



Dairy Trade and Mercosur

July 2023

The EU Dairy Sector and EDA

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

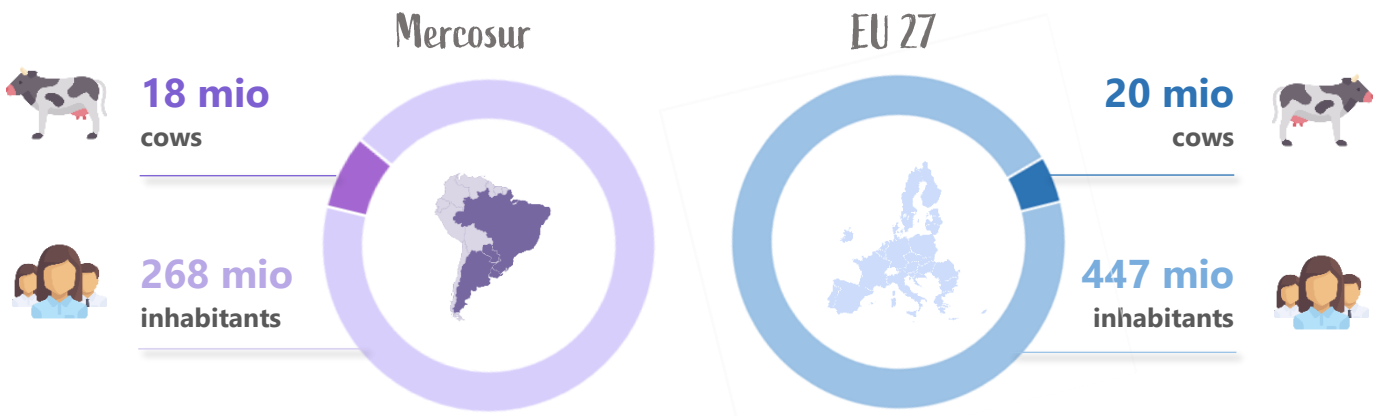
EU dairy companies' diversified export portfolio not only ensures that we can provide all regions of the world with our unique and healthy products. With more than 45,000 jobs directly linked to these exports, the dairy sector is also a key contributor to local societies benefiting from growth and jobs related directly and in-directly to dairy production and export.

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

The European Dairy Association (EDA) welcomed the political agreement, reached on 28 June 2019, for an ambitious, balanced, and comprehensive trade agreement. After two decades, Mercosur (Argentina, Brazil, Paraguay, and Uruguay) and the European Union finally reached an agreement on the trade environment for more than 715 million citizens.

A lot of work has been done since the beginning of the negotiations and EDA acknowledges the efforts of **EU Commissioner Valdis Dombrovskis** in supporting our dynamic sector. The future implementation of this new trade framework, part of a wider Association Agreement, will be beneficial for the two economies. From a dairy perspective, all 4 countries forming the Mercosur area have a great dairy culture, with a self-sufficiency rate between 98 % and 281 %. So far, dairy trade has mainly taken place within the Mercosur region. The cheese and powder imports from the EU (mainly from the Netherlands, France, Italy and Germany) have not reached a significant volume. The adopted legal safeguards to protect over 350 high-quality European food and drink products from imitation in Mercosur countries will also strengthen the well-deserved excellence reputation of all our European premium dairy products.

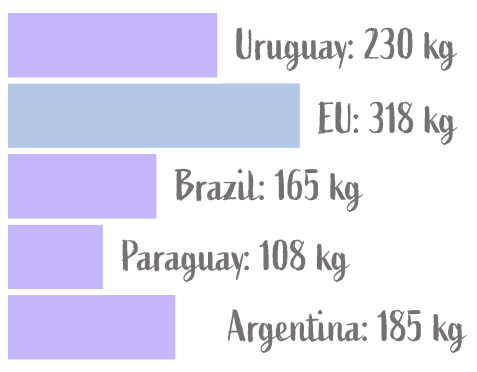
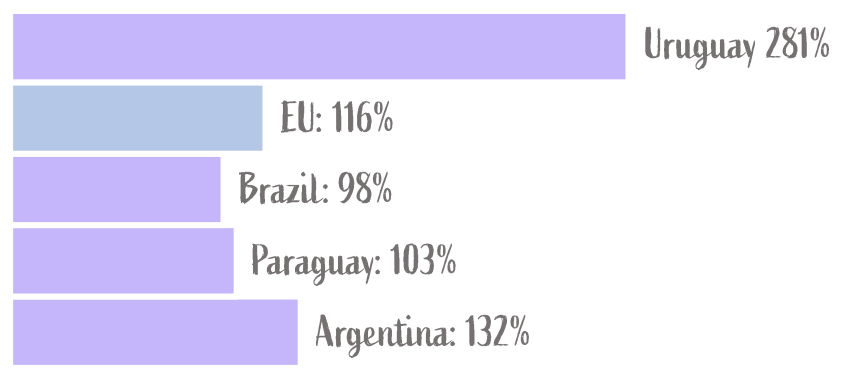
The Dairy sector in Mercosur and the EU



EU 27: **7,8** tonnes
 Mercosur: **2.6** tonnes



EU 27: **700** (in '000)
 Mercosur: **983** (in '000)



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

Sources: EDA Surveys, Eurostat 2022, IFCN 2022, OECD
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