



**Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament**

European Parliament
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Dear Commissioner Hansen,

We, the Socialists and Democrats, are writing to you to express our serious concerns regarding the rapidly deteriorating market situation in the EU milk and dairy sectors and to call for timely, coordinated, and proportionate measures at EU level.

The current market environment is placing unprecedented pressure on dairy farmers across the EU. Notwithstanding the heterogeneous situation between and within Member States – also due to the protection and predictability that written contracts provide – the sector is facing a deepening crisis characterised by growing oversupply and falling prices. Increased milk production in 2025 (up 1.6% in January-December compared to the same period in 2024), driven by favourable conditions earlier in the year and structural factors affecting herd dynamics, has led to a clear downward trend in farm-gate raw milk prices since autumn (down 3.8% in December compared to the previous month). At the same time, dairy commodity and spot milk prices have fallen sharply. These trends are sending an early warning signal of further pressure on farm-gate prices in the months to come and are already eroding farmers' margins.

Recent trade developments are further aggravating this situation. More specifically, the decision by the Chinese authorities to impose additional anti-subsidy duties of up to 11.7% on imports of EU dairy products, following an investigation into support measures under the Common Agricultural Policy and national schemes, comes on top of existing tariff barriers. This decision, which is part of a broader trade dispute, risks further undermining export opportunities for EU dairy products and once again demonstrates that EU agriculture is caught up in wider geopolitical tensions.

In order to act swiftly and proportionately, access to the most up-to-date data is critical. In light of this, we call on the Commission to comprehensively map existing and potential crisis management instruments under the Common Market Organisation, while remaining open to innovative approaches and combining targeted and temporary measures to rebalance supply with actions to stimulate demand. Such measures may, *inter alia*, include support for voluntary production reduction in accordance with Article 222 of Regulation 1308/2013 (i.e. support for

the voluntary anticipation of end-of-career animal slaughtering, strictly limited to non-productive animals), targeted private storage, and, if necessary, compensatory payments to support the most affected producers. In parallel, we strongly encourage the Commission to explore complementary actions to stimulate demand and lift pressure on the market, including reinforced EU promotional campaigns for dairy products, increased support for the EU School Scheme, and initiatives aimed at reducing input costs.

Improved transparency and fairness along the food supply chain are essential. In view of the upcoming and much-needed revision of the Unfair Trading Practices Directive, it is critical that we strengthen contractual practices, including price-setting mechanisms and value-sharing clauses, which can contribute to market signals being transmitted more equitably to primary producers. No producer should be forced to sell systematically below production costs.

Lastly, drawing on the lessons learnt from the 2016 crisis, which showed that structural asymmetries cannot be solved by relying solely on market forces, we call on the Commission to stand ready to swiftly deploy an appropriate set of measures, supported by adequate financial resources, with a view to ensuring strong coordination at EU level. It is of the utmost importance that any intervention be carefully calibrated to secure a fair income for milk producers without undermining EU market outlets, export capacity, or the long-term efficiency, productivity, and competitiveness of the EU dairy sector. To this end, the Commission should closely engage with the European Parliament, Member States, and stakeholders.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dario Nardella', with a stylized flourish at the end.

Dario Nardella, S&D AGRI Coordinator on behalf of the S&D AGRI Working Group