

Brussels, 24 March 2026
(OR. en)

7681/26

AGRI 220
AGRIORG 50

NOTE

From: General Secretariat of the Council
To: Delegations

Subject: AOB item for the meeting of the “Agriculture and Fisheries” Council
on 30 March 2026:
European dairy market situation – the need for a European response
*- Information from Belgium, supported by Bulgaria, Hungary, Lithuania,
Slovakia and Slovenia*

The European dairy sector is currently showing several signs of imbalance that require particular attention from the Council and the European Commission. At the same time, the international geopolitical environment remains marked by significant uncertainty. Persistent tensions in the Middle East continue to affect energy markets and certain agricultural commodities, contributing to maintaining a high level of production costs for agricultural holdings.

According to recent data from the EU Milk Market Observatory, milk deliveries in the European Union continued to increase in 2025, reaching around 135 million tons by November 2025, compared to 133.7 million tons over the same period in 2024. This increase in supply comes at a time when global demand is growing more slowly.

At the same time, milk prices have declined within the European Union. After reaching relatively high levels during 2025, the average milk price in the Union fell from around €53/100 kg in September 2025 to around €49/100 kg in December 2025, with indications that the downward trend might be continuing at the beginning of 2026. In Belgium, the situation is particularly worrying. The average milk price paid to producers stood at €38.8/100 litres in January 2026, compared with €54,63/100 litres in January 2025, representing a drop of 30% in one year and one of the lowest price levels currently observed in the European Union.

This development illustrates the growing imbalance between supply and demand on the world dairy market and the risk of a rapid deterioration in producers' incomes.

At the same time, export prospects are becoming more uncertain. The ongoing conflict in the Middle-East will most certainly affect the cost of production. Furthermore, China, has recently introduced safeguard measures affecting imports of certain dairy products, which weighs on the sector's export prospects. In addition, trade tensions and higher tariffs with the United States are also contributing to weakening the international trade environment.

Given the globalized market of the dairy sector, these developments could increase pressure on markets in the coming months.

The experience of the 2016 dairy crisis demonstrated that European market management instruments can help in stabilising the situation. The European voluntary milk production reduction scheme implemented at that time sent a signal to the market and helped restore a better balance between supply and demand. In a global and volatile dairy market, the European Union must be able to anticipate and work with market developments rather than simply endure them.

In this context, Belgium considers that the current situation justifies the examination of European measures in order to prevent a worsening of the situation in the dairy sector.

Belgium therefore calls on the European Commission to examine without delay the activation of a temporary and voluntary European programme to reduce milk production, inspired by the mechanism implemented in 2016.

In addition, other instruments could be examined, notably:

- the mobilisation of the agricultural crisis reserve in order to support the most exposed farms.

More broadly, the current situation also highlights the need to re-examine certain structural instruments of the market safety net. Public intervention prices for dairy products were set in 2003 and their level no longer reflects either inflation or the evolution of production costs over the past two decades.

Belgium therefore invites the European Commission to present to the Council, as soon as possible, an updated analysis of the situation of the dairy market and its outlook, and to examine the European crisis management instruments, including the possibility of a temporary and voluntary milk production reduction scheme.
