European Dairy Association

# Dairy Focus 1/2026

## Cyprus EU Presidency

CY2026.EU

Uniting dairy excellence & ambition

# Foreword

**The Republic of Cyprus is now holding the role of the EU Presidency for the second time, placing the island country at the heart of the EU Council's work during a time of external disruptions and internal transformations.**

Cyprus will steer the Council work on the EU's Strategic Agenda 2024–2029 with a declared commitment to promote policies that ensure that Europe's food systems remain both resilient and competitive, expand trade opportunities and enhance sustainability.

It is true that Cyprus with its 0,37 million tonnes of annual raw milk production is a rather small part of the European *lactosphère* with only Malta having a smaller production. But there is a strong dynamic with a constant growth in production and with modern structures with a very high average milk yield per cow.

The Cypriot dairy success story is for sure embodied by Halloumi, an iconic cheese that combines rich tradition with global appeal – one of our emblematic European GI cheese excellences. With its annual global market value of around 325 million euros, representing 15% of total exports from Cyprus.

This underlines the crucial importance of the dairy sector for the economy and the cultural heritage of the island country. That's why the Cyprus EU Presidency will also focus on our trade policy – where the EU Commission has just announced in its 2026 work program to step up its agri-food diplomacy, partnership dialogues and agreements. For our competitiveness, it is good to see the intention of the Cyprus Presidency to deepen the Single Market and to support the 'preservation of the robustness and resilience of the internal market, by early identifying threats and providing insights on possible future challenges' - a clear invitation to discuss the barriers that still exist in our EU Single Market for milk and dairy.

The Cypriot EU Presidency stands ready to play a decisive role in shaping Europe's competitiveness, security, and resilience for the years ahead and we as EDA stand ready to support the Cyprus Presidency of the next six months.

And we know we can count on the Cyprus EU Presidency for a constructive and outcome focussed dialogue for **resilient, competitive and sustainable EU dairy**!

*Vive l'Europe et vive le lait*

Albert de Groot
EDA President

Alexander Anton
EDA secretary general

# The Priorities of the Cyprus EU Presidency

Dr Maria Panayiotou

Cypriot Minister of Agriculture, Rural Development and Environment

## Advancing a Resilient, Competitive and Sustainable European Agriculture

As Cyprus prepares to assume the Presidency of the Council of the European Union, agriculture will stand at the centre of its political agenda. The Cyprus Presidency will focus on strengthening the competitiveness, sustainability and attractiveness of Europe's agricultural sector, while remaining fully conscious of the profound challenges it faces — from climate change and biodiversity loss to increasing pressure on forests and ongoing geopolitical instability.

In an era of growing uncertainty, ensuring food security and safeguarding the livelihoods of farmers across the European Union requires a forward-looking, resilient and adaptive policy framework. The Cyprus Presidency aims to contribute decisively to this effort.

## Shaping the Future of the Common Agricultural Policy

A key priority of the Presidency will be to facilitate political discussions on the proposed Common Agricultural Policy (CAP) package for the period 2028–2034. This includes both the CAP sectoral proposal and initiatives related to generational renewal, recognising the urgent need to attract and support young farmers and ensure continuity in Europe's food production systems.

At the same time, the Presidency will advance discussions on the Common Market Organisations (CMO), with the objective of delivering a robust and responsive legislative framework. Such a framework is essential to ensure food security, provide a fair standard of living for the agricultural community and support farmers in a continuously evolving local and international environment. Addressing market volatility, self-sufficiency challenges and structural pressures on agricultural income will be central to these efforts.

## Strengthening Crisis Prevention and Response

Climate-related risks are increasingly shaping the realities of European agriculture. In this context, improving crisis prevention and response mechanisms will be one of our main priorities. Particular emphasis will be placed on fire prevention measures, crisis management tools and the overall preparedness of the agricultural sector to withstand extreme events.

In parallel, CAP simplification will be further pursued, with the aim of relieving farmers from unnecessary administrative burdens and allowing them to focus on production, innovation and sustainability rather than excessive bureaucracy.

### Securing Food Production and Reducing Strategic Dependencies

The Cyprus Presidency will promote an agricultural model that secures EU food production, strengthens resilient trade and reduces strategic dependencies. This includes responding effectively to regional challenges while maintaining a strong and well-functioning internal market.

Regular and structured debates on agriculture-related trade issues and agricultural markets will be encouraged. On external agricultural trade policy, we will seek to strike a careful balance between market access and the competitiveness of European farmers, fully respecting WTO rules. Reducing dependencies on imported agricultural products and inputs, while diversifying markets, will be pursued without compromising the supply of safe, high-quality food for EU consumers.

### A Fairer and More Resilient Agri-Food Supply Chain

Protecting farmers from market imbalances and reinforcing their position within the agri-food supply chain will be another core objective. We will place strong emphasis on advancing initiatives that strengthen farmers' bargaining power and ensure a fairer distribution of value.

In this context, the evaluation report of the Unfair Trading Practices (UTP) Directive, to be presented during the Cyprus Presidency, offers an important opportunity. It will allow for an assessment of the effectiveness of existing tools and provide a solid basis for identifying possible improvements aimed at building a more equitable and resilient agri-food supply chain.

### Simplified Rules for a Modern Agricultural Sector

Simplification will also guide legislative work in specific policy areas. Farmers need effective and streamlined tools to overcome sectoral and market challenges and safeguard their position in the food supply chain.

The Cyprus Presidency will therefore advance negotiations on the Plant Reproductive Material Regulation, aiming to establish a simplified and coherent framework. The objective is to ensure that seeds and other plant reproductive materials placed on the EU market are of high quality, free from pests and diseases and fully traceable, while also supporting biodiversity, fostering innovation and promoting sustainable agricultural practices.

Animal welfare will remain high on the agenda. The Presidency will continue work on the proposal for a regulation on the protection of animals during transport, seeking to achieve the highest possible level of animal protection. At the same time, national and geographical specificities of Member States, as well as the operational needs of the sector's businesses, will be carefully taken into account. Progress on simplification proposals related to EU animal welfare legislation will also be pursued.

### A Presidency Focused on Resilience and Fairness

Through these priorities, the Cyprus Presidency aims to contribute to an agricultural sector that is resilient, competitive and sustainable — one that ensures food security, supports farmers, strengthens the internal market and responds effectively to the challenges of a rapidly changing world.

# The Cyprus Dairy Sector

EU Commissioner for Agriculture and Food Christophe Hansen with Michalis Petrou Vice President of the Cyprus Dairy Association at the EU Business Delegation to Brazil, October 2025

**The Republic of Cyprus joined the EU in 2004 and will now hold the Presidency of the European Union for the second time. The country's dairy sector has been a remarkable success story, performing strongly in both yield and exports. Cyprus has an ancient history: archaeology indicates that the first wave of cultivators spread to the island at least 10.000 years ago, bringing with them cattle, goats, and other animals. The dairy sector is a cornerstone of the island's agri-food economy, deeply embedded in both its economic structure and cultural heritage, while supporting thousands of people through its exports, transport, and retail.**

Since Cyprus' accession to the European Union in 2004, the sector has undergone substantial modernization and consolidation, moving away from fragmented small-scale traditional dairies toward fewer but larger and technologically advanced units.

This structural transformation has significantly increased production capacity, raised quality standards, and boosted competitiveness abroad. Compliance with strict EU legislation has strengthened food safety, animal welfare, and environmental management, while the modernization of infrastructure has enabled Cyprus to position itself as a reliable and reputable supplier to both European and international markets. These changes have translated into tangible economic growth, with Halloumi sales tripling between 2014 and 2024, marking a decade of remarkable expansion.

While agriculture as a whole contributes around 2% to Cyprus' GDP, dairy plays a disproportionately important role, carrying far more weight than its numerical share suggests. The average milk yield in 2023 reached 9,58 tonnes of milk per cow, an increase from 9,15 tonnes recorded in 2022. Between 2013 and 2018, the annual growth rate in yield was 4,4 percent, while during 2018 to 2023, the rate slowed to 0,8 percent per year. This long-term trend nevertheless demonstrates a remarkable overall improvement in productivity.

In 2023, the national dairy herd consisted of over 38.000 cows, with a total milk output of 0,37 million tonnes. Considering a population of 979 thousand inhabitants, the country achieved a milk self-sufficiency level of 147 percent, not only meeting domestic demand but also generating surplus production for export.

Dairy exports, led by Halloumi, account for a substantial share of agricultural trade and contribute significantly to rural employment and national GDP. Halloumi is not only Cyprus' most recognizable product but also its most strategic: more than 78% of the raw milk produced in the country is directed toward its production. The cheese alone accounts for more than 15% of exports, placing it at the heart of Cyprus' agri-food identity. The United Kingdom remains the largest market, while Cypriot dairy products are steadily expanding into the Middle East and Asia, reflecting a growing global appetite for high-quality, distinctive cheeses. This success is attributed to the PDO protection of Halloumi, continuous investment in innovation and branding, and the ability to deliver a premium product that resonates internationally. While Halloumi dominates the sector's export profile, other dairy products such as yogurt and fresh milk also play a role.

Beyond economics, Halloumi also carries immense cultural significance. References to the cheese date back to the Byzantine era, and it has been a staple of Cypriot life for centuries. Its distinctive semi-hard texture and unique property of retaining its shape when grilled or fried set it apart from other cheeses, making it versatile in culinary applications worldwide. Within Cyprus, however, Halloumi is a cultural emblem deeply tied to tradition, and its Protected Designation of Origin status from the European Union has underscored both its uniqueness and its economic value, safeguarding it as an authentic Cypriot product in global markets. Domestic consumption is relatively stable, even though uptake in school milk is today challenged.

Rising costs of animal feed and imported raw materials weigh heavily on farmers, eroding profit margins and threatening producers' viability. Global supply chain disruptions have made it difficult to secure essential inputs in a timely and affordable manner, while ongoing labour shortages have further complicated daily operations.

Climate change has increased water scarcity and placed significant stress on both livestock and pastures, affecting animal health and reducing productivity. In addition, producers face the demanding task of maintaining the precise standards required for PDO milk composition, particularly the rule that the proportion of sheep's or goat's milk, or a mixture of the two, must always exceed the proportion of cow's milk, while also balancing these requirements against production capacity constraints.

Cyprus' unique geopolitical position adds another layer of uncertainty, as heavy trade dependencies leave the sector vulnerable to external shocks. The future success of the sector will hinge on expanding supportive trade agreements through the European Union, ensuring that Halloumi enjoys robust recognition and legal protection in third-country markets. Such protection is critical not only to safeguard the authenticity of Cyprus' flagship product against imitation and misuse, but also to secure long-term access to high-value export markets.

Equally important is the sector's capacity to innovate and diversify. While Halloumi remains the cornerstone of Cyprus' dairy exports, broadening the product range to include value-added dairy items will be essential.

Advancements in processing technologies, packaging, and quality assurance systems can further enhance the competitiveness of Cypriot dairy on the international stage.

At the same time, sustainability must become a guiding principle for future development. The adoption of environmentally friendly farming practices, together with investment in renewable energy solutions and energy-efficient technologies across farms and processing facilities, will not only mitigate environmental pressures but also reduce operating costs in the long run.

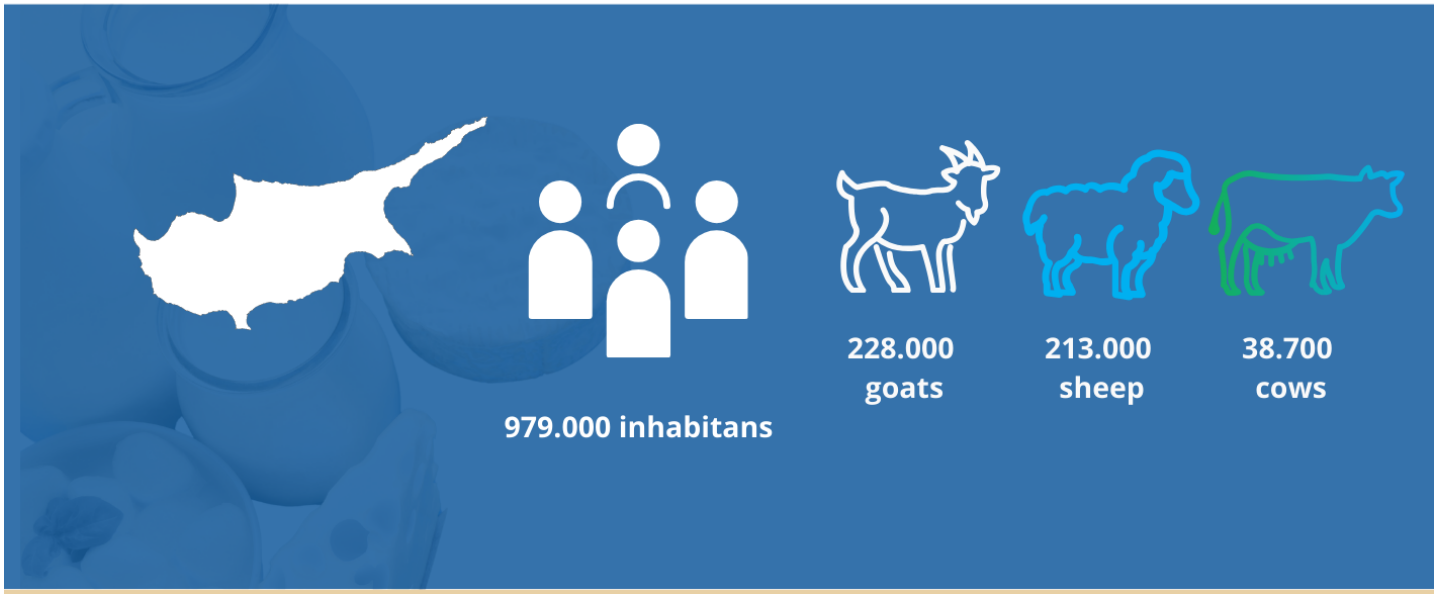
The outlook is promising. Global consumer trends toward high-protein, functional, and specialty dairy products further enhance the prospects of the Cypriot dairy industry. Halloumi, with its distinct taste and versatile applications, is exceptionally well-positioned to capitalize on this demand, appealing to consumers in Europe, North America, the Gulf, and East Asia. The path forward also includes regional cooperation, particularly through the tripartite partnership between Cyprus, Greece, and Israel, which offers fertile ground for collaboration in renewable energy, sustainable agriculture, and water management. Such initiatives can support the transformation of the dairy sector toward greater environmental sustainability, aligning with the EU's Green Deal and ensuring long-term resilience in the face of climate and economic challenges.

**Michalis Petrou**

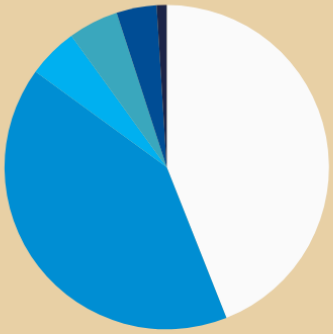
Vice President of the Cyprus Dairy Association,

Commercial Manager of ALAMBRA Petrou Bros Dairy Products Ltd

# Facts & Figures




**Halloumi export destination**



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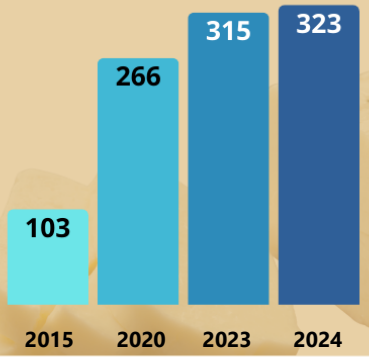
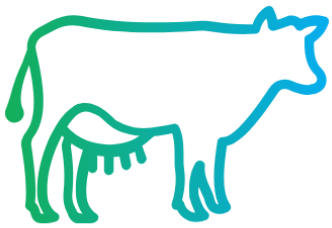
|---|---|
| 44 % | UK |
| 41 % | EU |
| 5 % | USA |
| 5 % | Australia |
| 4 % | Middle East |
| 1 % | Asia |

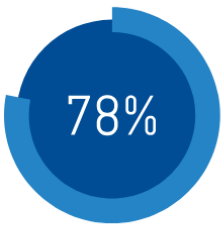
**Halloumi export value in Euro (in millions)**



**Milk yield per cow**
**9,58**
**tonnes per year**

**0,37 million tonnes of raw milk production**




**of raw milk goes into Halloumi production**

Sources: Cyprus Dairy Association, Dairy Report (IFCN), Eurostat

# *Save the date!*

## EDA Dairy Policy Conference
## 25 March 2026, Brussels

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## EDA Annual Convention


## Bratislava | 14. - 16. October

European Dairy Association

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