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Press release

EUCOLAIT WELCOMES ANNOUNCEMENT OF CAP REFORM DEAL

European Institutions agreed on Friday on a new, more sustainable CAP which remains market oriented. The conclusion of the negotiations on the future agricultural policy provides some certainty to operators in a context of multiple policy changes emerging from the Green Deal and the Farm to Fork Strategy. The most difficult aspects of the discussions related to the linkage of the CAP to the Green Deal objectives and the degree of environmental ambition.

From the perspective of dairy trade, it was of utmost importance that the EU would not backtrack on the market orientation of the CAP. We are therefore pleased to see that proposals which would have completely reversed the progress made in the last 20 years, such as raising the intervention prices or the reintroduction of mandatory supply limitations, do not appear in the final text of the common market organisation (CMO) regulation. Changes to the CMO are thankfully quite minimal and the protection of dairy terms against misuse remains guaranteed. We also welcome the fact that issues pertaining primarily to food law and trade policy were not regulated as part of the package. The application of EU health and environmental standards to imported agricultural products is subject to a joint statement on external trade which will certainly influence future policy initiatives in this field.

Further analysis will be required to assess the broader implications of all the policy changes. At this stage, we hope the package will be adopted without challenges and that focus can now shift towards implementation.

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