



European Dairy Association



Annual Report 2020/21



## CONTENT

- 2 Foreword
- 4 Connect to the world of dairy
- 6 EDA Focus Covid-19
- 8 Dairy Market 2020 (ZMB)
- 12 Trade & Economics in 2020/21
- 24 Food, Environment and Health in 2020/21
- 42 EDA speeches 2020/21
- 44 European Dairy Academix
- 45 EDA Members
- 47 EDA Brussels' team

# Milk & Dairy Essential for Your Life

“Milk & Dairy - Essential for Your Life” – when publishing our EDA 2020/2021 motto line back in October 2019, we had no idea to what extent this motto line would become the overarching theme for all of us.

European Green Deal, Brexit, global trade turbulences, new CAP – we did not need the Covid-19 pandemic to keep the EDA lactosphere busy over the last twelve months.

The **European Green Deal** and the accompanying EU strategies will bring us with more than 120 dairy-relevant legal initiatives a never seen record number of heavy procedures at the different

institutional levels and hence an unprecedented amount of ‘papers’ at all stages of the processes to analyse and to react on.

The European lactosphere is committed to integrate EU dairy into the EU Green Deal ambitions, but we will need to count on the full support and backing within the EU institutions at all levels.



With the finally signed **EU-UK Trade and Cooperation Agreement**, the Brexit management has been taken very last minute on the next level. We all know that Brexit is, by far, the biggest failure of the European Union.

We used the opportunity of our EDA Brexit Workshop in October 2020 to flag up once again our urgent dairy concerns at highest EU and UK level.

The asks and ideas of our joint DairyUK – EDA paper ‘The Future UK-EU Dairy Framework’ have been very widely taken up in the final agreement text; our proposals for the rules of origin for milk and dairy products have been copied & pasted into the agreement.

**International trade turbulences** led to shock waves in the U.S. – EU dairy trade. We voiced our interest as well with U.S. secretary of agriculture Sunny Perdue and the EU Trade Commissioner(s), as well as with our allies and counterparts in the U.S.

The 2018 proposal for a **new CAP (Common Agricultural Policy)**, with its dairy essential parts, especially in the Common Market Organization, was voted in the European Parliament. We had to deploy all our energy and use all of our channels to get some of the major EP amendments through this process. And the negotiations are now dealt with – in the last instance - at trilogue level, id est between the co-legislators, the European Parliament and the Council with the EU Commission in a moderator role.

For all issues, we had to adapt our way of working and our advocacy to the “2020 normal”: the communication route of conveying arguments and messages in direct meetings or informal side meetings was cut off by the Covid-19 restrictions.

As soon as we saw Member States ramping up **Covid-19** strategies with plans to restrict the Single Market, we called upon the EU Commission to keep borders open for dairy operations.

Through our bi-weekly pan-European dairy situation calls, we were in a position to deliver real time and highly appreciated information to the decision makers in Brussels and beyond. And we shared our insights with our dairy colleagues across the globe.

With a new EU Commission leadership in place, it took a lot of time and energy to mobilize the adequate dairy market support in these critical weeks of March and April 2020.

From the very first moment, the European lactosphere delivered: under difficult conditions, dairy operations all over Europe kept running and kept the shelves and fridges stocked with healthy and nutritious milk & dairy products.

2020 highlighted that the European dairy sector is essential for our citizens, for our society, for our economy and for our environment.

And 2020 gave us far more opportunities than we would have wished to highlight that a united European dairy voice in Brussels is essential for our industry.

That’s why we express our gratitude to all our colleagues at EDA Board level and in our EDA constituency for the support and commitment in 2020 – we have a common mission, because

*Milk and dairy are essential for your life!*

*Vive l'Europe et vive le lait*



A handwritten signature in black ink, appearing to read 'Alexander Anton'.

Alexander Anton  
EDA Secretary General

A handwritten signature in black ink, appearing to read 'Michel Nalet'.

Michel Nalet  
EDA President



# Connect to the world of dairy

“Milk & Dairy – Essential for Your Life” is our core message that we convey via our ‘connect to the world of dairy’ strategy – a strategy that was built for both, the digital and the analogue world. Our primary role as European trade association is to facilitate the exchange and dialogue within our industry and with the Brussels based EU institutions.

Next to our commitment within official consultative bodies, contacts at all levels of the European institutions and with our dairy chain partners are of strategic importance for us. In 2020, we had to adapt our outreach strategy and focus on the digital volet of our communication capacities and we had to rely on our network that we have built up, together with our **EDA President Michel Nalet, the EDA Presidium & Board members and our EDA membership.**

We are proud to be the acknowledged voice of the European lactosphere!



EU Commissioner Janusz Wojciechowski with EDA secretary general Alexander Anton in Brussels, 25<sup>th</sup> June 2020



MEP Herbert Dorfmann (EPP, IT) with EDA secretary general Alexander Anton at MIV podium discussion in Berlin, 21<sup>st</sup> of January 2020



MEP Alexander Bernhuber (EPP, AT) in an EDA meeting on 18<sup>th</sup> June 2020 in Brussels



**European Dairy Association** @EDA\_Dairy · 1h

MEP Martin Hlaváček, initiator of @RenewEurope agrifood stakeholder exchanges w/ @UliMuellerMdeP, exchanged with @dairyanton, for our 1st 'live' postcovid meeting: "MEP Hlaváček has a deep understanding of EU agriculture & our challenges ahead".

Děkuji za váš čas a odhodláni !



Exchange with MEP Martin Hlaváček, RE, CZ) in our EDA offices on 10<sup>th</sup> June 2020 in Brussels



DG SANTE Director Dr Sabine Jülicher in an EDA meeting on 30<sup>th</sup> June 2020 in Brussels



Peder Tuborgh, CEO Arla Foods amba with EDA secretary general Alexander Anton in the European Parliament, on 4<sup>th</sup> February 2020 in Brussels



EDA secretary general Alexander Anton with TINE chairwoman Marit Haugen, on 5<sup>th</sup> February 2020 in Oslo (Norway)



US secretary of state Sonny Perdue with EDA secretary general Alexander Anton, on 27<sup>th</sup> January 2020 in Brussels



**Katrina Williams**  
@UKEUDeputy

Thank you for inviting me to join the lactosphere for the afternoon. Your views and work are invaluable to us: an excellent event and expert discussion @EDA\_Dairy @mnalet

H.E. Katrina Williams, UK Ambassador to the EU, one of the speakers at our EDA Brexit Workshop on 08 October 2020 (digital)



In May 2020, EDA and EWPA did bid a Covid-19 compatible farewell to our EDA deputy secretary general Bénédicte Masure. After 25 years of successful and impressive dairy dedication, Bénédicte leaves a huge legacy behind her not only in terms of professional accomplishments. **THANK YOU BÉNÉDICTE!**



The chair of our EDA Scientific Board, Dr Judith Bryans (CEO Dairy UK, IDF President) with Marlene Ströhm (head of staff MEP Alexander Bernhuber) on 27<sup>th</sup> January 2020 in Brussels



# EDA Focus: Covid-19

While large parts of the economy had come to a sudden standstill under extraordinary circumstances, the EU milk and dairy sector has proven essential during the Covid-19 crisis, keeping the operations running and making every effort possible to keep shelves and fridges stocked with nutritious and affordable products.

The great effort of our farming partners and our dairy workforce has been recognized at all levels:



When member states started to establish their plans to ramp up border restrictions, we alerted the EU Commission and Member States about the vital importance of keeping milk and dairy supply lines open across the Union and its borders.

## COVID-19: keep the milk & dairy supply lines open

On Saturday 14<sup>th</sup> March 2020, EDA issued a letter to Director General Anne Bucher, (DG SANTE) and Director General Maria-Angeles Benitez-Salas (DG AGRI) to underline that we do appreciate the efforts of the EU Commission and EU Member States to restrict and delay the spread of COVID-19. EDA highlighted that when drafting and establishing COVID-19 restriction plans, the vital importance of functioning milk & dairy supply lines across Europe and across borders must be taken into account:

The EU Commission reacted accordingly and issued guidelines (including the 'green lanes') within 24 hours. All Member States followed these guidelines and categorized milk & dairy as essential goods with privileged border crossing facilities.

Nevertheless, we were shocked to see that some member states tried to use the Covid-19 crisis to step up with nationalistic measures and openly undermined the Single Market principle that proved critical for the resistance of the dairy chain and hence for food supply contingency across Europe.

As per March 2020, we organized bi-weekly pan-European calls to deliver real time information on the dairy situation across Europe to the decision makers in the European Commission, the European Parliament and the national administrations. We also shared our insights with our dairy colleagues across the world, allowing for instance the U.S. lactosphere to better prepare for the situation to come.

With important milk & dairy outlets (out of home and export markets, open air food markets) being muted, we urged the EU Commission already in March 2020 to give a clear sign of market support by opening up the Private Storage Aid scheme.

We are grateful for the unanimous support that our PSA request received from the COM AGRI of the European Parliament, chaired by **MEP Norbert Lins** (EPP, DE) and by all agricultural ministers of the member states.

*"The scale of the crisis outdoes the possibilities of the current budget",* as EU Commissioner Janusz Wojciechowski stated in his discussion with the European Parliament on 15<sup>th</sup> April 2020.

Finally, **EU Commissioner Janusz Wojciechowski** announced in April 2020 that exceptional measures would be opened by the EU Commission to support the dairy sector in Europe.

***“To guarantee the sustainable future of our essential and vital sector for Europe, its citizens and its economy, we will need your immediate support in activating the PSA scheme and we will have to count on your support when today’s crisis will have been overcome”, as EDA President Michel Nalet stated in our videoconference with the director general of DG AGRI, Mr Wolfgang Bartscher.***

The PSA scheme for milk powder, butter and cheeses with a total budget of €30 mio was published in the EU Official Journal on 04<sup>th</sup> May 2020 and has then played its role in stabilizing the dairy markets.

## Lessons learned?

In November 2020, the EU Commission started to reflect on the establishment of a ‘EU food crisis preparedness and response mechanism’ in order to elaborate a set of procedures to ensure food supply and food security across the EU.

As EDA we have responded to that initiative:

The capacity of the EU dairy sector to resist to such an unprecedented external shock of the magnitude of the Covid-19 crisis is based inter alia on the specificities of the dairy sector: our daily relationship with our 700,000 dairy farmers, our structure of cooperatives and private dairies and our standard operational procedure that ensures the continued flux of fresh and perishable raw material under highest hygiene conditions.

The resistance of the EU dairy had been challenged during the first peak of the Covid-19 crisis by initiatives of national governments ramping up barriers within the Single Market and border restrictions for personnel.

This first phasis of the crisis had also been abused irresponsibly by some national administrations to fuel chauvinistic instincts, while other administrations lowered – for a couple of days or weeks – the non-safety related requirements for the placing on the market of milk and dairy, especially by allowing a ‘flexible’ use of packaging, where also, for instance, national origin labelling requirements were suspended.

The Covid-19 crisis has shown that any attempt to apply a kind of a neo-Malthus concept of national food security and sovereignty, even partially, will fail in the 21<sup>st</sup> century world and can, if at all, only be envisaged at EU level.

**eda Dairy Flash #6 / 2020 02 April**  
The latest news about the world of dairy

**COVID-19 and the question of European action**  
During times of increased market disturbances, the EU Commission has the full competence, the necessary budget and the CAP operational policies and tools in place and at hands to protect the milk sector. In the past, we had quite some occasions to congratulate the services of the European Commission for the market management performance at all hierarchy levels.  
Since more than two weeks now, we call upon the EU Commission to react on today's COVID-19 induced milk market disturbances in an adequate and proportionate manner and at European level in activating the **Private Storage Aid scheme for butter, powder and cheese**, as foreseen in the CMO Regulation.  
Today, I am sad and, yes, shocked to see that Member States at national or even at regional levels feel obliged to step in and take the necessary actions to protect their national milk markets. While important market outlets (export, Horeca, local open-air markets) are muted by COVID-19 and retailers have misused the crisis to push for reduced prices and longer payment delays, we are reaching the seasonal peak of milk production in the Union. Dairy markets at European and global level have reacted and prices, especially for powdered milk, show a strong downwards trend.  
**EU Commissioner Janusz Wojciechowski** has not (yet) answered our letter and we really count on the EU Member States at next Monday's videoconference of the Special Committee on Agriculture to voice the need for both, **immediate and European action**.  
EDA President Michel Nalet

**COVID-19: all hands on deck**  
The current COVID-19 crisis is shaking the foundations of international agri-food markets while placing EDA in a important coordinating role. Our three-weekly situation calls with our members and Sister organisations in third countries have proven helpful. The recognition of dairy as an essential sector as well as the → **EU Commission guidelines on the green lane border crossings** and free movement of workers (transborder) are clear signs that the lactosphere is part of the solution in providing healthy nutritious food in times of crisis.  
However, a lot remains to be done. Market prices for dairy products remain under pressure as the duration of the current situation remains unclear. This is why EDA urged the European Commission to show the support of Europe for the dairy sector in activating the Private Storage Aid scheme. This measure aims to mitigate the extraordinary market situation while securing supply availability.

Editors: Lisa Vesali | EDA, Av. d'Indraghen, 22.2b | 1049 Brussels (BE) | www.eda-europe.org | @eda\_europe | Photography: © Dairy Dynamic

The strength of the EU dairy sector that has allowed to resist the Covid-19 shock and to keep shelves and fridges stocked with essential, healthy & nutritious dairy products is based on a frictionless functioning of the Single Market, the market support by the sCMO and the tireless commitment of all players within the European lactosphere, next to a continuous exchange throughout the Union and a possibility for ad hoc coordination within the Union.

These fundamental principles must be kept as operational as possible in non-crisis times in order to keep the dairy chain strong. Any plans to re-activate these principles only in crisis times will fail.

Also in extraordinary times, the fundamental statement of our **EDA President Michel Nalet** remains true:

***“The success of European dairy is based on our European Single Market, an ambitious EU trade policy and the Common Agricultural Policy. Our success is based on Europe.”***

**Our success is based on**

- the European Single Market
- an ambitious EU trade policy and
- the Common Agricultural Policy

Our success is based on **Europe**



# 2020

## Dairy Markets 2020: Resilient during the Covid-19 pandemic

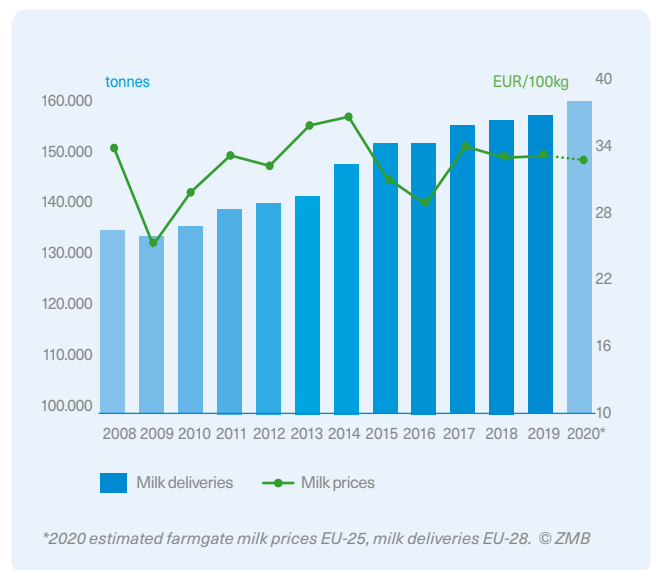
*At the beginning of 2020, a firm situation initially emerged on the dairy market. The outbreak and rapid spread of the Corona-pandemic triggered a collapse of dairy product prices in springtime. Ultimately, despite the massive economic impact, demand for dairy products proved robust and absorbed the growing milk supply. However, prices have not fully recovered and milk producer prices have fallen slightly on average. The impact of Brexit on the European milk market was limited in 2020.*

### Framework conditions:

- The United Kingdom left the European Union on 31<sup>st</sup> January 2020, but was still part of the Single Market for a transition period until the end of 2020.
- The Russian import-stop for dairy products from the EU, enacted in August 2014 is still in place. The trade war between EU and U.S.A. was going on; punitive tariffs are imposed on various dairy products.
- The Covid-19 pandemic caused an unknown contraction of the world-wide economy. The GDP of the EU shrank by 6.8 % in 2020.
- The European Commission opened a temporary exceptional private storage aid scheme for butter, skimmed milk powder and certain cheeses from May 7<sup>th</sup> up to June 30<sup>th</sup> as an emergency Covid-19-measure.
- The financial framework of CAP 2020 has been extended up to the end of 2022. The negotiations for CAP 2027 went on.

### Milk deliveries reached a new record

EU milk deliveries followed their increasing trend 2020 with higher speed than in recent years. The milk intake of dairies in 'EU28' reached a new record of 160.6 million tonnes. Compared with 2019, deliveries rose (with leap-day-correction) by 1.2 %. This was the biggest increase in the last three years. Dairies in EU27



(without the United Kingdom) collected 145.2 million tonnes and 1.4 % more than in 2019.

Milk deliveries increased in nearly all Member States with the exception of Croatia and the ex-Member State United Kingdom. However, the development in different parts of Europe was mixed once again. The biggest expansions have been observed in Italy, Ireland, Poland and the Netherlands. Milk output in the two countries with the biggest production, Germany and France, nearly stagnated. Only twelve percent of the additional volumes had been delivered in these two Member States with a market-share of forty percent of EU27.

Milk production took advantage from less extreme weather conditions compared to the two previous years. Unusual mild temperatures in the first two months and less heat-stress in summer-time supported milk yields. In Southern Europe and Scandinavia conditions for grass-growth had been over average while climate conditions in major regions of Germany and France were challenging once more. Additionally, cow slaughtering had been delayed due to the Covid-19 crisis. Nevertheless, the number of cows declined further in several Member States, but increased in Ireland, the Netherlands and Italy according to the June census. The contents of fat and protein in delivered milk stabilized on the higher level of 2019, when they had reached records over the decade.







## More dairy products produced

Milk production was not affected by the Covid-19 pandemic. Dairies managed to collect and process the milk despite the unprecedented challenges, such as complex hygiene concepts and staff absences due to quarantine and child-care in times of lockdown.

Production of main dairy products expanded with the higher availability of milk. Under the conditions of the Covid-19 pandemic, demand for drinking milk increased and, contrary to the long-term downward trend, for the first time since 2011 higher volumes were produced than in the same period of the previous year. The production of cream and fermented fresh products increased less strongly. The manufacturing of cheese rose further, but to a lower extent than expected. More butter and whole milk powder were produced too. Skimmed milk powder production picked up in the second half of the year.

## Demand influenced by the Covid-19 pandemic

The outbreak of the Covid-19 pandemic led to uncertainty and turbulence on the dairy markets in the initial phase. In the course of the virus outbreak in China, there were disruptions in the logistics chain. As the virus quickly spread, worldwide lockdowns and drastic contact restrictions were imposed in many European countries as early as March 2020. This resulted in sudden changes in the

consumption of dairy products and other foodstuffs. Sales of dairy products for out-of-home consumption collapsed overnight, while demand in food retailing increased sharply and was further fuelled by short-term hoarding in households. These developments were witnessed globally and led to short-term market distortions and panic driven price drops. This phase was over rather quickly and the market recovered, supported by Covid-19 measures being largely reduced during the summer, although outlets towards the foodservice were reduced or even muted and demand in the food retail sector remained above average. Unprecedented levels of government spending have also mitigated the economic impact for the time being.

The demand for dairy products has proven robust and resilient to the crisis. Nevertheless, the pandemic is not without sustainable negative impact on returns. In order to mitigate the consequences of the pandemic, the EU Commission made it finally possible to allocate butter, cheese and skimmed milk powder into the private storage scheme until the end of June. The EU Commission has given the right signal to the markets, even if the quantities declared remained manageable and significantly lower than expected. Dairy product prices recovered quickly from the slump that occurred during the first wave. However, they did not return to the levels they reached before the outbreak until the end of 2020. Despite the widely increased milk supply in exporting countries, there has only been a selective build-up of stocks, mainly in the USA.

## European Union : Balance Sheet of Cow Milk

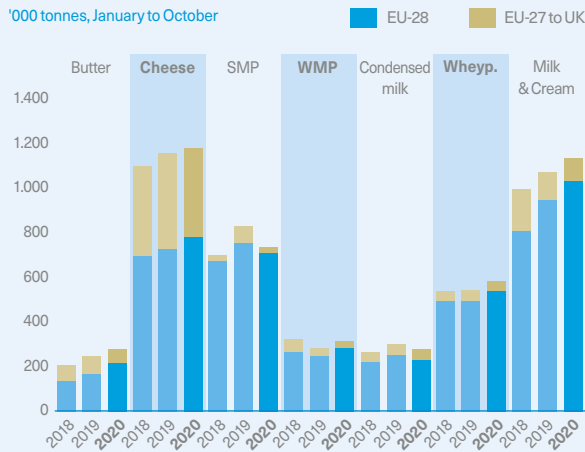
m. tonnes	2017	2018	2019	2020 <sup>1)</sup>	2020 <sup>1)</sup>	2021 <sup>2)</sup>
	EU-28	EU-28	EU-28	EU-28	EU-27	EU-27
<b>Deliveries of milk</b>	<b>155,9</b>	<b>157,4</b>	<b>158,3</b>	<b>160,4</b>	<b>145,1</b>	<b>145,6</b>
+ Imports in milk equivalent	0,9	1,0	1,0	1,0	3,3	2,7
- Exports in milk equivalent	20,7	20,5	22,1	21,0	25,0	23,4
- Change in stocks in milk equivalent	-0,6	-0,8	-2,3	-0,8	-1,2	0,0
<b>Consumption in milk equivalent</b>	<b>136,7</b>	<b>138,6</b>	<b>139,5</b>	<b>141,2</b>	<b>124,6</b>	<b>124,9</b>
<b>Consumption per capita</b>	<b>267</b>	<b>270</b>	<b>272</b>	<b>275</b>	<b>277</b>	<b>278</b>
<b>Self-sufficiency (%)</b>	<b>114</b>	<b>114</b>	<b>113</b>	<b>114</b>	<b>116</b>	<b>117</b>

1) Preliminary 2) Forecast. Source: ZMB. Berlin, Germany

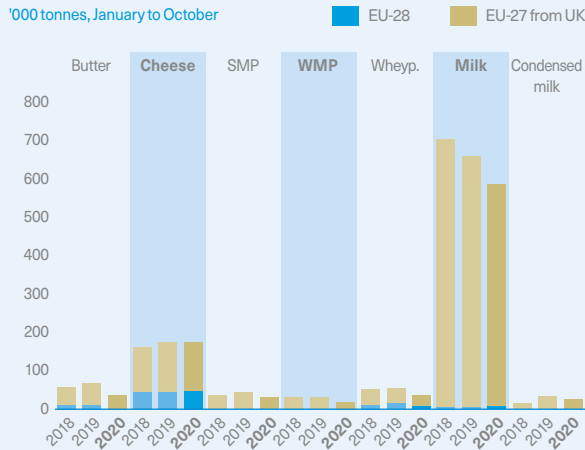


# Dairy Market 2020 and outlook 2021 (ZMB)

## EU: Export of Dairy Products to 3<sup>rd</sup> Countries



## EU: Import of Dairy Products from 3<sup>rd</sup> Countries



Source: ZMB, calculations acc. Eurostat. © ZMB

Trade in dairy products on the international market continued to grow in the first half of the year, even though the pandemic triggered the biggest world-wide recession in the post-war era and the logistics problems due to a shortage of available container capacities. A stabilising factor has been the continued increase in import demand from China, the world's largest importer of dairy products. It seems possible that 'safety stocks' have been built up in importing countries. As compared to the same period of the previous year, higher quantities of cheese, butter and whey powder in particular, but also of whole milk powder, were traded on the world markets. Only skimmed milk powder saw a lower trade volume.

## More dairy products exported to the world market, less to the United Kingdom

The 'EU28' was able to increase its dairy exports in general. In particular, it exported significantly more butter than in previous years and also more cheese, whole milk powder and whey powder. EU exports of skimmed milk powder were down compared to 2019, but this was due to lower supply following stock reductions in previous years.

With the United Kingdom, a net importer of dairy products left the European Union at end of January 2020. For a transitional period until the 31<sup>st</sup> December 2020, the former Member State, which made up 13 percent of the population and 10 percent of the Union's milk production, was still part of the EU's common single market. Nevertheless, in the first ten months of 2020, the import of dairy products from and the export to EU27 decreased compared to the same period of the previous year.

The import of dairy products from countries outside the 'EU28' decreased in 2020. The EU27 countries import much more dairy products from the United Kingdom than from all other third countries.

## Cheese market continued to grow

The European cheese market followed its long-term growth once again in 2020. Cheese production increased thanks to higher milk deliveries and enlarged production capacities. Biggest increases of cheese production were observed in Germany, the Netherlands and Italy. With the beginning of the Covid-19 pandemic the production dropped temporarily due to a collapse of demand from the foodservice and a sudden decrease in prices. The demand for cheese in total increased to a certain extent in 2020 despite a reduced need in out-of-home consumption. Retail sales rose strongly and compensated the losses in other sectors. Additionally, cheese exports to third countries reached once again a new record, despite losses in the U.S.A., the largest market to date. Export to the United States was negatively affected by punitive tariffs for different cheese types. For the first time Japan was the most important destination. Big gains were observed in Switzerland, South Korea, Ukraine and China. Many other countries also imported more cheese from the European Union. Trade in cheese between EU27 and the United Kingdom shrank to a certain extent up to October 2020.

Cheese prices quickly recovered from the drop suffered in spring, but they didn't come back to the initial level. Price developments were different depending on the cheese type. The return of whey increased marginally during 2020 compared to the previous year. In the last quarter prices rose. A strong increase in China's whey powder and whey permeate imports contributed to this. Demand for piglets and pig feed in China is increasing with the recovery from the massive outbreak of the African swine fever.



## Butter prices back to old levels

Butter prices decreased for the third year in a row and returned to levels we had, before they started to rise in autumn 2016. The availability increased mainly due to higher private stocks at the beginning of the year and a slight increase of production. On the other side the trade balance reduced the supply on the single market. With strong exports to the world market and historical low imports from third countries the net export of butter was the highest in the recent decade.

Retail sales had suffered from high prices in previous years and plateau-ed on reduced levels until the beginning of the year. Butter consumption in the food-service-sector and parts of the industry was negatively affected by the Covid-19 pandemic. This development caused a lot of uncertainty from the summer until the beginning of autumn. 65,109 t of butter had been contracted for the private storage scheme in May and June. Export opportunities shrank while butter came out of stocks.

Finally butter consumption recovered. Under lockdown conditions households purchased more butter for home cooking and home baking and this compensated the losses in the out-of-home consumption. The year 2020 ended hence with slightly reduced stocks.

## Whole milk powder balanced

The whole milk powder market was balanced in 2020 and stocks had been reduced. Exports recovered to a certain extent after falling to a long-term low in 2019, despite higher competition from South America. Production increased slightly and internal consumption followed the long-term upwards trend.

## Skimmed milk powder returned to equilibrium

The market for skimmed milk powder has returned to equilibrium in 2020 after several years of oversupply. High stocks had been a burden in previous years, they now returned to a normal and necessary level. Continuously high exports and increasing internal consumption for several years contributed to balancing the market. Production fluctuated only to a low extent since 2017. In 2020 a slight increase took place. Availability of products for export decreased compared to previous years. The European Union remained the biggest supplier in the international context, but lost market shares in favour of the United States.

Demand absorbed supply continuously. A small amount of 18,300 t was held under the private storage scheme. Nevertheless, prices had only limited scope to rise. Due to the general uncertainties during the beginning of the Covid-19 pandemic, prices crashed and did not return to their initial levels. The United States were making very competitive offers on the international market.

## Milk prices slightly weaker

The Covid-19 pandemic had a negative impact on milk prices. Immediately after the outbreak, prices for all commodities dropped dramatically, before recovering fast without however reaching their initial level again. As a consequence there was an average decrease in 2020 as regards the valorisation of milk. Farm gate milk prices slightly went down in most Member States in 2020.

## Dairy Outlook 2021

The dairy markets in Europe will continue to be influenced by Covid-19 in 2021, at least in the first half of the year. Major parts of Europe and the world will continue to be in a lockdown in the first months. So strong demand in food retail will continue and demand in the food service sector will continue to be low for the time being. When the measures can be sustainably eased is not yet known. 2020 has shown that the markets for milk and dairy products are resilient even with severe restrictions on out-of-home consumption and shrinking economic output worldwide. This development is likely to continue in 2021. The distribution of demand across the different sales channels is expected to normalize later in the year, provided the pandemic subsides, which is expected due to the availability of vaccines. 2020 ended without a burden of increased stocks, despite stronger international expansionary trends in milk production.

Average prices for dairy products are likely to be higher again in 2021 than in 2020, if only for the sole reason that it is unlikely to have prices collapse as they did during the "Corona dip" in spring 2020. The year 2021 starts with low stocks of dairy products in the European Union, strong demand and lower milk deliveries. Milk output is likely to be more moderate in 2021, as a consequence of lower cow stocks, colder temperatures in winter and higher feed costs.

The completion of the Brexit process is likely to pose a challenge in 2021. With the last-minute trade agreement including duty- and quota-free trade for dairy products the impact of the European Union's "shrinking" will be softened, but more formalities will put burden on the trade of goods, especially on fresh produce. However, from 2021 onwards, the United Kingdom will be by far the most important trading partner for dairy products among all third countries, for exports as well as for imports.



Monika Wohlfarth  
ZMB GmbH



# Trade & Economics in 2020

## Covid and Brexit shaped our year 2020

The Covid-19 situation greatly influenced the dairy markets. The EDA Trade and Economics Committee (TEC) followed the market situation closely with the European Commission, urging it, amongst others, to deploy the management toolbox and, in particular, the early opening of private storage. Nevertheless, it was only after a few weeks that the opening of a limited number of measures was announced.

Towards the spring and summer periods, the EU milk collection stabilized but, more important, the dairy sector turned out to be remarkably resilient since dairy products is important nutrition by nature. Furthermore, milk processing operations have continued to operate during the crisis. Against all fears, exports remained steady and major importers like China kept on importing.

As far as Brexit is concerned, we accompanied the ongoing negotiations. These negotiations should have concluded by September but carried on until December 30. The major concern for our sector was that dairy trade would be seriously hampered. In particular, the possible introduction of tariffs and import quota were often raised by EDA TEC members as being detrimental to trade. At the end of December, a deal was reached between the EU Commission and the British government. Much to the relieve of the dairy community, TRQs and quotas were not in the final deal, which was felt as a relieve by EDA, since the ideal single market situation was no longer possible. Several EDA proposals such as rules of origin were taken on board by the European Commission.

For the Common Agricultural Policy, our EDA TEC and the EDA CAP Task Force followed the regulations on market transparency and unfair trade practices. Regarding transparency, EDA members raised their concerns on the exercise as the proposals would lead to administrative burdens and even more pressure on the market. On the Unfair Trade Practices Regulation, the TEC noticed the wide divergence in applicable structures in different Member States. Furthermore, the point was raised numerous times that the upper ceiling on "beneficial" suppliers was put at Euro 350 million turnover without a good argument.

The ongoing process to define the new CAP was another focus point of the TEC and its CAP Task Force. Despite the proposal of the Commission to not change the present Common Market Organization in general, there were numerous amendments in the EP Agri Committee which needed to be highlighted by EDA. Also, the new CAP among the new initiatives of the EU Commission concerning the Green Deal and the F2F approach are scrutinized by the TEC.

And, of course, the TEC discussed various trade policy subjects. Those are twofold: present trade policy problems and initiatives towards new trade agreements.

The TEC followed intensively, through the Trade Task Force, the many hindrances to trade. Particular and noteworthy is the ongoing trade dispute between the European Union and the United States regarding civil aircraft, whereby additional tariffs are applied by the US to non-related sectors, such as dairy. This increase in tariffs by 25% by the U.S. on a large amount of EU dairy products, leads to considerable losses in our export performance to the U.S. EDA and other European associations addressed a letter to the EU and U.S. competent authorities urging them to stop targeting sectors not directly related to the disputed aircraft subsidies. Also, the functioning of present FTA's such as CETA and the EU Japanese agreement, were discussed. About the FTA currently negotiated with New Zealand quite some concern was expressed about the concession the EU apparently made to New Zealand, especially on whey. The TEC notices that some new agreements can threaten the level playing field vis-à-vis the EU exporters. In this regard the U.S.-China agreement was scutinized when it comes to approval procedures for infant formula.

**Wim Kloosterboer,**  
EDA TEC Chairman,  
Corporate Manager  
Trade & Dairy Affairs  
Royal Friesland Campina





## Covid19 : Single Market protection and the Private Storage Aid scheme 2020

The first wave of market disturbances caused by the change in consumption related to Covid-19, the lockdown of the EU Member States and the subsequent attempts to close national borders within the Single Market led to massive market stress.

As soon as we had seen that EU member States planned to ramp up border restriction measures and block the functioning of the Single Market, we had sent a letter to the EU Commission and the Member States' representatives in Brussels to underline the vital importance of the smooth milk & dairy flow across internal European borders. Here, the EU Commission delivered swiftly issuing guidelines to the member states for the border handling (inter alia the establishment of green lanes for perishable food products, processing and packaging supply).

*"Thanks to the unprecedented effort of the whole dairy sector, the direct and immediate impact of the COVID-19 crisis has been managed without major disruption of the supply chains throughout Europe. We appreciate the swift support of the EU Commission at that very time by establishing the green lanes and allowing certain flexibilities",* stated EDA chair Michel Nalet.

As of mid-March 2020, we were also at the forefront to initiate the united requests from the Committee of Agriculture (COM AGRI) of the European Parliament and all 27 EU Member States to open the Private Storage Aid Scheme (PSA).

For the PSA scheme, we had to mobilize all forces to convince EU Agriculture Commissioner Janusz Wojciechowski to propose this scheme and we had to further insist upon the urgent necessity to implement the exceptional measures announced by the EU Agriculture Commissioner Janusz Wojciechowski.

Finally, on 4<sup>th</sup> May 2020, European support measures for the dairy sector were proposed and published in the Official Journal of the Union. The Private Storage Aid (PSA) schemes for butter, skimmed milk powder and cheese were operational as of 7 May 2020. They allowed the temporary withdrawal of products from the market for a minimum of 2 to 3 months, and a maximum period of 5 to 6 months.

*"Now, we are hit by the economic impact with more than severe market disturbances, where the – finally adopted – support measures, especially the PSA scheme, have helped so far to stabilize the markets, but on a very low level. Today's market situation is extremely fragile. The outlook is characterized by many negative and uncertain parameters",* as our EDA chair Michel Nalet pointed out in May 2021.

## Milk Market Observatory (MMO)

The Economic Board of the Milk Market Observatory (MMO) is meeting on a quarterly basis. Its members are experts from the milk supply chain: milk producers, processors, traders, and retailers. The aim of this EU observatory is to provide more transparency and provide all stakeholders with relevant market data and with the European Commission's short-term market analysis in a timely manner.

Monika Wohlfarth (ZMB GmbH) is since 2020 our new EDA representative in the MMO, succeeding our ATLA colleague Gerard Calbrix (ATLA), who had established and carried out our EDA stock reporting methodology since the start of the MMO in 2014. Monika Wohlfarth presents during these meetings our assessment of EU stock levels for butter, skimmed milk powder and cheese and develops further our EDA input.

The facts and market data based approach of the MMO, makes it a valuable instrument in the market transparency toolbox.

## CAP post-2020

### 'CAP post-2020' – the long way to a new CAP

On 1 July 2018, the former European Commissioner for Agriculture, Phil Hogan, proposed a concise and CAP reform package of three regulations: CAP strategic plans and new delivery model, horizontal regulation on financing and managing and a reform of the Common Market Organisation (CMO).

After two years of discussions and negotiations within the COMAGRI of the EP, chaired by MEP Norbert Lins (EPP, DE), the plenary session of the European Parliament voted on 23 October 2020 on



## The 9 CAP objectives



European Commission, DG AGRI

its negotiating position towards the three reports of the CAP file under the EP rapporteurship of MEP Peter Jahr (EPP, DE), MEP Eric Andrieu (S&D, FR) and MEP Ulrike Müller (RE, DE). At the same time, on Tuesday 20 October, the EU Council of Agriculture and Fisheries agreed its negotiating position on the next EU Common Agricultural Policy (CAP) post-2020.

Since November 2020, the EP, the EU Council under the German Presidency, and the EU Commission entered into the trilogue phase and started the interinstitutional negotiations between the two co-legislators and the EU Commission, that has a moderator role at this stage of the process. The negotiations at trilogue level are rather complex (back in 2012/2013 it took a total of 56 meetings and 18 months between Parliament and Council to reach an agreement).

In the first half of 2021, the EU Council under the Portuguese Presidency will continue working towards an agreement on the CAP reform. In this context, an agreement on the CAP reform can be expected by spring/early summer of 2021 since it is the first agricultural priority of the Portuguese Presidency.

From EDA's side, we welcomed the presentation of the proposals as well as the ongoing institutional follow-up and agreements. In this process, we have consistently echoed our message of simplification and policy coherence and worked in detail on the original EU COM proposal, the more than 6000 EP amendments and the finally voted EP positions. The EU dairy industry, as a major contributor to the EU's economy, has always been a constructive partner in the design of legislative proposals. EDA addressed the needs of all three pillars of sustainability (economic, social, and environmental) through our position papers, participation in the European Commission's consultations, as well as our strong presence at relevant events and in direct contacts with the decision makers at all levels.

### Transitional measures

In view of the complex discussions in both legislative bodies, the European Parliament and the Council, the EU Commission's reform proposals on CAP beyond 2020 could not be formally adopted by January 2021. The EU Commission even tried to threaten the two legislative bodies with a complete withdrawal of the proposal.

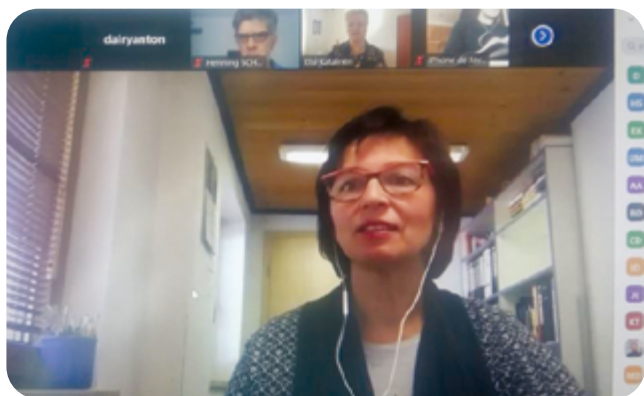
The EU Commission needed to adopt a transitional package to ensure the applicability of the existing regulations of the CAP to guarantee that farmers and beneficiaries of rural development funds continue to receive payments, pending the new CAP, which is to enter into force only from the beginning of 2023.

Taking into consideration the conditionality of the transitional period and the new funds, as well as the economic damage to agriculture derived from the Covid-19 pandemic, after a long extraordinary European Council in Brussels in July 2020, the EU Leaders agreed on the next Multiannual Financial Framework (MFF) for the period 2021-2027 with some important implications for the European agricultural sector. It is relevant to remark that the seven-year budget includes an extra 8 billion euros allocation for the CAP, meant exclusively for strengthening the rural development fund which represents the CAP's second pillar. These complementary funds were included in the "Next Generation EU" recovery plan (NGEU) intended to help different sectors recover from the disruption caused by the Covid-19 pandemic. Speaking before lawmakers on the European Parliament's agriculture committee, Janusz Wojciechowski, EU Commissioner for Agriculture, said that the Commission was looking for legal solutions to deploy immediately the money from the Recovery Plan since farmers need these funds as soon as possible: "This is a recovery fund and we have to recover now, not in two or three years," he stressed.

In December 2020, the EU institutions agreed to frontload all the funds made available for rural communities from the EU recovery instrument to 2021 and 2022. Around 30% of the €8 billion aid will become available in 2021, and the remaining 70% will be released in 2022, according to the agreed text. In detail, at least 37% of the recovery fund will go to organic farmers and to measures related to the environment and animal welfare, and at least 55% of the funds will support investments in farms that contribute to a resilient, sustainable, and digital recovery as well as young farmers' start-ups.



EDA secretary general Alexander Anton with EU Commissioner Janusz Wojciechowski on 25<sup>th</sup> June 2020 in Brussels



MEP Ulrike Müller (RE, DE) initiated a series of online meetings with MEP colleagues and different actors of the agri-food sector during the covid19 crisis

## CAP strategic Plans

With funding in place for the year 2021, the EU Commissioner for Agriculture, Janusz Wojciechowski, and his team were finally able to focus on the legislative proposals for the CAP post-2020 and in particular on the New Delivery Model (NDM) which entails a shift from a compliance-based to a performance-based or results-based governance system for the CAP. Each Member State shall, under these new proposals, establish a single CAP Strategic Plan for its entire territory covering the period 1 January 2021 to 31 December 2027. At EDA we welcome this proposal, and we highlight that it is important that the European Commission sets the right indicators in order to secure a level playing field for European farmers. The right balance of national ruling within a European framework should prevent a fragmentation of the internal market.

The EU Commission provided each **EU Member State with tailor-made recommendations** on the CAP's Strategic Plans. These recommendations intend to assist in the drafting of the national CAP strategic plans by identifying the key areas each EU country should focus on. In particular, the recommendations published take on board the European Green Deal ambitions and more specifically six quantified Farm to fork and Biodiversity targets. They aim to show the direction that the CAP strategic plans need to take to fulfil these objectives and targets by identifying key issues that need to be tackled by Member States, and how to address them. In detail, the EU Commission provides recommendations to all Member States in four main areas: foster a smart, resilient, and diversified agricultural sector ensuring food security; bolster environmental care and climate action and contribute to the environmental and climate-related objectives of the Union; strengthen the socio-economic fabric of rural areas and address societal demand, fostering and sharing of knowledge, innovation and digitalization in agricultural and rural areas, and encouraging their uptake.

EDA considers the publication of those recommendations of importance as differences among the EU Member States in their Strategic Plans might affect the level playing field.

It is now up to the national administrations to draft these national Strategic Plans within the coming months. As EDA, we provide the platform of exchange between our members on the dairy relevant parts of their national strategic plans.

## Common Market Organisation (CMO) Regulation Reform

The Common Market Organisation (CMO) refers to the set of rules used to organize the single market for agricultural products. These rules cover inter alia the public market management measures, that is to say the safety net with public intervention and private storage aid, exceptional measures in case of market disturbance, marketing standards and the school milk (and fruit) scheme and the protection of our dairy terms.

The CMO is an essential part of the *acquis communautaire* for the agri-food sector and of utmost importance for the dairy sector. Its implementation is key to the competitiveness of the dairy sector in the different regions of the EU. The EU is well advised to continue the evolution of CMO policy towards greater market orientation, but this should be at a pace that gives dairy farmers and processors sufficient time to adapt without unnecessary disruption.

We support the European Commission's proposal, given that the dairy sector already went through an extensive reform with the so-called Omnibus Regulation that entered into force on 1<sup>st</sup> January 2018. In our exchanges with the policy makers, we kept underlining the importance of promoting the health and nutritional benefits of dairy products to consumers such as the school milk scheme, which is a great example of a program that provides key nutrients and key nutrients' information to our children. We also underline the importance of marketing standards, common product definitions and protection of dairy terms as a central pillar of consumer protection and of a well-functioning Single Market for milk and dairy.

After the 23 October 2020 European Parliament's plenary vote, we analysed the outcome and focussed our energy on selected amendments that are of critical importance for the European dairy sector, especially '**amendment 171**' (Protection of Dairy Terms), that was – for very good reasons! - adopted with a large majority and '**amendment 277**' on 'Measures Against Market Disturbances' that was rejected, as proposed by EDA.

Before the beginning of those trilogues and in order to share and reinforce the European Dairy's position, EDA elaborated a statement



## PROTECTION OF DAIRY TERMS



On October 23<sup>rd</sup> 2020, the European Parliament voted in favour of the protection of dairy terms like 'milk', 'butter', 'whey' & alike! A good day for dairy, for European consumers and citizens and for Europe!



The concept of the protection of dairy terms and 'amendment 171' that has been tabled by MEP Eric Andrieu (S&D, FR) is part of the Common Market Organisation and **protects the consumer quality expectations** and the fairness of the market competition in the dairy sector and beyond.

The protection of dairy terms has its global basis in the joint UN-FAO Codex Alimentarius Standard 206-1999 (General Standard for the Use of Dairy Terms) – such a global framework only exists for milk & dairy.

In our Union, the protection of dairy terms, like 'milk', 'butter', yogurt' or 'whey' is **enshrined in the Single CMO Regulation** (Regulation (EU) 1308/2013) for more than thirty years and has proven instrumental to guarantee consumer protection and the recognized EU quality excellence of milk and dairy products.

This protection has become a global success in inspiring other world regions for their legislation. The value, necessity and well-foundation of this protection has been underlined and confirmed in 2017 by the ruling of the **European Court of Justice C422/16** ('tofu-town') of 14<sup>th</sup> June 2017.

### Conscious dietary choices pre-require clear food labelling

Clear food labelling is a pre-requisite basis for consumer choices. Any ambiguity vis-à-vis the true nature and nutritional value of a food product in its name or marketing strategy is undermining the basic and **prima vista clarity** for consumers in their daily dietary choices.

And here again, a clear and protected denomination of a dairy product allows the citizens at first glance to get a clear understanding of the product, its origin and its quality.

'Amendment 171' was challenged by some with the open intention to blur the lines between milk and dairy and so-called 'plant-based alternatives'. The press reported about the *"money-with-menaces marketing manoeuvres"* of some of the 'vegan stakeholders', that want to undermine clear consumer information and hence the citizens' possibility to choose the products they really want in their daily shopping.

for the EU Institutions with an analysis of the most dairy-relevant amendments on CMO and EDA's positioning.

We believe that the legal framework of the CMO for dairy and the CAP have created an innovative and vibrant dairy environment by preserving the unrivalled quality of our European dairy excellence. We will keep working intensely to keep it that way.

### Sustainable farming – the new Carbon Border Adjustment Mechanism

The European dairy sector is a global frontrunner when it comes to sustainable dairying: greenhouse gas emissions from EU dairy farming are amongst the lowest in the world. This sustainable approach is complemented by our market-orientated policy recommendations aiming at maximising competitiveness and efficiency whilst minimising uncertainty and distortions.

The European Green Deal initiative includes measures that aim to slash the greenhouse gas emissions of countries in the European Union by 50% over the next decade —compared with the current target of 40%— and to make Europe the world's first climate-neutral continent. Amongst others, the EU Commission is working on avoiding the so-called Carbon Leakage. Carbon Leakage phenomena occur when companies in energy-intensive industries relocate from the EU to jurisdictions with less stringent emissions' regulations due to the costs incurred under EU GHG emissions reduction policies. The Commission notes that *"if this risk (of Carbon Leakage) materialises, there will be no reduction in global emissions, and this will frustrate the efforts of the EU and its industries to meet the global climate objectives of the Paris Agreement"*. The EU currently sets a carbon price through its emissions trading system (EU ETS), whereby EU emissions allowances are traded under an emissions cap, limiting the total amount of emissions to a pre-defined level.

Consequently, the EU is working on a Carbon Border Adjustment Mechanism (CBAM). There are at least two possible approaches for the CBAM: fixing the price of CO<sub>2</sub> emissions through a carbon tax or fixing total CO<sub>2</sub> emissions through the EU's current cap-and-trade system, known as the Emissions Trading System (ETS). The proposed mechanisms for implementing either of these approaches have their proponents and detractors and present different sets of challenges that would have to be addressed, such as the potential to trigger trade disputes or adversely affect domestic consumers and producers.



Luis Calabozo  
Chair of the EDA CAP TF  
FeNIL

#### Milk & Dairy – Essential for Your Life

*“The CAP is the basis of our milk supply and on that basis, dairying is shaping the landscape basically all over Europe – dairy is essential for rural Europe and beyond.”*

EDA's CAP Task Force will include in its work on the post-2020 Common Agricultural Policy the relevant economic aspects of the announced Green Deal initiatives and, among others, the Carbon Border Adjustment Mechanism.



### Promotion of Milk, Dairy and Agricultural Products – “Enjoy, it's from Europe”

The EU policy on information provision and promotion measures for agricultural products is intended to help to open new markets within the Union and abroad.

Under the slogan, "Enjoy, it's from Europe", it aims to help EU exporters break into international markets and to raise awareness amongst consumers of the efforts made by European farmers to provide quality products.

**Promotion policy** sets rules on how EU funding, amounting to some €200 million each year, can be used for information and promotion initiatives in EU member states and countries outside the EU.

The programmes promoting EU farm products are run by organisations representing the sectors on the national or European level and are co-financed by the EU. They are complemented by activities run directly by the European Commission, such as High Level Missions of the EU Commissioner, accompanied by business delegations, to non-EU countries to develop agri-food trade, participation in fairs and communication campaigns to promote EU farm products.

In 2020 these High Level Missions had to be put on hold, but the DG AGRI services continued to follow up this very instrumental initiative by digital seminars on EU dairy & food standards, where EDA is called to present the excellence of European milk & dairy.

Back in October 2020, the European Commission published the evaluation study on the **Impact of the EU agricultural promotion policy – internal and third countries markets 2016 to 2019**. The main findings of the study were that activities funded under the **EU agri-food promotion policy** are 'relevant and effective' and the study underlines the added value of the EU promotion policy.

For 2021, €182.9 million euro has been allocated to the promotion of EU agri-food products in and outside the EU. This **promotion policy work programme** reserves 30% for promotion of 'organic agriculture', which is not reflecting the market realities, not within the EU and even less in third countries.

As a matter of fact, almost half of the budget, i.e. €86 million euros, will go towards campaigns aligned with the European Green Deal's ambitions and the Farm to Fork strategy. This includes informing EU and global consumers about organic farming, EU sustainable agriculture and the role of the agri-food sector in terms of climate action and the environment. The selected campaigns will aim at raising awareness of these types of farming and increase recognition of the organic label. Furthermore, within the EU, campaigns will be funded to promote healthy eating and balanced diets by increasing the consumption of fresh fruit and vegetables.

EDA, jointly with an agri-food stakeholder alliance, exchanged with EU Commissioner Janusz Wojciechowski on the shape and the future set-up of the EU agri-food promotion. EDA secretary general, Alexander Anton, underlined the huge importance of this promotion volet of the CAP for the dairy sector and urged the EU Commissioner to stand firm in keeping the scheme open for all EU agri-food products. EU Commissioner Janusz Wojciechowski claimed that *“For the organic production, we have to stimulate growth and create demand, that's why we decided to allocate 30% of the budget to the promotion of organic products. On the other hand, my intention is not to exclude any types of products”*.

As far as the campaigns outside the EU are concerned, priorities are set on markets with high-growth potential, such as Japan, South Korea, Canada and Mexico. The selected campaigns are



expected to enhance the competitiveness and consumption of EU agri-food products, raise their profile and increase their market share in these targeted countries.

The 2021 reform of the legislative basis of the EU Promotion Policy (Regulation 1144/2014) will show to what extent the EU Commission is ready to include all three pillars of the sustainability concept, environmental, economic and social sustainability, in the future set-up of the promotion policy.

## Market transparency and unfair trading practices

2020 was a year in which the European Commission continued to roll out its market transparency agenda. This agenda builds on the recommendations from the Agricultural Markets Task Force with the aim of increasing producer power in the agri-food chain. The new **Transparency Regulation**, which was adopted in 2019, and comes into effect in 2021, is the latest of three regulatory initiatives.

The **Omnibus Regulation** already, adopted in July 2018 simplified and strengthened the position of producer organisations while the **Unfair Trading Practices (UTP) Directive** aims to improve the position of farmers' and small and medium sized businesses' in the food supply chain. The UTP Directive was adopted on 30 April 2019 leaving EU countries two years to transpose the Directive into their national laws. This means that the Member States must incorporate its provisions into national law by 1 May 2021 and apply them by 1 November 2021.

In the context of unfair commercial practices, the European Parliament had asked DG AGRI to assess the power of European Retail Alliances. In November 2019 DG AGRI had organized a specific workshop, where our EDA secretary general Alexander Anton presented the perspective of the European dairy industry. The EU Commissions report with recommendations has been published in the first months of 2020 but supports the status quo.

EDA welcomed the overall work done by the Commission on market transparency and actively participated in the various consultation processes. During these consultations we highlighted the fact the current mandatory communication from the Member States to the Commission, in place for many years, already makes the European dairy supply chain very transparent. The tools available today, not least the MMO of the EU Commission, but also private instruments, like the "ife raw milk index" or the "EEX raw milk futures", further add to the transparency on dairy markets. We furthermore warned that extending prices communication to the prices received from the retailers for consumers' dairy products would be extremely complex and would encourage downward pressures on the processors' selling prices and thus on the dairy farmers' income. EDA will keep monitoring the effects of the new price publication on the **European Commission's new data portal** and remains in constant contact with all relevant stakeholders.

## Trade and Market Access

### Bilateral Trade Issues and Free Trade Agreements (FTAs) Negotiations

A pro-trade attitude is enshrined in the DNA of the European dairy sector. With over 12,000 processing sites and home to 10 out of the global top 20 dairies, the European dairy industry represents about 30% of the world's milk and dairy exports, providing 45,000 jobs that depend directly on these exports and creating added value for the EU dairy sector and beyond.

To support the EU trade and our positions on trade agreements, we analyse, within EDA, the ongoing trade negotiations between the European Union and third countries, compare market access provisions of free trade agreements signed by our main competitors and liaise with the European institutions on overall market access for European dairy exports and the EU trade policy.

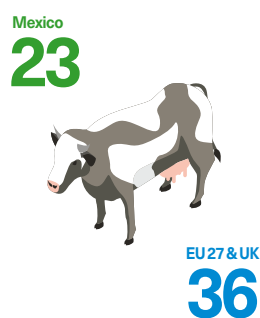
### Mexico

The EU and Mexico reached an 'agreement in principle' on the trade part of a modernised EU-Mexico Global Agreement in April 2018 that will replace the previous one dating from 2000. Since 2018, all texts have been finalised and the last technical details on public procurement were concluded in April 2020. The documents are undergoing legal review and translation.

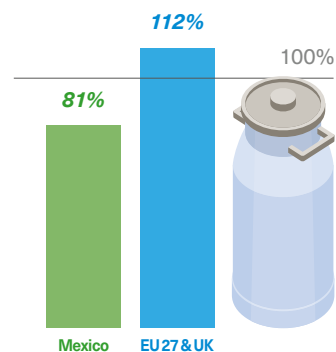
The new agreement opens the Mexican market without a quota limit for blue cheeses, for 5,000 tonnes of fresh and processed cheeses, and 20,000 tonnes of other cheeses. Furthermore, this agreement protects a total of 340 distinctive food and wine designations, such as the French Bleu d'Auvergne or the Spanish Queso Manchego.

EDA was closely involved – not least through a Mexico visit of (then) EU Agricultural Commissioner Phil Hogan with our EDA chair Michel Nalet in 2016 and our EDA participation at the follow up conference in Mexico in 2019. We congratulated the European Commission for the swift and successful conclusion of this agreement.

### Average dairy herd size Cows per farm



### Self-sufficiency in milk



[Click here to read the EDA Trade Focus "Dairy Trade and Mexico"](#)

## EU – U.S. RELATIONSHIP

The European Union and the Member States concerned by the aircraft dispute – France, Spain and Germany – are in full compliance with the rulings of the World Trade Organization (WTO). On 24 July 2020, the governments agreed with Airbus SE to modify the terms of the Repayable Launch Investment granted by them for development of the A350 aircraft to reflect market conditions. But the longest dispute in the history of the WTO has not yet come to an end.

The EU has shown a strong commitment to a negotiated settlement as stated by the former Trade Commissioner Phil Hogan: *“Unjustified tariffs on European products are not acceptable and, arising from the compliance in the Airbus case, we insist that the United States lifts these unjustified tariffs immediately. The EU has made specific proposals to reach a negotiated outcome to the long-running transatlantic civil aircraft disputes and remains open to work with the US to agree a fair and balanced outcome, as well as on future disciplines for subsidies in the aircraft sector.”*

The U.S. published, on 12 August 2020, an updated list of EU products that would face additional tariffs. Moreover, USTR decided to maintain a 25% tariff on non-aircraft products. Both measures were effective on 1 September 2020.

We underlined the utmost negative effects for the EU dairy sector at all levels and **EDA together with other impacted sectors co-signed a letter** with the aim to urge the EU and the U.S. to end aircraft trade disputes.

The then U.S. Trade Representative Robert Lighthizer and then EU Trade Commissioner Phil Hogan announced on 24 August 2020 an agreement on a package of tariff reductions that will increase market access for hundreds of millions of dollars in U.S. and EU exports.

These tariff reductions are the first U.S. - EU negotiated reductions in duties in more than two decades and were retroactive to 1 August 2020 – a huge diplomatic success.

*“As part of improving EU-U.S. relations, this mutually beneficial agreement will bring positive results to the economies of both the United States and the European Union. We intend for this package of tariff reductions to mark just the beginning of a process that will lead to additional agreements that create more*

*free, fair, and reciprocal transatlantic trade”* said Ambassador Lighthizer and Commissioner Phil Hogan.

A WTO arbitrator issued, on 13 October 2020, **its decision** on the level of countermeasures the EU may request with respect to the U.S. in relation to the Boeing case, amounting to almost 4 billion dollars annually.

Following the publication of the WTO report, EDA secretary general Alexander Anton met with the cabinet of our new Trade Commissioner Valdis Dombrovskis, to exchange on potential EU responses on the WTO ruling. These exchanges led to a letter by EDA and twelve other European associations addressed to the EU and U.S. competent authorities urging them to de-escalate the disputes, work on a negotiated solution and stop targeting sectors that are not directly related to the disputed aircraft subsidies.

Although it seemed that all ingredients for solving the transatlantic aircraft trade dispute were on the table, the U.S. not only did not stop or reduce its tariffs but, on 30 December 2020, the Office of the US Trade Representative announced that additional tariffs would be imposed on European products as from 12 January 2021.

The day after Washington started collecting new duties on French and German goods, **EDA, and the Cheese Importers Association of America (CIAA) jointly sent a letter to the US President-Elect Joe R. Biden and to the EU Executive Vice President Valdis Dombrovskis**, calling for an end to the Civil Aircraft dispute. Both associations insist on the unfair harm caused to their members by the sanctions authorized by the WTO and on the need for a free trade between the two regions, essential for the recovery of the sector, impacted by the measures linked to the Covid pandemic.

We all have high hopes that the new U.S. administration with the new U.S. Trade Representative Katherine Tai will pave the way toward a negotiated settlement of the longest dispute in the history of the WTO. On its side, Brussels extended an olive branch to U.S. President Joe Biden when on 26 January 2021 EU Commissioner Valdis Dombrovskis proposed suspending *“all punitive tariffs currently in place... to create momentum and space for negotiated solutions”*.

### Mercosur

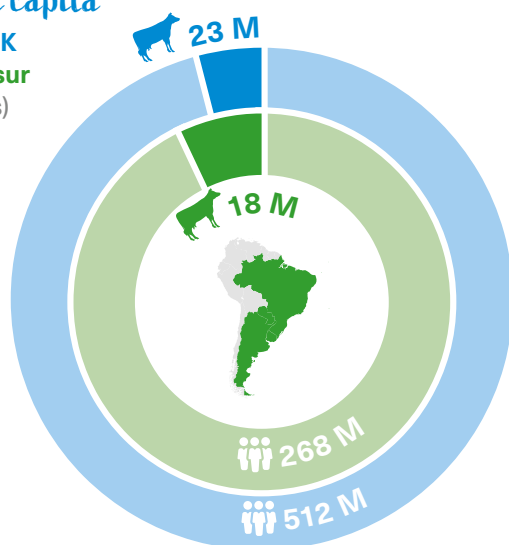
In July 2019, EDA acknowledged the comprehensive trade agreement concluded between the EU and Mercosur (Argentina, Brazil, Paraguay, and Uruguay) as a milestone breakthrough. After two decades, Mercosur and the European Union have finally reached an agreement on the trade environment for more than 780 million citizens.

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 four countries constituting 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



## Cow and capita

EU 27 & UK  
vs Mercosur  
(in millions)



and Germany) have not reached a significant volume. The adopted legal safeguards to protect over 350 high-quality European food and drink designations from imitation in Mercosur countries will also strengthen the well-deserved excellence reputation of all our European premium dairy products.

The agreement in principle between the two regions is still in the phase of legal scrubbing. Political resistance led to a delay, but the European Commission seems committed to finalize the process and sign the deal. EDA updated our EDA Trade Focus in April 2020. We are dedicated to following the latest and upcoming developments and be part of the debate: on 08 April 2020, EDA secretary general Alexander Anton highlighted our Mercosur approach in a high level conference.

[Click here to read the EDA Trade Focus "Dairy Trade and Mercosur"](#)

### Vietnam

The European Union and Vietnam signed a Free Trade Agreement (FTA) and an Investment Protection Agreement (IPA) on 30 June 2019, which entered into force on 1 August 2020. The agreement



EDA secretary general Alexander Anton and Léna Girard (EDA Secretariat) at DG AGRI's digital Vietnam seminar on 08 October 2020.

will provide full liberalisation for dairy products in 3 to 5 years and protects 196 products with geographical indications (GIs).

Following the entry into force of the deal, the European Commission's DG for Agriculture organised a digital Export Seminar in October 2020. EDA secretary general Alexander Anton presented the excellence of European dairy and stated: "Vietnam's market potential is yet to be uncorked for European dairy. The EU-Vietnam Free Trade Agreement is instrumental to further develop our EU-Vietnam dairy relationship. Both the excellence of EU dairy and the long-term commitment of EU dairies in the Vietnamese 'lactosphere' put us in a pole position here".

### China

The Chinese market has been and will be in the foreseeable future a major importer of EU dairy products, despite the recent announcements of massive investments into the vibrant Chinese dairy sector. The demand for EU dairy products, and especially infant formula, are expected to continue to expand. The European dairy industry experiences competition on the Chinese market by major dairy exporting countries such as New Zealand, Australia, and the U.S. The favourable market access conditions that these competitors have should be an additional stimulus for the European Commission to focus its efforts on trade negotiations resulting in additional market access with China.

However, operators in the agri-food sectors experienced issues related to the new Chinese inspection practices in the context of Covid-19. Indeed, in September 2020, China notified the European institutions of the implementation of Emergency Preventive Measures for Foreign Manufacturers of Imported Cold chain

**Lise Andreasen Høyer**  
*Chair of the EDA TRADE TF*  
*Danish Dairy Board*

**Milk & Dairy – Essential for Your Life**

*"A workable global trade environment allows us to cater our European dairy excellence all over the world, where our dairy products really can make a difference. Milk and dairy are an essential contribution to a good life."*



Foods with Novel Coronavirus Nucleic Acid Positive Results (the Emergency Measure). These new measures are introduced despite the clear scientific evidence that traces of the virus are of no risk.

We had alerted the relevant European authorities on the serious turbulences that this approach creates for the dairy world.

### Indonesia

An EU-Indonesia Free Trade Agreement is still being negotiated since 2016. Negotiators organised a virtual round of discussions from 15 to 26 June 2020. Nearly all the groups met by videoconference, except the working teams for SMEs, trade remedies, economic cooperation and capacity building and sanitary and phyto-sanitary measures, in which texts are either close to technical conclusion or can only be concluded at a later stage. Specific progress was made on geographical indications, rules of origin and product specific rules, technical barriers to trade, general regulatory provisions and, finally, on subsidies. The debates were more complicated on trade in goods and on the trade and sustainable development chapter.

Furthermore, EDA as member of the European Commission's **Market Access Advisory Committee**, brought forward its concerns on the longstanding issue of the Indonesian Halal law. EDA worked internally on a paper to raise these concerns. The document was shared with the relevant authorities to be used during negotiations with Indonesia. The Commission confirmed that their dedicated offices continue to closely monitor the implementation of the Halal Product Assurance Law.

### Australia

The trade negotiations between the EU and Australia were launched in June 2018 and the terms of the agreement are now under discussion. Current trading still takes place under the EU-Australia Partnership Framework which was agreed upon in 2008.

Four new rounds of negotiations occurred between February and December 2020 and most of them took place via videoconference. Extensive discussions occurred on general provisions for rules of origin, origin procedures and product specific rules for some sectors. On general provisions and origin procedures, some progress was made and differences in approaches were further narrowed down. On product specific rules, both sides discussed in detail the respective proposals on sectors such as agricultural and processed agricultural product. The Geographical Indications (GIs) chapter was also further debated. Discussions focused on the opposition grounds to the protection of a number of EU GI's. The EU reinstated its high ambition on the level of protection and its enforcement. EDA discussed the progress made, but also the yet to be solved issues with H.E. Justin Brown, Australian Ambassador to the EU during a roundtable.

### New Zealand

Following the start of trade negotiations with Australia, then EU Commissioner Cecilia Malmström launched negotiations with New Zealand in June 2018. The ninth round of negotiations for an EU-New Zealand trade agreement was held from 23 to 30 November 2020. The discussions resulted in a provisional agreement on two additional chapters: 'Small and Medium Enterprises (SMEs)' and 'Capital Movements'. These chapters are added to the list of provisionally agreed text which includes the parts on 'Transparency' and 'Customs and Trade Facilitation'.

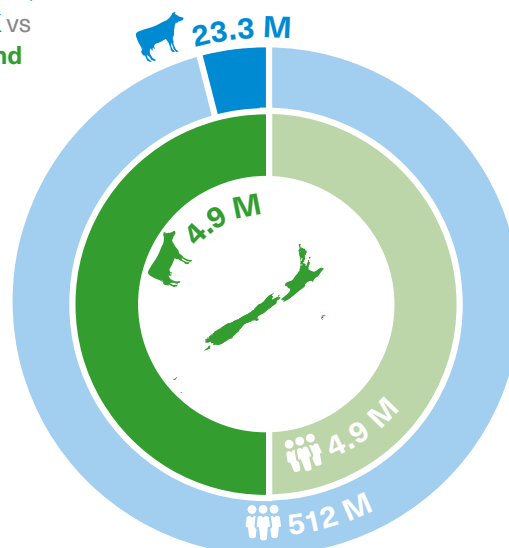
New Zealand is the world's second largest dairy exporter, and it represents around one-third of the global trade in dairy. The EU imports butter and cheese from New Zealand, both products having preferential access to the EU through TRQs, whose historical basis can be questioned today.

EDA acknowledges the efforts of the EU Commission to support our dynamic sector in international trade despite the limited resources of the EU Commission to implement a broader trade strategy and to engage in trade negotiations with more countries. In this context, **the market access efforts must focus on trade negotiations with countries that have a real market access potential**, like China and other markets in South-East Asia.

The EU dairy sector is one of the sectors of the European economy that has undergone the deepest structural and policy reforms over the past months and years. While the EU dairy sector, the milk

### Cow and capita

EU 27 & UK vs  
New Zealand  
(in millions)



producers and their milk processors, have achieved huge progress in terms of global competitiveness towards most of our competitors around the globe, the New Zealand dairy export has – also because of its concentration and its favourable trade conditions with China – a competitive advantage and its dairy sector is far from having already exploited its full production potential.

[Click here to read the EDA Trade Focus “Dairy Trade and New Zealand”](#)

## African Union

Today the 55 countries of the African Union (AU) face an ever-growing demand for dairy products. Over half of the global population growth between now and 2050 is expected to occur in Africa. The UN World Population Prospects projects a 2.5 billion population in 2050. This trend has already started and shows an impressive economic development, fuelled by a young population joining the work force with increasing living standards.

Due to challenging climate and environmental conditions as well as infrastructural landscape, most African countries have difficulties accessing productive land and adequate water supplies. Livestock farmers lack feed and yields, and local companies must deal with substantial milk deficits and other structural challenges. Under-nutrition is a problem in many of the African Union member countries, and they may lack self-sufficiency in the production of certain foodstuffs. Dairy is an affordable, easy digestible source of many important proteins, vitamins and minerals such as calcium. But in most countries of the African continent, the growing demand for such high-quality nutritious food cannot be met by the national industries alone. This is, and will be for the foreseeable future, the case for dairy products.

**The European Dairy industry operates in a responsible way by minimising the risk of creating distortions in agricultural markets.** The political framework in Europe has evolved in the very same direction: removal of export subsidies, decoupling of support for farmers and very restricted market measures basically limited to times of crisis.

Our European Dairy industry can therefore make a difference by **contributing to a responsible and sustainable food production in Africa.** Together with our African partners, the European Dairy sector can modernise the dairy industry in most, if not all, 55 countries of the African Union that can thereby increase its performance. The creation of functioning value chains will be essential for job creation and for the overall improvement of the African agri-food sector and hence the food security in this world region.



Before the Portuguese EU Presidency had placed the EU – Africa relationship on its priority agenda beginning of 2021, we had numerous occasions to exchange on that topic. The EU Commission had organized in February 2020 a (physical) workshop with representatives of the West African dairy sector, where we underlined the EU dairy approach on the African continent and on 12 November 2020, EDA secretary general Alexander Anton was invited to an African Union meeting with AU Agricultural Commissioner, H.E. Josefa Sacko on the state of play of the EU-AU food & dairy relationship.

In the light of the numerous specific challenges linked to our EU dairy trade relations with the African Union, we established a dedicated EDA task force .

[Click here to read the EDA Dairy Focus “Strengthening the EU-Africa relationship through market driven sustainable development”](#)

## SPS and TBT issues

Sanitary and Phytosanitary (SPS) measures are in principle adopted by governments to ensure food safety, as well as animal and plant health. Technical Barriers to Trade (TBT) are measures adopted to achieve policy objectives such as human health and safety (e.g. labelling of products). These measures can apply to both domestically produced and imported goods and can heavily impact exports to these countries.

The WTO SPS and TBT agreements aim to ensure that such measures do not create unnecessary trade obstacles and give the possibility to WTO members to comment on the proposed regulations.

EDA puts a lot of energy in working with the European Commission on ensuring that the European dairy sector has a say in this process, preventing obstacles that can disrupt international trade flows. In the last year, thanks to the expertise of the actors in the dairy industry, EDA has been able to soften or avoid trade issues with

# BREXIT: OUR FUTURE EU – UK DAIRY FRAMEWORK



The United Kingdom legally left the European Union on 31 January 2020, 1317 days after the country held a referendum on their membership of the Union. What should have been a gentle transition after 47 years of joint forces within our Union unfortunately turned out to be more of a painful divorce process.

EDA has committed from day 1 of the process all our energy to this process. Since July 2016 we have provided both administrations with all the necessary information. The dairy industry in the United Kingdom of Great Britain and Northern Ireland and the dairy industry in our Union are completely interlinked beyond fully integrated supply chains.

The EDA Board Brexit task force, together with the Trade Task Force and Trade & Economics Committee, have been actively feeding the debates and provided both administrations with concrete workable solutions. Our objectives were clear from the beginning and aimed at an arrangement that would secure the free movement of milk and dairy products between the EU and UK with no tariffs or quotas from either side for milk and dairy products and limit non-tariff barriers to trade (SPS/TBT) as much as possible.

And with our joint DairyUK – EDA paper 'The future EU – UK dairy framework' published in January 2018 we had delivered a detailed proposal for a UK-EU dairy deal.

We are thankful that the last minute Trade & Cooperation Agreement provides a rather solid basis for the continuation of our integrated lactosphere. Our concerns and our proposals are reflected in the TCA. Indeed, parts of our joint DairyUK- EDA paper have been copied by the negotiation partners into the Agreement.

In our EDA Brexit workshop of 9<sup>th</sup> October 2020, EDA President Michel Nalet (Lactalis) and EDA vice president Peter Giørtz-Carlsen (Arla Foods) welcomed also the UK EU Ambassador, H.E. Katrina Williams and Ms Brigitte Misonne (DG AGRI). This high level workshop provided to the more than 200 participants from all over Europe an unique opportunity not only to underline

partner countries such as China, Saudi Arabia, Mexico, Egypt, Kenya and Uganda.

We will keep providing input to the WTO consultations on the SPS/TBT measures and we will make sure to provide all possible support to the competent services of the EU Commission with the technical expertise of our sector in order to continue preventing trade obstacles for European dairy companies.



**Katrina Williams**  
@UKEUDeputy



Thank you for inviting me to join the lactosphere for the afternoon. Your views and work are invaluable to us: an excellent event and expert discussion @EDA\_Dairy @mnalet

the crucial importance of an EU-UK trade agreement before the end of the transition period, but also to ask detailed technical questions that both administrations answered in the follow-up of our workshop.

Nevertheless, we face logistical and administrative obstacles under the new trading regime. The former German EU Presidency stated on 28 December 2020 that despite the in-principle 'no tariffs, no quota' approach, additional costs of close to €300 million per annum will impact the EU27 dairy sector under the agreement. The Republic of Ireland is the most exposed to these extra costs. The threat of a significant decrease of dairy exports from the EU27 to the UK was underlined, which could create turmoil on the European and global milk markets.

On 30 December 2020, we held an EDA meeting to get a first analysis of the EU – UK CTA and one of the asks in our subsequent EDA letter of 30 December 2020 was the continuation of the UK Task Force of the EU Commission in order to have a single and direct contact point for all EU-UK dairy issues that may raise within the implementation process. This initiative was taken up by the EU Commission.

Another ask was to reconsider the real need for veterinary / health certificates for milk and dairy products in the future. We proposed to continue after 1<sup>st</sup> April 2021 – on both sides – the approach taken by the UK by then, i.e. not requesting such certificates for products of animal origin.

This would help tremendously to pursue the frictionless dairy trade flows and uncork the full potential of the agreement for the benefit of citizens and the dairy sectors in the UK and in the EU.



**Laurens van Delft**  
Head of Trade  
& Economics



**Iñigo Lizarraga**  
Policy Officer



# Food, Environment and Health in 2020/21

## The word of the FEP chair: The Golden Rule Or why keeping the symmetry is essential

Wherever you are in the world and travel to sightseeing you will notice that certain buildings simply look good – that is near-perfect in a harmonious sense, keeping stability and sense of liberty, freshness and 'elan' in perfect balance. And this applies to nearly everyone seeing them in the world, independent of origin or culture. This global feeling of a certain harmony is an essential in architecture, and needs to be taken into account in major projects.

So what makes it that certain construction just work in a harmonious way, and others do not? And why would it be in architecture only? Any construction is a perpetual equilibrium, keeping the old foundations, building something brand new, and still striving for it to successfully undergo its test by time, which we all endure.

What about our 'old times', just a year away? And what about the strives of a 'better future'? How can we assure we are on the right path? Or were the old times better anyway and we only strive to conquer back an already lost 'status quo'...?

No simple answer is there, still we know about rules that always apply. The harmonious building of a true (that is long-term) construction that adapts to all winds and seasons needs tons of coordination, and amongst and first of all a wide vision.

We have worked hard on keeping our businesses striving, nurturing the population in the EU and beyond with healthy and sustainably produced foods across quite a stormy situation, and kept food safety and quality at its best. We have also challenged our industry

and sector to continue improving, moving and adapting to fulfil more and more the adequate role in the diverse food systems in Europe. We are all striving to further increase the sustainable food systems and know the important role of our dairy ruminant animals and nutritious and delicious products in there.

What we might lack is a little more consistence on the way to go forward and the different pieces of the building in construction – that they could all be harmoniously coordinated to allow for one single construction whatever angle you will look at.

We know the building of the future is being constructed, be it via the UN Food Systems Summit or the Green Deal for Europe (and the world). We are part of it and want to assure it stands well in time, for us and all population, animals and planetary life now and in 10.000 years (comparing to pyramids or the house of Edifis "*the best architect in Alexandria*").

Good luck to us and all the construction workers!

Jørgen Hald Christensen,  
FEP Chairman,  
CEO Danish Dairy Board  
Sektordirektør Mejeri







## The place of dairy in our diet and our world

Dairy is most important to help feeding the world well – and in the current global context this is more important than ever to underline (again).

We have published two factsheets that show the importance for nutrition security and dietary sustainability. The latter is looking at sustainable diets for a single person or a smaller group, the other one gives an idea of the global view of food and nutrition security in a sustainable manner for a wider population, and the relevance of dairy for it. Inside Europe and for the rest of the world our European dairy production is contributing in a relevant manner to the nutrition, environmental and social parts of our sustainable development.

Check out both factsheets on our website:

- [Feeding the world with dairy](#)
- [Sustainable diets](#)

## The European Green Deal and changes inside the EU and globally

The EU Commission published in December 2019, only days after it came into office, its overarching strategic approach for the five years term (2019 – 2024), called the ‘Green Deal for Europe’.

We were prepared as EDA: on the day of publication of the European Green Deal we shared our dairy assessment of the Green Deal and its ambitions.

The Green Deal encompasses a wider variety of strategies and strategic plans and follow-up proposals, with the aim to assure a change of the European economic system into one being more sustainable (in all three pillars: economic, social, and environmental).



For the European lactosphere, we have as EDA prioritised the multitude of single pieces for our work: we will face around 120 legislative initiatives, stemming from the Green Deal that are of high relevance for the dairy sector.

We hope that the consistency and vision of a real change will not be lost in this avalanche of pieces of legislation to come and the multitude of different sectors and interests involved (see also our chair's foreword).

## Farm to Fork Strategy and Sustainable food systems

The European Commission released in May 2020 its “Farm to Fork” strategy. Launched as part of the Green Deal package, the strategy is aimed at strengthening the sustainability of the food sector, covering all the stages of the food chain and ensuring that all actors actively contribute to the transition.

The strategy encompasses what is seen as key subjects for the food systems such as healthy and sustainable diets, consumer information, organic production, pesticides and fertilisers use restrictions and food waste.





From left to right:  
Annette Toft (Copa Cogeca),  
EDA Director Hélène Simonin,  
Olivier De Schutter and  
MEP Sarah Wiener (Greens,  
AT) @ Euractive forum,  
6<sup>th</sup> February 2020

One of the main purposes of the strategy is to reduce the environmental and climate footprint of the European food sector. In this context, the EU Commission will propose a legislative framework for sustainable food systems, with the aim of increasing robustness and resilience of the sector when facing future sustainability challenges.

The promotion of carbon sequestration practices at farm level and the reduction of food waste are also primary objectives of the strategy.

As EDA we were deceived that the Farm to Fork strategy it is not the one and coherent strategy for the whole agri-food sector, as originally planned. We support the overall objective of making the European food system more sustainable. The transition towards a European sustainable food system is needed now more than ever and the dairy sector will continue to play a key role in this transformation – a journey the EU dairy is already embarked on for quite some time and acknowledged as global frontrunner.

Sustainable dairy livestock production will allow consumers to benefit from healthy and nutritious products, while at the same time reducing the impacts on the environment and climate. It is our mission to continue providing nutritious, safe, and affordable products to the European and world market.

The EU Commission's publication on Farm to Fork is strongly interlinked with the other strategies of the Green Deal and needs to be seen in conjunction especially with the Circular Economy Action Plan and the Biodiversity Strategy. Only a consistent and coherent approach across the wide range of measures proposed on the different strategies of the Green Deal will effectively allow reaching the target of a more sustainable and resilient European food system.

We will continue to contribute in an active and constructive way to the discussions on future developments of the European food system, proactively providing input to the work of the EU Commission and Parliament.

## The positive image of milk and dairy and the Protection of Dairy Terms

Milk and dairy products have been known for centuries to carry unique and extremely positive attributes. In recent years though, the image and specificities of milk and dairy have been increasingly misused by plant-based products. Too often such 'ersatz' blurred the characteristics and the nutritional benefits of dairy.

In order to keep and improve the positive image of dairy, it will be vital to actively communicate the unique and specific qualities of our products.

One of the baselines for our dairy communication is what we refer to as the 'Dairy Sustainability Synopsis'. With it, we have been looking deeper into the three pillars of our positive contribution to our world: providing healthy nutrition, societal as well as environmental benefits, and have been actively engaging to further enforce all of these pillars in the support of the Sustainable Development Goals (SDGs) of the United Nations.

Our industry is taking a responsible position in this global framework and proud of the great contribution it can give to sustain these goals, both inside as outside the EU.

By identifying wrong or semi-false information that is circulating, we seek to respond with scientifically based arguments in the most effective manner. This is being used in the latest factsheets, as on sustainable diets and nutrition security the **factsheet on the Societal role of dairy**, the **importance of dairy for climate change and the environment** and our views on the **SDGs**.

One of the very recent misconceptions of dairy terms protection has been introduced into the CAP (Common Agricultural Policy) discussions and the specific framework of marketing standards. Mostly based on international standards, our European marketing standards have been established to harmonise market rules across the EU, to allow for easier handling of products and smooth circulation in the single market. Dairy marketing standards and

definitions, and thus the protected terms as part of them, are the basis of the recognition of the unique place of dairy in European agriculture and nutrition. These rules aim to safeguard dairy products' position on the market and avoid market's distortion.

Despite being underlined by recent court rulings, a dubious action against a single amendment in the CAP text has been launched by giving false interpretations and thus driving a lobby campaign of transatlantic style to attack dairy terms – and thus searching to promote plant-based products.

Our actions to counter this are continuing, once again based on correct legal interpretations and scientific arguments.

## Assuring a sustainable production all along the dairy chain

### The Dairy Product Environmental Footprint (#DairyPEF) and Green Claims

The Dairy PEF and its Product Environmental Footprint Category Rules (PEFCR) - coordinated by EDA - was finalised in 2018 and is now in its transition phase, aimed at assessing the potential applications of the methodology. The project had been going on for nearly 4 years. The success of the Dairy PEF has been recognised by the successful vote by the EU Commission in April 2018, that defined the Dairy PEF as the reference methodology in the sector. It attests and recognizes the European dairy sector's continuous effort for improving not only its economic performance, but also its long-term sustainability within a field of 17 environmental indicators, and hence beyond GHG emissions.

EDA, along with six dairy processors and other institutional and private stakeholders, has developed a comprehensive set of rules for the assessment of the environmental footprint of products. This is a scientifically based and harmonised basis to evaluate the environmental performance of the product and raise awareness along the supply chain. It will also allow them to not only improve the overall footprint of products, but also help each actor in directing their work on sustainability more efficiently.

The Dairy PEF as part of the 15 Life Cycle Impact Assessment (LCA) categories, takes into consideration a broad range of environmental issues. The added value of this methodology is not only to look at carbon footprint – an important, but only one indicator – but to have



a wider understanding of actions to improve the footprint also for water, land use, fertilisers use, etc.

Since its induction in 2013, the framework of the Dairy PEF has been taken up by the EU Commission's DG Environment, in its initiative 'Single Market for Green Products' and it is set to provide the basis for any further European regulations in this context.

Just as environmental performances are communicated for most electronic goods, the EU Commission had launched a pilot phase for a pre-assessment of similar schemes for other food and non-food products. EDA and the dairy pilot actors have taken this opportunity to co-create and shape the methodology for the assessment of dairy products.

The project passed the testing of different communication tools and was independently revised by a panel of four global experts.

The EU Commission is currently assessing different options for future applications of the methodology, and EDA is actively contributing to the discussions. A consumer test and a public consultation on environmental ("green") claims have been performed by the EU Commission, as part of the new Circular Economy Action Plan.



We favour the use of the PEF method for establishing a harmonised approach to measure environmental performances of products, to be applied on a voluntary basis. We support a voluntary-mandatory approach: communication on the environmental performance of a product should be voluntary, but once a claim is made, it has to be substantiated by PEF. We also favour the communication of at least the 3-5 most relevant impact categories. Absolute and aggregated values can be misleading for consumers and other stakeholders.

Moreover, the method as it stands now is also a good tool for improvement calculation over time and internal assessment, as well as business-level relationships. It could thus be used for voluntary off-pack information to stakeholders, while it is not ready to allow for meaningful and quantitative comparability between products, also because relevant aspects of concern, (e.g. nutritional value) are not included in its scope.

EDA has been the driving force in this project and we will continue to contribute actively and constructively to reflections and discussions on future developments on the potential policy applications of the PEF methodology.

## Climate action and carbon sequestration

As part of the Green Deal package, the EU Commission presented in March 2020 a proposal for a "European Climate Law", enshrining the 2050 climate neutrality objective into law, and a more ambitious target for 2030, aiming at a 55% emissions reduction compared to 1990.

The 2050 Carbon Neutrality objective at the core of the new Green Deal is a very ambitious target to which EU dairy is committed to contribute. Greenhouse-gas (GHG) emissions from dairy operations have significantly decreased in the past decades thanks to the efforts of all the actors in the sector, making the carbon footprint of EU dairy one of the lowest in the world. First 'climate neutral' dairy processing sites are running in our Union. European dairies are frontrunners at global level when it comes to climate action and many dairy companies have already signed up for the commitment of carbon-neutral dairy chain by 2050 or even 2035.

Energy efficiency measures to reduce usage of fuels and electricity, renewable energy production on farm,



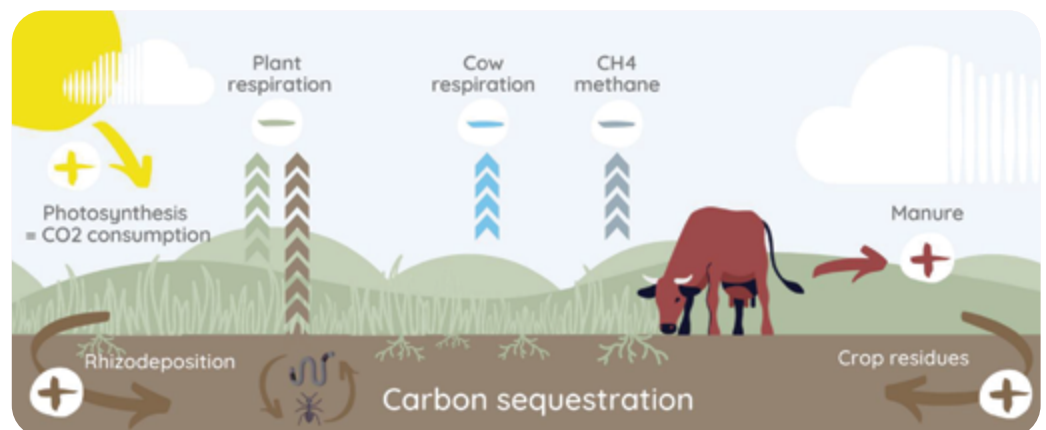
## EDA organised 3 webinars:

- **Carbon sequestration and carbon farming** in dairy with **Christine Mueller** on the 19<sup>th</sup> March 2020
- **Biodiversity in dairy** on the 6<sup>th</sup> April 2020
- **Healthy and sustainable diets with FAO**, with **Dr Fatima Hachem** (FAO) on the 6<sup>th</sup> May 2020

sustainable feeding options and better manure management are only some of the practices which are implemented for reducing the carbon intensity of dairy.

Dairy producers can help reduce the greenhouse gas impact through efficient farm management that promotes soil carbon sequestration. This can compensate a significant share of dairy livestock GHG emissions. Many existing projects at dairy farm level in Europe are aimed at enhancing carbon sequestration through developing reliable calculation methods and implementing carbon farming practices. EDA is currently working with the European Commission on exchanging best practices and contributing to the analysis and mapping of carbon farming approaches across Europe.

A dedicated EDA webinar on climate action and carbon sequestration took place in April 2020 and gave the opportunity to our members to exchange with Ms Christine Mueller from the EU Commission DG CLIMA on the potential of carbon farming in the dairy sector.



EDA is proud to highlight the relevance of dairy in the wide context of environmental actions – including climate, but also looking to the broader picture with water and land uses, biodiversity and animal welfare, amongst others. A holistic environmental strategy is of paramount importance in order to ensure that the efforts deployed effectively lead to an improvement of the performance across all environmental indicators. In this context, the Dairy PEF (Product Environmental Footprint) is a fundamental tool for driving environmentally sustainable practices in the dairy sector and allowing to quantify the improvements.

We will continue monitoring the policy development on climate action, sharing with the EU Commission best practices and mitigation strategies undertaken by the EU dairy sector, highlighting the carbon sequestration potential of dairy farming.

### **Mitigation of methane emissions in dairy**

The EU has reduction targets for 2030 for all greenhouse gases, with anthropogenic methane emissions covered by binding national emission reduction targets under the Effort Sharing Regulation (ESR). However, there is currently no specific policy dedicated to the reduction of anthropogenic methane emissions. To tackle this issue, the EU Commission presented in October 2020 the EU Methane Strategy, aimed at cutting methane emissions in the energy, agriculture and waste sectors.

Methane emissions from enteric fermentation and manure management represent the great majority of GHG emissions from dairy. The European dairy sector is proud to have significantly reduced its emissions in the past decades and is fully committed to scale up the initiatives to limit the amount of methane that is released in the atmosphere from dairy operations. According to the official EU GHG inventory, a 27% reduction in absolute emissions of methane from enteric fermentation in dairy has been achieved from 1990 to 2017. Improvement of animal diets, herd management, breeding, herd health and animal welfare are just a few examples of mitigation actions undertaken by the sector. A better management and storage of manure also contributes to limit emissions. In November 2020, our EDA webinar on methane emissions gave the possibility to reflect on the new Methane Strategy from the EU Commission and explore further mitigation opportunities in the dairy sector.

In addition, the dairy industry contributes to the production of natural energy. Methane from manure can generate heat, power and vehicular fuel. In large-scale dairy operations, anaerobic digestions can produce enough energy to cover internal requirements and feed back into the public energy grid. These technologies allow the dairy sector to provide sustainable and renewable energy.

However, we point out that the current scientific basis for the assessment of the global warming potential of methane dates back more than 40 years and might not correctly represent anymore the behaviour of this short life gas in the atmosphere and its climate impact. It is important that any policy development takes this into account and that the right scientific basis are put behind EU policies.

Together with other international associations we will continue the discussions on the scientific basis of EU policies, and we will further explore the potential of mitigation actions within the dairy chain.

### **The dairy industry efforts on food wastage reduction and the special EU platform**

Food losses and waste, the first during the production process and the second mainly in private households, continues to be a hot topic and has become an essential component of the EU's sustainability efforts. For example, halving food waste by 2030 is one of the targets of the Farm-to-fork Strategy. This has also translated into our work and we have released EDA factsheets on the continuous efforts and achievements of the dairy sector in reducing food losses and waste, not only during the production cycles, but also at consumer level.

EDA has been bringing this knowledge and will to further strive towards dairy wastage reduction at all levels – in line with SDG target 12.3 – into the EU Stakeholders Platform on Food Losses and Food Waste, led by DG SANTE. Moreover, better food waste measurement is key to reduce food waste, and this will be simpler with the implementation of the EU common food waste measurement methodology adopted in 2019. The dairy sector can contribute by providing Member States with better data.

The efficient use of resources is an integral part of the sustainability strategies of many dairy companies and overall dairy strategic approach. In this framework, the dairy sector is committed to contribute to prevention and reduction of food wastage along the value chain, for profitability reasons as well as ethical and environmental (for example linked to CO<sub>2</sub> emissions). To reach this goal, actions and initiatives have been taken – targeted at optimising production processes, increasing food donation as well as the use of previously discarded dairy by-products. With a significant part of food wastage taking place at the end of the chain, the dairy sector has also engaged in raising awareness at consumer level. In addition, close cooperation occurs with other partners in the supply chain, NGOs and governmental bodies.

### **Best Available Technique Reference Documents (BREF)**

BREFs are industrial benchmarks for different kinds of emissions from manufacturing sites (as e.g., for dust or used waters) that were



developed by the EU authorities. The revision of the previous 2006 document is now completed, thus the benchmarks of industrial equipment and emissions are set to become mandatory standards for producing within the EU.

The dairy industry and EDA have good reasons to be interested in these processes, as they can have negative effects on the dairy industry if they do not reflect the specificities of the dairy reality on the ground. Through EDA action and thanks to our members' input we strived to ensure that the revised rules truly reflect the reality of the future dairy processing.

We have actively followed these objectives by assisting the EU Commission's Joint Research Centre (JRC) in their work, providing ample sectorial information and industry expertise. After the JRC released its first draft conclusion on the 'Food, Drink and Milk Industry', EDA sent in detailed comments, to better clarify the reality and needs of the dairy industry. A dairy delegation also attended two special working meetings with the JRC to help shaping the future BREF document on dairy, food and drinks, as well as a final stakeholder meeting where the revised final draft was discussed with a rather positive outcome for the dairy industry. The Best Available Techniques conclusions on the 'Food, Drink and Milk Industry' were published in December 2019 (as Commission Implementing Decision (EU) 2019/2031). In addition, the final version of the whole revised Food, Drink and Milk BREF was published on the JRC's website. The new rules will be used for environmental permits and other regional evaluations, but also lead to EU rules from around 2022 onwards.

## Water footprint and (re-)use

Safe water is paramount to safe high-quality dairy products, as it is used in the dairy plants for heating, cooling, washing, and cleaning, always prioritising the highest hygienic standards and maximum safety in all sectors of production. Water use is a hugely important and immensely complex issue, and part of the indicators of the PEF (see above). A revision of the general principles of food hygiene including a HACCP approach (Hazard Analysis Critical Control Point) is ongoing at Codex Alimentarius level, in parallel with the revision of the World Health Organisation (WHO) guidelines, and both will be targeting this dilemma. A global water footprinting guide for use in the dairy sector is publicly available, and the options for safe (re-)use of water are the main angles of attention of our current EDA work on water.

Within EDA, we work jointly with hygiene and sustainability experts, in order to establish how to best put forward the needs of the dairy industry. For a better overview of the (re-)use of water in the dairy plants for intended purposes, the first task is to clarify definitions,

regulatory requirements in EU Member States, and practices on the ground. For example, a clearer definition of the different types of water is needed, and in some Member States the legal framework is further complicated by an overlapping terminology like 'secondary water', 'technical water', 'process water' or 'white water'. The challenge is to address possible legislative barriers to further enhancing re-use where the resource water is scarce whilst maintaining all food and human safety measures needed. Our two factsheets (1, 2) offer a comprehensive yet simple outline on the many issues at stake: quantity and quality indicators, water re-use, water footprint, etc.

Overall, the water dossier is a challenge for European legislators, as many provisions differ in the Member States and are highly complex. In the framework of several public consultations initiated by the EU Commission, we had the opportunity to put forward our ideas for overcoming the current legislative difficulties without compromising food safety. Following the consultations, the EU Commission is contemplating further changes in the EU legislation and arguing for additional EU guidance.

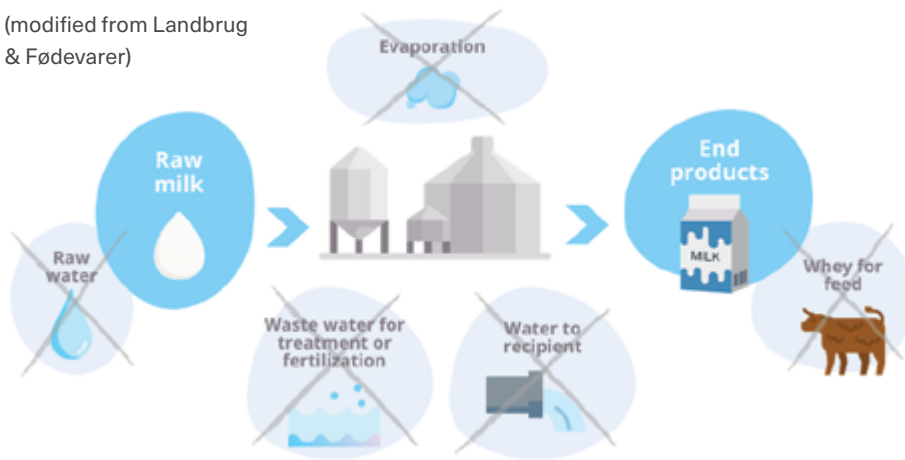
In 2018, the EU Commission published the proposal for a revised Drinking Water Directive intended to improve the quality of drinking water. At the end of a long negotiation, the revised Directive was adopted by the EU legislators in December 2019. Whilst not centred around water re-use, these new EU rules are still relevant for the dairy industry as they reaffirms that water used in food production should remain food business operators' (FBOs) responsibility (see EDA paper). In addition, the revised Directive tackles emerging pollutants such as micro-plastics, endocrine disruptors (ED) as well as new types of chemicals and includes detailed hygienic requirements for materials in contact with drinking water.

Another important piece of EU water legislation is the Water Framework Directive, whose revision could have an impact on the dairy companies that extract water from wells. Its main objective is to protect and enhance EU water resources. This is a growing topic as shortage of water for agriculture is already an issue in some countries. An evaluation from the EU Commission in 2019 revealed an insufficient implementation by Member States and by sectors with a significant impact on water, including agriculture. Therefore, an initiative was launched to assess the need for a revision in relation to chemical pollution of surface and groundwaters. Moreover, a new law to counter water scarcity by facilitating the reuse of treated wastewater for agricultural irrigation was adopted by the EU legislators and published in May 2020.



## Our ideal dairy plant for the future:

(modified from Landbrug & Fødevarer)



when it comes to environmental and economic sustainability, as well as to circularity and efficient use of resources. The European Commission has consequently included roughage in the recent editions of the protein balance sheet, highlighting that feed sources like grass and silage maize are the main source of feed protein

in the European Union. Moreover, EDA is one of the few stakeholders actively contributing to the Commission's yearly publication of the protein balance sheet, providing data about feed use in the technical expert groups.

We are also actively taking action in the field of sustainable soy sourcing, working with other stakeholders for the promotion of deforestation-free supply chains.

### EU Protein Strategy and the dairy sector

For feeding cows, protein sources like, for instance, soy are important, but the production is limited in the EU. A report from the European Commission released in 2018 formulated the need to stimulate local production in order to reduce dependency from countries outside the EU. To provide an overview of the supply and demand situation for protein used for feed purposes, the EU Commission publishes every year the "EU Protein Balance Sheet"

EDA contributed to the analysis by conducting together with IFCN (International Farm Comparison Network) a study on the protein input to dairy cows via roughage, as this type of fodder was not included in the balance sheet by the EU Commission due to the lack of reliable data. With the EDA-IFCN study, we were in the position to fill the gap in the EU Commission's analysis with high quality data for all EU Members States.

The results of our study show that the European dairy sector sources the great majority of the protein (70%) from roughage which is almost entirely (95%) grown on farm. This represents a key factor

### Animal welfare

A revision of the EU animal welfare legislation is an initiative that is included in the Farm to Fork strategy. In the second half of 2020, the German EU presidency pushed for the project of an harmonised EU animal welfare label.

EDA is a full member of the EU Platform on Animal Welfare, where we bring forward our support of every effort in keeping dairy animal healthy and well as key of dairy production. **This is also highlighted in our special factsheet.**

In order to optimise our EDA input into the EU Animal Welfare Platform, we did set up an EDA Animal Health and Animal Welfare Task Force, co-chaired by Axel Bigot (Lactalis) and Dr. med.



Presentation of our EDA-IFCN study with Mr Tom Tynan (cabinet of (then) EU Commissioner Phil Hogan) in 2019

### Goals of the German Presidency in the agriculture sector



More environmental protection and climate action



Higher animal welfare standards



Sustainable fisheries



vet. Olivier Espeisse, our EDA Counsel European Veterinary Affairs (CEVA).

## EU Biodiversity Strategy 2030

A first “EU Biodiversity Strategy 2020” with a target-approach was launched in 2011. After a rather disappointing mid-term assessment in 2015, the final evaluation of this 2011 strategy has only be launched in 2021, while the EU Commission presented already in May 2020 its new “EU Biodiversity Strategy for 2030” (‘Bringing nature back in our lives’).

Strongly interlinked to the Farm to Fork strategy, it is the next long-term plan for protecting nature and reversing the degradation of ecosystems at European and global level. The strategy includes, among others, an action plan on organic farming, a new forest strategy, a nutrient management action plan to address nutrient pollution and measures to promote deforestation-free supply chains.

Biodiversity is crucial for safeguarding European and global food security and the role of dairy in halting and reversing ecosystems degradation is of paramount importance. As an example, grasslands are extremely rich in biodiversity and contribute to preserving soil quality in most areas of Europe. Our dairy pastureland is a very carbon-rich ecosystem and plays a key role in sequestering and storing atmospheric carbon.

Biodiversity is, of course, also one of the relevant indicators of our Dairy PEF (see above).

Even though no harmonised biodiversity assessment exists yet, the PEF has the potential to become the relevant method for assessing the impacts on ecosystem services in the EU.

To further step-up action on biodiversity protection, the European dairy sector is working with other stakeholders on promoting sustainable soy sourcing and deforestation-free dairy chains.

We will also continue providing input to the work of the EU Parliament and Commission on biodiversity, to make sure that the positive impacts of dairy farming on ecosystem services are properly acknowledged by EU policy makers.

## Carbon Border Adjustment Mechanism (CBAM)

In order to meet the ambitions of the EU climate policies, companies have to invest and often face an increase of their production costs. ‘Carbon Leakage’ occurs when production is relocated outside the EU, in countries with laxer environmental constraints, therefore with lower production costs. This does evidently not contribute to the reduction of global emissions.

To limit carbon leakage, the European Commission announced a “Carbon Border Adjustment Mechanism” in the Green Deal package, to ensure that the price of imports in the EU reflect more accurately their carbon content. While discussions are taking place at EU level on the implementation of the measure, EDA is actively providing input to the work of the EU Commission. It is of paramount importance to ensure that the competitiveness of the EU dairy sector is maintained on both the internal and external markets, and that the climate mitigation efforts undertaken by the industry are acknowledged. Any proposed measure must be compatible with WTO rules and other international obligations of the EU, in order to secure international trade flows. We also call the Commission to undertake a thorough impact assessment along the entire value chain, so that the economic and sustainability effects are assessed. For us, it is clear that any administrative burden linked to the proposed measure must be minimised.

Together with the EDA Task Force on Trade, our EDA Sustainability Working Group will continue monitoring the developments of the measure and contributing to the EU consultations, making sure that the competitiveness of the European dairy sector is preserved.

## Dairy processing – safety and quality along the chain

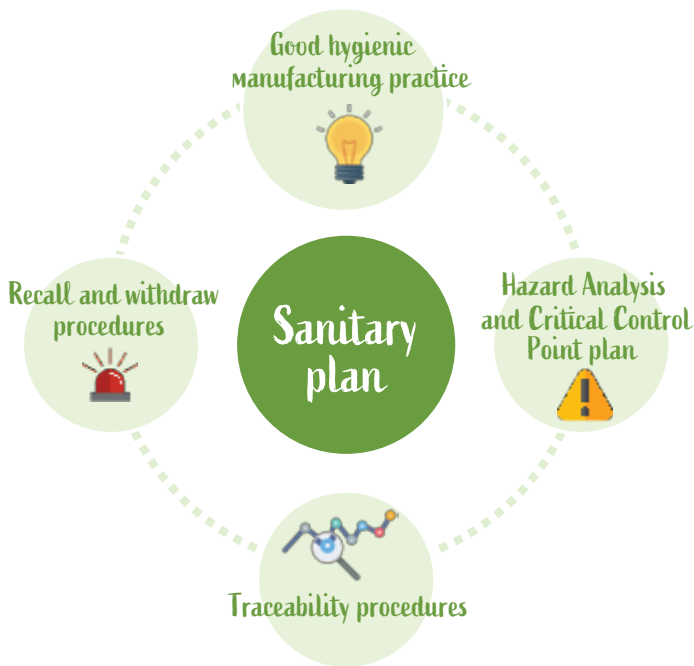
### Food safety in the dairy chain

The dairy sector has a long tradition of guaranteeing and improving the quality of its products, including from a food hygiene perspective. Good dairy agricultural and manufacturing practices complement the EU legislative framework in ensuring that all stages of production are carried out hygienically, supplemented by control activities by both the dairy food business operators and the competent authorities of each Member State, jointly with an effective communication flow on food safety and risk.

To meet wishes for more transparency and information, and to allow a better understanding of the tremendous work and effort behind the scenes for the high level of food safety in the EU today, EDA published two fact sheets on the food safety approach of the dairy sector – on the *dairy food hygiene legislative framework* and the *high food safety requirements in the dairy sector*. The main purpose of these fact sheets is to do so by providing an overview of the food safety system in the European Union, with a focus on how farmers and operators in the dairy chain collaborate to ensure that every dairy product meets the highest standards of quality and safety.







As EDA, we are actively promoting our EU food & dairy standards and our European dairy excellence beyond standards within the EU Commissions' agri-food export seminars all over the world.

### Revision of the rules on organic production and products

The Farm to Fork strategy highlights that there is *“an urgent need to increase organic farming”*. The EU Commission announced that it will put forward an Action Plan on Organic Farming to *“help Member States stimulate both supply and demand for organic products”, “ensure consumer trust and boost demand through promotion campaigns and green public procurement”*. The EU Commission's objective is to reach at least 25% of the EU's agricultural land under organic farming by 2030 and a significant

increase in organic aquaculture. The European Commission also refers to tax initiatives which could be used by Member States and tries to use the EU Promotion Policy to achieve these goals.

The previous organic legislation 834/2007 has allowed the organic milk production in Europe to grow substantially. The EU Commission proposed back in 2014 a review of the organic legislation to include stricter rules for organic products and production. The outcome of three years of trilogue negotiations is Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products.

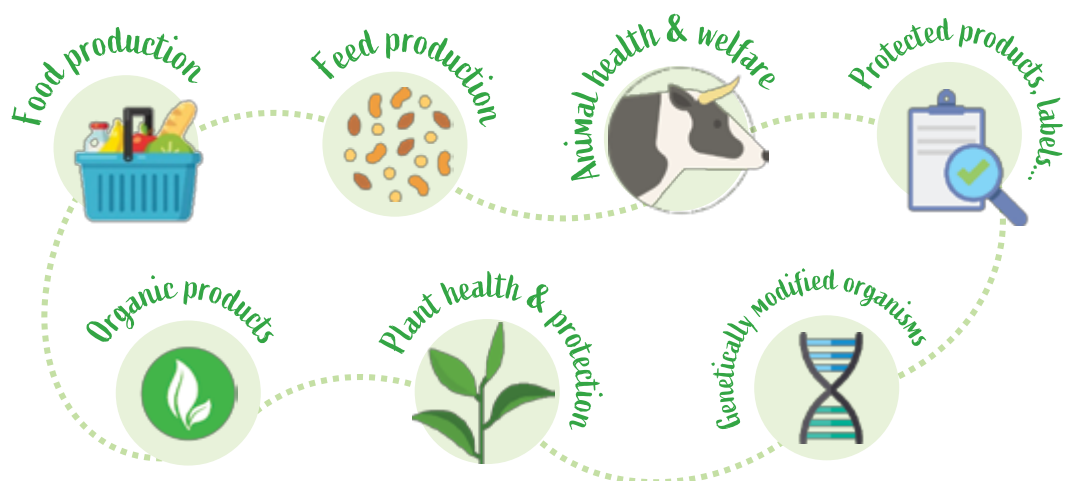
Meant to enter into force in January 2021, the European Parliament managed to get an EU institutions approval to postpone it by a year – for new date for **entering into force now on 1 January 2022**.

In the review process EDA safeguarded the whole organic babyfoods market, that was meant to disappear. We are happy that this important segment of products can continue being produced and delivered to the youngest population of Europe.

The postponement of final entering into force is due to the many implementing acts that are still in discussion; the later date will allow producers of the whole chain to know the rules before they apply and be able to adjust where needed.

The discussions continue on a list of detergents and disinfectants, so important to maintain food safety, the options to use certain agricultural products of non-organic origin in organic produce, the additives and processing aids for organic production and products, the rules on use of veterinary medicines and withdrawal periods

### Sectors covered by the Regulation N° 2017/625 on Official Controls



in production at farm level, the use of microorganisms in organic production and products, and quite some more.

EDA coordinates internally on these topics and seeks also alignment with other actors in the organic production.

In addition, the revision of the EU Organic Regulation needs to be aligned with the new rules on Official Controls. That will include product traceability at all stages of production, preparation and distribution, inspections of premises, and checks of records and documents to make sure that operators abide to the requirements.

We look forward to continue growing the organic market, while keeping it practical and safe from a processing side for our consumers.

## Covid-19 and dairy

During the first lockdown in spring 2020, milk and dairy products were designated as an essential sector and the EU Commission helped in maintaining functioning supply chains across regions and borders, when national authorities ramped up barriers within the Single Market.

Mid March 2020, we urged the EU Commission and the European Food Safety Authority (EFSA) to react and to sharpen the official statement that food is not a vector of the covid19 virus.

In this crisis, the European population has focused on more 'basic' foods and the role of dairy has been highlighted, even if more specialty-related products and all out-of-home consumption dwindled.

The dairy sector has worked hard since the beginning of the crisis to continuously assure production and food supply of our valuable nutritious food to the European (and also global) population. Dairy businesses have established – beyond our 'usual' hygiene and work safety measures - specific protocols to safeguard the health of employees.

## Animal by-products (ABPs)

Animal by-products are all types of materials of animal origin that people do not consume. In the EU, rules for collection, transport, handling, treatment, transformation, processing, storage, placing on the market, distribution, use or disposal of these products are laid down in Regulation 1069/2009.

By history, these rules are specific to animal-based products; however, simplifying the use of all by-products should be encouraged in the context of the circular economy. For the dairy sector, by-products are an important part of the overall business sustainability, even if not the major aim of production (see the chapter on former foodstuffs).

## EDA as a data provider to EFSA safety evaluation of food additives

Food additives are substances added intentionally to foodstuffs to perform certain technological functions, for example to colour, sweeten or help preserve foods. In the EU, food additives are subject to an independent safety evaluation by the European Food Safety Authority (EFSA) before they are permitted for use in food, and additionally are kept under continuous observation. Over the past years, EFSA has been carrying out a wide re-evaluation programme of all additives currently permitted in the EU. For the purpose of this safety evaluation, EFSA is regularly publishing calls for data, including data on the actual usage levels by the industry.

EDA, as an active member of the EFSA Discussion Group on Food Chemical Occurrence Data, plays an important role as the official coordinator for submission of data from the EU dairy sector to the EFSA data collections on the use of additives in dairy products.

Thanks to our members input and commitment, we have been able to submit numerous data sets over the last years and we will continue to follow the re-evaluation programme including the legislative proposals on additives from the European Commission.

## Expertise in dairy processing and SPS-TBT issues

The technical expertise in dairy processing is of paramount importance also for preventing trade obstacles with countries outside the EU.

Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) are in principle measures adopted by governments to achieve food safety, human health as well as animal and plant health. They require specific criteria to be fulfilled for products that are placed on the country's market. These measures can apply to both domestically produced and imported goods and can heavily impact exports towards these countries.

EDA, both in our FEP and in our TEC department, actively cooperates with the European Commission for assessing the impacts of the proposed SPS-TBT measures on dairy exports and trade flows. In the last year, thanks to our experts in the dairy processing industry, EDA has been able to avoid trade issues with many partner countries around the world, contributing to the related WTO consultations.



Use of manure components for biogases



Water reuse and recycling



Use of co-product from cheese manufacturing (whey) as a high-value food



Use of pastureland to feed dairy cows



Fertilising land with animals' waste

## Circular economy and production – dairy as an active player in change

The notion of circularity, which was already a key element of the EU Commission's 'Better Regulation' agenda in the last few years, has gained even more prominence as one of the strategies outlined in the EU Green Deal. In this regard, the EU Commission has published in March 2020 the New Circular Economy Action Plan (CEAP), which introduces legislative and non-legislative initiatives as regards the entire life cycle of products – promoting circular economy processes, ensuring the efficient use of resources, and fostering sustainable consumption. Milestones for the dairy sector are the revision of the Packaging and Packaging Waste Directive, including plastic waste reduction measures, and the legislative proposal on green claims. Regarding the latter, in December 2020 EDA answered the EU Commission's public consultation on substantiating green claims.

Calls for a circular economy are not only shared by EDA but also other food sector associations, as it is a vital step towards allowing further resource efficiency, resulting in lower environmental footprint of industries and reduced costs. Of course, all of this needs to be done in continued assurance of food safety and quality.

Our answer to the Green Deal, our [EDA factsheet on circular economy](#) as well as our position on the new [Circular Economy Action Plan](#) show well how the notion of circularity is applied in the dairy sector and how the dairy industry actively promotes circular economy in coordination with other food industry actors.

### Former foodstuffs

According to Regulation 68/2013, 'Former foodstuffs' means 'foodstuffs' which are no longer intended for human consumption for practical or logistical reasons or due to problems of manufacturing or packaging defects or other defects, but do not present any health risks when used as feed. For dairy, the term can refer to a broad variety of products from whey to leftovers from cheese production.

Former foodstuffs are part of a broader framework encompassing also the Circular Economy, hygiene and ABPs (animal by-products). In this framework, the EU Commission has been working for many years on measures to clarify the EU legislation to facilitate the utilisation of former foodstuffs for animal feed, thus reducing food wastage. One of the EU Commission's main achievements are the Guidelines on the legal status of 'former foodstuffs' for feed use published in 2018. We contributed proactively to the elaboration of these guidelines. Altogether, while these guidelines reflect some of our input, they do not provide innovative solutions to answer the main issues at stake for the dairy sector: the transport of milk and milk products (including whey) in tankers and ABPs labelling, registration of dairy plants or further requirements of feed hygiene legislation, disproportionate requirements for products with passed durability dates, etc.

This was a missed opportunity of making sure that the guidelines of the EU Commission on 'former foodstuffs', and their place in the overall picture of hygiene and animal health related laws, are fit for purpose. The guidelines should have supported an increased use of animal by-products from the food sector as feed where use as food is no longer possible, without impacting other uses of dairy by-products.

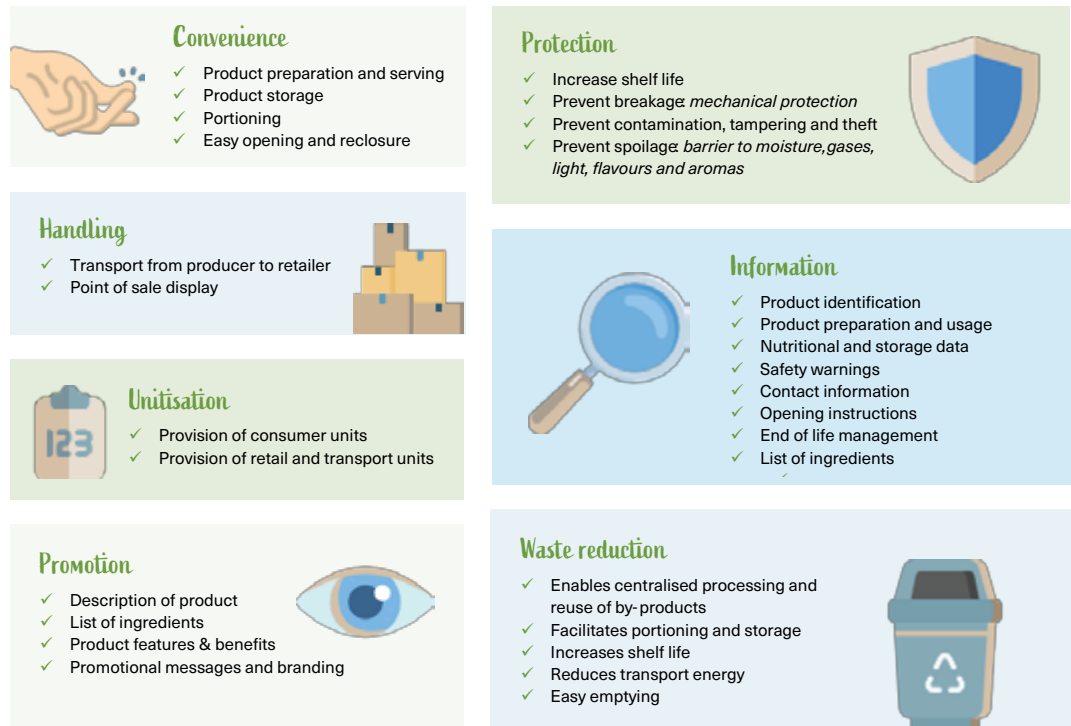
In the context of the Farm-to-fork Strategy of the EU Commission we are seeking for a more ambitious option to address the open issues at stake for the dairy sector.

### Date marking / Durability dates

Food waste and resource efficiency are important goals, and date marking is considered in the political sphere as a good approach to act on these issues. Already as part of the 2015 Circular Economy Action Plan, the EU Commission commissioned a study on how date marking – and other information provided on food labels – contribute to food waste in the EU. The study, published in 2018, shows a strong focus on dairy products as one major category of interest, and pinpoints very diverging durability dates while



# Food, Environment and Health in 2020/21



disregarding the variability of existing products and processes inside the category and subcategories of dairy.

Over the last few years, discussions occurred on the EU Commission's proposal to draft a scientific and technical guidance on date marking, aimed at supporting more consistent date marking practices and facilitating food waste reduction. We as EDA have been actively committed to this work. In light of these discussions – and given the complexity of the factors determining the choice of date marking as well as the food safety implications – the EU Commission decided to ask EFSA for advice concerning certain elements of the guidance. The first part of the EFSA opinion related to factors that should guide FBOs in choosing between use-by and best-before dates and shelf life has been published in October 2020, and a second part including other labelling aspects will be ready by end-March 2021. In addition, the EU date marking rules will be revised in accordance with the outcome of a consumer research, thereafter the EU Commission is expected to make a proposal by end of 2022.

Since it will be difficult to significantly reduce food losses and waste via date marking only, we may expect the EU Commission to further look into other means to help the citizens to reduce the volumes of food they are throwing away. Every progress in this regard will automatically reduce our environmental footprint.

## Packaging, including plastics

Whereas reducing litter and increasing recyclability has always been important, from 2018 it is a top priority for European institutions and stakeholders working on a more sustainable way of managing plastics. In 2020, the topic of the impact of packaging – including plastic packaging – on the environment was still high on the political agenda in Brussels with the publication of the new Circular Economy Action Plan (CEAP) and the ongoing revision of the packaging legislation. This revision constitutes an essential aspect of the new Green Deal and the CEAP.

Already at the beginning of 2018, the EU Commission adopted an overall 'EU Plastics Strategy' at political level, which plans actions in a number of areas such as food contact materials, design for recyclability, biodegradable plastics, microplastics, quality of plastics, to be addressed at the EU, national, regional and industry level. In this framework, the dairy industry already accomplished several positive actions to pursue further plastic reduction and boosting recycling, and some dairy companies also answered to the EU Commission's call to stakeholders to come forward with voluntary pledges on recycled content.

The first concrete result of the plastic strategy is the so-called Single-use plastics Directive (Directive (EU) 2019/904), which will have to be transposed into national legislation by member states within 2 years, that is by mid-2021. The EU-wide measures outlined in the Directive will be applied to 10 single-use plastic products that are most found on Europe's beaches and in the seas (as well as fishing gear). Afterwards, the EU Commission started working on different implementing measures and guidelines that are expected to be published in the first half of 2021, including Guidelines on Definitions, on Separate collection of bottles and on Consumption reduction of food containers.



## Naturally nutrient-rich

Dairy products are naturally nutrient-rich foods and are recognised as an important part of healthy and balanced diets

Regarding the ongoing revision of the Packaging and Packaging Waste Directive, the EU Commission is currently conducting an impact assessment to identify possible measures on waste prevention in addition to the review of the essential requirements, such as EU waste reduction targets, targets for reusable and recyclable packaging, and measures tackling overpackaging.

In the unprecedentedly fast legislative procedure for the adoption of the Single-use plastics Directive and its follow-up in the last two years, as well as in the framework of the current revision of the Packaging and Packaging Waste Directive, we have been working hard – also liaising with other stakeholders – to evaluate the impact on the dairy industry both at European and national level, and to inform the decision makers on the potential impact of their actions. We are also providing our members with the appropriate frame to share information and assess if national initiatives are in line with the EU legislation.

The dairy industry is involved in many initiatives to further streamline the environmental impact of its packaging and strives to find improved solutions for collection and recycling, as long as food hygiene is not compromised. Most dairy companies have targets on reusability, recyclability, composability, as well as recycled content, sorting and collection, design, and carbon footprint of packaging. When choosing the appropriate packaging for a product, companies consider the full life cycle of a product, encompassing the environmental pressures and benefits, the trade-offs, and areas for achieving improvements. Moreover, the design of dairy packaging needs to assure safety and quality as a non-negotiable baseline and plays an integral part in reducing food waste by keeping dairy products fresh and safe for longer. While the dairy sector shares the overarching goal of reducing the impact of packaging on the environment, the responsibility should be fairly shared among all actors, and we as EDA are ready to do our part.

A more in-depth analysis is put forward in our paper on the EU Green Deal and in two factsheets on packaging aimed at facilitating the general understanding of:

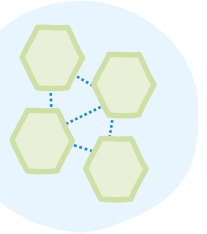
- **How the dairy industry chooses its packaging options**
- **The high legal and safety requirement for packaging in the dairy industry**

We also provided our input to the consultation for the review of the requirements on packaging and packaging waste in the EU.

Regarding specifically the single-use plastic issue, we produced several document in the last years, including our guidelines for the interpretation of the SUP Directive, which were also used as input to the forthcoming EU Guidelines on Definitions.

## Dairy matrix effect

The unique combination of constituents of milk and other dairy products probably contributes to the health effect known as “dairy matrix” and to the prevention of many diet-related diseases



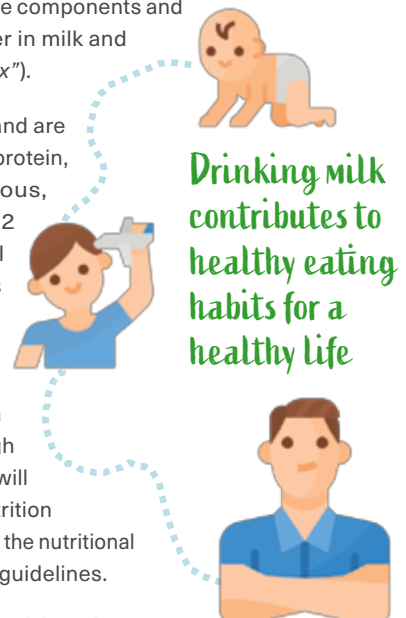
## Prevention of lifestyle diseases

Thanks to the natural nutrient richness combined with the unique matrix effect, dairy foods contribute to good health

## Health and Nutrition – driving policies

At EDA we are proud of the exceptional nutrition quality of milk and dairy products and we welcome that nutritional science continues to recognise their beneficial effects on health, including the health effects of whole foods known as food matrix (the unique combination of nutrients, bioactive components and how they interact with each other in milk and dairy is known as the “dairy matrix”).

Dairy products are nutrient-rich and are excellent sources of high-quality protein, as well as calcium, phosphorous, potassium, iodine, vitamin B2 and B12. They also contain small amounts of other nutrients such as zinc, selenium and magnesium; and other B vitamins (B3, B6, B9), and vitamin A. Milk and dairy products play an important role as part of a healthy and balanced diet through all life stages and within EDA we will continue to ensure that the EU nutrition and health policies correctly reflect the nutritional science as well as official dietary guidelines.



**Drinking milk contributes to healthy eating habits for a healthy life**

## Labelling debates from a nutritional perspective: Farm to Fork, Front of Pack Nutrition Labelling and Nutrient Profiles

The **EU Farm to Fork Strategy** prioritises the importance of healthy and sustainable diets as well as providing consumers tools to make informed, healthy and sustainable food choices. In this context,



# Food, Environment and Health in 2020/21



a number of important legislative and non-legislative actions has been announced in the fields of labelling and nutrition:

- Setting up **nutrient profiles** to restrict the promotion via nutrition or health claims of foods high in fat, sugars and salt (Q4 2022)
- **Harmonised mandatory front-of-pack nutrition labelling** to enable consumers to make health conscious food choices (Q4 2022)
- **Extension of mandatory origin or provenance indications** to certain products, while fully taking into account impacts on the single market (Q4 2022)
- Initiatives to **stimulate reformulation** of processed food, including the setting of **maximum levels for certain nutrients** (Q4 2021)
- Proposal for a **revision of EU marketing standards** for agricultural, fishery and aquaculture products to ensure the uptake and supply of sustainable products (2021-2022)
- Evaluation and revision of the existing animal welfare legislation, including on animal transport and slaughter of animals – possibly with options for **animal welfare labelling** (Q4 2023)
- Minimum mandatory criteria for **sustainable food procurement** to promote healthy and sustainable diets, including organic products, in schools and public institutions (Q3 2021)
- **Review of the EU school scheme** legal framework with a view to refocus the scheme on healthy and sustainable food (2023)

EDA is committed to ensure accurate, useful and credible information to the EU consumers, including nutrition, origin or environmental information provided, both on legal and voluntary basis. It is highly important that food information is based on science



and evidence hence any oversimplified information scheme would not reflect the complexity of food or food systems.

Simultaneously with the Farm to Fork Strategy, on 20 May 2020 the EU Commission has published two long-awaited Reports:

- **Front of Pack Nutrition Labelling (FOPNL) Report** on the use of additional forms of expression and presentation of the nutrition declaration
- **Evaluation of nutrient profiles** (and health claims made on plants and their preparations/ botanicals)

The conclusions of the two reports were in line with the political priority of the European Green Deal and the Farm to Fork Strategy: the EU Commission committed itself to prepare a **legislative proposal on a harmonised mandatory FOP nutrition labelling at EU-level, possibly linking the FOPNL scheme with nutrient profiles.**

Following this announcement, the EU Commission has launched in December 2020 a **public consultation on the Inception Impact Assessment (IIA)** on the revision of the Food Information to Consumers Regulation (EU) No. 1169/2011 (FIC Regulation).

The assessment focuses on different policy options in three areas of the FIC Regulation: FOP nutrition labelling, country of origin labelling and date marking. The IIA simultaneously covers the setting of nutrient profiles in the context of nutrition and health claims (Regulation EC no 1924/2006).

The growing problem of obesity, overweight and malnutrition across the EU society and their long-term costs and consequences for the health systems deserves the highest attention of the EU policy makers. We therefore welcome that the EU Commission brings back to the spotlight the discussions on the importance of balanced and healthy diets and clear consumer information. Such a complex issue deserves a complete and scientifically well-grounded solution.



As part of EDA commitment to ensure accurate, useful and credible information to the EU consumers, we have therefore developed our **EDA guiding principles on FOPNL**. In addition, we have analysed the main existing FOPNL systems and concluded that, unfortunately, none of them mirrors the nutritional value of milk and dairy. The same goes for the concept of nutrient profiles which does not correctly reflect the dietary importance of basic food groups, such as dairy products, recognised as highly nutritious foods by the official food based dietary guidelines.

In particular, we have identified that the NutriScore scheme (further growing in popularity across the Member States), is inadequate as a FOPNL for cheeses. Most of the cheeses, independently of their very different fat or salt levels, get the same – negative – orange ‘D’ score, classifying them as foods to avoid, which stands in sharp contrast with any official dietary recommendations that actually recommend several daily portions of dairy. This not only misleading consumers as to the true nutritional value of dairy but also puts in question the scientific basis of the algorithm behind the NutriScore scheme – see our detailed **EDA Position Paper on NutriScore and cheese**.

We believe that any EU FOPNL should conform with key principles:

- be in line with dietary recommendations
- ensure improved information to consumers about the overall nutritional quality of foods
- recognise nutritional contribution and health benefits of dairy
- be always based on sound scientific evidence
- be voluntary and harmonised across the EU

We will remain actively involved in the EU debate on FOPNL and nutrient profiles and one of our priorities is for the policy tools to reflect nutrition science and the importance of the official dietary recommendations, including basic food groups such as milk and dairy.

Despite the popular belief that in the EU milk and dairy is over consumed, the official data show that EU consumers are falling short of dietary recommendations for milk and dairy, including particularly sensitive population groups such as children and teenagers. Insufficient consumption of milk and dairy products may lead to important nutrient deficiencies with possibly long-term negative health consequences. In this context, it is doubly important to offer to the EU consumers a balanced and well-designed and science-based solution both on FOPNL as well as on nutrient profiles.

## Origin labelling

**The EDA guidelines on voluntary origin labelling for milk dairy products** revised in 2020 are part of the EDA commitment to ensure an accurate and credible labelling information to the EU consumers, and highlight specific origin links of a product, where the food business operator wishes to do so.

Following the Farm to Fork announcement, the EU Commission is currently considering introducing mandatory EU origin labelling for milk and milk as an ingredient.

While supporting an EU harmonised voluntary origin labelling scheme, we continue to oppose any form of national or European additional mandatory measures on origin labelling for milk and/or dairy products.

MEP Herbert Dorfmann (EPP, IT) and EDA secretary general Alexander Anton at a MIV podium discussion on origin labelling, in Berlin in January 2020.



## Chairs of our groups:

### Scientific Advisory Board Dairy Nutrition & Health



**Merete Myrup (chair)**  
Director of Dairy Nutrition  
Danish Agriculture & Food Council

### Additives & Contaminants WG



**Christian Bruun Kastrup (chair)**  
Chief Consultant Dairy Food  
legislation, processes and export  
Danish Agriculture & Food Council  
F.m.b.A. - Danish Dairy Board

### Claims & Labelling WG



**Amelie de Grahl (co-chair)**  
Milchindustrie-Verband (MIV)



**Emmanuel Treuil (co-chair)**  
Directeur du Droit Alimentaire  
et de la Nutrition  
Groupe Savencia  
Co-président ATLA

### Sustainability WG



**Pierre Barrucand (co-chair)**  
Environment Senior Manager  
ATLA (French Dairy  
Processors Association)



**Sanne Dekker (co-chair)**  
Researcher Environmental Impact  
Assessment - Corporate R&D  
FrieslandCampina

### Hygiene WG



**Lien Callewaert (chair)**  
Food law manager  
BCZ-CBL



European Court of Justice (C-485/18): the French mandatory national origin #labelling scheme is not aligned with EU #law. This morning's ruling supports EU Commissioner @ThierryBreton's approach to end the political "laissez-faire" attitude towards nationalistic instincts.



We firmly believe that mandatory origin labelling national schemes lead to the fragmentation of the EU Single Market and not only create obvious obstacles to trade inside the EU, but also turbulences in international trade. A well-functioning internal market for food supplies is key especially in the current times of external shocks of the magnitude of the Covid-19 crisis.

### ECJ ruling on the French mandatory origin labelling for milk and dairy

EDA welcomed a very clear legal opinion of Advocate General Gerard Hogan of 16 July 2020 which formed the basis of the ECJ judgement. In his Opinion, Advocate General Hogan warned that: "Any other conclusion would ultimately pave the way for the indirect reintroduction of national rules regarding food products which were designed to appeal to purely nationalistic – even chauvinistic – instincts on the part of the consumers. Since one of the objects of the internal market project has been to eliminate (where possible) such rules, it is difficult to believe that the Union legislature intended to allow their oblique re-introduction through the mechanism of Article 39(2) of Regulation No 1169/2011".

In consequence, on 1<sup>st</sup> October 2020 the European Court of Justice found the French measure on the mandatory indication of the origin of milk and of milk as ingredient in dairy products as being contrary to the EU law (ECJ C-485/18 of 20 October 2020).

"It is about time that the official French commitments to the EU Single Market are translated into reality. I really think it is not adequate to issue high level political statements and then undermine these statements in reality. What can be more anti-Single Market than mandatory national origin labelling? You can't have it both ways, or as we say en France: on ne peut pas avoir le beurre et l'argent du beurre!", commented EDA secretary general Alexander Anton.



In light of this ruling, it is evident that national measures should have never been allowed in the first place and their existence should therefore not be used as a reason for assessing the introduction of mandatory measures at EU level. We did urge the EU Commission and national governments to follow this ECJ judgement, meaning that the national measures must come to an end. The full support of the Single Market principle, that was expressed by all agricultural ministers in their 16 April 2020 common letter, must translate into national and European policy.

### EDA engagement with EFSA – Transparency Regulation

Throughout 2020 EDA remained an active representative of the EU dairy sector within the EFSA Stakeholder Forum as well as the EFSA Industry Associations Roundtable.

Most of the discussions over last year focused on the implementation of the new EU Regulation revising the General Food Law - Regulation (EU) 2019/1381 on the transparency and sustainability of the EU risk assessment in the food chain – so called the Transparency Regulation – and its implications for food companies and EFSA.

As the application of new rules approaches, EFSA has been working on providing practical details of the new rules. The practical arrangements have been subject to several consultations with stakeholders, including active engagement of EDA. The practical arrangements cover areas such as proactive transparency, confidentiality, notification of studies, pre-submission advice and consultation of third parties.

EDA will continue following implementation of the new rules on transparency which bring important changes in the field of all regulated products falling under EFSA mandate, including health claims, food ingredients or novel foods.



**Hélène Simonin**  
*Director Food, Environment & Health*



**Kinga Adamaszwilli**  
*Senior Nutrition, Health & Food Law Officer*

## Your favorite dairy product?



**“Please taste them and you will know why they are my favorite”**

**EDA Chair Michel Nalet**  
*Lactalis*



**“I love all types of cheese and I cannot help but surrendering in front of a piece of Gorgonzola!”**

**Giuseppe Ambrosi**  
*Ambrosi SpA*



# EDA Speeches 2020/21

Voicing our interests across Europe and beyond

The exceptional 2020 circumstances did not stop our EDA President Michel Nalet to voice our European dairy interests in Brussels and beyond.

In our EDA Brexit Workshop with H.E. Katrina Williams, the UK Ambassador to the EU, Michel Nalet underlined the crucial importance of the frictionless dairy flow within the new EU – UK trade environment and highlighted our joint DairyUK – EDA paper “The Future EU – UK Dairy Framework”.

The digital edition of our EDA Annual Convention was a great opportunity for Michel Nalet to clarify our dairy approach towards the European Green Deal with Ms Claire Bury, Director of DG SANTE.

Michel Nalet was in permanent contact with the competent EU Commission services at all levels, and not only during the peak of the first covid19 wave, urging the European institutions to take swiftly the appropriate measures to protect the Single Market for milk & dairy and to support the dairy markets.

## Alexander Anton, secretary general

- “Sustainability – a dimension of dairy quality”, ASSOLATTE conference, 15 January 2020, Milano (IT)
- “Herkunftskennzeichnung – Fluch oder Segen”, MIV Milchpolitischer Frühschoppen, 21 January 2020, Berlin (DE)
- “European and African dairy – our way forward”, EU Commission workshop with West-African dairy stakeholders, 04 February 2020, Brussels (BE)
- “Dairy Sustainability and the EU Green Deal”, Annual Convention of the Norwegian Dairy Industry, 06 February 2020, Oslo (NO)
- « Regional Dairy Cooperation », visit of Lower Saxony Minister Barbara Otte-Kinast in France, 10 March 2020, Livarot (FR)
- “Les défis de la lactosphère européenne », 76<sup>th</sup> Congress of the French Dairy Farmers Association (FNPL), 11 March 2020, Cherbourg (FR)
- “Mercosur from a dairy perspective”, EURAFFEX online conference, 08 April 2020 (digital)
- “Covid19 impact on EU dairy”, Renew Europe videoconference, 08 April 2020 (digital)
- “Brexit & Dairy Trade”, EURAFFEX online conference, 08 July 2020 (digital)
- “Green Deal & EU dairy”, Renew Europe videoconference, 09 July 2020 (digital)
- “European Milk & Dairy Excellence”, EU Commission Vietnam conference, 08 October 2020 (digital)
- « Dairy and plant-based ‘ersatz’ », Estonian Dairy Forum 2020, 11 November 2020, Rakvere (EST)
- “European Green Dairy Deal?”, FeNIL Board meeting, 11 November 2020 (digital)
- “Covid19 impact on Dairy in Europe & Africa”, African Union -FAO Task Force meeting with EU Commission, 12 November 2020 (digital)
- “Dairy expectations to the Portuguese EU Presidency”, ANIL Annual Convention, 11 December 2020 (digital)





## Hélène Simonin, director food, environment & health

- “The Environmental footprint of dairy and the strategic view of environmental topics in Europe”, Assolatte sustainability conference, 15 January 2020, Milano (IT)
- “Sustainable food systems: Does the EU Farm to Fork strategy have all the answers? - giving the food & beverage industry perspective”, Euractiv conference, 6 February 2020, Brussels (BE)
- “Clearing up confusion: How can businesses simplify labelling systems to engage and enable consumers to be more sustainable”, Innovation Summit on the Future of Food, London, 6 June 2020 (digital)
- „Der Green Deal und die Sicht der Landwirtschaft, die EU Strategie ‘Vom Hof auf den Teller’ und die Frage der nachhaltigen Lebensmittelsysteme”, CSU-webinar, 7 July 2020 (digital)
- “The European Green Deal and the security of agricultural supply in the EU, the view and examples from the dairy industry”, FoodDrinkEurope webinar, 23 November 2020 (digital)

## Kinga Adamaszwili, senior policy officer Nutrition, Health & Food Law

- “EU policy developments on Front-of-Pack Nutrition Labelling”, IDF webinar on FOPNL, 9 July 2020 (digital)
- “New EU Direction on Nutrition Labelling”, Virtual Dairy Innovation Summit 2020, 14 October 2020 (digital)
- “EU policy developments on Front-of-Pack Nutrition Labelling”, Assolatte webinar on FOPNL, 22 January 2021 (digital)

## Laurens van Delft, Head of Trade & Economics

- EU Marketing Standards for Dairy - DG AGRI roundtable with representatives of the West African dairy industry, 4 February 2020, Brussels (BE)

2<sup>nd</sup> april 2020

## COVID-19 and the question of European action

During times of increased market disturbances, the EU Commission has the full competence, the necessary budget and the CAP operational policies and tools in place and at hands to protect the milk sector. In the past, we had quite some occasions to congratulate the services of the European Commission for the market management performance at all hierarchy levels.

Since more than two weeks now, we call upon the EU Commission to react on today's COVID-19 induced milk market disturbances in an adequate and proportionate manner and at European level in activating the Private Storage Aid scheme for butter, powder and cheese, as foreseen in the CMO Regulation.

Today, I am sad and, yes, shocked to see that Member States at national or even at regional levels feel obliged to step in and take the necessary actions to protect their national milk markets. While important market outlets (export, Horeca, local open-air markets) are muted by COVID-19 and retailers have misused the crisis to push for reduced prices and longer payment delays, we are reaching the seasonal peak of milk production in the Union. Dairy markets at European and global level have reacted and prices, especially for powdered milk, show a strong downwards trend.

EU Commissioner Janusz Wojciechowski has not (yet) answered our letter and we really count on the EU Member States at next Monday's videoconference of the Special Committee on Agriculture to voice the need for both, **immediate and European action.**

Michel Nolet  
EDA President





# European Dairy Academix

*"Dairy - next generation"* is the motto of our EDA "European Dairy Academix" initiative to facilitate the visit of students from different universities to Brussels and the European institutions.



Prof Dr Holger D. Thiele and his agro-economics students from the University of Applied Science in Kiel (DE) at their 2019 Brussels' visit.

We are proud of being a privileged partner of:



# EDA Members



**EDA President: Mr Michel Nalet** - Lactalis - 10 rue Adolphe Beck - F 53089 LAVAL CEDEX 9, France

## National Delegations

## Board Members

### Austria

VÖM (Vereinigung Österreichischer Milchverarbeiter)  
Friedrich-Wilhelm-Raiffeisen-Platz 1  
AT - 1020 Wien  
www.voem.or.at

Mr Helmut Petschar  
Kärntnermilch reg.Gen.m.b.H.  
Villacher Strasse 92  
AT - 9800 Spittal/Drau

### Belgium

CBL (Confédération Belge de l'Industrie Laitière)  
BCZ - CBL vzw/asbl  
Kolonel Begaultlaan 1A bus 11  
BE - 3012 Leuven - www.bcz-cbl.be

Mr Renaat Debergh  
BCZ - CBL vzw/asbl  
Kolonel Begaultlaan 1A bus 11  
BE - 3012 Leuven

### Croatia (partner member)

Association of Croatian Purchasers & Processors of Milk - CroMilk  
Zadarska 80/V,  
HR - Zagreb  
www.cromilk.hr

### contact

Mr Dalibor Janda  
CroMilk,  
Zadarska 80/V,  
HR - Zagreb

### Czech Republic

Czech & Moravian  
Dairy Association  
V Olšínách 75  
CZ - 100 00 Praha 10

Potravinářská komora České republiky  
(Federation of the Food and Drink  
Industries of the Czech Republic)  
Počernická 96/272  
CZ - 108 03 Praha 10 - Malešice.

Mr Jan Teplý  
Madeta a.s.  
Rudolfovská 246/83  
CZ - 37050 České Budejovice

### Denmark

Mejeriforeningen  
Danish Dairy Board  
Agrofood Park 13  
DK-8200 Aarhus N

Mr Peter Giørtz-Carlson  
Arla Foods a.m.b.a  
Sønderhøj 14  
DK-8260 Viby J

### Estonia

Estonian Chamber of Agriculture and Commerce  
J. Vilmsi 53g, Tallinn  
EE-10147 Estonia

Mr Maido Solovjov  
c/o Estonian Chamber of Agriculture and Commerce  
J. Vilmsi 53g, Tallinn  
EE-10147 Estonia

### Finland

Finnish Milk Processors and Dairy  
Products Wholesalers Association  
Meijeritie 6  
PO Box 10  
FI-00039 VALIO

Finnish Food & Drink Industries  
Federation,  
P.O. Box 115, Pasilankatu 2  
FI - 00241 HELSINKI - www.et.fi

Ms Riitta Brandt  
Valio International Ops.  
P.O. Box 10  
FI - 00039 Valio

### France

ATLA  
Maison du Lait  
42, rue de Châteaudun  
FR - 75314 Paris Cedex 09 - www.atla.asso.fr

Mr Frédéric Chausson  
SODIAAL  
1, rue des Italiens  
FR-75009 Paris



# EDA Members

## National Delegations

### Georgia (partner member)

Dairy Georgia  
15 Agladze str., Room #11,  
GE-Tbilisi, Georgia, 0154  
Web: [www.dairygeorgia.ge](http://www.dairygeorgia.ge)

### contact

Mr Erekle Gamkredidze  
15 Agladze str., Room #11,  
GE-Tbilisi, Georgia, 0154  
Web: [www.dairygeorgia.ge](http://www.dairygeorgia.ge)

### Germany

MIV (Milchindustrie-Verband)  
Jägerstraße 51  
DE - 10117 Berlin  
[www.milchindustrie.de](http://www.milchindustrie.de)

DRV (Deutscher Raiffeisenverband)  
Pariser Platz 3  
DE - 10117 Berlin

Mr Ingo Müller  
DMK Deutsches Milchkontor GmbH  
Flughafenallee 17  
DE - 28199 Bremen

### Greece

SEVGAP  
Hellenic Association of Milk & Dairy Products Industry  
340 Kifissias Av.  
EL - 154 51 Neo Psychiko - Athens

Dr Christos Apostolopoulos  
Hellenic Association of Milk and Dairy Products Industry  
EL - 340, Kifissias Avenue 154 51, Νέο Ψυχικό

### Ireland

Dairy Industry Ireland  
Confederation House  
84-86 Lower Baggot Street  
IE - Dublin 3 - [www.ibec.ie](http://www.ibec.ie)

Mr Conor Mulvihill  
Confederation House  
84-86 Lower Baggot Street  
IE - Dublin 3

### Italy

ASSOLATTE  
Via Adige 20  
IT - 20135 Milano  
[www.assolatte.it](http://www.assolatte.it)

Mr Attilio Zanetti  
Zanetti spa  
Via Madonna 1  
IT - 24040 Lallio

### Luxembourg

A.L.L. Association Laitière Luxembourgeoise  
7 rue Alcide de Gasperi  
BP 1304  
LU - 1013 Luxembourg

Mr Gilles Gérard  
Luxlait Association Agricole  
LU - 7501 Mersch

### Netherlands

NZO (Nederlandse Zuivel Organisatie)  
Benoordenhoutseweg 46,  
NL - 2596 BC Den Haag  
[www.nzo.nl](http://www.nzo.nl)

Mr Albert de Groot  
Vreugdenhil  
Arkerpoort 5  
NL-3861 PS Nijkerk

### Poland

ZPPM (Związek Polskich Przetwórców Mleka)  
Association of Private Dairy Processors  
ul. Złota 59, budynek Lumen, piętro 6  
PL - 00-120 Warszawa - [www.zppm.pl](http://www.zppm.pl)

KSM (Krajowe Stowarzyszenie Mleczarzy)  
Dairy Technology Diploma Holders Association  
ul. Hoza 66/68  
PL - 00-682 Warsaw - [www.mlekoland.com](http://www.mlekoland.com)

Prof. Dr. Jarosław Kowalik  
Uniwersytet Olsztyn

KZSM (Krajowy Związek Spółdzielni Mleczarskich)  
National Union of Dairy Co-operatives  
ul. Hoza 66/68  
PL - 00-682 Warsaw - [www.kzsm.org.pl](http://www.kzsm.org.pl)

PIM - (Polska Izba Mleka)  
Polish Chamber of Milk  
ul. Mickiewicza 7/23  
PL - 15-213 Białystok - [www.izbamleka.pl](http://www.izbamleka.pl)

### Portugal

FENALAC - Federação Nacional das  
Cooperativas de Produtores de Leite  
Rua Alexandre Herculano, 351, 1º  
PT - 4000-055 Porto - [www.fenalac.pt](http://www.fenalac.pt)

ANIL - Associação Nacional Dos Industriais  
De Lacticínios  
Rua de Santa Teresa 2 - C2  
PT - 4050 Porto - [www.anilact.pt](http://www.anilact.pt)

Mr Fernando Cardoso  
Fenalac  
Rua Alexandre Herculano, 351, 1º  
PT - 4000-055 Porto

### Slovakia (partner member)

Slovenský mliekarenský zväz (SMZ)  
Záhradnícka 21  
SK - 811 07 Bratislava

### contact

Mr Peter Novorolnik  
SMZ Vice-President

### Slovenia

Slovene Dairy Association  
Dimiceva 9  
SI - 1000 Ljubljana  
[www.slovenskomleko.com](http://www.slovenskomleko.com)

Mr Tomaž Žnidarič  
Ljubljanske Melkarne  
Tolstojeva 63  
SI - 1000 Ljubljana - Slovenia

### Spain

FENIL - Federacion Nacional de Industrias Lacteas  
Ayala 10 - 1, Izqda  
ES - 28001 Madrid  
[www.fenil.org](http://www.fenil.org)

Mr Antoni Bandrés  
Danone  
Buenos Aires 21  
ES - 08029 Barcelona - Spain

### Sweden

Federation of Swedish Farmers,  
SE - 105 33 Stockholm  
[www.lrf.se](http://www.lrf.se)

*To be nominated*  
Federation of Swedish Farmers  
SE - 105 33 Stockholm

### United Kingdom (associate member)

Dairy UK  
210 High Holborn  
UK - London WC1V 7EP  
[www.dairyuk.org](http://www.dairyuk.org)

### observer

Dr Judith Bryans  
Dairy UK  
210 High Holborn  
UK - London WC1V 7EP



# Brussels' team



**Alexander Anton**  
Secretary General  
+32 (0)2 549 50 43  
+32 (0)475 59 04 22  
aanton@euromilk.org



**Claudine Hansen**  
Office Manager,  
Assistant to  
Secretary General  
+32 (0)2 549 50 41  
chansen@euromilk.org



**H el ene Simonin**  
Director Food,  
Environment & Health  
+32 (0)2 549 50 45  
+32 (0)473 13 81 32  
hsimonin@euromilk.org



**Laurens van Delft**  
Head of Trade  
& Economics  
+32 (0)2 549 50 46  
lvandelft@euromilk.org



**Kinga Adamaszwili**  
Senior Nutrition, Health  
and Food Law Officer  
+32 (0)2 549 50 80  
kadamaszwili@euromilk.org



** lvaro Ruiz**  
Communication  
Officer  
+32 (0)2 549 50 47  
aruiz@euromilk.org

Trade & Economics



**Elsa Esteve**  
Statistics & Market  
Assistant  
+32 (0)2 549 50 83  
eesteve@euromilk.org



**Maria Libertini**  
Policy Officer  
+32 (0)2 549 50 48  
mlibertini@euromilk.org



**Alberto Babolin**  
Policy Officer  
+32 (0)2 549 50 42  
ababolin@euromilk.org



**I nigo Lizarraga**  
Policy Officer  
+32 (0)2 549 50  
ilizarraga@euromilk.org



SAVE THE DATE!



# EDA Annual Convention 2021

## “Milk & Dairy – Essential for Your Life”

Madrid (Spain)

29<sup>th</sup> september › 1<sup>st</sup> october 2021

hosted by



#Milkislife



EUROPEAN DAIRY ASSOCIATION

Avenue d'Auderghem 22-28  
1040 Brussels  
Belgium

Tel +32 2 549 50 40  
eda@euromilk.org  
@EDA\_Dairy

[www.euromilk.org](http://www.euromilk.org)

The European Dairy Association is the voice of dairy  
processors in the European Union.