

# INTERNATIONAL DAIRY magazine

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Discussed about a green future for the EU dairy sector (from left): Edmond Scanlon (Kerry Group), Robert Brzusczak (Savencia), • Jorge Boucas (SODIAAL), Rose O'Donovan (AgraFacts), Phil Hogan (EU Commission), Hein Schumacher (Royal FrieslandCampina) and Michel Nalet (President EDA, Lactalis)

# A Green Future for European Dairy

## EDA discusses sustainability questions with EU Farm Commissioner Phil Hogan

The „European Dairy Platform“ forum organised on 16 Nov by European Dairy Association (EDA) in Dublin focused on virtually all the different aspects of sustainability. A special highlight of the event was the attendance by EU Farm Commissioner Phil Hogan who explained to the more than 250 attendees, representing a good third of the EU milk market, the dairy sustainability plans and actions of the EU. IDM International Dairy Magazine was in Dublin for summary of the discussion.



In his opening speech, EDA President Michel Nalet stressed that sustainability has long since been in the DNA of the dairy sector. The aim of the sustainability conference was, according to Nalet, to provide an overview on developments in times of never-seen political volatility, profound changes in the setup of the EU, international trade instability and increased price fluctuation.



Phil Hogan pointed out that putting sustainability to the core of the industry is a must given consumer expectations (translating into safeguarding sale and export of European dairy products) as well as the Climate Change has hit virtually every farmer in the Community. The EU's view is not to supply a single solution, which is not possible anyway due to large differences in farming across the Block, but rather have Member States address sustainability on a local scale. However, the States need to have their measures and efforts confirmed by the Commission in order to receive funds from Brussels. Hogan said that good farming practice based on scientific facts would supply the best solutions to tackle sustainability matters adding that the EU-27 must firmly hold together also in aspects of sustainability.

Concluding his statement Hogan said that the EU needs to defend its leading position in quality and food safety and be a forefront runner in sustainability as well as it has to secure the market position of its agricultural sector.

## Top industry speakers

The EDA forum was not only made up by Hogan but also by several of managers of top European dairy companies. Hein Schumacher, CEO of FrieslandCampina, said that sustainability poses an opportunity and not a threat. But the European dairy industry should by no means compete on



sustainability standards and focus much more on the value side of sustainability than on its economic side. This is easier with B2B customers, Schumacher added, as there are common objectives for suppliers and buyers alike. Consumers are, however, also prepared, said Schumacher, to pay a little extra for sustainable production such as for GMO-free dairy in Germany and (hopefully) for F/C's new „Planet Proof“ line of especially sustainable dairy products that will be introduced at the start of 2019.

Sodiaal boss Jorge Boucas, seconded by Robert Brzuszczak, CEO of Savencia (who spoke of hyper-segmentation of the dairy market), told the conference that he was aware of a growing renationalisation of CAP that may lead to growing distortions in inner-Community trade. Hogan was a bit weak in objecting saying that he didn't like France's „trial“ of origin labelling from the start. This national measure has already become subject to a European Court procedure and the 2-year „trial“ has to phase out soon anyway. Hogan criticised not only France but also Italy in that respect. Maintaining the Single Market was a major objective for the next EU Commission term, Hogan added.



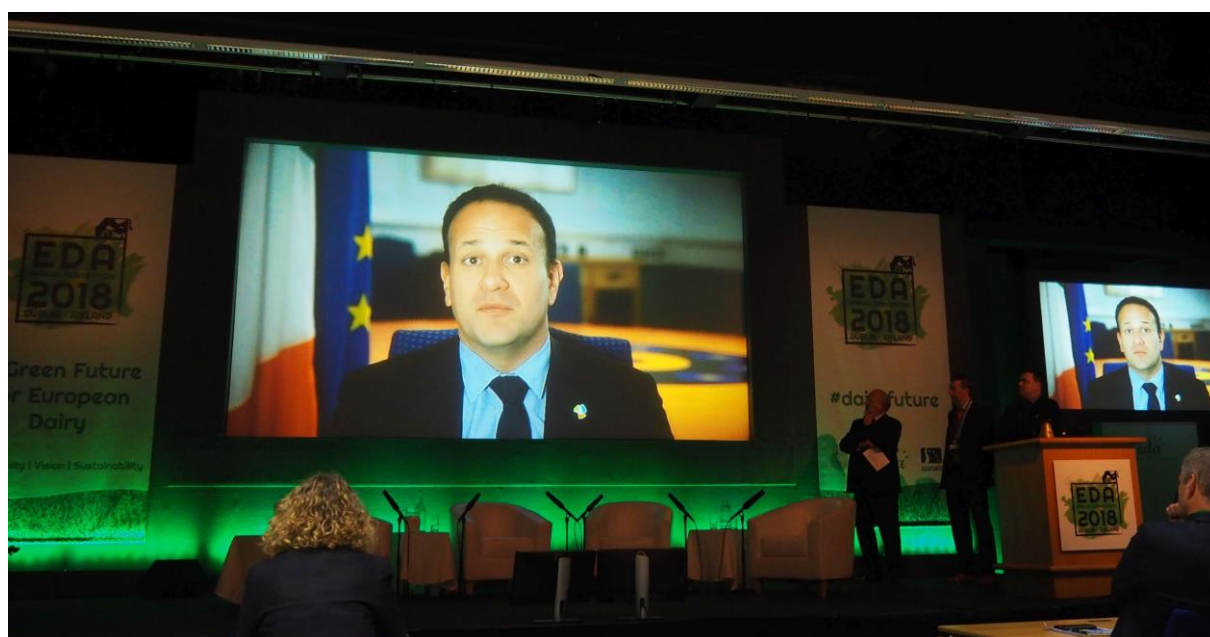
About 250 reps of the dairy sector from 36 countries made up the audience of the 2018 EDA Dairy Platform in Dublin

The issue of unfair trading practices that the EU is currently tackling will be fully addressed until year-end, Hogan announced. It has become evident that the farmers' share of added value has decreased over the past 20 years while that of retailers has gone up. That is also why the Commission has put farmers and small enterprises to the core of ruling out unfairness in the market.

Brzuszczak brought the issue of risk management on the table asking Hogan about plans of the Commission in that respective. Hogan said that there is still no common sense between Member States in the definition of a crisis situation. But Brussels must find better ways to make use of the



Crisis Reserve. Hogan called upon EDA to provide tips to the Commission about which risk management tools may best be applied on a Community level.



The Republic of Ireland's Prime Minister Leo Varadkar greeted the EDA Dairy Platform in a video message