

# EDA European Dairy Platform

## Shaping the European Dairy Landscape

#dairylandsacpe

In his opening address to the EDA European Dairy Platform held on 18 October under the motto "Shaping the EU Dairy Landscape" in Vienna, Michel Nalet said that the European dairy landscape is getting more and more complex at business level. The president of the European Dairy Association pointed out to the 'European Green Deal' that means going net zero in GHG emission also for the European dairy sector – or "lactosphere" as EDA likes to mention it.

The European dairy industry, Nalet confirmed, is ready to face the zero net carbon discussion. But at the same time, one has to make sure that the dairy sector and its role in shaping the European rural areas is recognized within the priorities of the next European Commission. And there is even a third priority for the next institutional term out of EDA's view. It is nothing less than to secure the proper working of the EU Single Market in the 21st century. "We've seen the EU Commission and quite some Member States completely disengaging from this basic principle of our Union", Nalet said pointing out to national approaches on



origin or nutrition labelling, adding "We understand the 'consolidation priority' of the EU Commission in the framework of a better enforcement and a better implementation of the concluded agreements."

With Brexit in mind, Nalet praised the EU Commission for an outstanding job in trade negotiations, but it is now not the time to stop the quest for new market access. Nalet said: "The journey of the "European Green Deal" will absorb a lot of our energy in the coming years. The transformation of Europe to a carbon neutral continent will ask an incredible effort from agriculture and dairy ... But, on this journey, we will need the full support of the Common Agricultural Policy – "full support" translates in both, financial and political support."

### The Austrian perspective

#### Dairy sector

Helmut Petschar, President of the Austrian Dairy Industry Association VÖM, in his addressing speech said that the dairy sector is facing new challenges like sustainability and global responsibility. It is especially important, he added, to communicate the value of dairy products to young consumers as well as communicating the standards according to which today's milk products are manufactured. In times of digitalisation consumers need to have access to information on production methods and the contribution of the dairy sector to society.

The new CAP that is currently under design will bring new targets for ecology and climate protection, Petschar stated. Sustainability, animal welfare and a minimum carbon footprint are the common buzzwords. The dairy industry, he confirmed, is perfectly prepared to cope with these targets but needed corresponding proceeds to be able to fulfil its tasks.



Welcome messages to the EDA European Dairy Platform 2019 came from EDA President Michel Nalet, Austrian Farm Minister Maria Patek and Helmut Petschar, President of the Austrian Dairy Industry Association VÖM

Consumers must be prepared to pay for additional quality criteria they demand. Especially Austria, where two thirds of the milk are produced in mountain areas, needs the continued support from the EU. Petschar added that the dairy industry also needs fair regulation of competition – pointing out to the retail sector.

### Dairy company



**Josef Braunshofer**, CEO of Austria's biggest dairy co-op Berglandmilch (1.3bn kg of milk, €950m sales, 8 plants), is sure that the future will bring no less regulations both for farmers and dairies quoting sustainability, animal welfare and agric. practice issues. But Braunshofer is sure that "come what may" milk

will stay an important part of daily nutrition. Today, the industry needs to justify positive claims for milk as they are no more as self-evident as in former times given that youngsters adopt less from their parents.

NutriScore labelling is of no good for consumers and the dairy industry. Pointing out to popular products like butter or cream that will be de-ranked by NutriScore, Braunshofer openly expressed his absolute objection against this kind of labelling.

Braunshofer referred to actual developments in trade. The Russian embargo still hurts, he said, the EU-US trade war will begin to hurt as well and a possible EU-MERCOSUR free trade agreement may hit the European food industry. Braunshofer called upon policy makers to closely watch European alliances in retail trade as these are only created to increase rebates.

### The Italian view



**Giuseppe Ambrosi**, CEO of Ambrosi S.p.a. (4 plants in Italy, €364m in sales with a €175m export share) and President of the Italian Dairy Industry Assolatte, reported about the Italian dairy industry. It counts 5,000 mostly small dairy companies which process 12m tons of cow's

milk, employ 25,000 workers and generates combined sales of €16.2bn. With a cheese output of 1.1m tons, Italy is the EU's third biggest cheese maker and ranks no. 5 in liquid milk with a production of 2.4m tons.

Ambrosi pointed out what's most important to the Italian dairy sector:

- There should be no war between industry and farmers, relations between farmers and companies must be well regulated.

- And there should be no war between consumers and the dairy industry as well. Moving closer to consumers, the industry has a better sense of consumers expectation, habits and needs.
- Without the same rules re. nutrition labeling, origin labeling, product standards and product designations there is no such thing as a EU Single Market.
- Transparency is welcome as long as it does not affect competitiveness.
- The sector must understand that milk prices and dairy product prices follow different ratios.

Ambrosi advocated for a Farm to Fork strategy covering the entire food chain. A Common Food Policy is to replace all the various policies impacting the food system. Different, private and voluntary messages from the industry (ecological footprint, animal welfare) lead to a confusion of consumers. "We need a common framework", Ambrosi said. Geographical Indication is important but local does not always mean quality. Instead, Ambrosi proposed to enhance the trust of consumers in the European quality standard. However, Ambrosi strongly objects the NutriScore labelling as it would only lead to conflicts between consumers and industry. The Parmigiano maker demanded continued access to international markets as export is the only means for growth. Tariffs pose a burden for companies that need to grow, Ambrosi said, so that bilateral agreements are becoming ever more important.

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