

The German horse feed industry and its problems due to change of legislation

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To understand the occurrences in the German feed industry it is important to know that the structure of the horse feed industry as well as the whole animal feed industry decreased steadily in the last years. Also the number and the dimension of feed companies changed over the years; the number of feed companies declined while the average dimension of the companies went up (LME, 2005). This trend towards an oligopoly market makes it more and more difficult to compete without a coherent marketing strategy and is a threat especially for small feed companies.

Furthermore do current topics like the Dioxin affairs in Germany lead to permanent discussion about feed and therefore food safety. What can we eat without danger? What can we feed our animals to ensure their healthiness? Further regulations in the animal feed sector are hence indispensable and the legislation issue in the feed industry has become more important today and will be in the future (Feed Mix Magazine Vol. 15 no. 2).

After almost two years of negotiation in the European parliament, Regulation (EC) N° 767/2009 on the placing on the market and use of feed came into force at 1st September 2010. The year 2010 marks thus a "historical" chapter in the feed legislation of Germany and Europe because standardized EU feed regulation takes over the last national regulations in feed legislation. The intention is to achieve legal clarity and a harmonized implementation, the relief of smooth functioning of the internal market by clear designations and proper information of the customers and the remove of unnecessary administrative encumbrances. But is this intention really reached through implementing Regulation (EC) N° 767/2009?



Figure 5: Labeling of feed additive

(Source: <http://www.stroeh.de/img/produkt/large/7735-xxl-10-37-47.jpg>)

A qualitative research was carried out to get insights in the effects of the new legislation on horse feed businesses and to evaluate possible problems. After evaluating the results of the 10 expert interviews, it became apparent that all interviewees have the opinion that clients aren't informed better than before the legislation changed. No one of the interviewees think that the goal of ensure safety standards of horse feed and customer protection is reached and nobody is really committed by the change of legislation. All interviewed experts agree on the new legislation is more trouble than it's worth in terms of customer service, money and effort and the opinion of keeping the labeling of horse feed as easy as possible to make it comprehensible for customers is shared by all interviewees.

But where does this negative trend in the opinions of experts come from? Is it possible that that no one dealt with this topic extensive before? Or does the horse feed industry lacks of professionalism?

The fact that there are a lot of career changers in the horse feed industry could be a reason for that. Also the fact that many experts have a lot of knowledge regarding the horse and its nutritional needs, but the economic and legal aspects are secondarily could be a reason that the implementation of the legislation was a very challenging business process for them.

This research has the intention to clarify the complex topic of legislation around horse feed and to define the most important aspects which have to be considered by feed manufacturers and makes it therefor easier for them to compete on such a complex market.