

Dairy Trade – Indispensable for Food Security

Press release

Food security has been a core objective of the Common Agricultural Policy since its foundation sixty years ago, however questions around the guaranteed availability and the affordability of food are now rightfully being raised more than ever since. Economies and societies grapple with the post-pandemic landscape, the highest inflation in decades and the immediate fall-out of the illegal and unprovoked Russian aggression in Ukraine.

EU DAIRY IS ESSENTIAL

Dairy products are a recognised source of high-quality protein, calcium, potassium, vitamins and many other essential nutrients contributing to dietary health across all age categories. The levels of dairy consumption are inadequate in large parts of the world and the demand keeps growing. While dairy production takes place in virtually every country, contributing to livelihoods of an estimated 1 billion people, local food systems are seldomly able to fully meet the needs and preferences of consumers. As an efficient and dynamic milk producing region, the EU has a duty to contribute to global food security and currently exports around 20% of its milk solids. The enhanced sustainability of the European dairy sector should not go hand in hand with a declining output.

TRADE IS ESSENTIAL

Trade in its most basic essence connects surpluses with deficits and helps countries or regions play to their strengths. A sustainable food system uses scarce natural resources as efficiently and effectively as possible. In the face of the dual challenge of feeding a growing global population and mitigating climate change, we need to produce more, from less and with fewer adverse impacts and in places and climates best adapted for this. As such, there can be no food security without open, ruled-based trade. While trade generates emissions which must be minimised, these pale in comparison to the differences between efficient and inefficient production systems or processing operations.

RESILIENCE IS ESSENTIAL

It is obvious from the ongoing crises that trade, economic gain and reduced prices for consumers should not be pursued at all costs. Trade must be accompanied by considerations of resilience, strategic autonomy and diversified supply chains. Dependence on a small number of markets or suppliers should be avoided. In this vein, the EU should continue to pursue its ambitious trade policy agenda, especially with likeminded partners, and to stand against increasing protectionism and weaponisation of trade worldwide.

Economically and socially, dairy is a lifeline and a steward of rural society. This is another aspect of food system resilience that cannot be discounted. In some parts of the EU, it is even the largest indigenous industry. Moreover, in communities with significant milk production, dairy has a 'multiplier' effect, its presence sustaining other economic and social activities.

SINGLE MARKET IS ESSENTIAL

European citizens have access to sufficient quantities of food, including dairy, but affordability is a growing concern. The issue would be compounded if the world's largest free trade zone, our internal market, were to be impaired. The necessity of a robust single market was a key message of the Commission's communication on safeguarding food security in the wake of Russian aggression published in March 2022. The earliest days of the COVID-19 pandemic in spring 2020 demonstrated the dangers of trade barriers and export restrictions when unilateral actions by Member States and protectionist decisions lead to shortages and supply disparities. Eucolait welcomes the proposal for a Single Market Emergency Instrument, which builds on the pandemic experience and paves the way for increased co-ordination and improved communication between Member States.

For economic, societal and environmental reasons, now more than ever, dairy trade must continue to be supported. Keep the milk moving.