



**eurolait**

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*European Dairy Trade  
Association*

# Export prospects for Ukraine

A VIEW FROM THE EU

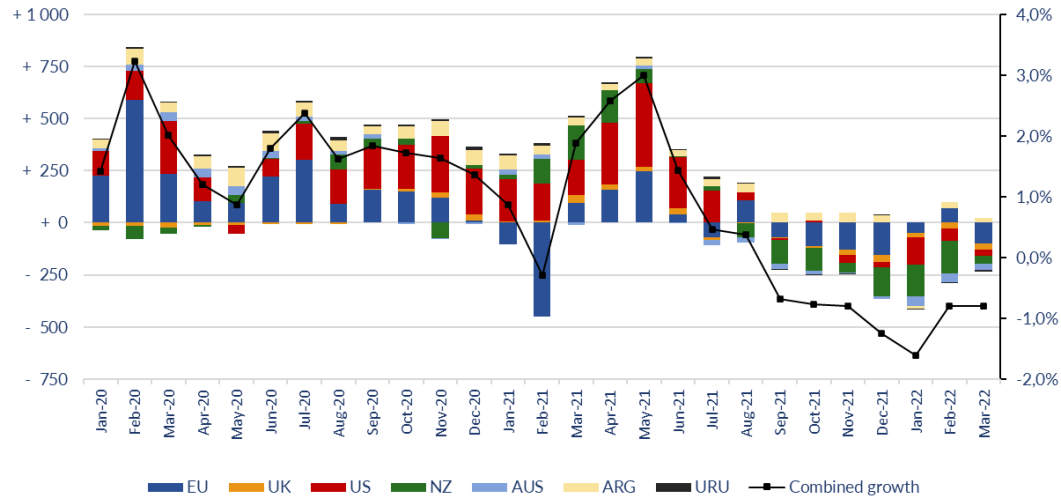
15/06/2022

[www.eurolait.eu](http://www.eurolait.eu)

# Global milk production has slowed down

## World milk supply growth in 2020-2022

(EU27, UK, US, NZ, Australia, Argentina, Uruguay)



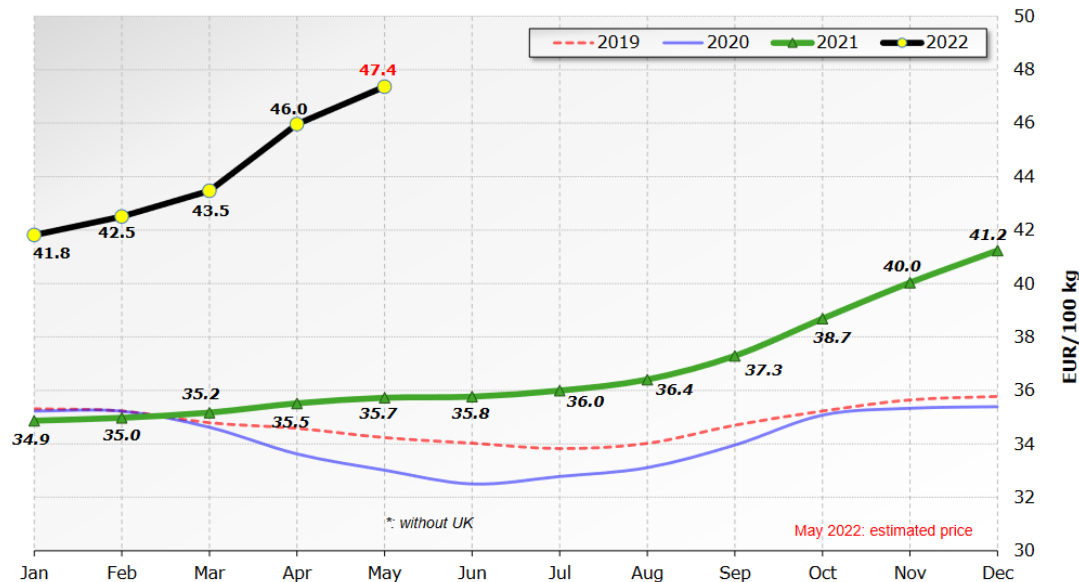
MILK COLLECTION OF MAIN EXPORTERS - MARCH 2022					
Country	Volume in '000 tonnes	Δ% YOY 22/21	Volume YTD in '000 tonnes	Δ% YTD 22/21	Δ% Season to date 21/22
EU27	12 793	↓ -0.7%	35 551	⇒ -0.2%	
United States	8 948	↓ -0.3%	25 550	↓ -0.9%	
New Zealand	1 809	↓ -1.9%	5 906	↓ -5.5%	↓ -4.0%
Australia	614	↓ -5.1%	1 947	↓ -5.8%	↓ -3.2%
Argentina	874	↑ +2.5%	2 665	↑ +1.6%	
Uruguay	146	↓ -3.4%	446	↓ -2.6%	
United Kingdom	1 274	↓ -2.3%	3 549	↓ -2.2%	
<b>TOTAL</b>	<b>26 459</b>	<b>↓ -0.8%</b>	<b>75 615</b>	<b>↓ -1.0%</b>	

Limited availability and soaring costs of fertiliser, feed and energy have constrained output in the EU, a situation amplified by Russia's aggression.

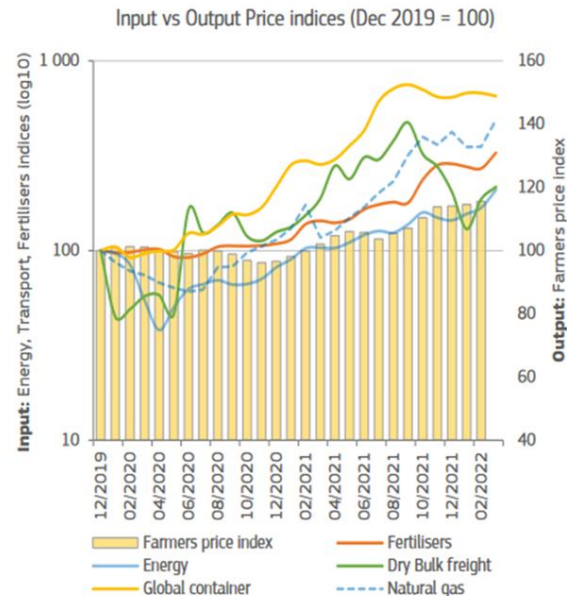
With climate change, environmental restrictions, animal welfare and negative farmer sentiment also weighing in, milk output is likely to remain muted.

# EU supply is constrained despite record high milk prices

## Milk Prices paid to the Producers EU\* (weight. avg.)



Source : Member States Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a))



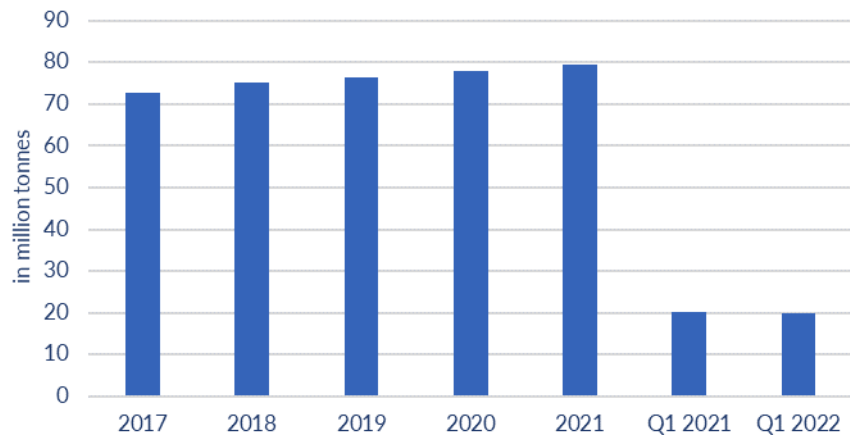
Sources: World Bank (fertilisers, energy, natural gas), Freightos (global container freight), Baltic Exchange (Dry Bulk Freight). Farmers price index based on DG Agriculture and Rural Development and Eurostat.  
Note: Energy index includes oil, natural gas and coal.

# EU agriculture and food policy is another limiting factor

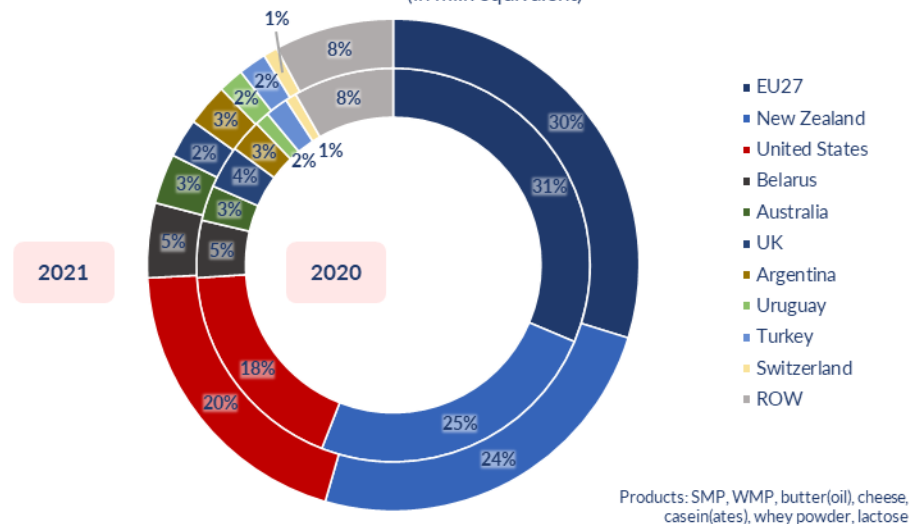


# Dairy import demand growth healthy but who will supply?

Global dairy exports in milk equivalent  
WMP, SMP, butter(oil), cheese, casein(ate)s, whey, lactose

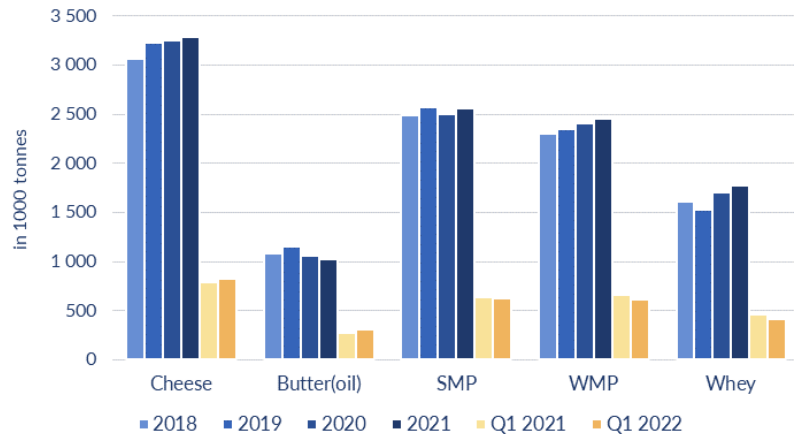


Export shares in % of total export volumes  
(in milk equivalent)

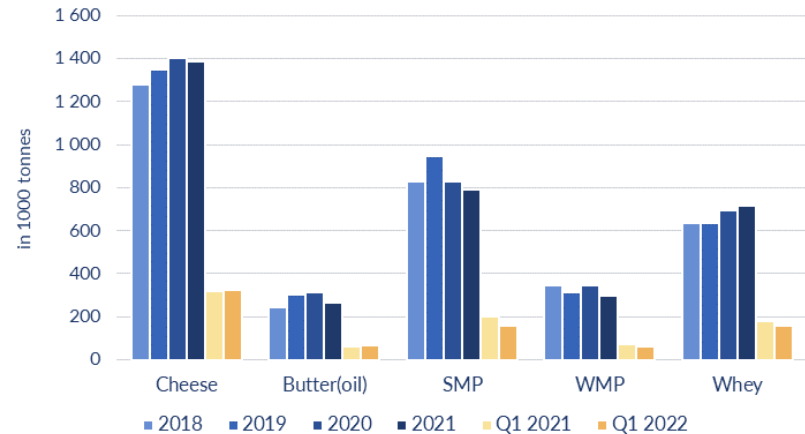


# World trade and EU exports by product

## Global exports of main dairy commodities



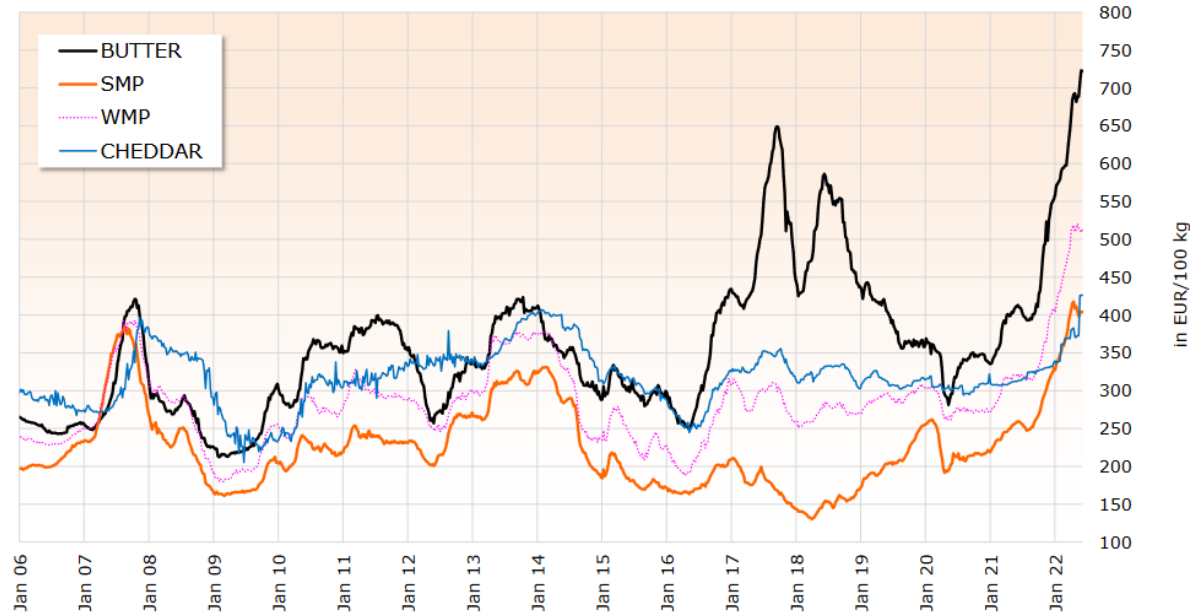
## EU exports of main dairy commodities



# All time high prices affect affordability

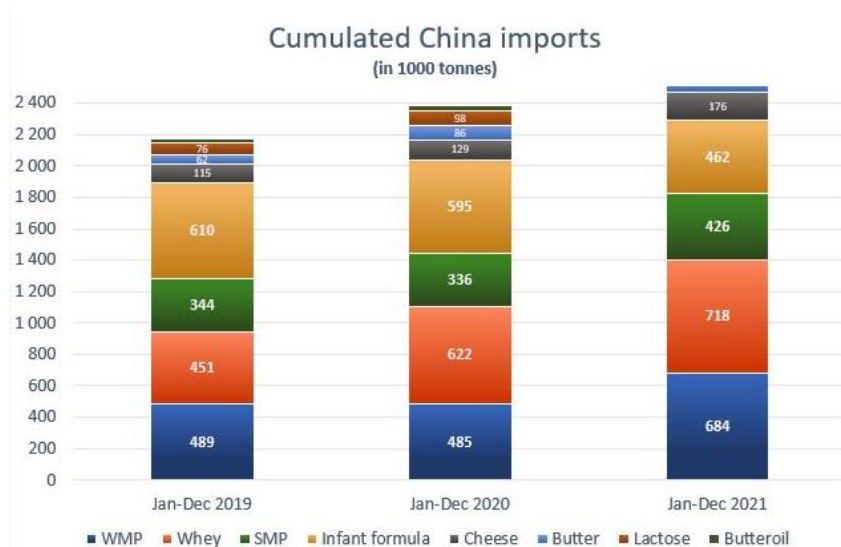
## EU evolutive\* dairy Quotations

(EU Average Prices based on MS communication and weighted by production)



Source: Regulation (EU) No 2017/1185 Article 11 - Annex I.7

# What is happening with Chinese demand?



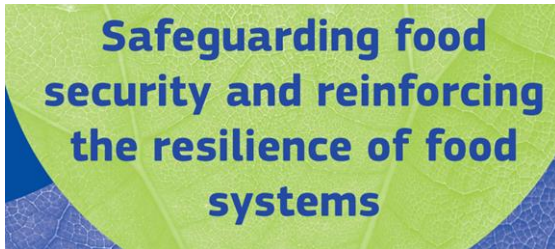
CHINA IMPORTS - APRIL 2022				
Product	Volume in tonnes	Δ% YOY 22/21	Volume YTD in tonnes	Δ% YTD 22/21
WMP	60 402	↓ -9%	419 231	↑ +7%
SMP	24 353	↓ -32%	123 652	↓ -20%
Whey	46 400	↓ -30%	153 427	↓ -43%
Cheese	10 965	↓ -29%	51 469	↓ -22%
Butter	9 822	↑ +7%	43 036	↑ +3%
Butteroil	2 582	↓ -57%	11 879	↓ -18%
Infant formula	20 471	↑ +0%	79 689	↓ -6%
Lactose	12 222	↓ -3%	38 418	↑ +13%
WPC	3 665	↑ +14%	11 497	↓ -13%
Casein(ates)	2 363	↓ -36%	10 797	↓ -14%
Milk	53 026	↓ -33%	262 713	↓ -20%
Cream	21 495	↑ +4%	89 759	↓ -1%
Fermented prod.	2 248	↑ +55%	10 026	↑ +42%

Source: Trade Data Monitor



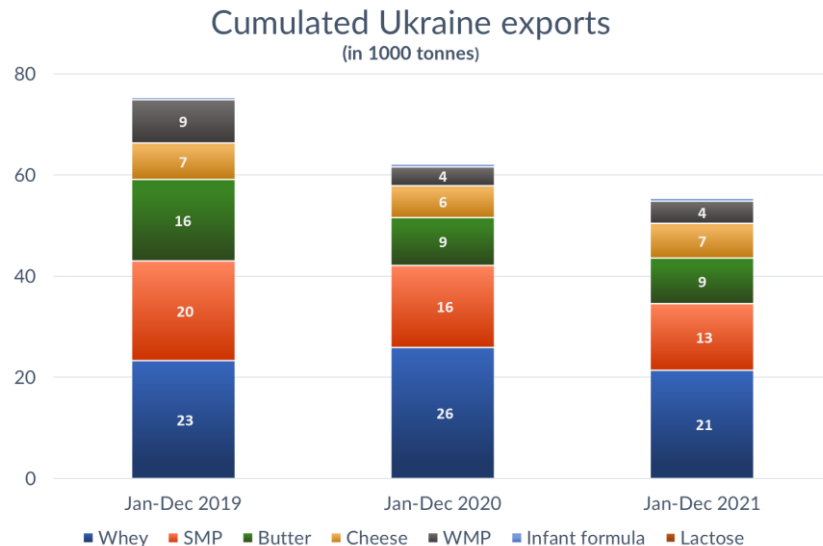
# Russian invasion of Ukraine impacts on global food supply

- Global supply of food, feed, fertiliser and energy affected
- Price and availability challenges impacting whole dairy supply chain
- Food security at risk in low income countries depending on imports
- In the EU, food affordability for low-income households at stake. What consequences for dairy consumption?
- Some short term responses to market shocks in the EU, but **no major shift in policy**



EU Commission's food security communication of 23 March 2022: "The current crisis lays bare the **dependency of EU agriculture on imported inputs**, such as fossil fuels, fertiliser and feed, confirming the **necessity of a fundamental reorientation of EU agriculture and EU food systems towards sustainability**, in line with the Green Deal and the revised CAP".

# Ukraine exports



UKRAINE EXPORTS - MARCH 2022				
Product	Volume in tonnes	Δ% YOY 22/21	Volume YTD in tonnes	Δ% YTD 22/21
SMP	656	↓ -45%	3 255	↓ -15%
Whey	239	↓ -91%	2 072	↓ -69%
Cheese	138	↓ -79%	1 020	↓ -35%
Butter	322	↓ -63%	1 432	↓ -36%

Source: Trade Data Monitor

Ukrainian dairy supply chains heavily impacted & exports are challenging  
Exports to EU have increased in Q1 and in March  
EU working on “priority lanes” and has granted duty free access to all Ukrainian product

# European Council conclusions

*Conclusions – 30 and 31 May 2022*

## II. FOOD SECURITY

19. The European Council strongly condemns the destruction and illegal appropriation by Russia of agricultural production in Ukraine. The Russian war of aggression against Ukraine is having a direct impact on global food security and affordability. The European Council calls on Russia to end its attacks on transport infrastructure in Ukraine, to lift the blockade of Ukrainian Black Sea ports and to allow food exports, in particular from Odesa. The European Union is taking active measures to facilitate Ukraine's agricultural exports and to support Ukraine's agricultural sector in view of the 2022 season. In this regard, the European Council invites Member States to accelerate work on "Solidarity Lanes" put forward by the Commission, and to facilitate food exports from Ukraine via different land routes and EU ports.
20. The European Council calls for effective international coordination to ensure a comprehensive global food security response. In this respect, it welcomes the Food and Agriculture Resilience Mission (FARM) - based on the three pillars: trade, solidarity and production - which aims to mitigate consequences for price levels, production and access to and supply of grain. It also supports the UN Global Crisis Response Group, the upcoming G7 initiative establishing a Global Alliance for Food Security (GAFS) and other EU and multilateral actions and initiatives. It reiterates its commitment to keep global trade in food commodities free of unjustified trade barriers, enhance solidarity towards the most vulnerable countries and increase local sustainable food production so as to reduce structural dependencies. The European Council invites the Commission to explore the possibility of mobilising reserves from the European Development Fund to support the most affected partner countries. The European Union welcomes the commitment and support of its partners and of international organisations.

# All imports from Ukraine duty free as of 4 June

3.6.2022

EN

Official Journal of the European Union

L 152/103

## REGULATION(EU) 2022/870 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 30 May 2022

on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

Full support from Eucolait

Enquiries from Eucolait member companies



“Solidarity lanes” in practice?

Listing of establishments

Other sanitary barriers?



EU Trade   @Trade\_EU · Jun 3

  It's official: as of tomorrow, Ukraine has zero tariff, zero quota access to the EU Market.

Open trade is essential for Ukraine's road to recovery. [#EUtrade](#)

# The road to EU membership

European Parliament

## Ruslan Stefanchuk urges EU to grant Ukraine candidate status

Press Releases **PLENARY SESSION** 08-06-2022 - 14:21

In his address to MEPs on Wednesday, the Speaker of the Ukrainian Verkhovna Rada (parliament) Ruslan Stefanchuk called on the EU to endorse his country's membership application.



Ruslan Stefanchuk, Speaker of the Ukrainian Verkhovna Rada (parliament) thanked Parliament for its strong support for his country ©EU2022

### Main steps to EU accession



**1** Country submits an application to the Council.



**2** Commission submits an Opinion on the application.



**3** EU Member States decide unanimously to grant the country candidate status.



**4** After conditions are met, the accession negotiations are opened with the agreement of all Member States.



**5** Commission proposes a negotiating framework as a basis for the talks.



**6** During negotiations, the country prepares to implement EU laws and standards. All EU Member States must agree that it met all requirements.



**7** Once negotiations on all areas are finalised, Commission gives its Opinion on the readiness of the country to become a Member State.



**8** Based on this Opinion, EU Member States decide unanimously to close the negotiation process. The European Parliament must also give its consent.



**9** All EU Member States and the candidate country sign and ratify an Accession Treaty which enables the country to become an EU Member State.

# Thank You

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