

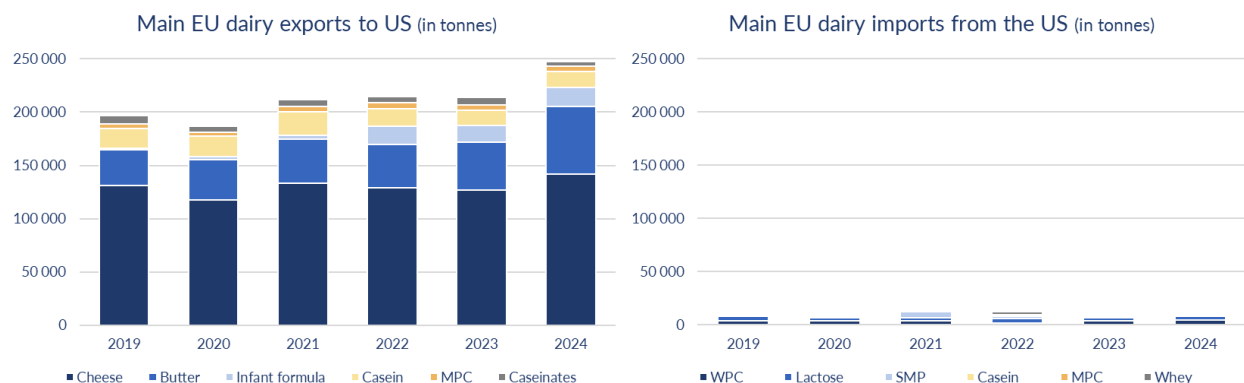
17/03/2025

## **Submission regarding potential EU rebalancing measures in response to US tariffs on steel and aluminium**

Eucolait strongly opposes the inclusion of dairy products in the list of goods potentially subject to commercial policy measures within the context of the steel and aluminum dispute. As a matter of principle, dairy and other agricultural products should be excluded from trade disputes involving entirely unrelated industrial sectors. Food should never be weaponized.

According to article 4 (3) of Enforcement Regulation 654/2024, the EU's countermeasures should meet several criteria, including effectiveness in inducing compliance with international trade rules and their potential to alleviate the impact on EU economic operators affected by third-country measures. Additional tariffs on dairy products included in the draft list would fail to meet either of these criteria.

EU imports of dairy products from the US are modest and most of the trade is in products not included in the draft list. The primary reasons for the limited dairy imports from the US are high tariffs and a lack of demand for US products, given the mature and saturated nature of the EU dairy market. While the US is a major dairy exporter, only about 1% of its dairy exports are directed to the EU. Therefore, including dairy products in these countermeasures would have no significant economic impact and would not compel the US to comply with international trade rules. Moreover, additional import tariffs would not provide any relief to the EU industry, as imports from the US are already minimal and have little effect on the European market or the revenues of European companies. The only outcome would be further drawing attention to the dairy sector within the EU-US trade dispute.



The US is a key market for European dairy products, particularly cheese and butter, with exports surpassing 2 billion euros in 2024. Eucolait is deeply concerned about the potential imposition of additional tariffs by the US in this and other trade disputes.

EU dairy export destinations in 2024		
Country	Share of EU exports	Δ% 24/23
Total	100%	↓ -1%
China	11%	↓ -5%
UK	8%	→ -1%
Algeria	6%	↑ +3%
United States	5%	↑ +14%
Indonesia	4%	↑ +18%
United Kingdom	4%	↓ -5%
Japan	4%	↓ -4%
Malaysia	3%	↓ -6%
Saudi Arabia	3%	↓ -14%
Thailand	3%	↓ -1%
Egypt	2%	↓ -7%
Philippines	2%	↑ +42%
South Korea	2%	↑ +4%
ROW	41%	↓ -4%

We acknowledge that the transatlantic relationship is currently strained, but we believe that constructive dialogue remains essential. We urge the Commission to de-escalate the situation and prevent the dairy sector from once again becoming collateral damage in an industrial trade dispute.