

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.



Other measures that are high on our agenda are the availability of packing materials, access to skilled labour as well as the need for freight and container capacity. A coordinated and effective response is of huge importance with the peak season for milk collection around the corner.

EDA remains the voice of the dairy industry in these difficult times and is constantly informing EU decision-makers, urging them to take the right actions at the right moment.



COVID-19: EDA coordination on needs on technical, hygiene and safety issues

The current situation has demanded a great adaptability from dairy companies, amongst others. As asked by EDA, the EU Commission categorized fresh and perishable food like milk and dairy as essential goods, at a very early stage.

At EU and at international level, we set up conference calls to support the coordination and exchange of experiences within the dairy sector on COVID-19 related food safety or hygiene issues. We have established a special EDA platform of coordination on 'technical' and hygiene measures, and good solutions in the different parts of the EU for this crisis, and do everything possible to ensure that the dairy sector can pursue providing safe food, in sufficient quantities, for the nutrition demands of the population, as well as safeguarding workers safety and respecting all necessary

precautionary measures of the moment and each region. These exchanges were very instrumental for preparing our dairy input into the official EU Commission guidelines on food and food handling in COVID-19 times that will be published soon.

EDA Webinar: the role of Dairy in carbon sequestration

Experts from the European dairy sector and the European Commission (DG CLIMA) exchanged views on the role of dairy in carbon sequestration during our EDA webinar on climate action that took place on 19 March. It was the opportunity to discuss the Commission's ongoing work on carbon farming and highlight the potential of dairy in offsetting emissions and mitigating climate change. The dairy sector is committed to further reduce the environmental and carbon footprint of its operation and is working to enhance the carbon sequestration of natural sinks such as pastureland, contributing to the achievement of the EU carbon neutrality objective for 2050.

"Carbon Border Tax": our EDA input on carbon border adjustment mechanism

Earlier this week, we submitted [→ our Dairy feedback to the roadmap on a European carbon border adjustment mechanism](#), proposed by the EU Commission as part of the Green Deal, See our EDA paper [→ The Dairy sector and the Green Deal](#). The system would ensure that the price of products imported in the EU reflect more accurately their carbon content. In our feedback, we welcomed the initiative and reaffirmed the importance that such measures comply with WTO rules, in order to secure international trade flows, and minimise administrative burdens.

While public and economic life within the Union has come to a kind of a stillstand and while the European dairy sector is mobilizing all efforts and

energy to keep the shelves and fridges stocked, the EU Commission has published a huge number of 'roadmaps' on Green Deal topics, including amongst others the "Farm to Fork" strategy or the biodiversity strategy, the revised EU climate targets and the new circular economy action plan.

Single Use Plastics: revised EDA guidelines

After the publication of the Single Use Plastics Directive (SUP), the EU Commission launched a study to support the development of implementing acts and guidance. In this framework, EDA is pleased to clarify the dairy sector's approach on the Directive in → [our EDA revised sectoral guidelines](#).

Some of the definitions in the SUP Directive still need further clarification to avoid diverging national interpretations, and our guidelines constitute our contribution to achieve the best possible framework for the dairy sector and the EU as a whole.

The dairy industry is fully committed to further reduce plastic littering as well as overall packaging waste along the chain. While the contribution of dairy products to littering is basically below detection level, packaging has an important function for our products. Indeed, many dairy products require specific handling at production, in transportation and in the consumer's home. The design of dairy packaging needs to ensure 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.

EU Regulation on the origin indication of primary ingredient

Since yesterday, 1 April 2020 → [the EU Commission Regulation \(EU\) 2018/775](#) on origin indication of the primary ingredient of a food has been in application. EDA has always been supportive of harmonized EU rules on voluntary origin labelling for milk and was closely following the development of this EU legislation, in parallel to working on the → [EDA Sectorial Guidelines on voluntary origin labelling](#) which are now being updated in accordance with the latest legal developments.



Lessons to be learnt from today's crisis

When managing the milk and dairy supply in today's lockdown conditions, the dairy industry mobilizes all forces to live up to our most important societal responsibility, providing healthy and affordable nutrition to citizens in our Union and beyond. On 25th March 2020, the originally planned date of publication of the "Farm to Fork" strategy, → [we published our EDA Statement](#).

We are grateful to the members of the Agricultural Committee of the European Parliament for the support of **MEP Norbert Lins'** initiative (EPP, DE) to allow more time for the finalization of this strategy due to the current circumstances and to allow the integration of the lessons to be learnt from this crisis into the Farm to Fork strategy: the critical importance of a well-functioning Single Market is showcased. Any calls for gastro-chauvinism in today's global crisis are inadequate and irresponsible.

Also, milk and dairy shelves have been considered by the citizens as vital for their families. We have a hard time keeping milk and dairy shelves stocked when people rush into supermarkets to buy the true essentials for their families. Milk and dairy: nutritious by nature and essential for your life.

EDA remains strongly opposed to national mandatory measures such as the French decree on mandatory origin labelling for milk, that has been recently extended until end of 2021.

Promotion: application deadline postponed to 3 June!

Due to the COVID-19, the submission deadline of the two calls for proposals on the information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries in accordance with → [Regulation \(EU\) N°1144/2014](#), originally set on 15 April **has been postponed to 3rd June 2020**.

EU School Milk Scheme: evaluation and allocation for 2020-2021

On 26 March 2020, the European Commission published a draft implementation regulation and opened a public consultation and evaluation of the implementation of the School Scheme. The two common evaluation questions focus, first, on the overall impact of the scheme on drinking milk consumption, and then on the potential change of habits of the children, leading to a healthier diet. The goal is to evaluate the effectiveness of the scheme, by providing feedbacks on different changes noticed at a national level, and recommendations for improvements.

The European Commission also published on Tuesday the budget for the EU school fruit, vegetables and milk scheme 2020-2021.

250 million euros have been allocated to the programme, among which 105 million for milk and milk products.

At least, the Commission took under consideration the current COVID-19 crisis specifying that it could be recognised as 'force majeure' reason, allowing suppliers' reimbursement, or donation of perishable goods to other organizations.



Future EU-UK Relationship

The European Union and the United Kingdom held their first Joint Committee meeting in a videoconference set-up ('corona oblige') on the implementation and application of the Withdrawal Agreement. Despite all uncertainty that the current crisis brings and despite the direct hit of COVID-19 on both negotiation teams, the European Commission highlighted the need for a detailed timetable as well as continuous work on the necessary measures, including preparations for the introduction of customs procedures, necessary sanitary and phytosanitary controls as well as other regulatory checks for goods entering Northern Ireland from outside the EU.

The negotiation of an EU-UK Agreement within the given timeframe (finalization by September-October 2020) has always been acknowledged as a very ambitious objective. In the context of the COVID-19 crisis, this ambition has become basically unrealistic.

EDA keeps following all relevant developments to secure the interest of the dairy sector as set out in → [our Future EU-UK Dairy Framework](#). We trust that the two partners will allow the necessary time for the negotiation. After all, this EU – UK deal is the most important trade agreement for both the United Kingdom and the European Union.

