



connect to the world of dairy
Secretary General

2020/014/AA-ch
Brussels, 19th March 2020

**Ms Catherine Geslain-Lanéelle, dep hoc EU COM Janusz Wojciechowski
Mr Michael Scannell, director DG AGRI
Agricultural Counsellors of the EU Member States and
the United Kingdom**

cc: Ms Brigitte Misonne, hou DG AGRI, Mr Carlos Martin-Ovilo, dep hou DG AGRI

19th March 2020 update: COVID 19 and milk & dairy supply

Dear Ms Geslain-Lanéelle,
Monsieur le Directeur Michael Scannell,
Mesdames & Messieurs les Attaché(e)s Agricoles,

1. milk and dairy have been categorized as 'essential products' by EU Commission Communication 2020/C86 I /01 for which open supply liens at all levels are vital;
2. Despite the 'shutdown situation' in large parts of the Union and the increasing raw milk volumes (seasonal peak of milk production), **so far, all milk & dairy operations are running without major disturbance**, exception made for a few (local) processing sites due to a lack of personnel;

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3. So far, basically all dairy operations across the Union run 'full engine' to assure that milk & dairy shelves & fridges keep stocked across the Union.
4. Stocks in operational supply (ingredients, packaging material) are getting lower. Management personnel is now trained to take over functions in the milk processing operations. Any disruption in terms of operational supply or personnel will inevitably lead to a closing down of processing capacities with massive consequences on the milk and dairy supply and also with the risk of seeing raw milk volumes that will not be processed.
5. In this critical situation, the smooth functioning of supply lines (milk collection, supply and material transport, milk & dairy distribution) across the Union and across borders is essential. Today, the most sensitive points seem to be the Polish and Czech border lines with trucks in traffic jams up to 30km.
6. Getting closer to the seasonal raw milk production peak, seeing massive loss of demand from the HORECA sector and experiencing a wave of order cancellations from third countries, **today's increased milk supply is not absorbed by higher household consumption.**
7. Export of milk and dairy is hence key for the economic continuity of the milk and dairy sector. All over Europe, export operations are limited by container and freight availability.





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To be able to continue to guarantee the full and vital operationability of the milk and dairy sector in these crisis times, we ask the European Commission to:

- 1) Insist at Member States level to allow **frictionless milk collection and milk & dairy distribution** operations across the Union and across borders
- 2) **Activate the private storage aid scheme** according to part II of Regulation (EU) 1308/2013 for butter, skimmed milk powder and cheeses (all types of cheeses).
- 3) Establish a scheme to allow a **priority-based access to container and freight capacities** for the products categorized as “essential”, like milk & dairy products.

In addition we ask to consider already today **additional emergency measures in coordination between the European Commission and the Member States as well as within the dairy sector** that will become crucial whenever covid19 will force us to close down processing capacities of (regional) systemic importance:

- 1) Set up a **milk producer emergency scheme** for the disposal of milk in case milk cannot be collected due to a lack of collection or processing capacities as a covid19 consequence,
- 2) Set up of an **emergency scheme for dairy processors** for alternative uses of milk in case of continued milk collection, but a closing down of processing capacities of (regional) systemic importance as a covid19 consequence.

Vive l'Europe et vive le lait

Alexander Anton

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