Position Paper

uniting dairy excellence & ambition

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EDA Position Paper on Sugar Taxes affecting dairy products

Introduction

An increasing number of EU Member States are introducing taxes on sweetened products and beverages, as part of public health initiatives aimed at encouraging healthier consumer choices and reducing the intake of added and free sugars.

However, there is growing concern that drinkable dairy may be unfairly targeted by these measures, despite their high nutritional value. Lactose, the naturally occurring sugar in milk, is currently classified as a total sugar on nutrition labels, alongside added and free sugars, even though it is not associated with adverse health effects.

In some countries, such as France, "flavoured milks" are taxed in the same way as soft drinks and fruit juices. Similarly, Romania imposes a "sugar tax" on all products containing more than 10% total sugars, including dairy products.

EDA maintains that **dairy products**, including drinkable dairy, **should be excluded from such taxation policies**. These products provide essential nutrients critical to a balanced diet for both children and adults and should remain affordable for all households. Furthermore, the dairy sector has already made significant strides in reducing added sugars in its offerings – efforts that deserve recognition in policy discussions.

For this reason, we welcome the EU Commission's final report on Health taxes from an EU perspective (1), where they recognize the nuanced role of dairy products in the diet and, as such, they state that **future EU-harmonized sugar-sweetened beverage tax** should **exclude** these categories to avoid undermining their potential health benefits.

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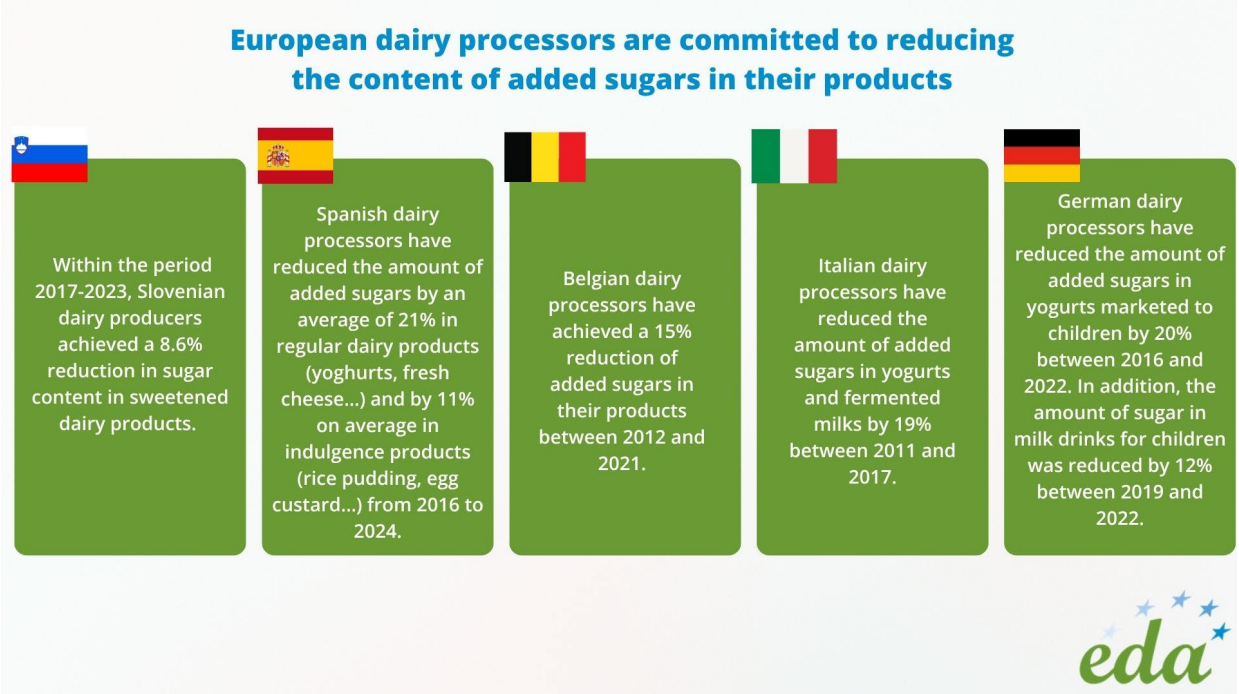

Dairy intake is recommended in Food-Based Dietary Guidelines across Europe, but it is under consumed

Dietary advice all over Europe recommends that dairy products be consumed daily during all stages of life. On average it is recommended to consume 2-3 portions of dairy foods per day for adults and 3-4 portions for children. International institutions and public health authorities consider dairy products as an important part of a healthy balanced diet (2).

However, milk consumption is steadily declining across the EU, especially in children, adolescents, young women and elderly people. According to the 2020 EDA Survey on national dairy dietary recommendations and compliance, there is an underconsumption of dairy products in 18 out of 23 European countries whose consumption data was collected (3).

Consequently, many Europeans have less than optimal intake of certain nutrients like calcium, selenium, and iodine, which are found in many dairy foods. To satisfy consumer wishes and demands, and therefore make dairy recommendations easier to reach, the dairy industry offers a wide range of products with different fat and/or sugar content, including drinkable dairy.

Due to its nutrient richness, dairy has many health benefits

Every food group contributes different nutrients in varying amounts to our diets, but dairy stands out for its exceptional nutritional profile. Milk, yogurt, and cheese are all excellent sources of high-quality protein, as well as key micronutrients such as calcium, phosphorus, potassium,

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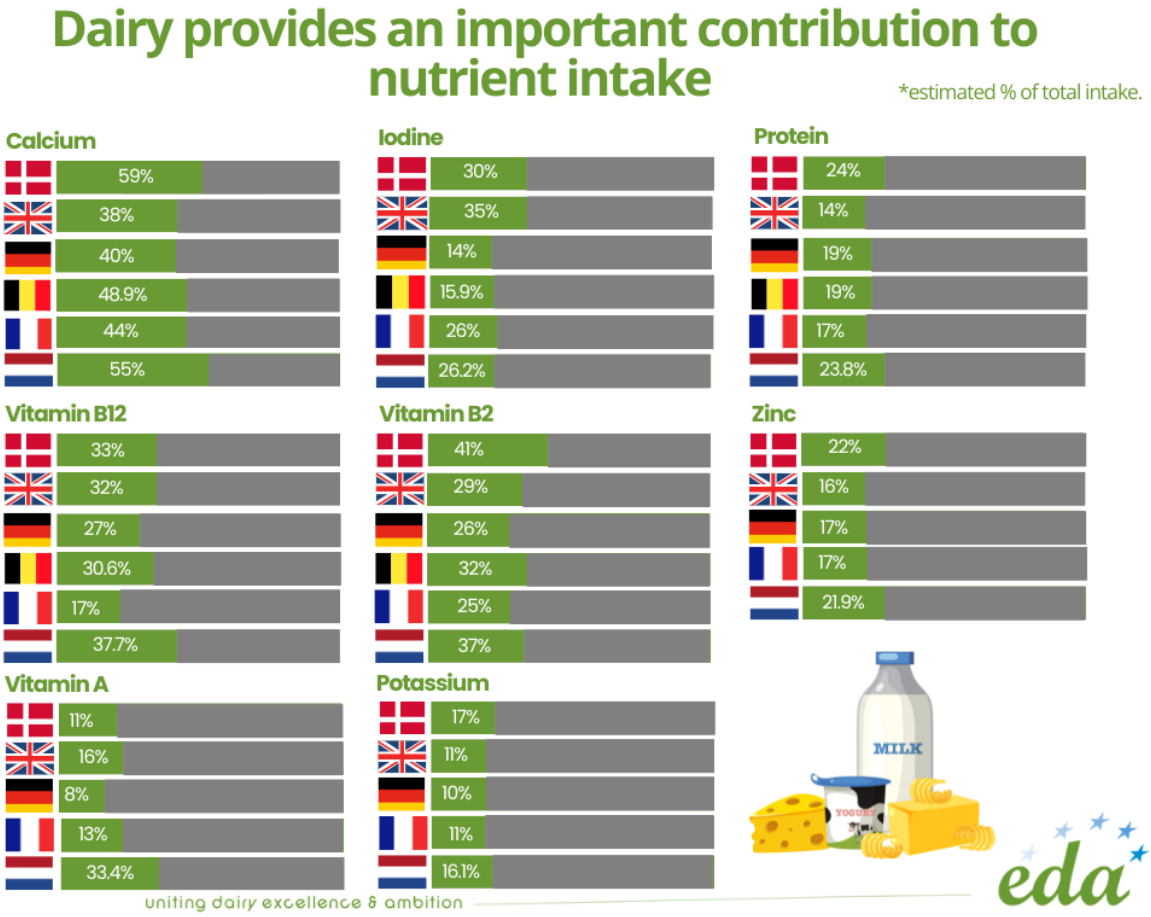
iodine, and vitamins B2 and B12. In addition, dairy products provide smaller amounts of vitamin A, niacin, folate, vitamin B6, magnesium, selenium, and zinc.

Because of this, dairy products provide a broad pallet of nutrients to the European population.

For example, in Denmark, 59% of total calcium intake comes from dairy; in Belgium, over 30% of vitamin B2 and B12 intake is derived from dairy products; and in the Netherlands, dairy accounts for 33.4% of total vitamin A intake.



Naturally occurring lactose is not detrimental to human health

Lactose is a sugar that is naturally present in milk (4.7 g/100 ml in cow's milk). (4)

Leaving aside disorders like lactose intolerance, there is no evidence of adverse effects of consumption of dairy natural sugars, such as lactose, as confirmed by WHO (5,6,7).

However, at the EU level, there are no requirements for labelling differentiation between natural, free and added sugars. Only total sugars are indicated on nutritional labels which in turn is the value that is used to implement sugar taxes even though initiatives for reduced sugar content

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target free and added sugars. Natural sugars, such as lactose, are penalized by this system despite having no adverse health effects.

When implementing sugar taxes, it is crucial to differentiate between naturally occurring sugars, such as lactose in milk, and added sugars. Including intrinsic sugars like lactose under the same tax umbrella as added sugars would misrepresent nutritional science and could undermine public health objectives.

Dairy is categorised as 'food' and not as 'beverages' in national and international frameworks

Because of its excellent nutritional value, milk and products made of milk benefit from a specific status in EU legislation and are also categorised as a separate food group in most Food Based Dietary Guidelines worldwide. This grants them a distinction as a food group instead of a drink, even in case of dairy foods in liquid forms such as drinking milk or milk-based drinks.

In the European Union, milk and dairy products are consistently classified as food across various regulatory frameworks. Commission Regulation (EC) No 1719/2005 on customs tariffs places milk under Section I (animal products), while beverages fall under Section IV. Similarly, Regulation (EC) No 1333/2008 on food additives lists dairy products under Category 1 (foods), whereas beverages are categorized separately under Category 14. These classifications clearly distinguish milk and dairy products from drinks at the EU level.

At the global level, dairy is similarly recognized as an important source of nutrition and therefore as food. The World Health Organization (WHO) recognises dairy products for their significant nutritional value and role in promoting dietary adequacy. In both the 2023 WHO Guideline for complementary feeding of infants and young children 6–23 months of age (8) and the Minimum Dietary Diversity for Women (MDD-W) indicator (9), dairy products are explicitly acknowledged as nutritionally important food groups, underscoring the classification of dairy as a food due to its contribution to overall nutritional quality, reinforcing its treatment as a distinct and essential dietary component rather than a beverage.

National legislation aligns with this distinction. For example, in Spain, milk and dairy fall under Code 15, while non-alcoholic beverages like juices and plant-based drinks are in Code 29. The Spanish Food Code (Royal Decree 2484/1967) supports this, with Chapter XV covering dairy and Chapter XXIX addressing non-alcoholic drinks. Law 5/2022 in the Valencian Community further reinforces this classification.

Conclusion

In today's climate of high inflation and rising living costs, adding financial pressure to essential, nutrient-rich foods like dairy is both unnecessary and potentially harmful. Keeping dairy products affordable is crucial – not just for individual health, but also for broader food security

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and public health across Europe. This is why many EU Member States have long applied reduced VAT rates to milk and dairy, recognizing their nutritional importance and role as everyday staples. Preserving these favorable tax conditions is essential to ensure continued access for all.

If sugar taxes are applied, it is important to distinguish naturally occurring sugars like lactose from added sugars. Lactose is an intrinsic component of milk, not an added ingredient, and taxing it alongside added sugars would not only be scientifically inaccurate but also counterproductive to nutritional and public health goals.

In conclusion, dairy should not be subjected to sugar taxes, as it is fundamentally a nutrient-rich food contributing to public health. To support balanced diets and long-term health objectives, fiscal pressure on all dairy products should be reduced rather than increased.

Sources:

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