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European Dairy Trade Association

Market access priorities for dairy in EU FTAs

CDG IAA

11 April 2024

WHO WE ARE

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430

businesses, in 21 countries

100K

More than 100 000 employees

€ 80

€B Total turnover*

Eucolait has been the voice of the European dairy trading community since 1959.
We provide policy analysis, market intelligence and tailored advice to our members, represent their interests towards European and other institutions and act as a platform for events and discussion.

*Excluding associate members and non-relevant activities of large member companies

EU dairy sector and trade

145M

Tonnes of milk are produced in the EU

22BN

The total value of annual EU dairy exports

40%

Of EU milk is subject to intra-EU trade crossing borders between Member States in the form of different dairy products

33%

The EU's share of the global dairy market

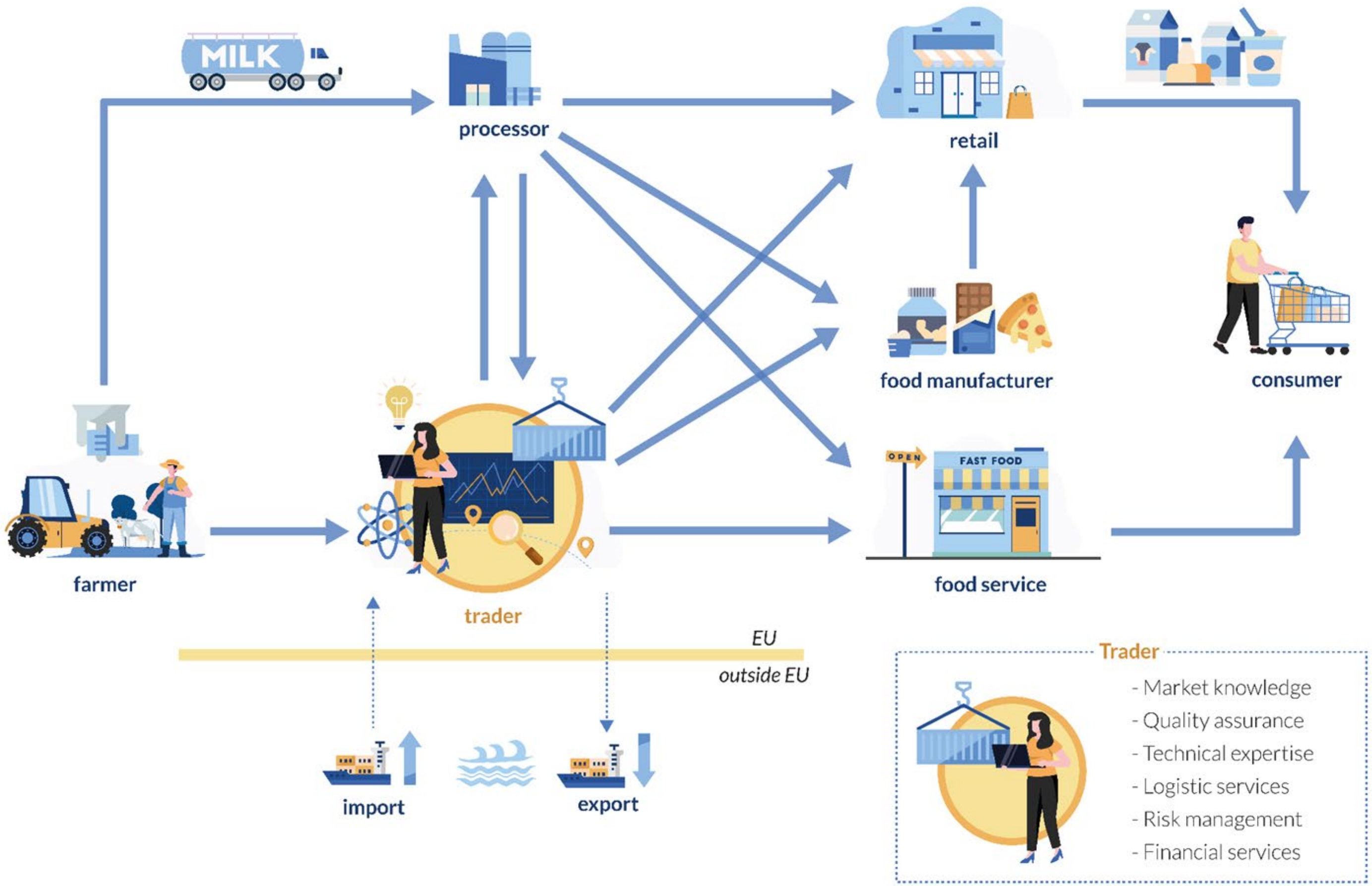
20%

Of EU milk is exported as various dairy products

2%

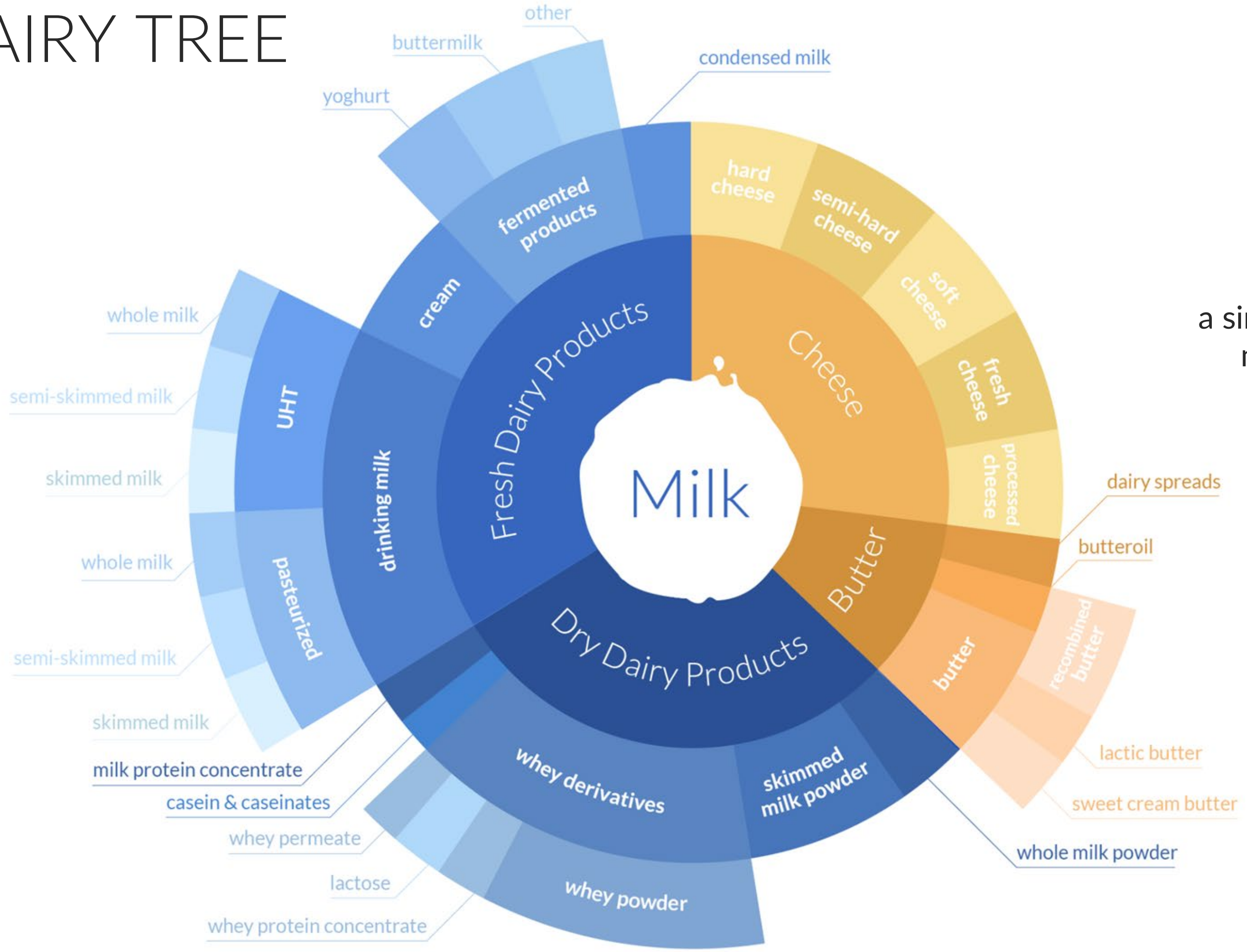
The average global import demand growth per year

ROLE OF **TRADE** IN THE DAIRY SUPPLY CHAIN



THE DAIRY TREE

The number and variety of dairy products and ingredients is simply stunning. This tree gives a simplified overview of the main product categories.



POLICY AREAS

EU policy must support the sustainability and competitiveness of the EU dairy sector. We strive for an environment in which trade can flourish, both within the European internal market and globally. This requires an agricultural and food policy which is market-oriented and based on sound science, a thriving EU single market and openness towards the rest of the world.

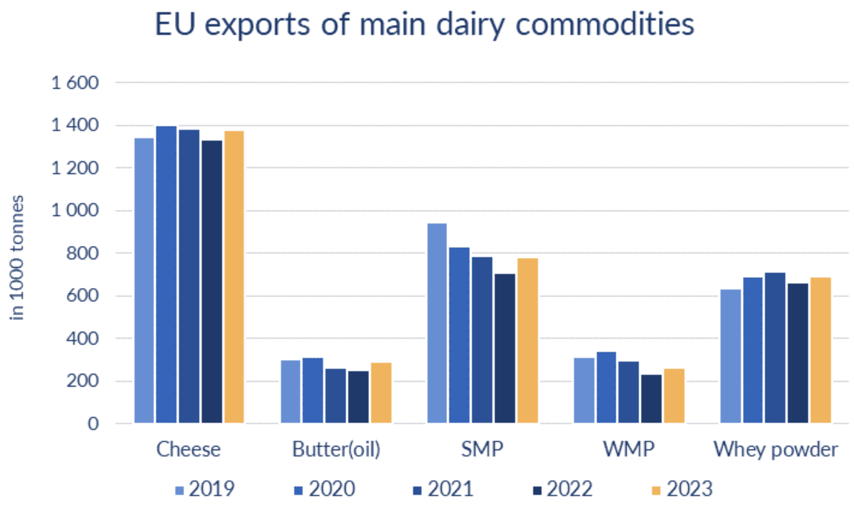
GREEN DEAL

TRADE

AGRICULTURE

FOOD

EU dairy exports – priority markets



EU export destinations in 2023		
Country	Share of EU exports	Δ% 23/22
Total	100%	+6%
UK	13%	-1%
China	11%	-2%
Algeria	6%	+38%
United States	5%	+2%
Indonesia	4%	-17%
Malaysia	4%	+23%
Japan	4%	-5%
Saudi Arabia	3%	+27%
Thailand	3%	+16%
Egypt	3%	+22%
Vietnam	2%	+28%
South Korea	2%	-6%
Switzerland	2%	+1%
ROW	40%	+9%

A significant share of exports are still taking place outside FTAs (China, United States, Middle East, much of South-East Asia).
Where FTAs are in place, they have supported EU dairy exports (UK, North Africa, Japan, Vietnam…)

Source: Trade Data Monitor

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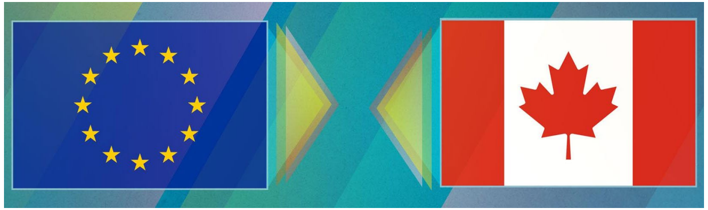
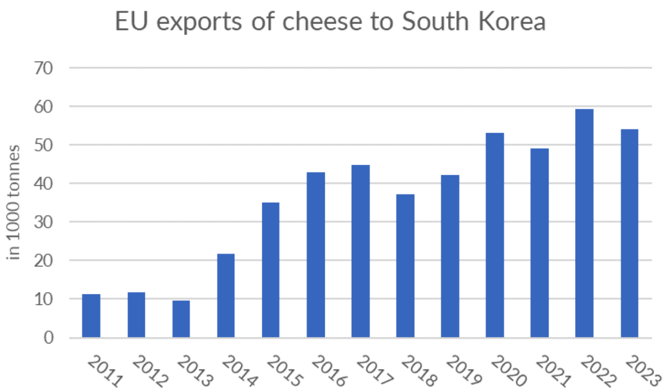
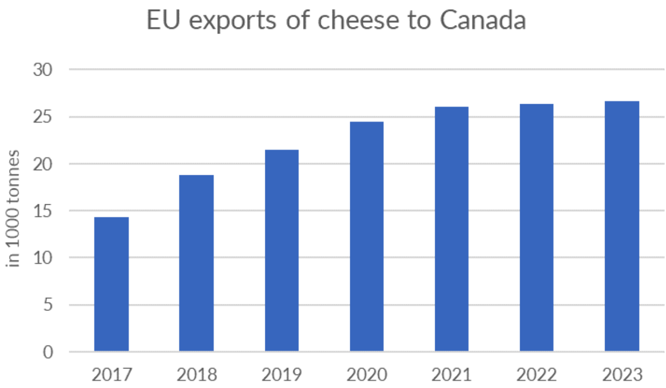
Examples of FTAs that have delivered

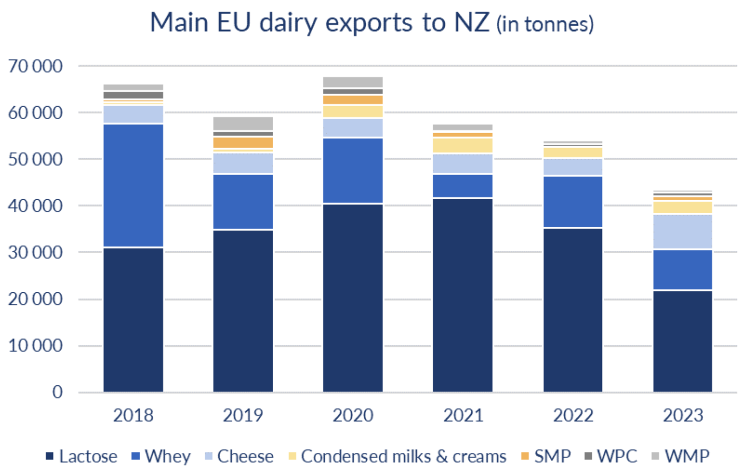


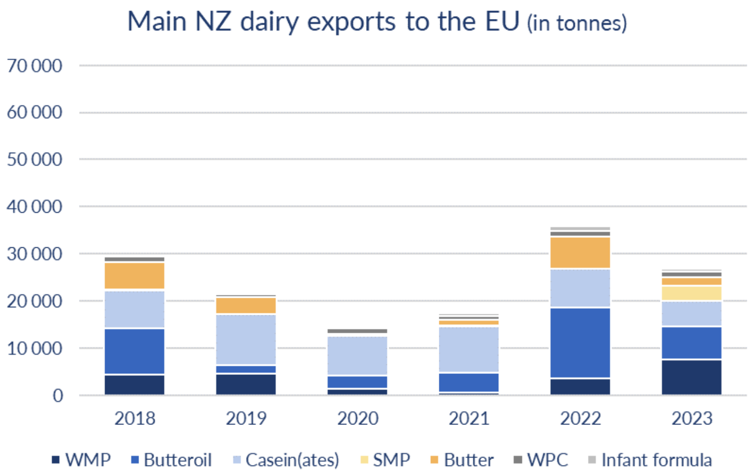




Source: Trade Data Monitor; European Commisison

EU-New Zealand FTA coming! What market impact?





NZ market access to EU constrained by TRQs

Meanwhile in the UK, where the more generous FTA with NZ has been in force since May 2023

UK IMPORTS FROM NZ (in tonnes)			
Product	2021	2022	2023
Casein(ates)	168	169	424
Infant formula	148	213	191
Butteroil	0	0	71
Cheese	0	0	52
Butter	0	176	25
Fermented prod	0	8	8
SMP	0	0	2
Lactose	0	2	0
MPC	0	2	0

Source: Trade Data Monitor

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EU-Chile agreement

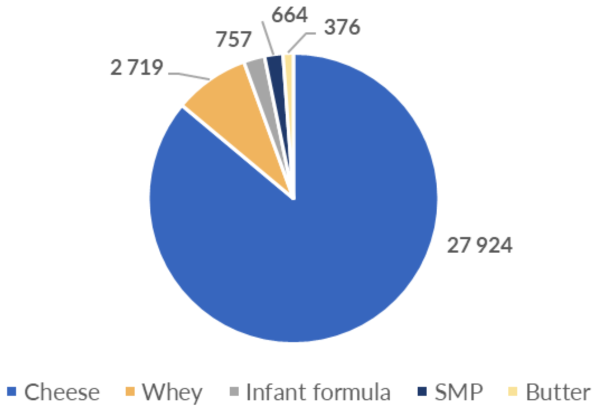
SCRAPPING ALMOST ALL TARIFFS

- 99,9 % of EU exports will enter Chile without duties (all products except sugar)
- Chile will remove tariffs on EU dairy products, including the removal of the quota on EU cheese, and food preparations

- Not a major gamechanger for dairy as tariffs are already low at 6% but elimination will further support our exports

- Agreement of key geopolitical and strategic importance promoting value-based trade and sustainable food systems

Main EU exports to Chile in 2023 (in tonnes)



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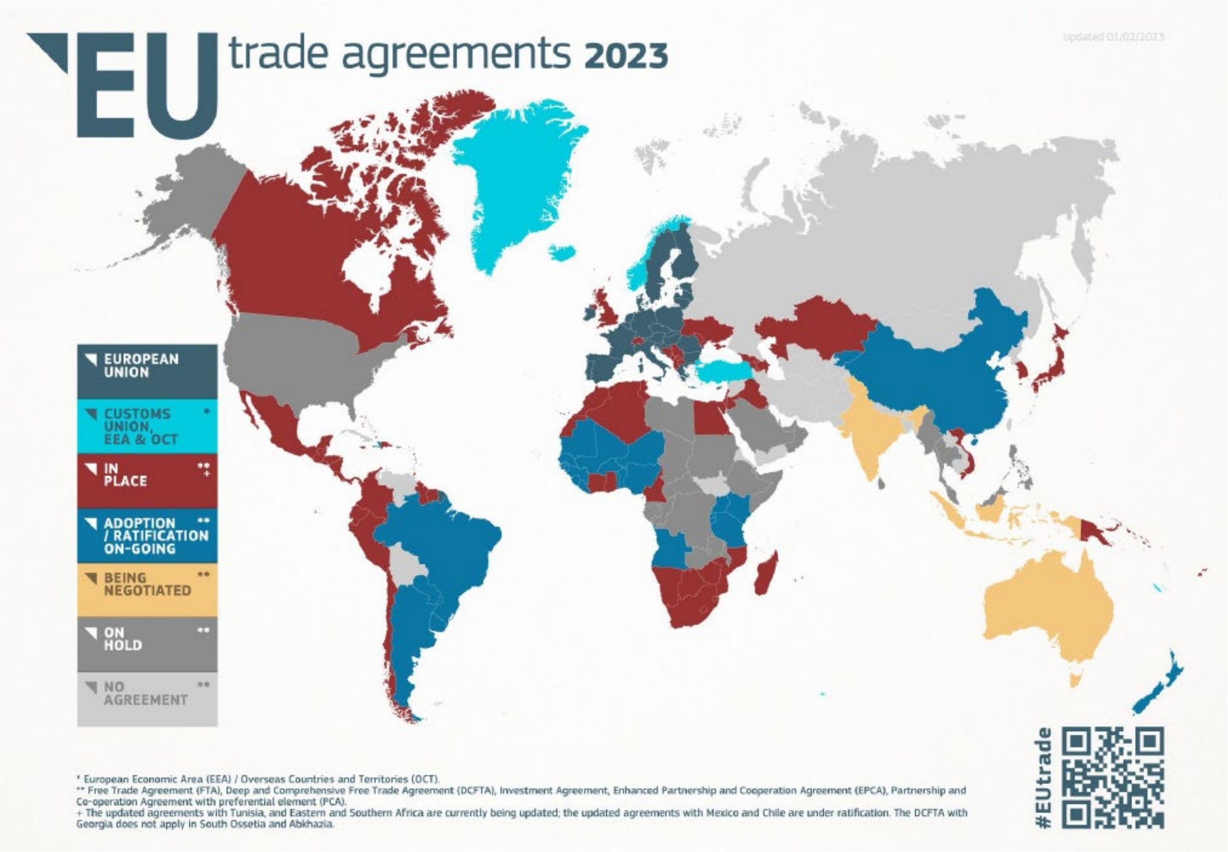
Source: European Commission, Trade Data Monitor

EU trade policy – dairy wishlist



Source: European Commission

Complete FTAs with all **South-East Asian** countries

Finalise **Mexico** and **Australia**

Mercosur would be beneficial for dairy & agreement helpful to reach sustainability objectives

China and **US**? Some political hurdles

EU should enjoy at least a **level playing field** vs other exporters

Market access priorities…depend on the country

- **Eliminate** or reduce **tariffs** (depending on level of protection and market access enjoyed by competing exporters)
- In case of **tariff rate quotas**, the quota **administration method** and **implementation** are important
- Ensure that tariff preferences are not diluted by **technical** and **sanitary barriers** to trade
  - ➢ **Establishment approval** demands
  - ➢ **Export** health **certificates**
  - ➢ **EU single entity** recognition
  - ➢ Product **standards and labelling** issues
  - ➢ **Halal** certification
  - ➢ **Import procedures** and **licencing**
  - ➢ Need compliance with **international standards**!

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Thank You

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