

# Dairy Flash

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## The latest news from the world of dairy

### The UK dairy sector is an integrate part of the European dairy chain

Last week's DairyUK annual dinner was an ideal occasion for **Food and Farming Minister George Eustice MP**, a pro-Brexit campaigner, to exchange with the UK dairy sector on his vision of the future development: *"We need to provide reassurance that the UK is an outward-looking country engaged around the world and that we will maintain very close partnerships with our European neighbours. We will replace our membership of the single market with a free trade agreement"*, acknowledged George Eustice. He stressed that nothing would change before the exit negotiations were concluded. *"On farm policy, this will give a new Prime Minister and a new Government the opportunity to start with a clean sheet, rather than trying to reform the CAP we've got"*, he added.

On the market analysis, **DairyUK chair Dr David Dobbin** stated: *"Over the years, this industry has benefitted from EU funding for the promotion of agricultural products. If we*

*are no longer going to be a member of the EU, we will lose significant funding for promotion and I hope the promises we heard tonight and those we heard during the campaign are honoured"*. The table discussions clearly showed the overall approach of the UK dairy sector, *"The UK dairy sector is an integrate part of our European dairy chain and we must do our utmost to continue our dairy business under single market conditions or as close as possible to these conditions"*, as one CEO of a UK dairy company puts it.

### Dairy and Europe's regions



Secretary general of the Committee of Regions Dr Jiří Buriánek and EDA secretary general A. Anton

EDA highlighted the vital role of the dairy sector, especially in the rural regions of the

Editor:  
Léa Vitali

[www.euromilk.org/eda](http://www.euromilk.org/eda)

Avenue d'Auderghem  
22-28  
1040 Brussels  
Belgium

+32 2 549 50 40  
[eda@euromilk.org](mailto:eda@euromilk.org)  
[@EDA\\_Dairy](https://twitter.com/EDA_Dairy)



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Union, in a meeting with the secretary general of the [Committee of Regions \(CoR\)](#) <sup>i</sup>, **Dr Jiří Buriánek**. "Dairy is the most important agri-food sector in the Union, present in all Member States and basically all 350 regions across Europe. For rural Europe, dairy is the economic backbone and the industrial basis", underlined **EDA secretary general Alexander Anton**.

## EU Council in Brussels and Agricultural Council in Luxembourg

Despite the absence of the UK Food and Farming Minister George Eustice, the agricultural Council in Luxembourg was clearly shaped by the Brexit decision of the UK people. The agenda of the last AGRI Council under the Dutch EU Presidency had to be shortened to allow **EU Commissioner Phil Hogan** to join the extraordinary college meeting of the 27 EU Commissioners. The [AGRI Council conclusions](#) <sup>i</sup> hinted to a proposal for offering incentives for implementing the so-called 222 measures for the next AGRI Council on 17 July, while the [conclusions of the EU Council of the heads of states and governments](#) <sup>i</sup> go far less in this direction.

EDA met informally with a few agriculture ministers in Luxembourg and gained the impression that signs for a turn in the dairy markets are broadly acknowledged. "Is it really a good idea to go back to market management measures on the July Council, when we see that markets are starting to recover?", one minister asked.

## 'Enjoy, it's from Europe' - EDA chair Michel Nalet meets with DG AGRI

"When meeting with high level civil servants of DG AGRI, we wanted to share our analysis of world regions where the future missions in the framework of the 'diplomatic offensive' of EU Commissioner Phil Hogan should focus on from a dairy perspective", stated **EDA chair Michel Nalet** after the meetings. "But, of course, we also exchanged on the market developments and the potential follow-up of the Luxembourg Agricultural Council and the EU Council of last week".

"We requested a significant increase in the budget for dairy promotion schemes to allow as many projects as possible to be implemented. This is – in our view – absolutely aligned with the conclusions of both Council meetings of last week", concluded Michel Nalet.

## French decree on mandatory origin labelling: the EU Commission fails to defend the single market

The EU Commission has officially authorised the French Government to introduce mandatory origin labelling for milk and dairy products for a two-year trial period. Other countries, like Italy, are following the French example by notifying their own mandatory origin labelling decree to the Commission. In a European perspective, the Commission decision has raised many concerns for several different actors from institutions to stakeholders.

[EDA strongly emphasises our position](#) <sup>i</sup> against national protectionist measures like the mandatory origin labelling decrees, stressing that national mandatory legislation on food origin would be the end of the European single market.

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## MMO: lower EU milk output by the end of 2016

The MMO Economic Board met for the 16<sup>th</sup> time on 28 June. Amongst the many information that were shared, two deserve being highlighted: the expectation of a lower European milk output in the 2<sup>nd</sup> half of the year, leading to a 1.4% increase for 2016 and data comparing the number of milk producers and the milk price: the conclusion is that there is no correlation between milk price and the number of dairy farms. Indeed, despite the high milk price levels of 2013/2014, the number of milk producers continued to decrease during that period. The concluding remark was that recovering is coming closer but would still need time and that most will depend on supply development.

Link to [MMO website](#)

## European Parliament's survey reveals people's priorities for the EU regarding a large range of policy areas

In a context where the budgetary resources devoted to the CAP have been reduced since its last reform in 2013, a [Eurobarometer carried out by the EP in April 2016](#) showed that half of the people surveyed in the European Union would like stronger EU intervention than at present regarding agriculture. This feeling seems to be mostly present in Eastern and Southern EU countries. The 2017 mid-term review will be the opportunity to evaluate a range of policy implementation issues in preparation of the post 2020 CAP.

## Slovak Republic in the EU Presidency seat

For the next six months, **Bratislava** will be the second capital of Europe with the Slovak Republic taking on the EU Presidency.

We are very grateful to the minister of agriculture of the Slovak Republic, **Mrs Gabriela Matečná** for her support in the EDA Dairy Focus on the Slovak EU Presidency, [where minister Matečná elaborates her priorities for the agri-food sector](#) .



### July

- **Wed 6:** EU-African Union High Level Ministerial Roundtable on "Investing in a Food Secure Future" | Noordwijk (NL)
- **Mon 11 – Tues 12:** Informal meeting of environment ministers | Bratislava (SK)
- **Mon 11 – Fri 15:** Round 14 of TTIP talks | Brussels
- **Wed 13 – Thu 14:** EP COM AGRI | Brussels
- **Mon 18:** Agriculture Council | Brussels
- **Tue 19:** EDA Board to meet with EU Commissioner Phil Hogan | Brussels
- **Tue 19:** Exceptional EP COM AGRI meeting on Agriculture Council outcome (TBC) | Brussels
- **Thu 21:** Belgium National Day

