

EU-New Zealand FTA: EU dairy to pay a high price

After five years of negotiations, the EU–New Zealand Free Trade Agreement was signed yesterday – the last day of the French EU Presidency – and announced as a landmark by New Zealand Prime Minister Jacinda Ardern and EU Commission President Ursula von der Leyen. As both executives stated, the world has changed since the process started back in 2017.

After this political agreement, it is now up to the negotiation teams to finalize the legal scrubbing, although the key elements are set. Now, the EU Parliament and member states (European Council) are called to decide whether to approve the deal.

From the dairy perspective, this trade agreement increases the pressure on our European dairy sector within the EU Single Market in a time when the EU 'lactosphere', farmers and their dairies are investing heavily into their environmental sustainability strategies. Furthermore, the deal is signed between two structurally different dairy regions: while 85% of New Zealand's milk is processed by one single dairy, the European dairy sector is rather characterized by small, regional dairies.

What we expect now from the European Commission is to assure that at least the management of the import tariff rate quotas (TRQs) will be established in a way that doesn't further play to the advantage of New Zealand's dairy.

The negotiation partners have not yet released a full version of the trade deal, but you can read [here](#) our full press release with further insights into what's in for dairy so far.

"The EU dairy sector will do its utmost to continue being resilient and competitive, and we will now have to prepare for the new tougher market conditions," said EDA President **Giuseppe Ambrosi**.



European Dairy Association
@EDA_Dairy



Today's signature of the EU - New Zealand #FTA is announced as a landmark after 5 years of negotiations.

However, we regret to see EU dairy paying a high price.

Read our statement on what's in for EU dairy bit.ly/3uefwxn

[EU - New Zealand Free Trade Agreement](#)

The EU dairy sector will do its utmost to continue being resilient and competitive. We will now have to prepare for the new tougher market conditions.

Giuseppe Ambrosi
EDA President



You did it!

New Zealand Prime Minister **Jacinda Ardern** expressed her hope to reach the EU-New Zealand Free Trade Agreement within her term in office when she met EDA Secretary General Alexander Anton in Brussels on 24 January 2019. You did it, Jacinda!



New Zealand Prime Minister Jacinda Ardern and EDA Secretary General Alexander Anton on 24 January 2019.



Fonterra, NZX and EEX confirm GDT strategic partnership

Fonterra confirmed this week the finalisation of the strategic partnership with New Zealand's Exchange (NZX) and the European Energy Exchange (EEX) to each take ownership stakes in Global Dairy Trade (GDT) alongside the Co-op.

After the approval of Boards, Fonterra, NZX and EEX each hold an equal one-third (33.33%) shareholding in the global dairy auction platform GDT as of 30 June 2022.

The confirmation of the strategic partnership is an important milestone for Fonterra and global dairy participants, as expressed by CFO **Marc Rivers**. "The move to a broader ownership structure marks the next step in the evolution of GDT – giving it a presence in prominent international dairy producing regions," he stated.

"With his dairy passion and excellence **Sascha Siegel**, the 'milk man' of EEX Leipzig, has succeeded to make the EEX dairy futures the acknowledged reference – this new global partnership, brings his dairy futures on a new level", congratulated EDA secretary general Alexander Anton.

Czech EU Presidency kicks off: EU dairy ready to cooperate

Today 1st of July marks the first day of the Czech EU Presidency, with the Czech Republic taking over the EU realm from France, which held the presidency since January.

Read [here](#) our new Dairy Focus on the Czech Republic!



Dairy Focus

Czech EU Presidency



EU Commission sets up 'Advisory Group on Sustainability of Food Systems'

Within the EU Green Deal / Farm to Fork induced process, the EU Commission plans to establish a legislative framework for sustainable food systems with the ambitious aim of setting common definitions (like 'sustainable food system' or "sustainable diets") and defining general objectives to be pursued vis-à-vis sustainability of the food system in all future Union and national laws.

"The EU Commission states that such a legal framework is necessary to ensure the progressive "paradigm shift" to a sustainable food system. This initiative has the potential to impact the EU food and dairy sector to the same extent than the General Food Law back in 2002. That's why I nominated our EDA Secretary General Alexander Anton and I am happy that he's been appointed a member of this advisory group on sustainability of food systems to promote our dairy sustainability approach," stated EDA President **Giuseppe Ambrosi**.

Your favourite dairy product?

"Any European Dairy product, as long as its price was hedged"



Sascha Siegel

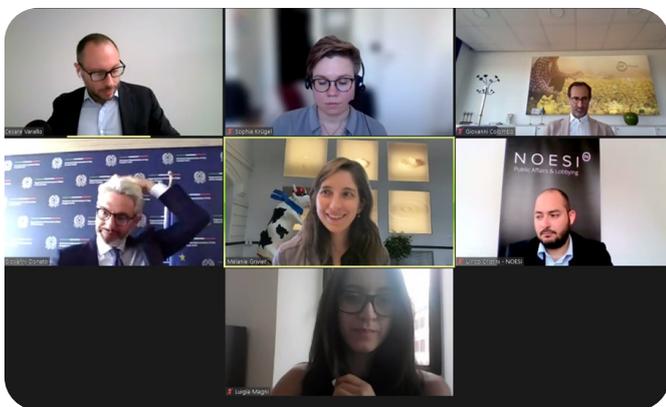
Head of Agricultural Commodities
European Energy Exchange AG

“Nutri or Score?”: the risk of misleading consumers

This week, EDA – represented by **Mélanie Grivier** from our EDA French member ATLA, the Chair of our EDA Positive Nutrition Labelling Front-of-Pack Task Force – had the pleasure to participate in a private stakeholder webinar on ‘Food Labelling: Between Facilitating Choices and Misleading Consumers’.

This webinar allowed for a common approach to identify the risks related to certain Front-of-Pack schemes currently in place, such as Nutri-Score. As EDA, we continue our fight for the right of consumers to be correctly informed about the nutritional properties of the foods consumed in their daily lives, allowing them to truly improve the nutritional quality of their diet. In doing so, we reiterated our position against a mandatory Front-of-Pack labelling scheme, and against schemes based on algorithms such as Nutri-Score, that are misleading consumers.

EDA insisted on the importance of a harmonised voluntary scheme that is in line with dietary recommendations and based on sound scientific evidence. Following the exchange of various points of view of the panellists, the discussions pointed out the disadvantages of the Nutri-Score system and the need for a more appropriate approach to ensure that consumers can make informed choices towards a healthy and balanced diet.



Mélanie Grivier (ATLA) in the centre of the debate.

Revision of the Industrial Emissions Directive: EDA contributes to the public consultation

Last week EDA contributed to the EU Commission’s consultation on the revision of the Industrial Emissions Directive (IED), the piece of legislation that regulates the environmental impacts of large-scale industrial installations.

The revision aims at, amongst others, extending the scope of the Directive to cover additional industrial and farming activities and setting new emissions level based on the lowest possible threshold of a value range of best practices around Europe.

This latter approach puts into question the diversity of realities we have in the European sector: different sizes, climatic, historic and regional infrastructures and conditions cannot all perform to the best value of one example. We would wish the previously accepted approach of covering the realities on the ground to be further respected in the limit values of the wide range of emissions covered in this directive (as water, dust, odour, etc).

Although the dairy sector is willing to continue improving its environmental performance, we highlighted to the EU Commission our concerns in extending the scope of the Directive to cattle farming and in the setting of lower mandatory emissions value at national level. Such measures have the potential to increase the administrative burden and costs for farmers and authorities significantly, leading to negative impacts on growth, on farm investment and farm succession. It is our recommendation that the Commission primarily should focus on fine tuning the existing legislation and improve it and its compliance rather than extending it and include new categories. It is our view that there is a lack of proportionality between the administrative cost and the size of return of investment on dairy farms now facing inclusion in IED.