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Saluting the EU-Mercosur agreement

Eucolait applauds the breakthrough in the trade negotiations between the EU and the Mercosur countries (Argentina, Brazil, Paraguay, and Uruguay) and calls for the swift finalisation and implementation of the agreement.

This landmark deal is a boost for the dairy sector and a notable success for Europe, especially in today's complex geopolitical environment. By concluding a process that has spanned 25 years, both the EU and Mercosur send a powerful message about the importance of upholding open, rules-based trade and resisting protectionism. Furthermore, the agreement is expected to provide a strong foundation for enhancing the sustainability of global food systems.

The agreement contains balanced concessions for dairy products, mostly in the form of reciprocal tariff rate quotas, which will be rolled out progressively over 10-year period. The phase-in period is meant to ensure that changes to trade flows will be gradual, limiting potential market disturbances. The largest quota is for cheese, ultimately reaching 30 000 tonnes, whereas those for milk powders (10 000t) and infant formula (5 000t) are more modest. Certain protein ingredients, lactose and liquids will eventually benefit from full duty-free treatment, while tariff protection will remain in place for products like butter and whey powder. Beyond tariff reductions and eliminations, we hope the agreement will help address technical barriers to market access that European exporters, particularly in Brazil, continue to face.

We congratulate all parties involved and look forward with optimism to a future of increased cooperation and expanded dairy trade between the EU and Mercosur.