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MINUTES

Meeting of the CDG on Animal Production - Milk

24 January 2024

Chair: AGRI E3 – Animal Products

The following organisations were represented:

AnimalhealthEurope, AVEC, BEUC, CEJA, CELCAA, CNIEL, COGECA, COPA, ECVC, EFA, EMB, EURAF, FACEnetwork, FEFAC, FEFANA, FESASS, FoodDrinkEurope, IFOAM, ORIGINEU.

1. Nature of the meeting

Hybrid – non public

2. List of points discussed

1. Welcome and adoption of the agenda

After the chair's welcoming words, the agenda was approved.

2. Milk market situation

The Commission presented the most recent market data. With a decline in milk production since August 2023, EU milk collection for the first 11 months of 2023 was only slightly higher than in 2022 (+0.1%). In November 2023, milk deliveries decreased in 18 MS (-2.5%, -283 000 t), with the strongest drops in IE (-19.8%), HR (-7.5%), FR (-4.8%) and for the first time in 2023, also in the biggest milk producing MS (-1.5% in DE). In Jan-Nov 2023, there was a very modest increase of milk production also in the USA (+0.1%), UK (+0.1%), AU (+0.3%) and NZ (+0.9%).

Global milk supply is slowing down and turned negative in the last quarter of 2023. SMP is the only EU dairy product for which production decreased in Jan-Oct 2023 (-4.7%).

After a sharp decline of EU raw milk prices in 1H2023, there was an improvement of milk and milk products prices in the last quarter of the year. In

Nov 2023, milk prices increased in all MS, except for FR (-0.1%) and MT (-0.4%). Organic milk prices are also increasing.

Global demand for EU dairy products was solid compared to 2022. In the first 10 months of 2023, EU dairy exports increased by 8% in milk equivalent and +1% in value.

3. Ad hoc presentation on International Dairy Federation (IDF) Summit 2024 in Paris)

Mr Blin, dairy farmer from Normandy, president of IDF France and Board Member of CNIEL (Centre National Interprofessionnel de l'Economie Laitière), presented the IDF World Dairy Summit to be held on 15 to 18 October 2024 in Paris, as well as IDF's work and mission.

4. Sustainability in the dairy sector

4.a. Packaging

The Commission representative informed that the Packaging Regulation is the subject of ongoing negotiations with the EP and Council.

In the EP, a text was adopted in a Plenary vote on 21 November, with finalisation expected before 24 April.

In the Council, the negotiation process began in January 2023, and a General Approach was reached in December. Trilogue meetings are scheduled for 5 February and 4 March.

The key objective of the proposed regulation is to establish a circular economy for packaging, addressing challenges such as excessive single-use plastics, low recycling rates, and fragmented waste management rules.

The regulation focuses on waste prevention and recycling, targeting a 15% reduction in packaging waste by 2040 and requiring companies to offer a percentage of their products in reusable or refillable packaging. It also introduces bans on certain forms of unnecessary packaging, aims to make all packaging fully recyclable by 2030, incorporates mandatory rates of recycled content in new plastic packaging, and proposes the implementation of mandatory deposit return systems (not for milk).

The proposal additionally addresses confusion in waste sorting with harmonized labelling across the EU.

4.b. Green Claims

On the Proposal for a Green Claims Directive of March 2023, the Commission representative presented the timeline for its adoption and transposition as well as the content of the proposal. The Green Claims Directive aims at protecting consumers and companies from greenwashing by setting rules on how companies should substantiate and communicate their environmental claims to consumers. The rules include requirements on the methodology used to back up claims (science-based, life cycle approach, use of quality data). The proposal also introduces an ex-ante verification of claims by third-party, accredited verifiers, to ensure all claims on the EU market are reliable and verified.

4.c. Presentation on sustainability (by the sector)

Two sector representatives from EDA intervened. They presented the following:

- A FrieslandCampina strategy towards GHG reduction, with a focus on improvements achieved by the sector in the last decades in terms of carbon footprint reduction and on climate targets for the years to come. Measures implemented by the company include feed additives pilots, renewable energy production on farm and sustainable manure management.
- The Dairy Product Environmental Footprint (PEF), a methodology developed by the EU dairy industry to assess the environmental performance of certain dairy products. This LCA methodology represents a harmonized approach at European level for environmental footprint assessment in dairy and can be used to substantiate environmental claims on products. It also represents an improvement tool for companies, allowing to identify the most significant environmental impacts and helping operators to take the necessary actions to minimize them and improve performance over time.

5. EU promotion programmes

The Commission representative gave a presentation focusing on the following aspects of the EU promotion policy:

- Annual work programme for the year 2024 focusing on the specific topics and available budgets and on the 2024 calls for proposals published on 18/01.
- Programme examples promoting milk products and the organic scheme.
- Information and resources linked to the calls.

Participants received information on the calls that were published on 18/01 and on the implementation of information and promotion campaigns and were encouraged to participate to the Info Days on 31/01-1/02/2024 in Brussels and online, during which more specific information linked to the calls will be given as well as beneficiaries' presentations on running programmes.

All the material will be online for consultation and reference after the event.

6. EU School Scheme – state of play

The Commission informed about the state of play and planning for the review of the school scheme, as foreseen in the Farm to fork strategy. Following the positive opinion of the Regulatory Scrutiny Board, the Commission is working on a legislative proposal.

7. Trade barriers in Algeria: halal certification and import licencing

Eucolait presented an overview of trade barriers faced by EU exporters in Algeria, with a focus on halal certification. The exclusive mandate granted to the Grand Mosque of Paris for issuing halal certificates applied since June 2023 has resulted in an untransparent, cumbersome and costly regime and placed European companies at a disadvantage versus other exporters.

Other notable barriers to trade include the erratic import licencing regime and the recent decision to ban transit via Morocco. Algeria is one of the top markets for European dairy products and by far the most important export market for skimmed milk powder.

The Commission representative explained the complexity of trade relations between the EU and Algeria. The Commission has raised concern about the halal certification and the ban on Spanish products with the Algerian Administration and the Grand Mosque of Paris repeatedly over the last year without conclusive results.

The Commission will continue to follow these issues closely and asked Eucolait to convey information about any developments.

8. Geographical Indications system (GIs)

The Commission gave a presentation on the novelties of the Geographical Indications (GI) Regulation that is foreseen to enter into force by March/April 2024.

Key improvements brought by the new regulation are notably the following ones:

- strengthening of GI protection (in particular as regards the use of GIs in the names of products that use GIs as an ingredient and on the internet);
- strengthening of enforcement (in particular as regards actions to stop an illegal use of names and domain names and the attestation of compliance with the product specification);
- streamlining of the legal framework (only one set of protection rules, one Register and one GI Committee, stricter deadlines, optimisation of procedures).

Furthermore, the scope has been aligned to the WTO agreement on agriculture; a new category of Recognised Producer Groups (RPGs) has been created with additional powers while GI producer groups benefit from a better GI management.

Besides, GI producers are encouraged to incorporate sustainability aspects in the product specifications; the producer's name must be indicated in the same field of vision of the GI to increase transparency in labelling; controls for food and spirit drinks are re-integrated in the GI Regulation (while controls for wine remain in Regulation (EU) No 1308/2103).

Overall, the international credibility of the EU GI system will be enhanced.

3. Next meeting

The next meeting of the CDG on Animal Production (focusing on poultrymeat and eggs) will take place on 13 February 2024.

4. List of participants

Attached

Pierre BASCOU
(e-signed)

List of participants– Minutes
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ORGANISATIONS
AnimalhealthEurope
AVEC - Association of Poultry Processors and Poultry Trade in the EU
BEUC - Bureau Européen des Unions de Consommateurs
CEJA - Conseil Européen des Jeunes Agriculteurs / European Council of Young Farmers
CELCAA - European Liaison Committee for the Agricultural and AGRI-Food
CNIEL – Centre national interprofessionnel de l'économie laitière
COGECA - European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union
COPA - European farmers / Committee of Professional Agricultural Organisations of the European Union
ECVC - European Coordination Via Campesina
EFA - Eurogroup for Animals
EMB - European Milk Board
EURAF - European Agroforestry Federation
FACEnetwork - Farmhouse and Artisan Cheese and Dairy Producers' European Network
FEFAC - European Feed Manufacturers Federation / Fédération européenne des fabricants
FEFANA – EU Association of Specialty Feed Ingredients and their Mixtures
FESASS - Fédération Européenne pour la Santé Animale et la Sécurité Sanitaire
FoodDrinkEurope
IFOAM - International Federation of Organic Agriculture Movements European Regional Group
ORIGINEU – Organisation pour un reseau international d'indications géographiques

OBSERVERS
COMMITTEE OF THE REGIONS
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE