



Comité du Commerce des céréales, aliments du bétail, oléagineux, huile d'olive, huiles et graisses et agrofournitures de l'U.E.

European Association of cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply trade

Annual report 2010

INDEX

- 3. COCERAL role and mission
- 4. President's welcome
- 5. Secretary General's Introduction
- 6. Market and Agricultural Policy Section
- 8. Food and Feed Safety Policy Section
- 11. Agrosupply Section
- 12. Rice Section
- 13. Olive Oil Section
- 14. Food and Feed hygiene Implementation and COCERAL services
- 15. Organisational Structure
- 16. Financial statements

ROLE AND MISSION OF COCERAL

COCERAL is the acronym for «Comité du Commerce des céréales, aliments du bétail, oléagineux, huile d'olive, huiles et graisses et agrofournitures»¹ and is the voice representing the European cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply trade.

The members of COCERAL are the national trade organisations of the EU Member States, who for their part represent collectors, distributors, exporters, importers and agribulk storers of the above mentioned commodities. The members are composed of essentially private traders and in some countries also farmers' cooperatives.

Membership of COCERAL² is made up of

- 30 National sector associations, including
 - 1 associate member (Switzerland)
 - 1 EU sector association (UNISTOCK)

COCERAL's mission is to represent and promote the interests of the grain, feedstuffs, rice, olive oil and agro-supply trade associations operating within Europe and to promote strategies for provision of safe food ingredients and feed raw materials for the benefit of EU processors and consumers. COCERAL contributes to the development of an appropriate framework in which issues such as market, food and feed safety, environmental matters and sustainability are dealt with in a holistic manner, underpinned by robust data, management and effective communication.

In delivering this mission, COCERAL, in close cooperation with its members, operates as an active, committed and responsible stakeholder. COCERAL's permanent secretariat, based in Brussels, maintains close contacts with European and international institutions and has become a major partner in consultations on food, feed and non-food related developments.

COCERAL is Member of



IGTC

International Grain Trade Coalition

<http://www.igtglobal.com>



CELCAA

European Liaison Committee for the Agricultural and Agri-Food Trade

<http://www.celcaa.eu>



EFIP

European Feed Ingredients Platform

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

¹European Association of cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agrosupply trade

²As of January 2010

President's Welcome



Margaretha Minsér
President

The past year has been one of some major changes: some already foreseen and others quite unexpected. However, I have been pleased to see how the group managed to face the changes and challenges coming along, professionally, building up new features with enthusiasm and passion, with the full support of members across Europe.

The year 2010 has seen COCERAL protagonist of intense lobbying campaigns in defense of the European trade in cereals, oilseeds, rice, olive oil, agrosupply, oils and fats sector. The Sections have been giving great support in that respect: the challenges related to the asynchronous approval of Genetically Modified Organisms (GMOs) as major cause of trade disruptions for European traders has been on the top of the team efforts also in 2010, requiring substantial commitment and team up with the food and feed representatives downstream the supply chain. At the same time, sustainability and the Renewable Energy Directive have gained ground and kept busy throughout the year.

A continuing, devastating drought afflicting crops in the Russian Federation, coupled with anticipated lower outputs in Kazakhstan and Ukraine have raised strong fears about the availability of world wheat supply in the 2010/11 marketing season. The turmoil in global wheat markets is evidence of the growing dependence on the Black Sea region, an area renowned for erratic yields, as a major supplier of wheat to world markets. These big campaigns are delivered on top of the day to day routine of answering queries and sharing information on the real problems arising from each of the sector we serve.

What is important for COCERAL and its members is that the representativeness at European level becomes stronger and stronger.

I must extend my thanks on behalf of all COCERAL Members to our Secretary General Teresa Babuscio and her dedicated staff in Brussels who have worked hard to deliver that added value which makes the Association a robust and credible voice in the European arena.

Secretary General's Introduction



Dr. Teresa Babuscio
Secretary General

The Year 2010 has seen COCERAL entering a new phase of its development.

The focus has certainly been around the key area of «reorganisation» which helped in better impacting on the development of EU policies and their implementation throughout the EU.

To face an ever increasing number of complex challenges, COCERAL has strengthened its team as well as explored new operating procedures. This led notably to the creation of a number of ad hoc Task Forces, dealing with different issues, which resulted in a complete refreshment of the way COCERAL working groups and Sections are organised, requiring more and more active Members' participation. The objective was clear: to provide the Association with more efficient, knowledge-based and quick decision-making procedures. This Activity Report will give you an opportunity to judge how effective this new way of working is already proving to be.

We have witnessed developments within a number of important dossiers, welcomed a new European Commission and have been busy organising a noteworthy event in June 2010 on the ongoing Common Agricultural Policy developments, hosting the new Commissioner in charge, Mr. Dacian Cioloş. COCERAL also maintained its consolidated tradition and kept high the contribution given to the several Advisory Committees of the European Commission, providing experienced inputs and dedicating timely efforts.

COCERAL continued to be a strong and committed contributor to the International Grain Trade Coalition (IGTC) which achieved major steps forward in 2010 through the conclusion of the negotiation of the Protocol on Liability and Redress for Damage Resulting from Living Modified Organisms in the frame of which COCERAL has been heavily involved over the last three years, particularly in the long-lasting

discussions on the definition of «operator» and the related responsibility along the supply chain.

There is no doubt that COCERAL has once again played an active role on the European scene over the past year, having high level meetings, strengthening the alliances with the food and feed chain partners and consolidating the professional relationships as well as the exchange and cooperation with the European Associations part of our group: UNISTOCK, EUROMALT, EUROMAISIERES and EUROFLOUR.

Our association has proved its innovative and solution-oriented capacities: this has only been possible thanks to the competence and commitment of all Members involved in COCERAL activities and the tireless support of my colleagues in the Secretariat who demonstrated to have large and solid shoulders holding the transition phase.

I seize this opportunity to warmly thank all of them.

Market and Agricultural Policy Section



Marcel Combot
Chairman Market Section
(Ad Interim)

Year 2010: a tense market situation

The market situation during 2010 remained tense, due to unfavourable weather conditions in various countries. Policies aiming to restrict or ban trade in cereals producing countries such as Russia and Ukraine or aiming to secure higher stocks in destination countries have exacerbated the price moves and the perception of lack of availability of raw materials has translated into a price increase during most of this campaign. With a lower cereal production than forecasted, the EU accessed its stocks to help the grain availability on the market, taking measures such as the release from intervention of wheat and barley as of November 10th.

COCERAL trade section was also marked by changes, with the leaving of Mr. Klaus Schumacher and the taking over of the section, ad interim, by Mr. Marcel Combot.

COCERAL work aimed to cover both internal and external aspects of the crisis:

- on the European side fighting for a better calculation of sorghum duties, in particular asking the replacement of the barley quotations with more appropriate, market relevant references for this duty calculation and regularly exchanging with the Commission on the market situation.

- COCERAL and Unistock action on dried distillers grains with solubles (DDGS) at both the EU and the International Maritime Organisation level allowed for lighter transport conditions for these commodities, which were not included in the hazardous goods category.

Ukraine: major efforts for an unpredictable situation

COCERAL intervened as well with a constant information flow and regular meetings with the Commission services and Cabinets on the situation in Ukraine, raising issues related to the activity of local customs which had blocked all trade last July but also on the later implementation of export quotas.

- COCERAL extended during 2010 its cooperation on the above mentioned issues with same profile Ukrainian based associations and with Ukrainian government representatives.

- COCERAL also contributed to raising awareness on the late payments and outstanding VAT refunds in Ukraine and Romania, obtaining for the latter the opening of an infringement procedure last March.

- On-going work is carried out on a better predictability and transparency of VAT refunds in Ukraine and on the implementation of a transitional measure allowing reverse charge VAT for cereal and oilseed exporters in Romania. The reverse charge measure has been recently proposed by the Commission and is pending agreement by EU Member States.

Multilateral and Bilateral Trade Negotiations

Alternatively, for ongoing negotiations (Ukraine, Canada) or for recently restarted trade discussions (i.e. MERCOSUR) COCERAL drafted position papers and defended the position of cereal and oilseed traders to the Commission, who confirmed its proactive role in facilitating free trade. On the revision of the GSP and the future of trade policy, COCERAL contributed with views sent to the Commission in the framework of consultations.

Common Agricultural Policy (CAP): high attention for the on-going reform

- Important aspects of future trade will depend on future EU legislation on the CAP reform and the functioning of the food supply chain. COCERAL has been closely following the CAP revision process, contributing to consultations and advisory group discussions through its position paper.

- Intimately linked to the CAP reform, the revision of financial instruments moved further in the centre of the attention for COCERAL members, leading the Secretariat to organise last October a seminar which aims was to clarify the direction of US and future EU financial markets revision. In view of enhancing knowledge on the role and use of financial



markets by commodity traders, COCERAL drafted a position paper, contributed to open consultations and will continue to increase awareness on the above mentioned subject during organised events and meetings.

Sustainability: increasing role played by COCERAL

In 2010, the role of sustainability as a market driver imposed itself, in particular as concerns the sustainability criteria mandated for biofuels by the Renewable Energies Directive (RED), 2009/28/EC. With many practical aspects of the RED to be defined through Commission Communications,

- COCERAL contributed to the debate to obtaining a workable and practical definition of mass balance, the system chosen in RED for verification of compliance along the supply chain.

- COCERAL provided information and a quantitative economic analysis of the impacts of a strict interpretation of mass balance for trade operators and ultimately the whole biofuels supply chain, including consumers. This has led to a current mass balance definition allowing for up to one year for the reporting period and more flexible geographical boundaries, i.e. mass balance at site level as compared to a tank level.

- COCERAL has also been a very active contributor to the debate that involved the whole biofuels supply chain (from the farmers to the petroleum industry) aimed at advocating a more flexible interpretation of RED for the biofuel feedstocks derived from crop 2010. Although the RED entered into force on 5th December 2010, the 2010 crop was sown at a time when the sustainability criteria were not yet set, making it therefore unreasonable to provide evidence of compliance. The common supply chain effort resulted in guidance from the Commission to Member States on the minimum requirements for land use criteria, mass balance and auditing, to be specified when transposing the Directive. As mutual recognition among national transposition systems is not mandated by RED, such guidance represents an important opportunity for homogenizing

the national systems: an objective that COCERAL pursues for many aspects of the RED, including the definition of environmental areas where biofuels feedstock cultivation is allowed, the definition of NUTS2 areas, the interpretation of grandfathering clause for old processing plants, etc.

COCERAL, with the support of the Sustainability Working Group, is engaged in several other issues related to RED and sustainability, such as

- the demand for a speedy approval of voluntary schemes;
- of the update of default values for greenhouse gas emissions savings, and very importantly
- the ongoing discussion on indirect land use change (ILUC) whose results may strongly influence the current biofuels market.

In the course of 2010 COCERAL has also brought sustainability and biofuels to the attention of the International Grain Trade Coalition (IGTC) of which is active part.

Although sustainability requirements have been mandated by the EU only for the biofuel outlets, discussions on sustainability and food/feed products are proliferating.

- COCERAL takes part to the Roundtable on Sustainable Consumption and Production of food and drink products where associations representing the whole food and drink supply chain, including consumers and NGOs are setting up framework methodologies for environmental assessment, communication and improvement. In 2010 the principles of the Roundtable were set (http://www.food-scp.eu/files/Guiding_Principles.pdf) and 2011 will see the finalization of most reports.

- As an EU framework for sustainability already exists for grain and oilseeds under the RED, COCERAL advocates for a homogenization of criteria should they be extended to the food and feed outlets.

Food and Feed Safety Policy Section



Jean-Michel Aspar
Chairman Food and Feed
Safety and Environment
Section

The increasing number of players from developed and emerging countries acting on the global market had led to a contextual and factual attention to the safety of the food and feed placed on the market. In this context COCERAL Food and Feed Safety section has played and continues to play a key role in supporting the activity of COCERAL both at European and international level, by providing inputs on several issues regarding the implementation of the European food and feed safety legislation affecting the represented sector.

COCERAL continued to have a strong professional relationship with the European Commission as well as with the whole EU Food and Feed Chain and increased its relationship with members of the European Parliament. The section also actively coordinated actions at member states level with local members, whenever such actions were needed.

Asynchronous authorisations of GMOs stayed on the top of 2010 COCERAL agenda

COCERAL has been constantly active on the European and International scene on all GMOs related files and in particular on the issue of asynchronous authorisation of GM events, which remains the topic of highest importance for the Association.

Thanks to the efforts of COCERAL and of other interested parties of the Food and Feed Chain, late this year the Commission tackled the long-awaited **Technical Solution applicable to GMOs not yet authorized in Europe in feed**. This measure has to be seen as a first step in the right direction, providing more legal certainty for operators in case minute traces of GM events not yet authorized in Europe show up in shipments of feed materials coming from third countries. However, only a robust **Low Level Presence (LLP) policy for GMOs not authorised in Europe in food and feed** based on a workable threshold will address the issue in a consistent manner.

The LLP file will remain one of the highest priorities as additional efforts need to be made in order to include food within the scope of the Technical Solution and to achieve a comprehensive and pragmatic LLP policy for GMOs not yet authorised in Europe.

Mycotoxins and contaminants: successful consolidation and activities of COCERAL Working Group

In 2010, the EU mycotoxins legislation was not substantially modified for cereals and other agricultural bulk commodities. Nevertheless, the ongoing assessment of T-2 and HT-2 toxins carried out by EFSA may lead to the major change in the mycotoxins legislation for the next years. **COCERAL Working Group** consolidated its activity as well as its scope during the year boosting the development of the sector policy in the area of mycotoxins as well as contaminants, contributing to actively monitoring and enhancing the discussion on those subjects.

- The results of the **COCERAL biannual survey on mycotoxin management** were presented in public fora such as the Commission DG SANCO Fusarium Forum, giving visibility to the traders' commitment to prevent and reduce risks of mycotoxin infection.

- The **global trends in mycotoxins management** and research were also monitored thanks to the active participation to international events such as the World Mycotoxins Forum. In parallel, the Working Group re-launched **the assessment of rapid testing tools for mycotoxins monitoring revamping the dialogue platform with the European testing-kit suppliers** which will continue over the year 2011.

Even if mycotoxins remain one of the top areas of concern for COCERAL, other contaminants, such as heavy metals and undesirable substances in feed raised attention during the year and resulted in additional monitoring:



- Cadmium is a topic where COCERAL has been particularly active over the year. COCERAL has successfully initiated discussions with the European Commission and coordinated efforts at national level on the ongoing revision of the existing limits for the presence of cadmium in foodstuffs advocating to first applying the principles of better regulation, before putting forward new regulatory limits.

- Polycyclic Aromatic Hydrocarbons (PAHs) and the revision of the existing legislation for Dioxins and Dioxin-like PCBs became and will remain areas where COCERAL needs to pay attention to.

Hygiene and labelling of feed materials: major steps forward

COCERAL is following closely the developments of the European Commission in respect to **microbiological risk management in feed**.

- The partnership along the feed supply chain with COPA-COGECA, FEDIOL and FEFAC, resulted in a strategic decision to develop a common approach for the **management of the risk of salmonella** in the feed chain.

COCERAL also played an active role within the platform of feed suppliers in the implementation of EC regulation on the **placing on the market and use of feed**, particularly in the development of the first update of the European Catalogue of feed materials.

- As chef de file for Category one "Cereals, cereal products and by-products" of the catalogue, COCERAL successfully contributed to the exercise and actively supported the approval of the updated Catalogue of feed materials by the Standing Committee of the Food Chain and Animal Health on November 18th, 2010.

Plant Protection Products: avoiding the gradual disappearance of pesticides used for post-harvest treatment

Plant Protection Products and in particular the availability of storage insecticides stayed high in the agenda of the Food and Feed Safety Section. In the course of 2010, many steps forward were taken in this context for the benefit of the whole sector:

- Above all, the recognition and the acknowledgement from the public authorities and Member States of the **occurrence of cross-contamination**, i.e. the transfer of residues from treated grain and/or silo walls/handling equipments to untreated grain (from the same specie or from another one), resulting in exceeding the maximum residue limit authorised.

- This concept was and remains particularly important for pirimiphos-methyl and its proposed residue limits: COCERAL was heavily involved in discussions with the partners of the supply chain, the developer of the compound as well as the European Commission in order to achieve for the cross-contamination the status of a fully fledged factor to be taken into consideration when putting in place regulatory measures in the area.

- With more developments expected in 2011, COCERAL has been very active in **monitoring the assessment of active substances** relevant for grain storage and **has been leading a platform of associations** in respect to the issue of cross-contamination. COCERAL also advocated a **more realistic risk assessment approach** in order to avoid the gradual disappearance of pesticides used for post-harvest treatment.



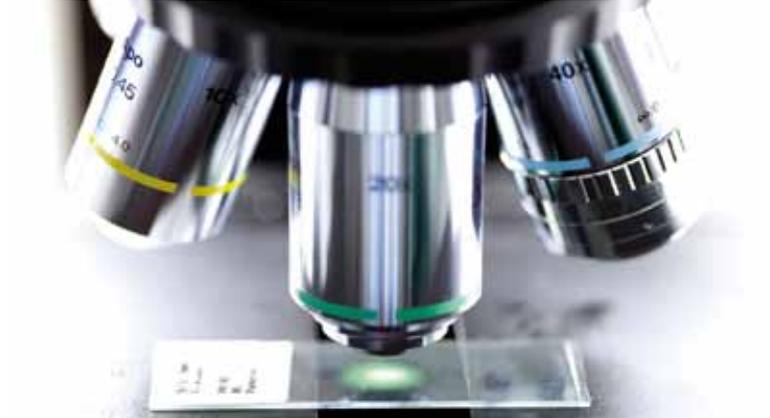
Biocides

When active substances are used for controlling harmful organisms on premises that do not enter in direct contact with the grains, they fall under the scope of the biocidal legislation whose revision process started in 2010. COCERAL defended the position of rodenticides which was endangered by the Commission first text proposal. An intense lobbying activity vis-à-vis the European Parliament resulted in securing the placing on the market of rodenticides, via an extension of the derogations for approving biocides active substances. The revision of the biocides legislation will continue its legislative course during the current year, when COCERAL will continue monitoring the developments, in particular the definition of endocrine disruptors which affects also the plant protection products legislation.

Official controls

COCERAL continued to be proactively involved in issues related to official controls for food and feed. COCERAL, together with other interested parties, indeed contributed to the development of the implementing measures for the Rapid Alert System for Food and Feed (RASFF).

Thanks to the quality and the commitments of COCERAL dedicated team, the Section has been able to closely monitor and constantly work on multiple different files while keeping members fully updated on real time.



As Chair of the section, I would also like to thank national Associations as well as their experts for the precious input and support which contributed to best interact with public authorities and other stakeholders and share the "experience on the field" which is essential for a workable and meaningful application of the legislation in the food and feed safety area.

Many thanks also for reiterating your full support allowing COCERAL to address in 2011 existing as well as new challenges in defense of the European cereals and oilseeds, rice, oils and fats, agro supply and olive oil trading sector.

Agrosupply Section



Carlo Costa
Chairman Agrosupply
Section

The market situation for plant protection products and fertilizers in 2010 changes substantially from one Member State to another, although the overall economic situation has a general influence on the market. The difficult economic conjuncture resulted in a decreased buying power for farmers, which may lead to a decreasing demand for plant protection products and fertilizers.

The agrosupply section has followed all the major regulatory issues affecting the pesticides and fertilizers markets. During the course of 2010 most of the EU Member States started national consultations and works to implement the **Directive on Sustainable Use of Pesticides (SUD)**.

- COCERAL coordinated an exercise aimed at collecting information on the national transposition of the SUD articles relevant to the section, and then dispatched the collected information to the agrosupply members.

Besides monitoring the availability of pesticides active substances, a special focus was given to the **minor uses or specialty crops** issue.

- COCERAL is in partnership with other associations in the food chain actively contributing to the upcoming Commission's report on pesticides minor uses, which cover a broad list of crops and represent an important share of the market.

- Nevertheless, due to the "minor" nature of these markets, pesticides manufacturers often retain from submitting costly dossiers for authorization. In this context COCERAL advocates for the **establishment of a minor use fund**, and improved cooperation between private and public actors in order to have an impact to the availability of crop protection solutions for specialty crops.



The agrosupply section also follows other area of potential impact on the pesticides market. As concerns **mycotoxin management**, agrosupply distributors have a preeminent role in preventing and controlling mycotoxin risks by advising farmers on the most appropriate treatment for a specific situation. Facts and figures on this important feature of the agrosupply segment are shown in the **Mycotoxin Management report published in 2010**.

In the context of the **Water Framework Directive and Priority Substances**, in 2010 the Commission started the revision of the priority substances list, including pesticides and biocides. COCERAL follows up the developments which will concretized in 2011 with a legislative proposal.

Fertilizers

In the fertilizers area, attention was given to the establishment of a legislation covering **precursors of explosives**, which include nitrogen fertilizers.

- COCERAL agrosupply section was defined by the public authorities as an important link in the fertilizers supply chain and it contributed to the debate which resulted in a legislative proposal covering only the sales of precursors to the general public, i.e. not to farmers. The sales of fertilizers identified as possible explosive precursors to professional users will be covered only by a voluntary agreement.

Rice Section



Jean-Paul Schepens
Chairman Rice Section

Rice market prices recovered during 2010 following their peak in the previous years, on account of a good world production, reflected also at EU level through an increase in production and areas, and a replenishment of stocks. EU exports amounted to 210 000 tons while imports were at a level of around 900 000 tons.

Tariff barriers, export quotas, market opening

The COCERAL rice section was very much involved in actions aimed at lowering tariff barriers for rice imports to the EU. Additionally, work was pursued in view of the entry into force of the new agreement with Egypt, introducing consolidated rice export quotas.

COCERAL advocated for a rapid entry into force of new preferences, which were in place as of June 1st.

COCERAL also urged to ensure the further market opening for rice imports in its position paper on the EU-MERCOSUR free trade negotiations and conveyed this message in last October meeting with the public authorities.

During 2010 the European Commission worked and introduced an import tolerance of 5% of non eligible rice in basmati imports, which further facilitated members' activity.

COCERAL keeps raising its voice in the Rice Advisory Group and other official for a better implementation and effectiveness of EU legislation and more consistent approach regarding the Low Level Presence of GMOs not authorised in Europe in rice and rice products.



Olive Oil Section



Gennaro Forcella
Chairman Olive Oil
Section

Olive oil prices continued to be low in 2010 but slightly above levels of intervention for private storage. Production figures showed an increase of 300 000 tons in comparison with the previous year, mainly on account of an upward production trend in Spain. Exports in third countries increased by 15% reaching values of about 500.000 tons.

- COCERAL requested public authorities to further analyze the role of large distribution chains in the establishment of olive oil prices and to issue a report on this aspect.

Ensuring the **Presidency of the Advisory Group on Olives and derived products**,

- COCERAL raised again the **problems of implementation of EU legislation at the level of Member States**, in particular concerning origin labeling and the PDOs/PGIs requiring more consistency in particular.

- COCERAL was active on the **food information to consumers file** and intervened towards the European Parliament for a **better regulation and workable labeling obligations**.

- The EU continued its work on the quality package, proceeding at the end of last year to an updating of quality schemes and allowing further flexibility for optional quality terms for olive Oil.

- COCERAL's olive oil section also followed the new developments on nutritional profiles and the developments for the adoption of upcoming legislation on nutritional claims.

COCERAL's olive oil section followed developments related to trade agreement negotiation and conclusion and contributed to the Commission's requests of information, for instance on trade with Tunisia. Euromed negotiations remained very much in the focus of COCERAL's olive oil section as well as future market opening in the framework of the EU-MERCOSUR free trade agreement.



Food and Feed hygiene : implementation and COCERAL services



Christoph Buchholz
Chairman Good Hygiene
Practices and GTP
Working Group

The past year has seen COCERAL entering a crucial phase for the implementation of the food and feed hygiene legislation.

The COCERAL Good Hygiene Practices Guide, jointly developed with COGECA, achieved in 2010 the long-awaited endorsement by the European Commission and Member States after having gone through an in-depth but successful consultation process. The Guide, aiming to assist operators in the implementation of EU legislation, provides a voluntary reference document to national control authorities.

The past year saw COCERAL engaged towards its Good Trading Practices (GTP) Code mainly driven by the Association's commitment to improve harmonisation of the food and feed hygiene requirements and prevent potential non-tariff barriers to goods, thus limiting confusion among operators and consumers. With the development of a new version of the GTP Code and related Certification Rules, COCERAL launched a consistent exercise resulting into a more comprehensive and robust scheme, mirror of the structure and content of the joint COCERAL/COGECA EU Guide to good hygiene practices.

The intense proliferation of private voluntary quality assurance schemes over the last decade encouraged COCERAL to strengthen the provisions of the GTP while resuming dialogue with other relevant scheme owners in view of achieving a full mutual recognition.

Against this background, the GTP Working Group further worked on the GTP code as well as on the Certification Rules and developed an amended version reflecting the key results of an independent benchmarking exercise between GTP and GMP+ FSA, QS and GMP. This process was eventually finalised in October 2010 and the revised GTP package was made public



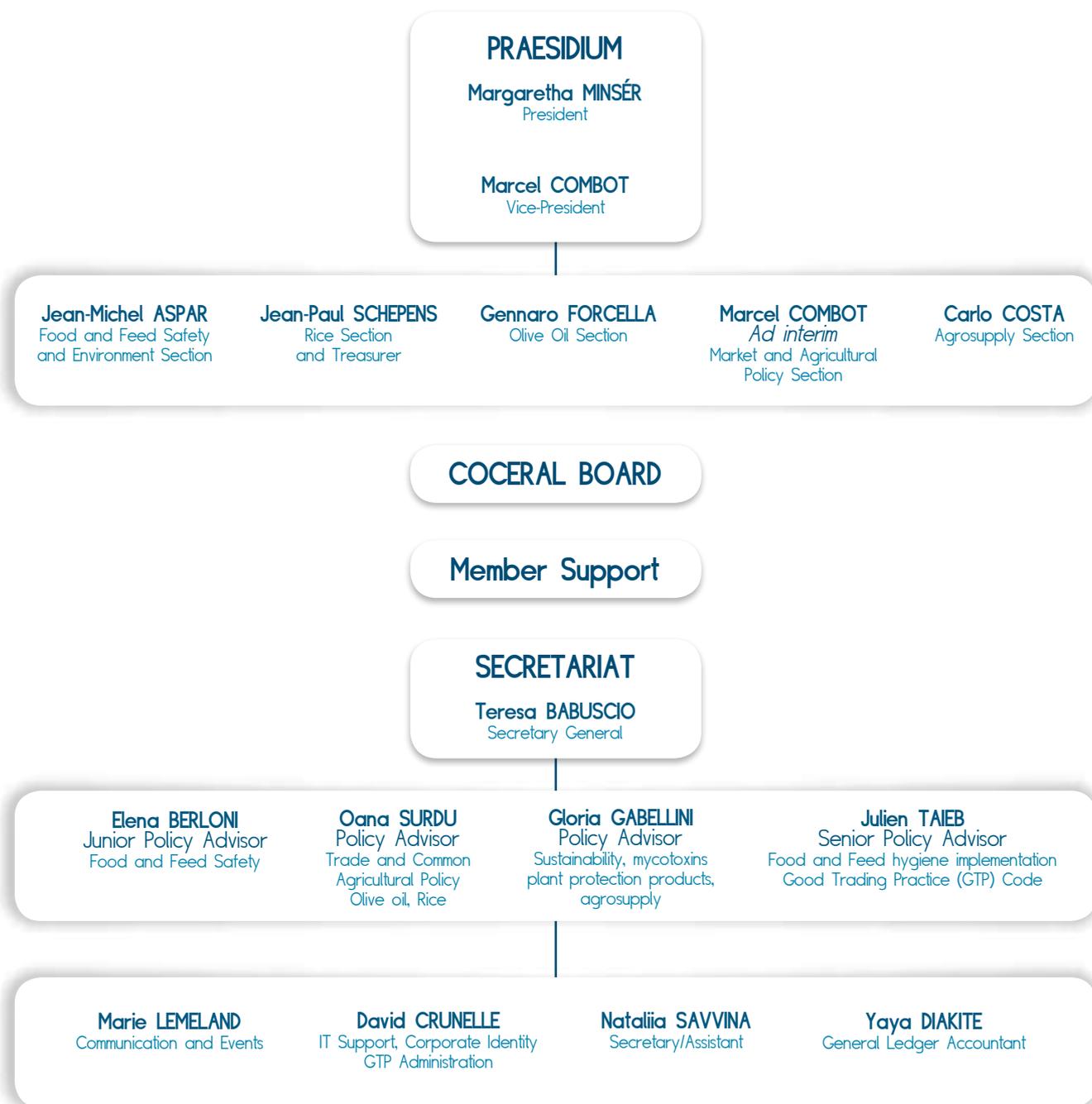
through the new GTP website available at www.gtpcode.eu. A roadmap for a future mutual recognition in 2011 was also agreed upon end of 2010.

Although the GTP Code and EU Guide to good hygiene practices respond to different purposes and needs, it was clear to COCERAL that consistency should be achieved between the two reference documents. This approach was also promoted by COCERAL and other feed chain organisations in the frame of the European Feed Ingredients Platform (EFIP) in view of facilitating trade within the EU internal market by providing uniform requirements.



This is why in the next years to come they will both be updated on a regular basis and along the same principles in the light of legislative, technical and/or technological developments in the food and feed chain.

Organisational Structure



**REPORT OF THE EXTERNAL AUDITOR ON THE FINANCIAL STATEMENTS
AS OF 31st DECEMBER 2010
TO THE MEMBERS OF COCERAL AISBL
COMITE DU COMMERCE DES CEREALES, ALIMENTS DE BETAIL, OLEAGINEUX,
HUILE D'OLIVE, HUILES ET GRAISSES ET AGROFOURNITURES DE L'UE**

We have the honour to report on the audit assignment COCERAL AISBL has entrusted us.

We carried out an audit of the financial statements related to the fiscal year ending 31st December 2010. Those statements have been prepared under the responsibility of the organisation's management. It shows a balance sheet of 1.072.630,98 € and a profit for the year of 40.494,88 €.

Except extraordinary results, the income increased from 898.278,14 € to 906.964,99 € (+0,96 %) with regard to budget of 855.696,00 € and the expenditure decreased from 896.549,40 € to 864.150,81 € (-3.61 %) with regard to budget of 857.000,00 €.

	Budget 2010 €	Balance sheet 2010 €	Balance sheet 2009 €
INCOME	855.696,00	906.964,99	898.278,14
EXPENDITURES	- 857.000,00	- 864.687,88	- 896.549,40
RESULT	- 1.304,00	42.277,11	1.728,74
EXTRAORDINARY RESULT		- 1.782,23	60.560,01
RESULT OF THE YEAR	- 1.304,00	40.494,88	62.288,75

Our audit has been carried out in accordance with the standards of the Institute of Business Auditors (Institut des Réviseurs d'Entreprises). These professional standards require our audit to be organised and performed in such a way as to obtain a reasonable assurance that the accounts, included the balance sheet and the profit and loss account, do not contain any significant inaccuracies in respect of the legal and regulatory provisions applicable in Belgium. The obligations imposed by the grants decisions by the different financial backers have also been complied with.

In accordance with these standards, we have taken account of the association organisation in terms of administration and accounting together with its system of internal control. The managers of the association have responded with clarity to our requests for explanations and information.

We have examined the adequacy of the evaluation rules and significant accounting estimations made by the association along with the presentation of the accounts as a whole. We estimate that this work provides a reasonable basis for the expression of our opinion.

In our opinion, the balance sheet and income and expenditures statement give a true and fair view of the association's assets, liabilities, financial position at 31 December 2010 and the results of its operations for the end of the .

Brussels, 28th March 2011.

BOSSAERT, MOREAU, SAMAN s.p.r.l.
Represented by Annik BOSSAERT,
Reviseur d'Entreprises

Financial Statements

CONSOLIDATED INCOME AND EXPENDITURES ACCOUNT for the year endend 31 December 2010

	2010 €	2009 €
TURNOVER	815.431,50	829.550,00
OTHER INCOME	66.394,41	40.835,31
OTHER OPERATING EXPENSES	(324.465,28)	(275.960,10)
OPERATING SURPLUS	557.360,63	594.425,21
COST OF REMUNERATION	(501.784,98)	(588.253,79)
AMMORTISATION	(28.542,03)	(24.955,08)
Other expenses	(6.096,36)	(5.862,82)
OPERATING PROFIT	20.937,26	(24.466,48)
INCOME FROM SECURITIES	25.139,08	27.892,83
Financial taxation	(3.262,16)	(1.697,61)
PROFIT AFTER FINANCIAL ITEMS	42.814,18	1.728,74
Extraordinary expenses	(1.782,23)	
Extraordinary income		60.560,01
Income from cash assetts	(537,07)	
PROFIT OF THE YEAR	40.494,88	62.288,75

The financial statements on page 17 and 18 were approved by the Board in December 2010 and authorised for issue on 28 March 2011.

Financial Statements

CONSOLIDATED BALANCE SHEET at 31 december 2010

	2010 €	2009 €
FIXED ASSETS	50.613,00	56.901,00
CURRENT ASSETS		
Securities Guarantees	40.239,00	39.195,00
Debtors	54.724,00	54.284,00
Investment	558.800,00	545.567,00
Deposit	105.088,00	104.685,00
Cash at bank and in hand	257.288,00	219.117,00
Regularisation	5.880,00	28.955,00
TOTAL CURRENT ASSETS	1.022.019,00	991.803,00
BALANCE SHEET	1.072.632,00	1.048.704,00
LIABILITIES		
Provisions	40.268,00	56.554,00
Trade Suppliers	56.151,00	71.692,00
Accrued expenses		7.630,00
Deferred income	100, 00	507,00
TOTAL CURRENT LIABILITIES	96.519,00	136.383,00
TOTAL CURRENT ASSETS LESS CURRENT LIABILITIES	925.500,00	855.420,00
TOTAL ASSETS	976.113,00	912.321,00
SURPLUS	40.495,00	28.994,00

Financial Statements

REPORT OF THE HONORARY TREASURER TO THE ANNUAL GENERAL ASSEMBLY OF COCERAL

I have examined the COCERAL accounts for the year ended 31st December 2010, prepared by HLB and verified by A. Bossaert, chartered accountant.

I am satisfied that the accounts are in accordance with the books which were submitted to me by the Association and that they provide a true and fair view of the outcome for the year ended 31st December 2010 and the financial situation at that date.

The accounts are presented in a clear manner and on the basis of the aforementioned documents I can recommend their adoption by the Annual General Assembly.

J.P. SCHEPENS
Honorary Treasurer



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