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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the “Agriculture and Fisheries” Council on 26 January 2026: Extraordinary EU Plan for the Crisis in the European Dairy Sector - <i>Information from Italy, supported by Romania and Slovakia</i>

The current market situation of the European Union dairy sector shows unmistakable signs of a deep crisis, characterized by a structural imbalance between a steadily increasing supply and demand that is unable to absorb the surpluses. The sector is facing a phase of strong volatility that jeopardizes the social and economic stability of rural areas.

At EU level, production reached 135,253 thousand tonnes up to November 2025 (Source: Agri Food Data Portal of the European Commission), compared with production of 133,712 thousand tonnes up to November 2024. This increase was particularly evident in the summer months—when productivity usually declines—and even more significant in October, compared to the same month of the previous year (+5.1%).

Several factors may explain this trend: high milk prices supported production at least until the beginning of autumn across Europe; favourable weather conditions allowed for greater availability and better quality of forage; health issues related to the spread of bluetongue delayed calving, contributing to increased milk deliveries in summer and early autumn; the decline in EU cull cow slaughterings at the end of their productive life (-14% in the January–November 2025 period) contributed to the increase in milk production.

As a consequence, starting in particular from September 2025, the price of raw milk at stable level in the EU-27 began to decline progressively, from €53.38 per 100 kg to the critical price of €49.38 per 100 kg in December 2025, with further decreases in January 2026, for which data are not yet consolidated.

Italy, Romania and Slovakia consider an immediate response to the current crisis to be necessary, by activating instruments that were partly already implemented by the Union following the abolition of the milk quota regime in 2016. On that occasion, the adoption of extraordinary measures demonstrated that only strong central coordination can govern market distortions and restore dignity to producers' incomes. However, the same mistake made at that time—namely a delayed rather than immediate intervention—must not be repeated.

The lesson of 2016 teaches us that it is not possible to rely solely on market forces to resolve systemic crises, especially when these forces are distorted by exogenous factors. Therefore, Italy, Romania and Slovakia propose that the European Commission prepare an Extraordinary European Milk Plan.

The proposal is based, on the one hand, on the activation of a European funding program **to support voluntary production reduction**. This measure should provide for the recognition of financial compensation to farmers who decide to limit their production volumes, thus acting directly on the primary cause of price declines. The effectiveness of this instrument has already been widely validated and represents the fastest route to price stabilization.

It is also considered necessary, for the purpose of stabilizing prices, to **grant aid for private storage in the cheese, butter, and UHT milk sectors**.

At the same time, it is necessary for the European Commission to provide for **extraordinary intervention** to support the most exposed **agricultural holdings**, including measures addressing debt, such as moratoria.

Regarding the **European Fund for Aid to the Most Deprived**, in order for the intervention to have a real impact at market level, it is necessary that distribution to the needy focus on **quality cheeses** that are most widespread and representative at territorial level.

Finally, the importance of investing significantly in **extraordinary promotional campaigns for dairy products** is emphasized. Communication actions must be launched to highlight the nutritional content and sustainability of European products, decisively stimulating domestic consumption, emphasizing the quality of European PDO and PGI cheeses, and consolidating our presence in international markets.

Only through a combination of production discipline and strong commercial promotion it will be possible to overcome the current recessionary phase and ensure a future of growth for the European agricultural sector.
