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## Strengthening EU-UK dairy trade through SPS alignment

Five years after Brexit, the United Kingdom remains a crucial partner for both the EU and the European dairy sector. Combined dairy exports to and imports from the UK exceed €5 billion annually, making the UK by far the EU's most significant trading partner. While the Trade and Cooperation Agreement (TCA) successfully preserved tariff and quota-free trade, the present arrangements are far from satisfactory due to multiple non-tariff barriers. Since 2021, dairy trade volumes between the EU and UK have stabilised but remain approximately 20% below pre-Brexit levels. The reintroduction of border checks and import requirements has made certain transactions unviable or outright impossible.

Eucolait continues to advocate for frictionless trade between the EU and UK. We therefore welcome the ongoing prioritisation of this relationship at the highest political levels, and the recent indications that closer alignment of sanitary and phytosanitary (SPS) rules may be possible. We believe now is the right time to revisit the vision of a more cooperative relationship, including proposals for deeper regulatory alignment that were previously discarded during the Brexit negotiations.

In this context, we strongly support the common understanding on a renewed agenda and the commitment to work towards establishing a common SPS area through a dedicated agreement. Eucolait has consistently advocated for dynamic alignment of food legislation as the only viable alternative to EU membership that would allow dairy trade to flow without the need for veterinary health certificates or border inspections.

The case for SPS alignment is compelling. Since the UK implemented its Border Target Operating Model in January 2024, new certification and inspection requirements for products such as raw milk dairy items have led to higher costs and delays for businesses. All dairy imports from the UK have been subject to full checks at the EU customs border since Brexit, rendering trade much more difficult, causing significant delays and reducing the flexibility of companies doing business across the channel. An effective alignment of the UK and EU food safety and animal health regimes would remove the need for these import requirements and controls, abolishing hurdles to existing trade and opening potential new trade opportunities. Over the last years, it has become clear that the EU import regime, designed for distant third countries, is ill-suited for high-volume, short-distance trade with the UK.

Decades of EU membership fostered highly integrated dairy supply chains that have been severely disrupted post-Brexit. Dynamic SPS alignment would support the reintegration of these supply chains and could pave the way for triangular trade flows. A common SPS area would bolster competitiveness across the sector, enabling businesses to focus on delivering quality products rather than navigating red tape.

In today's uncertain and increasingly adversarial geopolitical environment, it is essential to maintain strong, reliable trade partnerships with close neighbours. SPS alignment would not only enhance food security for both the EU and UK, but also demonstrate a renewed commitment to cooperation at a time when the multilateral trade framework of the WTO and rule-based trade are under strain.

We urge both the EU and UK to recognise the benefits of dynamic SPS alignment and to initiate formal discussions toward an agreement. Swift and decisive action is required to safeguard this vital trade relationship. Eucolait stands ready to contribute practical expertise on dairy trade and the operational challenges resulting from Brexit.