

#10 / 2020

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The latest news about the world of dairy

U Commissioner for Trade Phil Hogan: the global candidate for WTO

In the light of the unprecedented global challenges, a trusted and rules-based system for multilateral trade is a must for the future development of this world. Over the past years, the World Trade Organization (WTO) failed to deliver for various reasons.

It will need a personality with a global experience, outstanding diplomatic skills and a proven record of getting things done, in order to fix WTO. With his unrivalled global profile, the huge credentials he built up over the past years all around the world and with his energy and passion, Phil Hogan is the global personality for that job.



Phil Hogan with African Union Commissioner for Rural Economy and Agriculture, H.E. Josefa Leonel Correia Sacko at the AU-EU summit in Rome (June 2019)



European Dairy Association



MEP Martin Hlaváček, initiator of Renew Europe agrifood stakeholder exchanges with MEP Ulrike Müller, exchanged with Alexander Anton, for our first 'live' post covid meeting: "MEP Hlaváček has a deep understanding of EU agriculture & our challenges ahead". Děkuji za váš čas a odhodlání!



EDA and EWPA welcome China's green light to EU dairy permeate powder imports

EDA and EWPA welcome the Chinese publication of an official safety and quality standard for the use of permeate powders in food processing. The new standard, which came into effect on 15th May, will allow for the import of EU dairy permeate powder for food requirements. The EDA secretariat thanks all our members and all competent authorities in China and the EU, that have contributed to this success!



EDA Cheese Buffet postponed to Autumn! more info to come...



Leadership hand-over in the European Whey Processors Association (EWPA)



After 25 dedicated and successful years at the service in and for the European 'lactopshère', EDA deputy secretary general and EWPA secretary general, **Bénédicte Masure** retired on 31st May and handed over the leadership of the association to **Alexander Anton**, who has been heading the EDA for the past seven years.

"The whey sector has changed profoundly over the past years and Bénédicte was for sure one of the drivers of this change. Bénédicte leaves a huge footprint behind her: the whole dairy industry association landscape mirrors today her attitude and performance. Not least the significant increase of the membership and the numerous projects carried over by the association reflect her elan and energy. Bénédicte has built up incredible credentials of trust with our members, within the team and in the Brussels agri-food scene. It is a real challenge to succeed her in the EWPA leadership role and to keep the strong momentum that Bénédicte created – and here the whole 'euromilk' (EDA & EWPA) team is fully committed", summed up Alexander Anton.



Germany Presidency Program

As of 1st July 2020, Germany will be holding the rotating presidency of the EU Council, before it passes to Portugal and Slovenia in 2021. In accordance with the custom, the trio prepared in advance a joint programme. The EU German presidency is expected to conduct the negotiations of the 2021-2027 budget, combat the pandemic (impact), and ensure the 'EU green recovery'. Regarding the agricultural sector, the promotion of a sustainable and circular agriculture, quaranteeing food supply and the integrity of food supply chains in times of crisis, is part of the upcoming presidencies' program. Free trade is a main priority of the German presidency. Trade relations of the EU with the US will be one of the major focuses of the trio, as well as the negotiations with Indonesia, Australia, New Zealand, Mexico, and India, among others.

We are now in the process of writing our EDA Dairy Focus 07/2020, and are looking forward to sharing it with you all upon the launch of the incoming German EU Presidency!

BREXIT: the consumer will pay the price of failure

The publication of the UK's new MFN tariff regime, the UK Global Tariff (UKGT), and historical trade data show that it will be the UK consumer that would have to pay the price for the lack of progress in the ongoing negotiations on the EU-UK future relationship.

A first analysis of trade data from 2019 shows that the cost of tariffs levied only on dairy products could easily exceed €1,2 billion. The EU27 exported in 2019 over 500,000 tonnes of cheese to the UK and only these cheese exports would be, under the new UKGT regime, subject to over €800 million of import tariffs.



This amount will, in the end, have to be borne by the UK consumer as the country is not self-sufficient in its dairy production and as there is no real alternative for the imported products on the world market.

EDA and Dairy UK have worked tirelessly for the last years on a constructive framework that should cover our shared European 'lactosphère' after the withdrawal of the United Kingdom from the European Union. Our joint proposals including solutions to minimize trade frictions, recognising existing alignment in food law, robust rules of origin and the maintenance of all existing dairy GI protection, have been shared with all relevant services in the European Commission and the UK government. We are confident that they will be taken into account during the ongoing negotiations.

It is vital that the European dairy sector goes on working on a free trade basis in milk and dairy products for both the United Kingdom and the European Union, as the UK dairy sector is an interlinked part of our EU dairy chain.

Farm to Fork: "Green Deal remains essential, but our economic future is at stake"

Karl Falkenberg, former Director General DG ENVI and the author of the official 2016 EU vision for sustainability 'Sustainability Now!', co-signed a letter to EU Commission President Ursula von der Leyen, stating: "What is the point of new climate policies without industry or with entire sectors of our industry weakened?"

"The European Dairy industry supports the environmental ambitions of the European Green Deal. However, as Karl Falkenberg rightly points out, we have to keep a balance between environmental, social and economic sustainability. It is a huge disappointment to see that the Farm-to-Fork strategy

is misused as a vehicle to carry anti-Single Market and hence anti-European messages, like the national origin labelling scheme. This undermines the overall acceptance of the Green Deal," commented our EDA chair Michel Nalet.



Karl Falkenberg, former Director General DG ENVI at our EDA Board meeting in April 2016 with EDA chair Michel Nalet

The French approach to the EU Single Market?

In their official joint statement of 9th April 2020, German Agriculture Minister Julia Klöckner and French Minister Didier Guillaume "stressed the need to ensure a well-functioning European internal market".



It hence came to a surprise in last week's European Court of Justice (ECJ) hearing on the French mandatory origin labelling for milk (case C-485/18), that the French government insisted on claiming the legality of the French labelling scheme.



The Court highlighted the fact that such national rules require a link between the origin and the quality that is based on objective criteria.

The questions of the Court to the representatives of the French Republic focussed on the issue of a "proven link between certain qualities of the food and its origin or provenance", as article 39 of Regulation 1169/2011 puts is.

The French government insisted in their (sole) argument that consists in claiming that the (proven) consumer wish and 'interest to know' is an objective element.

This argument did not seem to resonate with the four judges nor with the Irish Avocat General, the Hon. Mr. Justice Gerard Hogan from County Tipperary (IE), who expressed his view on this question in his opinion in another court case (C-363/18), where he stated: "it is not sufficient that the country of origin (...) has, as such, a certain importance in the consumers' decision. On the contrary, the country of origin (...) must have a tangible impact in respect of the product itself and, in particular, the quality of the food in question".

The representative of the European Commission clearly stated: "there is no difference between for example French or German milk; any difference of milk is only linked to the farming systems and conditions".

"It is about time that the official French commitments to the EU Single Market are translated into reality. I really think it is not adequate to issue high level political statements and then undermine these statements in reality. What can be more anti-Single Market than mandatory national origin labelling? You can't have it both ways, or as we say en France: on ne peut pas avoir le beurre et l'argent du beurre!", commented EDA secretary general Alexander Anton.



New EU Circular Economy Action Plan

► EDA welcomes the publication of the new EU Circular Economy Action Plan (CEAP) and is ready to further contribute to a cleaner and more competitive Europe.

EDA has long been taking the path towards a more circular economy, with our members being engaged for years in improving the overall sustainability and resource efficiency of the dairy sector. We are active in a wide field of topics to continuously improve our circular performance and we work with other sectors on issues such as packaging and recycling, as well as on by-products valorisation and water re-use.

The coming years will see us increasingly committed to contribute to the achievement of the objectives of the new CEAP thanks to our efforts and constructive approach, while continuing to provide nutritious, safe, and affordable products to the European and world citizens.

Ongoing review of the Packaging and Packaging Waste Directive

EDA fully supports the EU Commission's efforts to review the Essential Requirements in the Packaging and Packaging Waste Directive (PPWD), to make all packaging designed to be reusable and recyclable in a cost efficient way, by 2030.



We welcome this European framework facilitating investments in line with the objectives of the new Green Deal and Circular Economy Action Plan.

The dairy industry is already involved in various initiatives to further streamline the environmental impact of its packaging and strives to also find improved solutions for collection and recycling, whilst ensuring the safety and quality of it products as a non-negotiable baseline. Thus, we are enthusiastic about the opportunity to provide our input to the PPWD review in the framework of the stakeholder consultation process carried out by the EU Commission's study contractor Eunomia, which already started in May and will continue throughout 2020.

World Dairy Innovation Awards 2020

Kinga Adamaszwili, our EDA Senior Nutrition, Health & Food Law Officer, was in the judging panel of the World Dairy Innovation Awards 2020. The World Dairy Innovation Awards, in association with Zenith Global, are a celebration of innovation and excellence across every category of the international dairy industry. Now in their 14th year, these awards are a fantastic way to enhance the promotion of dairy brands and to ensure it gains global recognition.



New colleague at EDA!

Last week, we had the pleasure to welcome Iñigo Lizarraga Torrano, our new Spanish colleague! Iñigo graduated in economics at the University of Navarre (Spain) and holds a Master's degree in Corporate Communication. Iñigo started his Brussels' career in the cabinet of the Navarre Brussels' representation and he worked as a European Economic & Financial Affairs Adviser in the Brussels' office of the Spanish Confederation of Employers and Industries.

Iñigo is now Policy Officer in the EDA Trade & Economics Department. Of course, he did not forget to share with us what's his favourite dairy product:

"I love Idiazabal cheese: a traditional, farmhouse, hard cheese made from raw milk of Latxa or Carranza sheep in some regions of Northern Spain - Navarre and the Basque Country."



European Commission seeks feedback on promotion policy for agrifood products

Part of an overall evaluation of the policy, the consultation aims to gather feedback from citizens and stakeholders on the effectiveness and efficiency, as well as relevance, coherence and EU added value of the policy.

► Contribute by 11 September 2020.