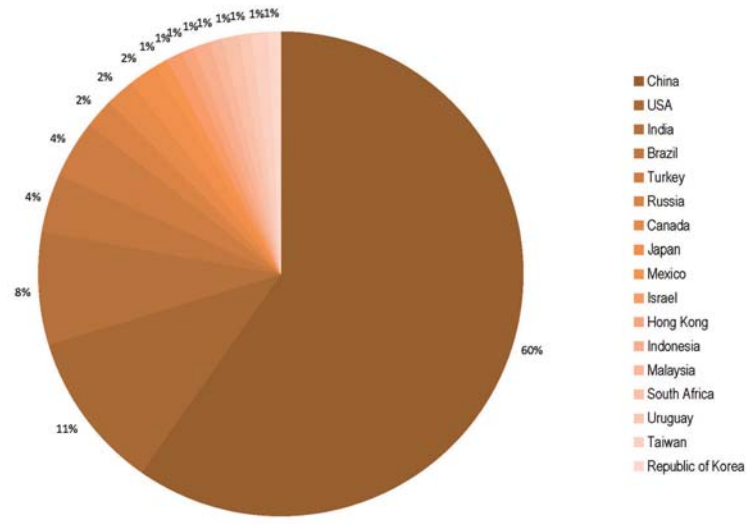


Figure 4: Non EU - Certification status per country





Activity Review

Stakeholders and chain partners meetings

FAMI-QS has reached adequate recognition in the feed sector and thus maintains regular contacts with the relevant stakeholders and chain partners in the EU, building common policies and technical developments as well as working side by side with them. This includes other EU code owners such as AIC (UK), OVOCOM (Belgium) and PDV (Netherlands), with which FAMI-QS signed bilateral agreements in 2006. These agreements seal the mutual recognition between the schemes. During 2007, the four organizations have consolidated the program of meetings that guarantees the proper coordination of their systems.

Due to the rapid globalization of FAMI-QS and its impressive implementation in non EU countries, FAMI-QS has also developed a 3rd countries strategy which aims regular contact with feed organizations such as AFIA (USA), Sindicacões (Brazil) or the Chinese Feed Association.

Cooperation with EU and National Authorities

FAMI-QS maintains a strong and efficient cooperative spirit with the European Commission and Member States representatives.

On the one hand, the FAMI-QS Guide was submitted to the European Commission's evaluation

and, after a period of intensive work and adaptation to the authority's recommendations, FAMI-QS obtained the official recognition as a Community Guide to Good Practice for feed additive and premixtures operators, as described in Articles 20 and 22 of the Feed Hygiene Regulation (EC/183/2005). This was published in the Official Journal (Serie C 64/17) on 20 March 2007.

FAMI-QS is very satisfied with such a success confirming our approach to the implementation of the EU legislation. The outstanding development of the FAMI-QS system and the increasing trust it is gaining towards national control authorities confirms that the complementarity between FAMI-QS certification and official control can come up to real expectations.

International activity

FAMI-QS has become such a prestigious standard for the assurance of safety and quality of feed additives, that it has become a standard of reference not only in the EU, but also at global level.





Organizations such as FDA and FAO, among others, have requested the technical input of FAMI-QS for the development of their respective safety standards.

Seminars and Conferences

With the aim of promoting its objectives and staying in close relationship with the associate members, FAMI-QS organizes seminars, conferences and a series of public lectures on a regular basis. Thus, FAMI-QS recognizes the need for the membership to have an appropriate forum to discuss and raise issues.

Furthermore, during the year 2007, the association has developed several external promotional actions by attending and actively participating in various events for feed business operators.

Training session in China

FAMI-QS is aware that Europe is more and more watched by supply and regulatory operators outside the EU, who are increasingly implementing the high standards developed in Europe through FAMI-QS. FAMI-QS is striving to accept this challenge and integrate this global dimension into its activities to contribute constructively to the protection of consumers. Because of the big impact that FAMI-QS is having in China, and after the success of the first training session in Beijing (July 2006), a second traineeship for auditors was organized there on 16 and 17 October 2007. Participants were taught on EU legislation, the FAMI-QS Code of Practice and its implementation. At the end of the two-day session, the auditors were invited to

go through an examination in order to evaluate their level of understanding on the subjects. The results were more than satisfactory, and the auditors showed to be well prepared for providing FAMI-QS audit and certification to the Chinese feed additives and premixtures industry.

Communication plan and website

FAMI-QS has established an effective communication plan to ensure that all members, certification bodies, stakeholders, authorities and other interested parties can be aware of the association developments as well as the technical progress in the relevant documents such as the Code and certification rules. This is done through newsletters and press releases.

Reinforcing this plan, the FAMI-QS website contains all the information that could be required.

Thus, our permanent staff can be easily reached through the contact details provided on the website, assuring that all consultations and enquiries are solved in a diligent and professional way.

EFIP

FAMI-QS has been an active member of EFIP (European Feed Ingredients Platform) 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).

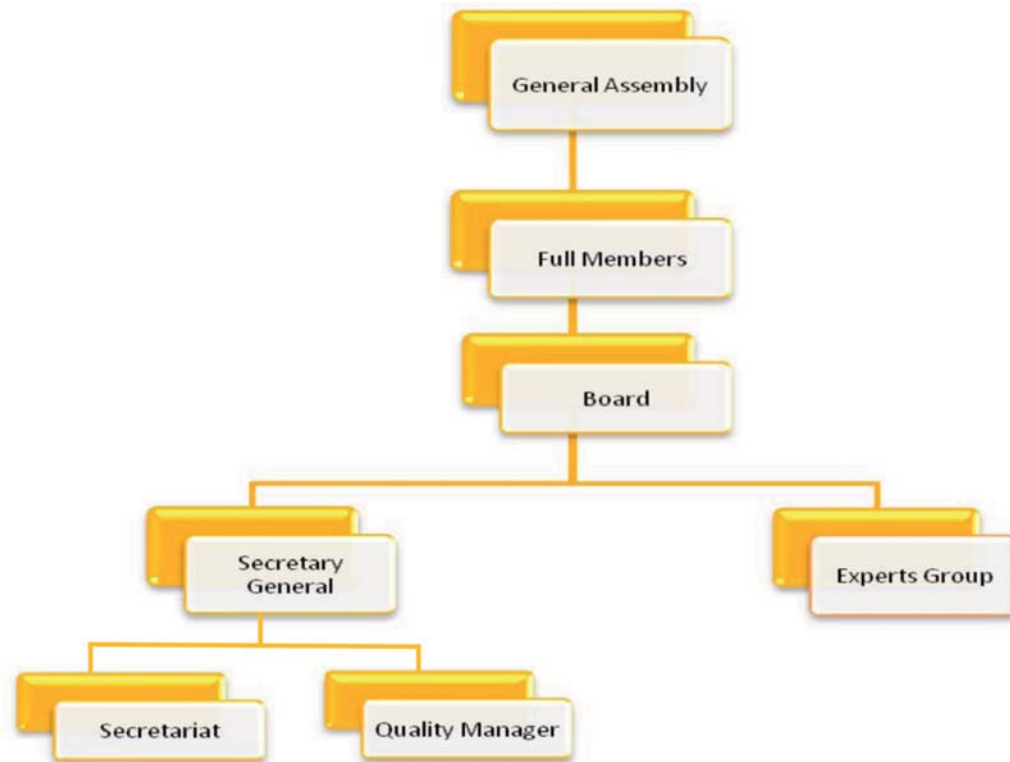


FAMI-QS Structure

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	ADISSEO	AJINOMOTO	ALLTECH	BASF	DANISCO	EVONIK	DSM	LOHMANN	NOVOZYMES	NOVUS	PHYTOBIOTICS
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Board Composition 2007

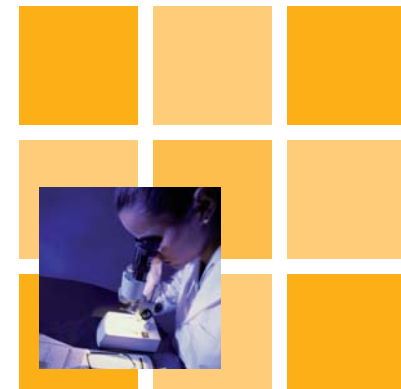
- Dieter Greissinger
• Evonik - Degussa
- Juliette Mélédié
• Adisseo
- Manfred Peisker
• ADM
- Matthew Russell
• Alltech
- Franz-Josef Schöner
• BASF

Experts Group Composition 2007

- Peter Fidler
• Trouw Nutrition
- François Fourier
• Ajinomoto
- Jutta Hörr
• Evonik - Degussa
- Helle Lilholt
• Novozymes
- Henry van Sadelhoff
• ADM
- Manfred Septinus
• 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

FAMI-QS received support from the Experts Group whose members participated in several technical meetings, like Expert Group meetings and Certification Body meetings, held in 2007.

FAMI-QS recognized as Community Guide

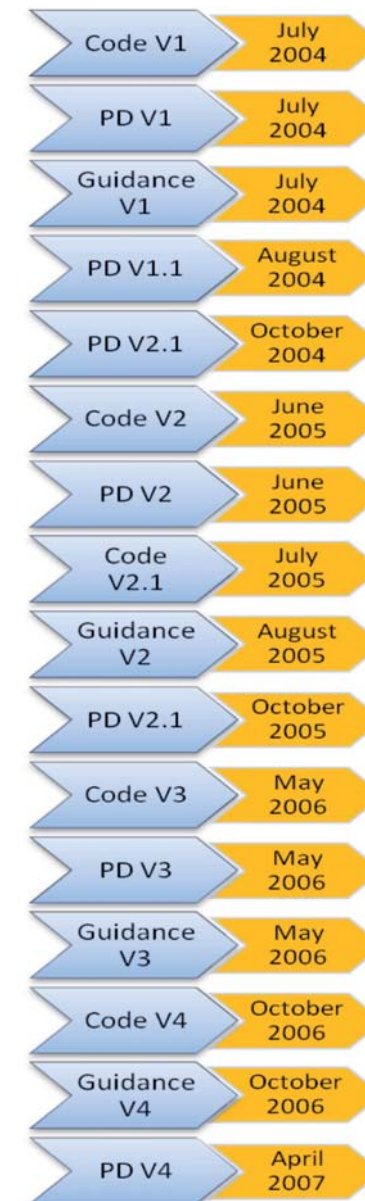
With the changes of last year, mainly performed due to recommendations from the European Commission and stakeholders in versions 4 of the Code of Practice and the Guidance documents, FAMI-QS has been recognized by the Standing Committee on the Food Chain and Animal Health as a Community guide to good practice to implement the requirements of the Feed Hygiene Regulation. The „Community guide to good practice for feed additive and pre-mixture operators“ was finally published in the Official Journal (Serie C 64/17) on 20 March 2007 and can be consulted on the EU website. Translations of the Guide to good practice are available in Dutch, French, German, Italian and Spanish on the FAMI-QS website.

Certification Process Description

The Process Description changed to version 4 in April 2007. The reviewed document was presented and discussed at the Certification Bodies meeting in May 2007. The most

important changes of the new version include:

- Enlarged requirements for Certification Bodies and auditors like accreditation according to EN 45011, qualification, experience and that are listed in a new chapter 4
- A formalized audit report template in annex 6
- Specific requirements for certificates in case feed additives are not yet classified into a category or functional group in the EU-Register
- Requirements on certificates in case the company name and address changes
- An updated flow chart describing the flow of information during the certification process
- A new chapter 12 describing the mutual recognition between FAMI-QS and the schemes of AIC (UK), PDV (NL) and Ovocom (B)
- A new chapter 7.2 describing the gate-keeper principle.





The Gatekeeper Principle

The condition for granting a FAMI-QS certificate is that feed additive and premixture suppliers of a certified operator are themselves FAMI-QS certified. This principle must be respected by all certified operators, nevertheless FAMI-QS has recently added to it an exceptional and transitional alternative to source feed additives and premixtures from non-FAMI-QS certified suppliers: the gatekeeper principle. It can be applied under defined circumstances and for a limited volume of products and suppliers, after request and approval from FAMI-QS.

The company applying for the exception has to be FAMI-QS certified, must audit and control the supplier under the rules of FAMI-QS and can only source a part of its raw material under the certificate of exemption. This will ensure that the products from the original manufacturer are meeting the full FAMI-QS requirements described in the Code.

The gatekeeper principle is exceptional, tentative and will be reviewed and adopted every year according to the regulatory progress and the progress FAMI-QS and FEFANA achieve in Europe and third countries.

Provided a strict execution of the established rules, FAMI-QS is already now the most rigorous and demanding quality system with respect to sourcing from third parties and the Asbl will perform a sound monitoring of the

implementation until regulatory and market environment allow for a different procedure.

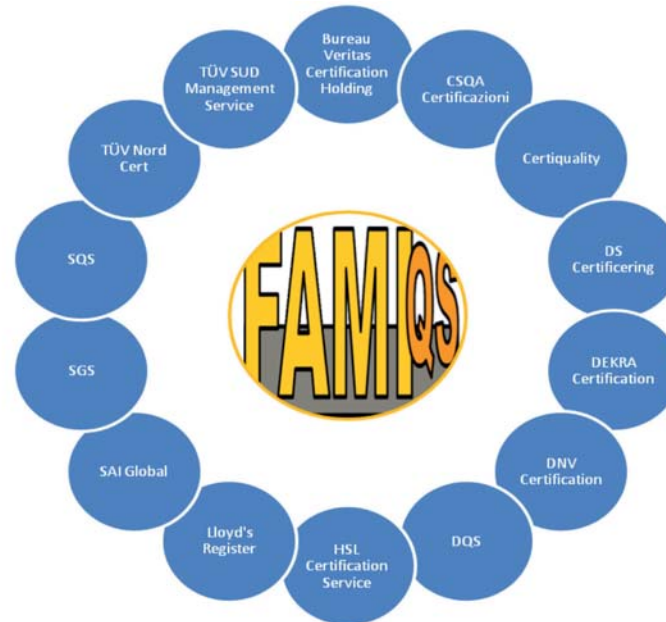
Certification Bodies

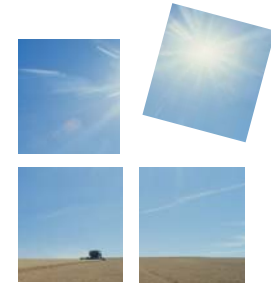
The pillars of the FAMI-QS certification system are auto-control as well as control and supervision from a third independent party: the certification body.

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 these 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 2007. 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.

Jutta Hörr





FAMIQS

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