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EU–Australia Agreement Brings Positive Outlook for the Dairy Sector

Eucolait warmly welcomes today's announcement that negotiations on a free trade agreement between the European Union and Australia have been successfully concluded, alongside enhanced cooperation in the fields of security and defence.

This agreement represents a significant and positive step in the EU's ongoing efforts to strengthen strategic partnerships and diversify both supply sources and export markets. In doing so, it will help bolster the competitiveness and resilience of European industries, including the dairy sector.

European dairy companies can look forward to improved access to the Australian market. Australia is already an important destination for EU dairy products, with total exports reaching nearly €400 million in 2025. Cheese accounts for the largest share of these exports, followed by butter, milk powders, and infant formula.

Eucolait particularly welcomes the elimination of tariffs on cheese under the agreement, combined with the protection of geographical indications. While Australian tariffs on most other dairy products are already set at zero, it remains crucial to ensure that EU exports are safeguarded against any potential future increases in Most Favoured Nation (MFN) tariff rates.

Dairy trade between the EU and Australia flows in both directions. Under the agreement, Australian products will benefit from duty-free access for most dairy categories, however SMP, butter, and high-protein whey will be subject to tariff rate quotas. While these quotas create additional trade opportunities, overall imports from Australia are expected to remain modest.

Another key feature of the agreement is the inclusion of a chapter on sustainable food systems and animal welfare, which establishes a framework for ongoing cooperation and dialogue in these important areas.

Eucolait now looks forward to a swift approval process and the timely entry into force of this agreement.

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Eucolait is the European Dairy Trade Association, representing the interests of the dairy trading community in Europe. Our mission is to promote free and rule-based trade in dairy products within the EU and globally.