

Background Document 06

Proposal for an Affiliated Membership Partnership Agreement between the International Platform of Insects for Food and Feed (IPIFF) and the China Feed Industry Association (CFNA)

I. Executive Summary (CONFIDENTIAL)

This proposal outlines a framework for a strategic Affiliated Membership Partnership between IPIFF and CFNA. It is designed to address critical market dysfunctions caused by non-compliant imports of insect products (notably dried *Tenebrio molitor* and *Hermetia illucens*) from China into the European Union, which undermine the economic viability of EU producers and market integrity. Building on the successful model of sector-specific cooperation seen in other commodities, this partnership aims to foster a transparent, rules-based, and high-quality global insect value chain.

By leveraging CFNA's unique position and authority within China's insect production sector, and combining it with IPIFF's expertise in EU regulatory frameworks, this agreement will create a win-win scenario: stabilizing the EU market, ensuring fair competition, and promoting the sustainable growth of the global insect industry.

II. Background & Rationale

- The EU market for insect products is growing rapidly but faces significant challenges from price-distorting imports that may not fully comply with stringent EU safety and traceability regulations. This situation:
- Harms EU Producers: Creates unsustainable price pressure, threatening investments and innovation within Europe.
- Risks Market Integrity: Non-compliant products risk undermining consumer and regulator confidence in insect-derived products.
- Harms All Stakeholders: Ultimately damages the long-term growth prospects for the global insect sector by fostering a "race to the bottom."
- CFNA, with its oversight role facilitated by CAAS certification, is uniquely positioned to influence and guide Chinese producers and exporters towards better alignment with international market requirements, starting with the EU.

III. Proposed Partnership Structure: The "EU Market Compliance & Knowledge Exchange Initiative"

This partnership will be established under IPIFF's framework for Affiliated Members (Via Agreement), as outlined in our internal governance documents.

This allows for a flexible, tailored, and non-voting collaboration that serves the strategic interests of both parties.



Core Objective: To ensure that insect products imported from China into the EU market are traded by entities aware of and committed to complying with EU regulations, thereby supporting a level playing field and high-quality standards.

IV. Key Elements of the Agreement

Commitments & Contributions from CFNA (In-Kind Contribution)

In the spirit of cooperation and to qualify as a significant in-kind contribution justifying a preferential affiliation fee, CFNA would be requested to:

1. **Facilitate Awareness:** Proactively communicate to its member producers and associated exporters the ****mandatory requirement**** for EU importers to be aware of and adhere to EU regulations (e.g., Novel Food authorizations, feed hygiene rules, traceability).
2. **Promote IPIFF Engagement:** Actively encourage these Chinese companies to recommend that their EU-based importers join the ****dedicated "Importers Chamber" or affiliate program**** within IPIFF (see 4.2).
3. **Knowledge Sharing:** Participate in an annual market intelligence exchange with IPIFF to share non-confidential insights on production trends, enhancing transparency and predictability for both markets.

V. IPIFF's Role & Value Proposition

In return, IPIFF will establish and manage a structured pathway for EU importers, offering clear value:

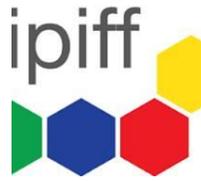
- Establish an "Importers Chamber": A dedicated segment within IPIFF's affiliate structure for EU-based importers of insect products.
- Provide Regulatory Training & Resources: Members of this chamber will receive:
 - Clear guidelines on EU regulatory compliance for imported insect products.
 - Checklists for necessary documentation (e.g., analytical reports, certificates of analysis).
 - Invitations to dedicated webinars, events and training sessions on EU rules.

Create a "Trust Mark": Importers who are verified members of this IPIFF program can be recognized by CFNA and its members as informed, reliable partners committed to compliant trade.

VI. Financial Structure for the "Importers Chamber"

To fund this initiative, IPIFF will establish a tiered fee structure for EU importers, based on annual import volume. Fees are designed to be marginal relative to product value, representing an investment in market stability and compliance assurance.

- Tier 1 (1 - 100 tons/year): €5,000 / year



- Tier 2 (101 - 500 tons/year): €25,000 / year
- Tier 3 (501 - 1,000+ tons/year): €50,000 / year

Example Impact: For an importer of 500 tons/year (€25,000 fee), the cost is approximately €50 per ton. On products selling for €6,000+/ton in the EU, this represents a sub-1% compliance and market access assurance fee.

Affiliation Fee for CFNA

In recognition of CFNA's crucial in-kind cooperation as outlined in 4.1—which is fundamental to the success of the entire initiative—IPIFF proposes a ****symbolic annual affiliation fee of 3500 EUR for CFNA for the initial year term of the agreement.** This fee could be reduced to 0 based on the achieved tier structure as aforementioned.

Reciprocity- Market Access to China by EU insect producers

CFNA would also provide import requirements and market access requirements for EU insect producers interested in exporting to China.

This underscores the partnership's nature and incentivizes collaborative implementation. Future terms can be reviewed based on the initiative's outcomes.

Governance & Agreement Principles

Non-Voting Partnership: This agreement confers no voting rights in IPIFF's statutory governance, preserving IPIFF's core mission as an EU-focused association.

Term & Review: The initial agreement will be for two years, subject to review based on key performance indicators (KPIs) such as the number of EU importers engaged and feedback on market improvements.

Branding & Communication: Both parties may publicly acknowledge the partnership for knowledge exchange and market development. Specific branding guidelines will be attached.

Reciprocity: The partnership is founded on reciprocal value: CFNA contributes market access and influence, while IPIFF provides regulatory expertise and a structured compliance pathway for EU market access.

Global Insect Industry Events Calendar: Promote a Global unified Industry Events calendar enabling Chinese delegation to attend IPIFF European Events and IPIFF delegation to attend Chinese and Asian Insect Association events.

Joint Global Policy Advocacy: Policy and Outreach activities in Worldwide forums such as World Bank, United Nations FAO, EU institutions and Chinese Governmental authorities.

Next Steps



1. **IPIFF Internal Approval**: Seek approval from the IPIFF Executive Board & General Assembly to engage with CFNA on this specific framework.
2. **Formal Engagement**: Present this proposal to CFNA leadership for discussion.
3. **Draft Agreement**: Co-draft a tailored Affiliated Membership Partnership Agreement incorporating the elements above.
4. **Launch & Implementation**: Upon signing, execute a joint communication plan and initiate the operational rollout of the "Importers Chamber."
5. **Symbolical Momentum**: this agreement would have as key moment the attendance of a Chinese Delegation at the IPIFF Annual Event in 2026 in Brussels and an IPIFF Delegation at the Chinese and AFIA Industry Events in 2026.

Conclusion

This proposed partnership represents a pragmatic, forward-looking solution to a pressing market challenge. It transforms a contentious issue into an opportunity for structured cooperation, aligning the interests of Chinese producers, EU importers, and EU producers towards a common goal: a sustainable, high-quality, and rules-based global insect protein market. We believe this model can set a positive precedent for international cooperation in our sector.