



Presentation TTIP Stakeholder event February 4th

1. REPEAT EUCOLAIT POSITION:

- a. Strong support for TTIP conclusion, aiming for as through an agreement as possible
- b. Fully liberalised dairy market with rapid elimination of tariffs
- c. Strong SPS and TBT chapters with workable provisions for equivalence which will lead to increased movement of goods in both directions.

2. EXPORTS AND THE ACHIEVEMENTS OF TRADERS

Since the Russia embargo, the US is now the number 1 dairy export market for the EU, valued at approximately €1 billion.

Cheese exports from the EU to the US alone are valued at over €717 million. This comes at a time when cheese consumption in the US is increasing by 1% on a year on year basis.

In the aftermath of the Russian ban on EU agricultural exports which entered into force last August, traders have worked tirelessly to export to alternative markets and have therefore helped to balance the EU dairy market. Traders have increased exports of EU dairy products to a variety of alternative destinations, with the greatest increases in value seen in exports to the US, and overall value on total EU dairy exports is almost €1 billion more in 2014.



Any initiative by the Commission to support trade and to secure greater market access for EU dairy products needs to be fully supported in the current climate. The EU has proven that it is competitive globally without the need for trade distorting supports and there is no need for a defensive position.

3. PAVING THE WAY FOR EXPORTS FROM THE US TO THE EU

- i. Having a bigger supply pool is interesting, as it allows for increased efficiency in the market (two major dairy suppliers who are in a position to compete with one another)
- ii. Benefits for both sides, in the form of reciprocal balancing of trade – transatlantic filling of deficits and addressing surpluses, in particular for commodity products. Addressing price volatility issues.
- iii. Huge gaps between US and EU commodity prices on occasion – On/off trade expected between the EU and US

4. SPS and TBT barriers need to be eliminated

- i. Grade A pasteurised milk ordinance is overly prescriptive and burdensome for foreign companies to comply with its requirements.
- ii. Programme to recognise system(s) as being equivalent to the Grade A requirements is an encouraging sign in the context of the ongoing negotiations



- iii. Any move towards mutual recognition of systems in the EU and the US is encouraging. The outcome of these audits in Ireland, the Netherlands and France
- iv. Still uncertain as to the exact effect the Food Safety Modernisation Act will have in terms of trade and the need for compliance
- v. We hope to see texts for regulatory coherence, SPS and TB emerging from talks soon.

5. CONCLUSIONS

As stated, every effort must be made to support trade at a time where access to a major market in Russia has been cut.

A full liberalisation is not expected to cause great shocks in the current EU-US trade flows and therefore do not justify long transition periods for tariff reduction.

Benefits of a fully liberalised EU-US dairy market will be gradual and should not be jeopardized by regulatory hurdles.