

**STRATEGIC AGENDA OF THE CIVIL DIALOGUE GROUP MILK FOR THE PERIOD  
2015 – 2022  
PRESENTED BY MR JACK BAINES, CHAIRMAN**

**Introduction**

The EU dairy sector (milk production, milk processing and dairy trade) is the economic backbone of agricultural and rural Europe, numbering about 750 000 dairy farmers and more than 12.000 milk processing sites across the European Union. It is the number one EU agricultural sector, accounting for approximately 15% of its output in terms of value and adding more than 10 billion € to the EU's trade balance. Maintaining and reinforcing the sustainable profitability of the European dairy sector and its importance for the European economy, Food Supply Chain, distribution to consumers and for the European society as a whole should be at the heart of the work of the Civil Dialogue Group (CDG).

The EU dairy sector has gradually become more market oriented through successive reforms reducing market support. This has resulted in greater exposure to global price developments but also in a stronger dairy sector able to capitalise on growing demand worldwide. To be able to cope with market disturbances, a "safety net" consisting mainly of public intervention and private storage has been maintained. In addition, exceptional market measures can be triggered in case of severe market crises. The path towards market orientation has been completed with the abolition of the milk quotas on April 1<sup>st</sup> 2015. In this new situation, the EU Commission has become more of an "active market observer" and the importance of market management measures for the sector has decreased. It is therefore crucial that the group follows a holistic approach by maintaining a constant dialogue on all matters related to milk and dairy products which are relevant for our sector.

**General remarks on the set-up and functioning of the group**

The mission and purpose of the Civil Dialogue Group (CDG) Milk is to exchange with and advise the Commission on any policies affecting the EU dairy chain, the overall goal being to foster the long term competitiveness of our sector while addressing future challenges.

In order to be able to deliver in its role of an advisory body, it is vital that a continuous dialogue between all dairy stakeholders and with the EU Commission takes place. This dialogue should not be limited to the bi-annual meetings of the group.

For the efficiency of the group, it is important that all documents to be discussed at the meetings (e.g. market presentations, reports or legal proposals) are circulated to the group prior to the meeting, even if only shortly in advance. This will allow reducing the time needed for presentations and ensure that a more meaningful discussion can take place. Presentations on relevant topics may also be given by any of the member organisations.

## **Relevant policies and topics to be discussed over the period 2015-2022**

This is a non-exhaustive list of EU policies and issues relevant for the dairy sector. Any item should only be included on the agenda of a CDG meeting if new developments have taken place since the previous meeting.

### ✓ **Market intelligence**

- EU and global market information (production, consumption, prices, cost of production, export/import, stocks): ensuring a good overview of what is happening on the dairy market is a necessary basis for the dialogue.
- Market outlook (Commission and other studies, reporting from the MMO): it is important for stakeholders to have a good grasp of the short and longer term perspectives for the European dairy sector.
- Market transparency: improvements to the quality and timeliness of market data
- Risk management tools (market derivatives and others): reflections on how to promote/increase their use
- Milk and dairy products consumption, trends and consumer demands and necessities

### ✓ **Common Agricultural Policy**

- Market management measures under the Single CMO (mainly public intervention and private storage): when should they be activated (reference prices) and what are the operational modalities?
- Trade mechanisms review (TRQs, licences, refunds)
- Direct payments
- Rural Development
- Milk package follow up
- CAP post 2020 (next CAP reform)
- Protection of dairy terms in the Single CMO regulation against imitations and labelling issues
- School milk: increasing milk (and dairy product) consumption among children
- Promotion policy: strategies to increase consumption of EU dairy products in the EU and in third countries
- Organic policy: growth of the organic market for dairy
- Quality policy: geographical indications (in particular PDO/PGI cheeses), traditional specialties guaranteed and optional quality terms

### ✓ **External Trade**

- Update and discussion on trade negotiations: improving market access in third countries has a central role in the EU's dairy policy as the EU already exports more than 12% of its milk solids and this share is set to increase.
- Monitoring of existing agreements (e.g. with South Korea or Canada) to ensure that concessions have resulted in improved market access in practice

- Agreements between third countries affecting EU competitiveness and consequences for EU trade policy
- Technical, sanitary and other barriers in third countries affecting the export of EU dairy products

✓ **Food Law**

- Implementation of the Food Information Regulation: labelling of trans fatty acids, nutrition labelling, allergen labelling, 'use by' vs 'best before' dates etc.
- Origin labelling: rules on voluntary origin labelling and follow up of the report on mandatory origin labelling for milk and milk used as an ingredient
- Revision of the official controls regulation: impact on dairy sector
- Revision of EU food hygiene rules
- REFIT: EU food law fitness check
- Implementation of the legislation concerning animal by-products
- Legislation concerning raw milk dairy products

✓ **Environmental issues**

- Product environmental footprint (PEF) and future developments
- Food waste/wastage
- Clean air policy package/National emission ceilings

✓ **Welfare of dairy cows in the EU**

✓ **Social sustainability: policies to attract young professionals to the dairy sector**

✓ **Functioning of the dairy supply chain (High Level Forum): working for closer collaboration and addressing any unfair practices**

✓ **Future structure of the dairy sector, including the specific role of dairy cooperatives**

✓ **Research and innovation: benefits of the European Innovation Partnerships for the dairy sector**

✓ **Policy coherence (notably between agricultural, food and environmental policies)**