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## MINUTES

### MEETING OF THE Civil Dialogue Group Milk via videoconference (Interactio) on 22 October 2021

Chair: Brigitte Misonne, Head of Unit AGRI G3 Animal Products

Delegations present: all delegations were present

#### **1. Approval of the agenda and of the CGD Animal Products' Rules of Procedure**

The Commission presented the proposed rules of procedure for the Civil Dialogue Group Milk in the transition period. Commission Decision (EU) 2021/1112 extended the current mandate of CDGs until the end of 2022. It was confirmed that even if the Commission now chairs CDGs the agenda would be drafted, as currently, in close cooperation with stakeholders.

#### **2. Nature of the meeting**

The meeting was non-public.

#### **3. List of points discussed**

##### Market situation and outlook

The Commission presented most recent market data. The milk market is well balanced, with modest production expansion and robust demand. As a result, EU raw milk and dairy products' prices have improved throughout the year, and are above recent and medium term references. The surge in input prices and an expected slowdown in Chinese imports may temper the good market sentiment in the coming months.

##### CAP reform outcome for dairy

The Commission presented the timeline of implementing the CAP-reform and its interconnection with the Green Deal and Farm to Fork Strategy. The Farm to Fork Strategy includes six non-binding targets, and is being developed according to an action plan where each legislative initiative will have an impact assessment. A recent JRC study anticipates significant benefits and impacts on EU agricultural sector.

The CAP reform has not been voted yet by co-legislators, but is expected to be adopted before the end of the year, so Member States can submit their CAP strategic plans. This will be a new way of working, with decisions based on evidences (not just implementing policy tools, but bottom-up approach based on a SWOT analysis). The Commission stressed the possibilities to promote sustainable dairy production.

#### Taking stock of EU – UK dairy trade challenges

The Commission took stock about the EU-UK trade and cooperation agreement (TCA) applying since Jan 2021. The TCA is a good basis for the EU and UK to further develop their relationship, but it cannot deliver frictionless trade as in a single market and customs union. New conditions have affected bilateral agri-food trade.

However, EU exports are less affected than imports (also due to the postponement of third country checks and controls until July 2022). In the first six months of 2021, there is a decline of EU exports to UK by 3% compared to 4-year average of the same period. However, EU imports from the UK have declined by 34%. Latest data indicates some stabilisation. EU cheese exports almost reached same level as 4-year average, while imports only 70%.

The Commission made clear that the more difficult trading conditions are the direct consequence of the UK choice of leaving the EU and customs union.

Now it is crucial to monitor the implementation of TCA. There is no evidence of major implementation issues on TCA commitments.

#### EU school scheme: Stakeholders' feedback on the evaluation roadmap/inception impact assessment for the 2023 review

The Commission presented the stakeholders' feedback on the combined evaluation roadmap/inception impact assessment for the review of the EU school scheme. Feedback came mainly from NGOs (many of which active on animal welfare/protection), EU citizens, business associations and companies. Its focus was on the future policy options, as regards the eligible products and the conditions or criteria for distribution, the coverage of schoolchildren and the design of the educational measures. The suggestions received did not point at gaps in the Commission's identification of problems and will be taken into account in the impact assessment process. A public consultation is envisaged in Spring 2022.

#### Farm to Fork Strategy latest developments: Contingency plan for food security

The Commission updated the Group with the state of play of the Contingency plan for food security. The adoption of the contingency plan is approaching its last phase, and the full content cannot be disclosed yet.

The plan is one of the actions (number 2) of F2F, having the goal to ensure food security even in times of crisis. It has been prepared following an extensive consultation process, started in Septembers 2020, involving MS and stakeholders. A JRC report will be published at the same time as the Commission communication.

## Main conclusions:

- Food supply chain showed resilience.
- Policy framework worked, but there is margin for further improvement. Lack of a dedicated platform to debate the situation.
- Risk landscape is changing, with more uncertainties and volatility.

## ECVC position on the dairy policy, in particular on the impact of the big milk farms and the ECVC solutions

ECVC shared their views on EU dairy policies. ECVC preconizes the promotion of dairy production on a human and agroecological scale, limiting the investments and encouraging pastures. They advocate for a public regulation of milk production to guarantee a remunerative price to producers, limit the exports to third countries (notably African countries) and move away from technological solutions.

## Update on dairy market access discussions in ongoing trade negotiations with Ukraine

The Commission informed on the ongoing review of the Association Agreement with Ukraine. Art 29 of the agreement foresees the possibility of a review after 5 years, to broaden the scope of the elimination of customs duties on trade. Last June, Ukraine submitted a formal request. The Commission is currently analysing (DG Trade on the lead). DG AGRI is actively involved as the request concerns many agricultural products. Stakeholders have been consulted, which helped formulating the EU position and define a counter offer. The EU may have offensive interest for dairy products (milk powders, cream, whey, butter, processed cheese and WPC). Given the small size of existing quotas in relation to overall EU production, there is room for improving market access.

## **4. List of participants - Annex**

Michael SCANNELL

## Disclaimer

*"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."*

List of participants– Minutes  
**MEETING OF THE Civil Dialogue Group Milk**  
*via videoconference (Interactio)*  
**on 22 October 2021**

Member Organisations	Number of Persons
EuroCommerce	1
Eurogroup for Animals	1
European agri-cooperatives (COGECA)	9
European Coordination Via Campesina (ECVC)	1
European Council of Young farmers (CEJA)	3
European Environmental Bureau (EEB)	1
European farmers (COPA)	9
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	2
European Liaison Committee for Agriculture and agri-food trade (CELCAA)	5
European Milk Board (EMB)	3
Farmhouse and Artisan Cheese and dairy producers' European network (FACEnetwork)	1
FoodDrinkEurope (FoodDrinkEurope)	7
IFOAM Organics Europe	1
European Council of Young farmers (CEJA)	3