



Dairy Trade and Mercosur

April 2020

The EU Dairy Sector and EDA

The European Dairy Association (EDA) is the voice of the milk processing companies, cooperatives and privately-owned dairies, at EU level.

It is during an unprecedented crisis as we face today that we see the importance of a frictionless free trade system for agri-food and dairy within the Union (Single Market) as well as globally.

The Mercosur trade agreement will basically allow to uncork some of the potential of these overseas markets in today's troubled international trade arena, this is a real breakthrough that underlines the trade ambitions of the European Union ('Trade for All') and the performance focus of the negotiation teams. It is now essential that the details of the agreement and the final implementation can secure an unhindered access for our European dairy exports, including the reduction and abolishment of tariffs as well as non-tariff barriers. The clear commitment of the negotiation partners to the Paris Agreement (COP21) and its objectives is – in today's world – a milestone, even if in today's situation, the focus has shifted to health issues.

The European Dairy Association (EDA) welcomes the comprehensive trade agreement as concluded between the EU and Mercosur in July 2019. After two decades, Mercosur (Argentina, Brazil, Paraguay and Uruguay) and the European Union have finally reached an agreement on the trade environment for more than 780 million citizens.

A lot of work has been done since the beginning of the negotiations and EDA acknowledges the efforts of **EU Commissioner Phil Hogan** in supporting our dynamic sector. The future implementation of this new trade framework, part of a wider Association Agreement, will be beneficial for the two economies. From a dairy perspective, all 4 countries forming the Mercosur area have a great dairy culture, with a self-sufficiency rate between 90 % and 193 %. So far, dairy trade has mainly taken place within the Mercosur region. The cheese and powder imports from the EU (mainly from the Netherlands, France, Italy and Germany) have not reached a significant volume. The adopted legal safeguards to protect over 350 high-quality European food and drink products from imitation in Mercosur countries will also strengthen the well-deserved excellence reputation of all our European premium dairy products.

The Dairy sector in Mercosur and the EU



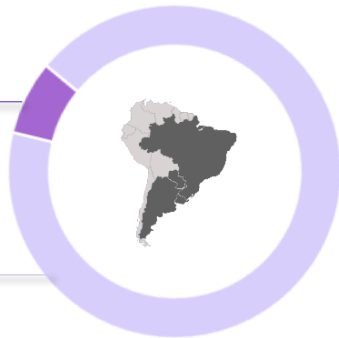
Mercosur



18 mio
cows



268 mio
inhabitants

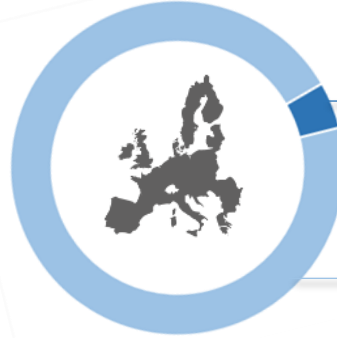


EU 27 & UK

23 mio
cows



512 mio
inhabitants



Milk yield

Per cow, in 2018

EU 27 & UK: **7** tonnes

Mercosur: **2.6** tonnes

Dairy farms

Number in 2018

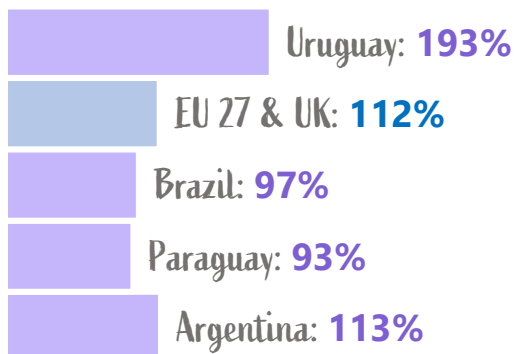


EU 27 & UK: **1,139** (in '000)

Mercosur: **983** (in '000)

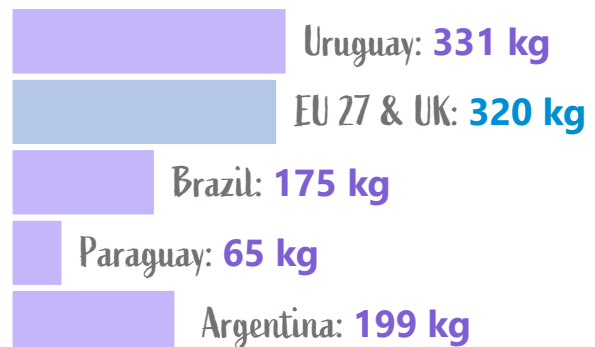


Self-sufficiency in milk



Consumption per capita per year

In 2017 (milk equivalent)



Thanks to the EU-Mercosur Agreement, some 350 European GIs, such as Fromage de Herve (Belgium) or Comté (France) will now also be protected from imitations in the four Mercosur countries. This is the largest deal ever made on Geographical Indications within a trade agreement.

Sources: EDA Surveys, Eurostat 2019, IFCN 2019, OECD
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