



EU Policy directions for a world in flux

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Comité Européen
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FETRATAB



- **Introducing CELCAA and Eucolait**
- **EU Policy in flux**
- **Trade friends and foes in flux**



- CELCAA is an umbrella of various EU agri-food trade associations
- Brussels
- Milk – Eucolait
 - Also representing wine, meat, grain and oilseeds, eggs, hops, tobacco, tea & herbal infusions

- Member of European Board on agriculture and food
 - Direct recommendation from Strategic Dialogue on the Future of Agriculture
- Commission Civil Dialogue Groups
 - Animal Production, Quality and Promotion, International Aspects of Agriculture etc.
- International fora such as WTO



430
businesses, in 21 countries

100K
More than 100 000 employees

€ 80
€B Total turnover*

*Excluding associate members and non-relevant activities of large member companies

Eucolait has been the voice of the European dairy trading community since 1959.

We provide policy analysis, market intelligence and tailored advice to our members, represent their interests towards European and other institutions and act as a platform for events and discussion.





145M

Tonnes of milk are produced in the EU



40%

Of EU milk is subject to intra-EU trade crossing borders between Member States in the form of different dairy products



20%

Of EU milk is exported as various dairy products



25BN

The total value of annual EU dairy exports



32%

The EU's share of the global dairy market

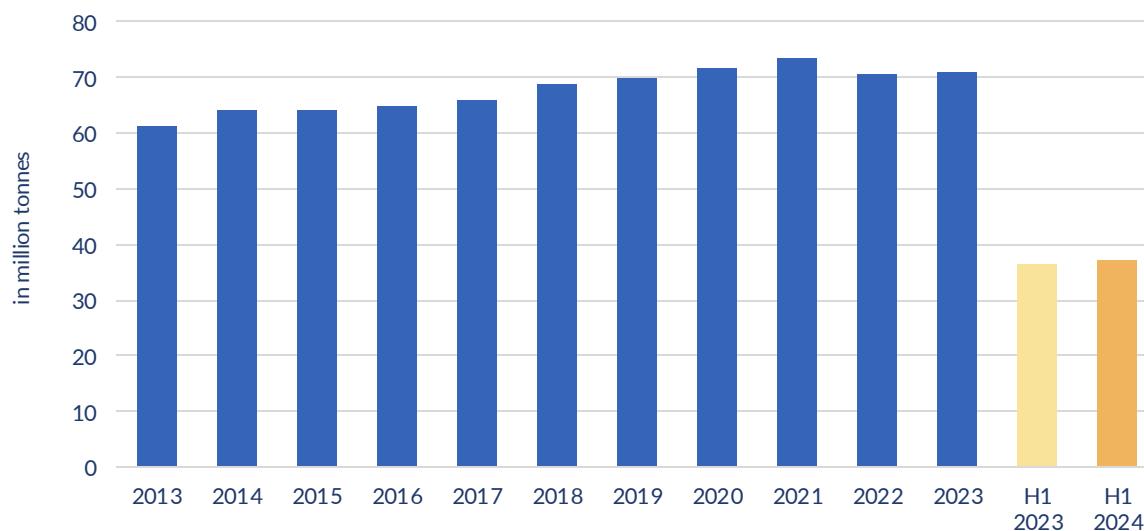


1%

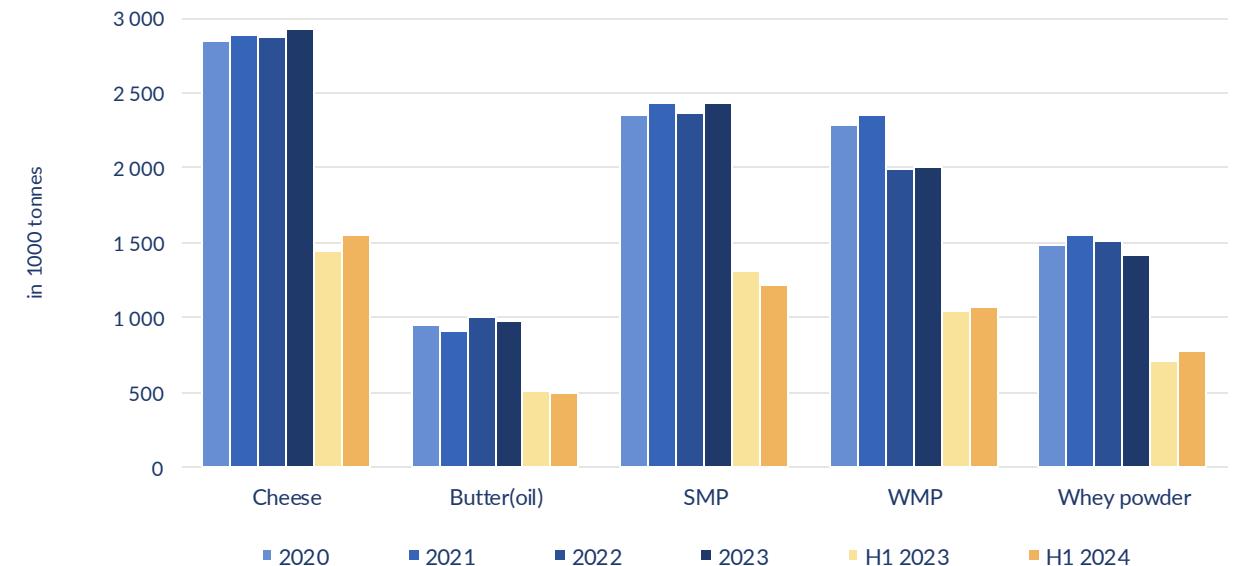
The average global import demand growth per year

Global trade is no longer increasing

Global dairy exports in milk equivalent
WMP, SMP, butter(oil), cheese, casein(ate)s, whey, lactose



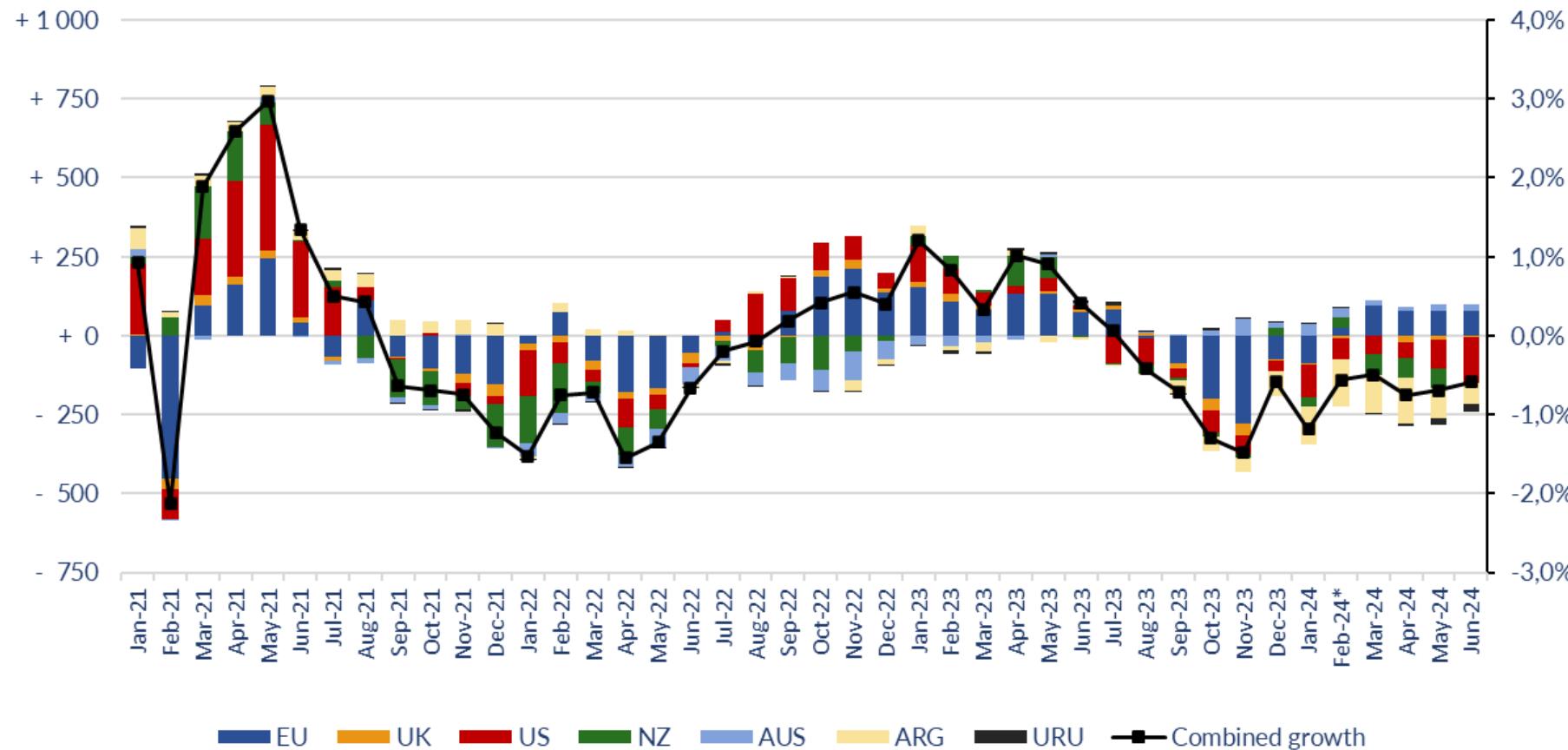
Global exports of main dairy commodities



Weak milk output limiting availability

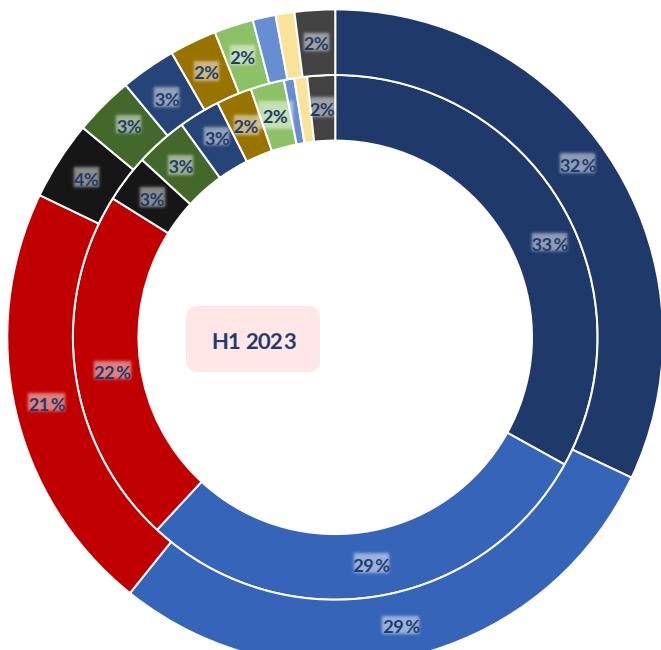
World milk supply growth in 2021-2024

(EU27, UK, US, NZ, Australia, Argentina, Uruguay)



Top 3 exporters account for 80% of the trade

Market shares of main exporters
(in milk equivalent)



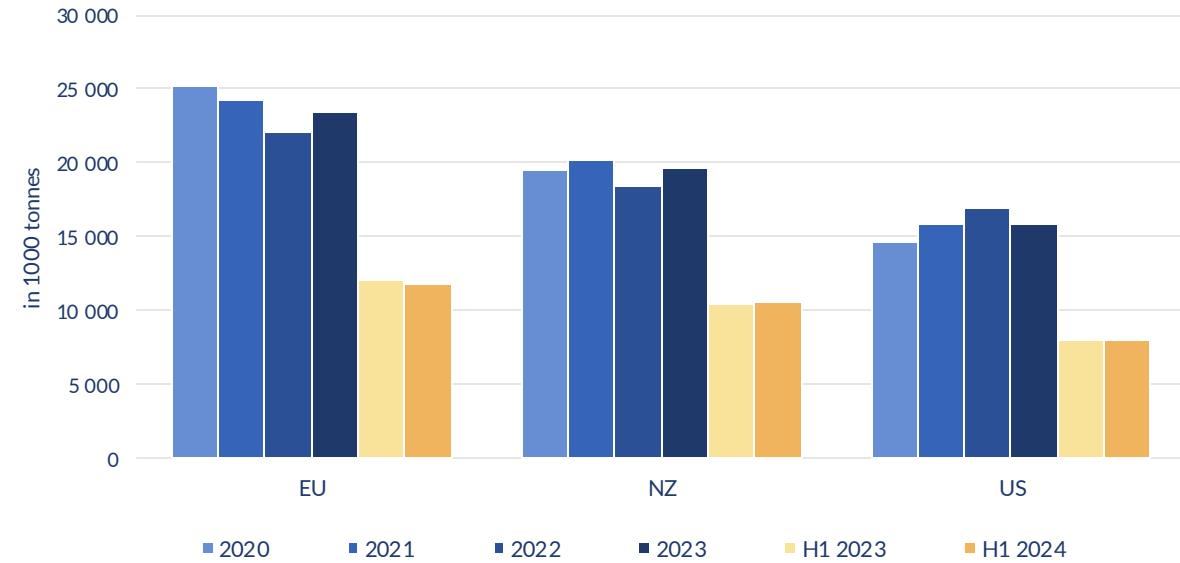
H1 2024

H1 2023

Exports of the 3 main suppliers in ME
WMP, SMP, butter(oil), cheese, casein(ate)s, whey, lactose

Products: SMP, WMP,

- EU27
- New Zealand
- United States
- Australia
- UK
- Argentina
- Iran
- Uruguay
- Turkiye
- Saudi Arabia
- Other



- Green deal was 2019-2024
- Now the Vision (published in February)



Brussels, 19th February 2025

PRESS RELEASE: CELCAA reaction to the publication of communication on the Vision for Agriculture and Food

CELCAA acknowledges today's publication of the highly anticipated communication on the Vision for Agriculture and Food.

We welcome the recognition given to the importance of fostering relations with like-minded third country partners. Diversification of trade relationships will be key in ensuring both EU competitiveness and global food security going forward. We applaud the dedication to the reinforcement of 'agri-food economic diplomacy'.

We agree that the most appropriate approach to creating a benchmark for sustainability standards is within the structures of multilateral fora such as the FAO and WTO. We also positively note the commitment to an 'SME check', whereby Union policies are screened for their potential impact on small medium enterprises. This, in addition to the simplification agenda of the Commission, should further facilitate operators.

CELCAA is concerned about the references to the alignment of production standards for imported goods. Trade is an essential element of a well-functioning, resilient and sustainable agri food system, which strives to operate within planetary boundaries. Different countries and regions of the world have their own advantages, challenges and production conditions (e.g. climate) and it is therefore reasonable to expect different production methods and standards.

The EU applies some of the world's most stringent food safety standards – simply put, products that are not considered safe or pose a risk to human or animal health are not permitted on the EU market. An outcome-based approach to standards has proven its value over the years in this respect.

Insisting that trade partners adhere prescriptively to European production standards will result in, at best, challenges at WTO level and, at worst, out and out trade retaliation. At a time when retaliatory and punitive measures from major trading partners is at an all-time high, (a reality which is recognized in the communication) pursuing this approach risks further harming agricultural sectors and, ultimately, livelihoods. Moreover, geopolitical developments dictate that the EU must strategically diversify its sources of imports – insisting on identical production standards weakens the likelihood of achieving this goal.

Any discussions on production standards should take place in a multilateral forum, such as within the structures of the WTO, (which is the proposed forum for negotiating global sustainability standards) so that a transparent and constructive conversation may take place, in which no trade partner is sidelined.

Additionally, with reference to the increased responsibility envisaged for local authorities, we question this increased focus on local products and short supply chains at a time when EU competitiveness

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Shaping together an attractive farming and agri-food sector for future generations

The Commission introduces the Vision for Agriculture and Food to shape the future of farming and food in Europe.

Objectives:

- Recognise agriculture and food as strategic sectors
- Strengthen competitiveness and attractiveness of the sector
- Ensure long-term growth, innovation, and societal benefits (today, tomorrow, and by 2040)

New Approach:

- ➔ Trust and dialogue across the entire value chain (EU and globally)
- ➔ Stronger engagement with farmers, food chain operators, institutions, and civil society
- ➔ Addressing concerns and ideas at local and regional levels

Collaboration for the Future:

- ➔ Collective effort to define the future of EU farming and agri-food
- ➔ Ensuring a resilient, innovative, and sustainable sector

The priority areas

Attractiveness:
Making farming a viable and appealing career

Competitiveness:
Strengthening the sector's position in global markets

Future-proofing:
Embracing innovation and sustainability for long-term resilience

Connection:
Valuing food and fostering fair living and working conditions in rural areas.

- Greening no longer the main event
- Simplification
- Renewal

NEWS ARTICLE | 26 February 2025 | Directorate-General for Communication | 1 min read

Commission proposes to cut red tape and simplify business environment



PRESS RELEASE | Dec 10, 2024 | Brussels | 5 min read

Commission proposes new measures to strengthen farmers' position in the agri-food supply chain and enhance cross-border enforcement against unfair trading practices

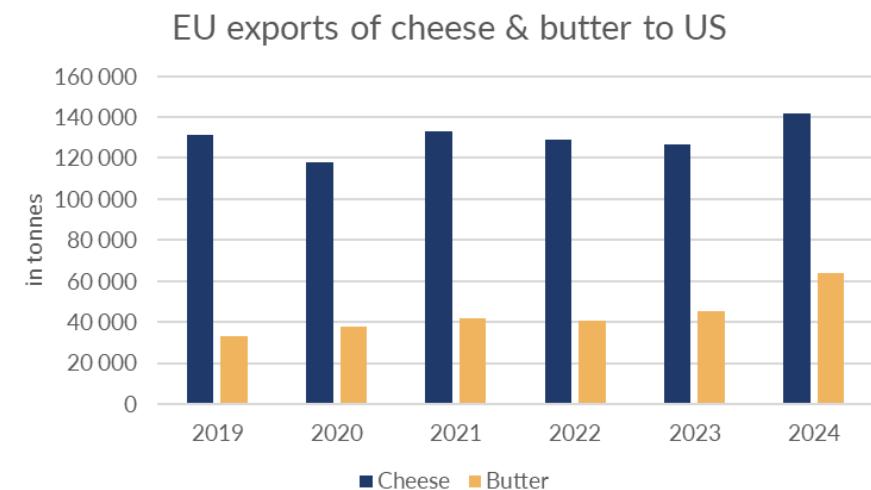
(b) The Union framework for a competitive agri-food sector

At the same time, the Union will ensure domestically that ambitious EU standards do not lead to economic, environmental and social leakages, and that the European agri-food sector is not put at a competitive disadvantage without corresponding reciprocity. To this end, the EU will coherently implement an SME and competitiveness check in its policies as stated in the Competitiveness Compass, consistently assessing the impact of Union regulations on EU farmers and agri-food SMEs, on trade and on risks of creating leakages, and thoroughly examine the implications of free trade agreements under negotiations for EU farmers and global sustainability.

To ensure that the EU's concerns about animal welfare and environmental protection are considered, and to uphold EU's moral values in response to societal demand, the Commission will pursue, in line with international rules, a stronger alignment of production standards applied to imported products, notably on pesticides and animal welfare.

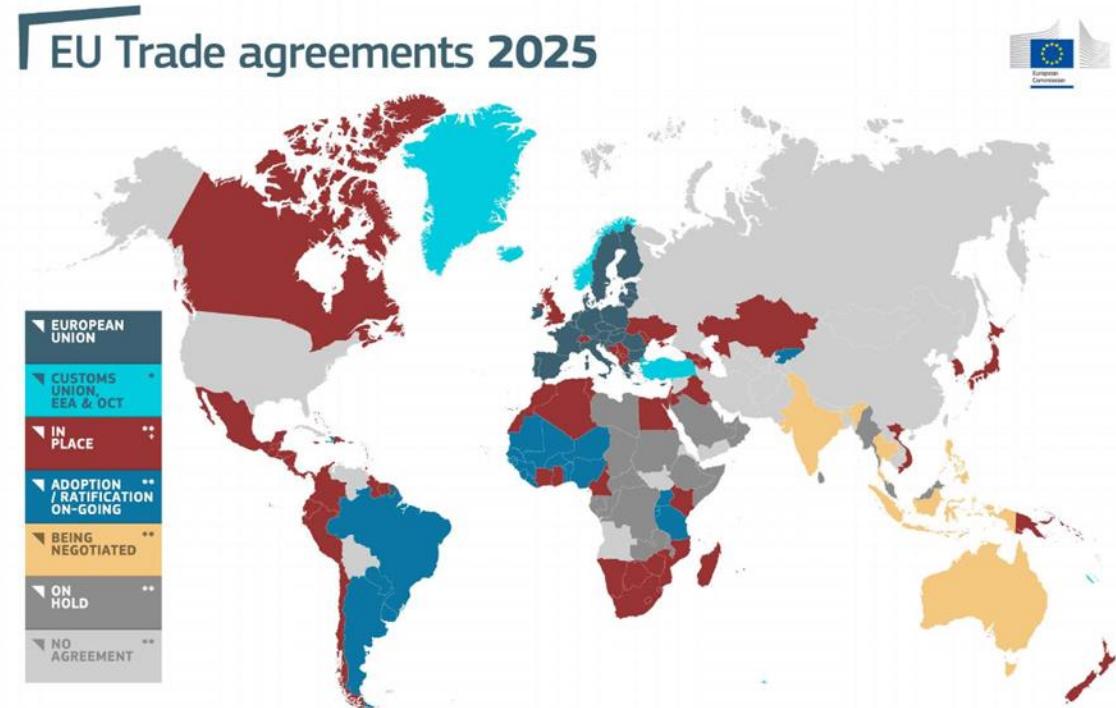


| EU CHEESE EXPORTS IN 2024 | | | |
|---------------------------|------------------|---------------------|----------|
| Main destinations | Volume in tonnes | Share of EU exports | Δ% 24/23 |
| Total EU exports | 1 386 931 | 100% | ➡ +0% |
| UK | 430 319 | 31% | ⬇ -1% |
| United States | 141 807 | 10% | ⬆ +12% |
| Japan | 80 976 | 6% | ⬇ -21% |
| Switzerland | 74 935 | 5% | ⬆ +5% |
| South Korea | 51 875 | 4% | ⬇ -4% |
| Saudi Arabia | 42 286 | 3% | ⬆ +3% |
| Ukraine | 37 727 | 3% | ⬆ +10% |
| China | 30 391 | 2% | ⬇ -10% |
| Australia | 29 922 | 2% | ⬆ +11% |
| Canada | 29 610 | 2% | ⬆ +11% |
| ROW | 437 083 | 32% | ➡ +0% |



- Steel and aluminium - + 25% since 12 March
- Retaliation from the EU – resurrecting 2018 and 2020 lists, proposed list of new lines including dairy
- USTR investigation – outcome next week
- ‘Reciprocal tariff’ threat
- 200% tariffs threatened on wines and spirits





On-going trade negotiations

- *Advanced:*
 - Indonesia
- *Recently relaunched:*
 - India
 - Malaysia
 - Philippines
 - Thailand
- *On ice:*
 - Australia

Trade Policy remains an exclusive competence of the EU

- Political agreement in 2019, negotiations concluded end of 2024
 - Sustainability commitments included – no lowering of standards
- If gets over the line, largest free trade area in world
- Dairy concessions are reciprocal and modest



- 3 TRQs (duty free over 10 years):
 - 30 kt for cheese
 - 10 kt for milk powders
 - 5 kt for infant formula
- Tariff reductions (butter & yogurt)
- Tariff eliminations (protein products)

- Negotiations for upgrade of 2000 'Global Agreement' concluded in January 2025
- Timely!
- Legal scrubbing
- Approval by European Parliament and Council



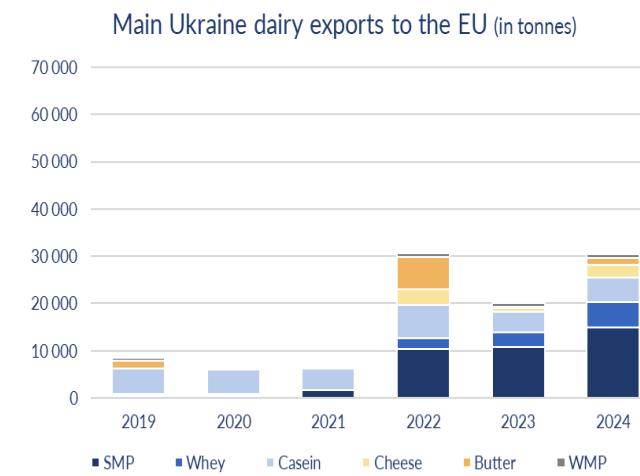
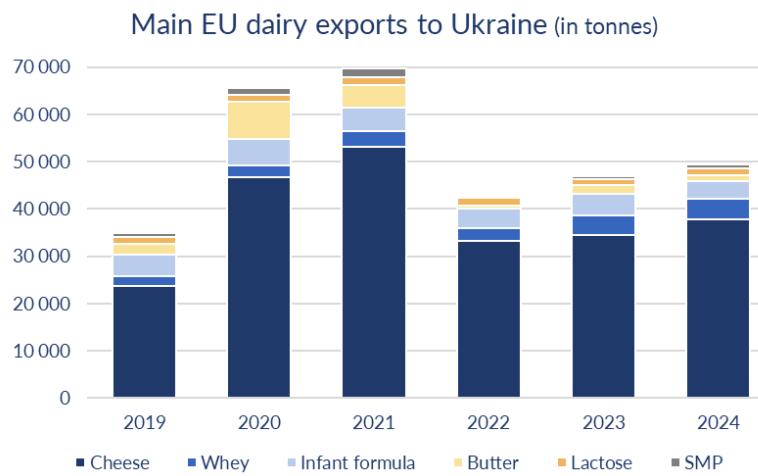
- 9 duty-free TRQs including
 - 25 kt for cheese
 - 50 kt for milk powders
 - 2,5 kt for butter
- Tariff reductions (infant formula)
- Tariff eliminations (lactose, blue cheese & yogurt)

- Negotiations for upgrade of 2003 agreement concluded in December 2022
- Limited impact for dairy sector as tariffs are already quite low (6%):



- Existing duty-free TRQ for cheese will rise to 3 600 tons
- Out-of-quota duty will be phased out (0% by 2030)
- Tariff eliminations over 7 years for other dairy products

- Association agreement has been applied since November 2014
- Autonomous Trade Measures – complete free access, in place since June 2022
- **ATMs will not be prolonged beyond 5 June 2025**
- Instead - DCFTA will be altered
- Accession talks began in June 2024



EUCOLAIT EVENTS

Experience what Eucolait is best known for! Get valuable insights and enjoy great networking opportunities in amazing surroundings.



Annual General Assembly
gathering more than 200 participants
organised in a different country every
year



Brussels meetings 2x per year
(120 – 150 delegates)
Market outlook workshop



EUCOLAIT INFORMATION SERVICE

What is included in the information service ?

- ✓ Access to our **weekly “Milk Matters” newsletter** containing the latest agricultural, food and trade policy updates as well as analysis of the latest dairy market data.
- ✓ Access to our **website**, including the user-friendly and comprehensive trade map, production and price updates and quarterly trade reports
- ✓ Access to **tailored assistance** by our excellent team in Brussels



EU & Trade policy

Anything potentially impacting the dairy sector and trade:

- agricultural regulation and other legislation under the European Green Deal
- food law
- trade agreements and negotiations
- technical and sanitary barriers to trade within the EU and in third countries

Market data and analysis

- trade flows of all main dairy exporters and importers
- milk production of key export regions
- dairy consumption

All this for only € 1800 per year

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Thanks everyone!

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