



Mercosur – challenges and opportunities

CELCAA Mercosur event
9 March 2017

About Eucolait

Eucolait, the European Association of Dairy Trade represents the interests of European wholesalers, exporters and importers of dairy products (milk, cream, butter, cheeses and dry dairy products such as milk powder, whey derivatives and casein).

Founded in 1959, Eucolait today has **over 500 members** in 16 EU Member States and many associate members outside the EU.

Total EU milk production:

160 million tonnes per year and growing

Intra-EU trade of dairy products:

equivalent to **1/3 of EU milk production**

EU exports of dairy products:

15 billion Euros per year, 12% of total production and rising.



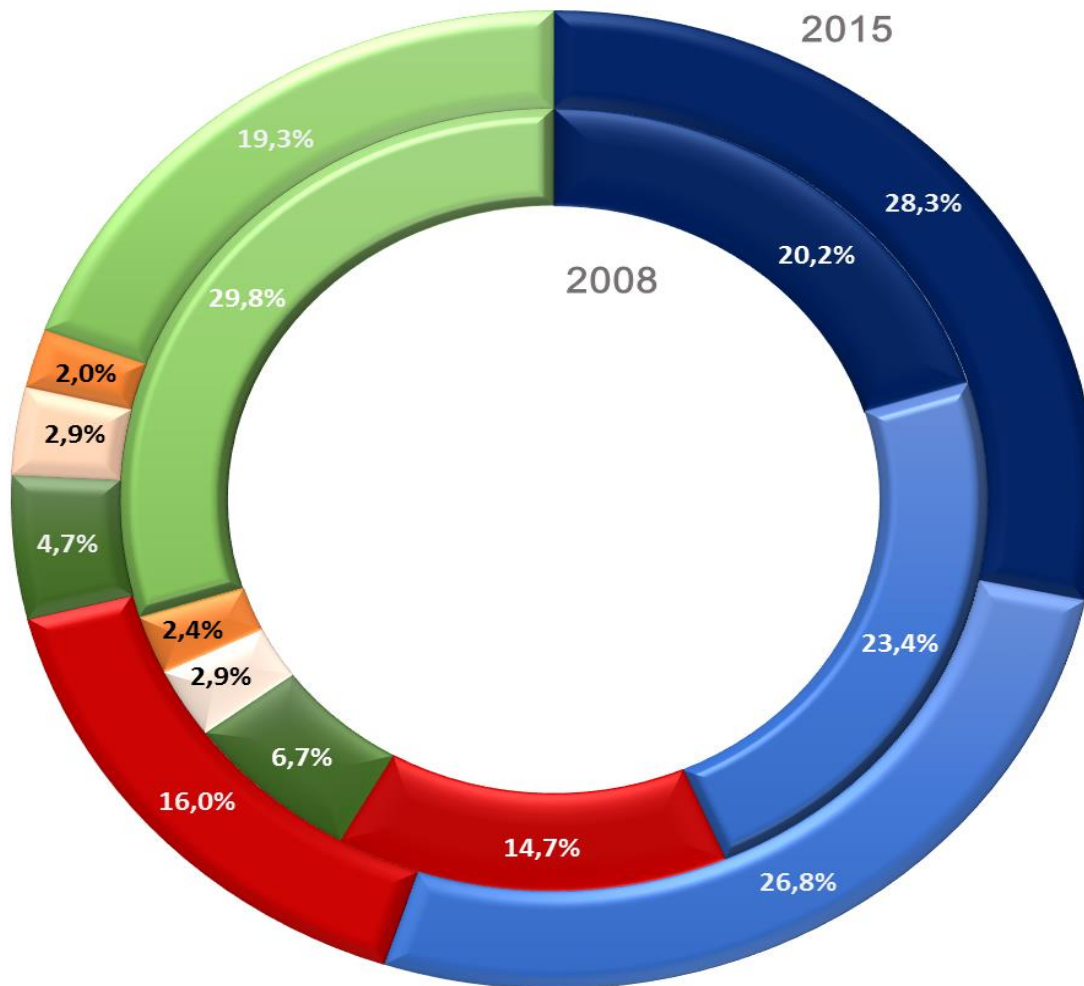


Main exporters of dairy products worldwide



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

Products: SMP, WMP, butter(oil), cheese, casein(ates), whey, lactose



- New Zealand
- EU28
- USA
- Australia
- Argentina
- Uruguay
- ROW



What's at stake for dairy?



- Block of 4 countries negotiating with the EU – Brazil, Argentina, Uruguay and Paraguay (Venezuela not involved and now membership suspended)
- 2 dairy exporters – Argentina and Uruguay
- Substantial dairy export opportunities for the EU, **particularly in Brazil** (and Venezuela)

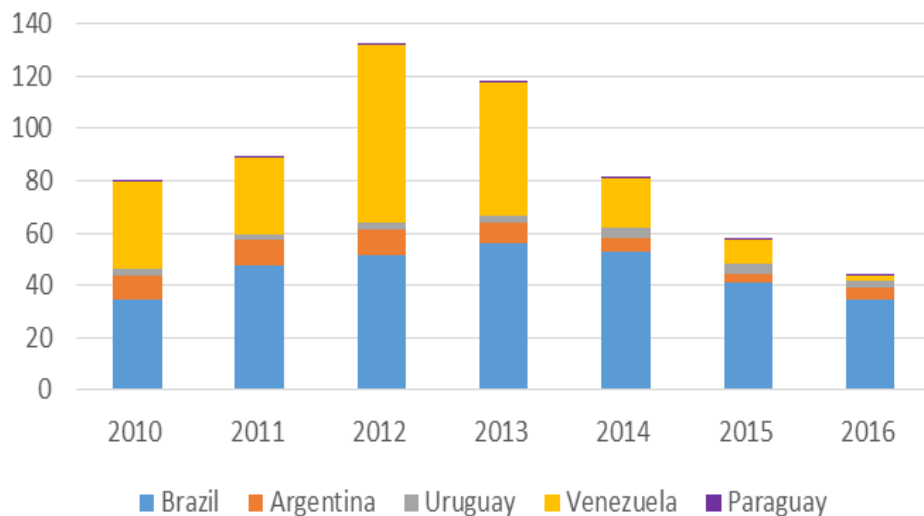


Dairy trade between EU and Mercosur



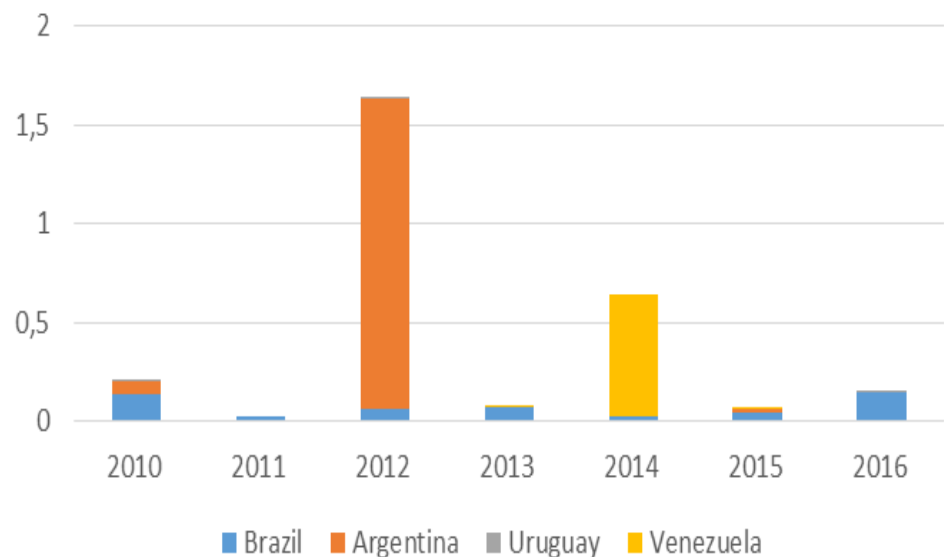
EU dairy exports (all products) to Mercosur countries in mio €

Total EU exports 2016: 14 048 mio €



EU dairy imports from Mercosur countries in mio €

Total EU dairy imports in 2016: 882 mio €



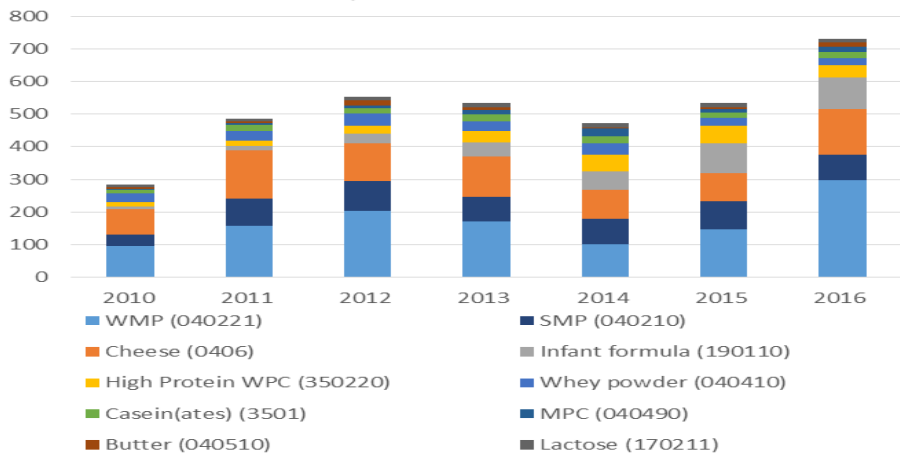


Considerable potential in Brazil



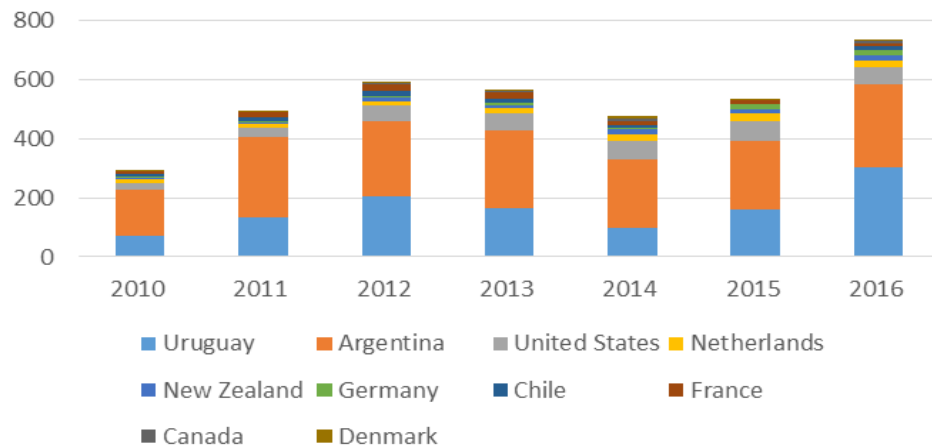
10 most imported products in Brazil (in mio €)

Total imports of Brazil in 2016: 746 mio €



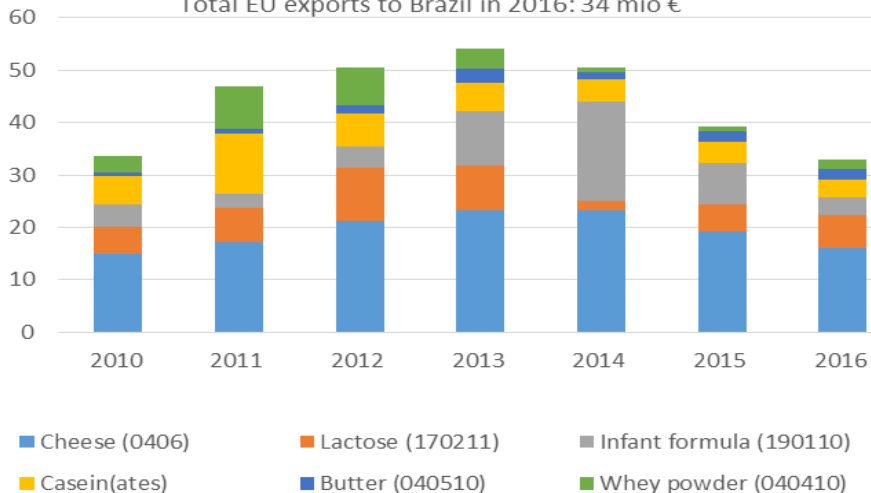
10 biggest origins of Brazil imports (in mio €)

Total imports of Brazil in 2016: 746 mio €

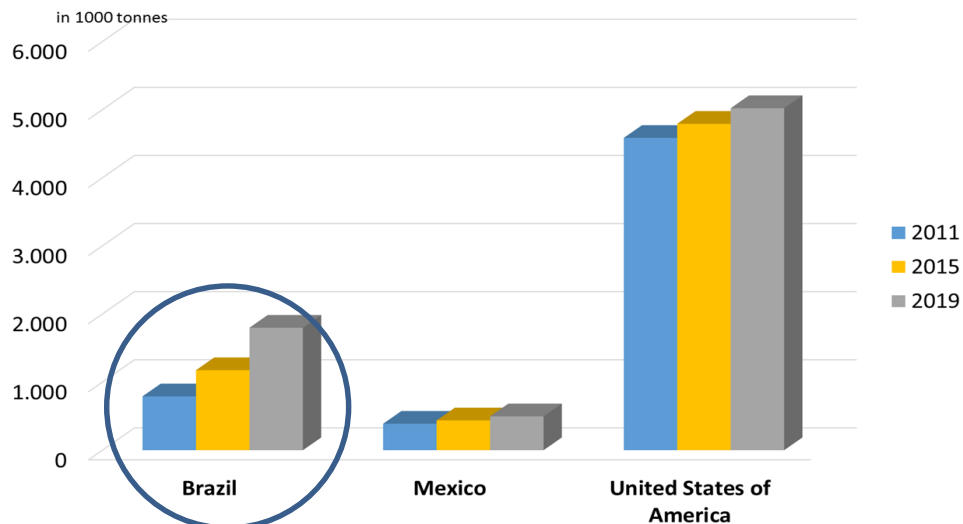


EU dairy exports to Brazil in mio €

Total EU exports to Brazil in 2016: 34 mio €



Consumption of cheese in some American countries





Desired outcome for dairy



- **Elimination of all duties on all dairy products**
 - Current tariffs limit market access
 - EU dairy sector is competitive
 - Gains will be largest in Brazil (and potentially Venezuela if they were to join)
 - Reciprocal balancing trade with Argentina and Uruguay (low volumes)
 - Potentially some opportunities in Paraguay
- **Removal of TBT and in particular SPS barriers**



SPS challenges



- EU exporters of dairy products report constant difficulties when shipping products to Brazil
- Generally speaking – a company can only export to Brazil after their plant has been inspected by the Brazilian authorities.
- Serious delays in approval process – paperwork difficult to track, long waits for feedback and for visits from Brazilian authorities
- Some countries are approved for pre-listing – which means that exports should be possible once the Brazilian vets have assessed the food safety system of the exporting country: however application of this is not always running smoothly
- Labelling – registration of labels with Brazilian authorities (Ministry of Agriculture - MAPA) – procedure for registering – somewhat faster procedure in the course of the last year or so but nevertheless some issues persist




Thank you for your attention!

Questions?



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Secretary General

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