

Milk Market Research In The Member States of The European Union

Violeta GAGU (LEOCĂ), “Dunărea de Jos” University of Galați, Romania, violetaleoca@yahoo.com

Gheorghe Adrian ZUGRAVU, “Dunărea de Jos University of Galați, Romania, zugravuadrian@yahoo.com

Mirela Gianina CALU, “Dunărea de Jos University of Galați, Romania, mirelcalu@yahoo.com

Correspondence should be addressed to: Violeta GAGU (LEOCĂ); violetaleoca@yahoo.com

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Abstract

The change in consumer preferences for dairy products is due to diversified production as well as socio-economic development through the evolution of the global and European markets. European policies, reforms influence the dairy sector and facilitate the connection with the markets. The paper proposes a presentation and analysis of the milk market in the Member States of the European Union as aimed at ensuring food security.

Keywords: The milk market, EU milk production, price policy

Introduction

The pressure of changes in world agricultural markets and the enlargement of the EU to 27 states Member States have stimulated debate on the continuation of the last CAP reform in 2003 and improving the implementation of agricultural policies. This action known as "Health Check" does not aim at a radical reform and change of the general objective but aims to increase performance, reduce red tape, evaluate and improve political instruments use. A significant producer of milk and milk products included in the common organization of the market (CMO) is the European Union with total milk production of around 155 million tonnes per year. Spain, Germany, Italy, France, Poland, and the Netherlands together account for 70% of EU production and are also the main producers of milk and dairy products.

Unconventional production systems show a significant increase (example: pastures without genetic modifications). The EU has the status of the largest dairy exporter even though milk production could grow more slowly than in the past.

Research Methodology

According to Stănculescu and Țiță (2006), internationalization strategies are an important component of the policies developed by most distribution companies within the Member States of the European Union. In the next period, the authors estimate that there will be phenomena of intensification of trade relations between European countries, and the new requirements of the integration process will determine the adaptation of consumer goods offered by retail networks to the specific needs of national and European consumers dynamic independence manifested in the context of fierce global competition.

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In 2030, EU cow's milk production is estimated to reach 162 million tonnes (+ 0.6% per year). The growth of the dairy sector in the supply chain is necessary by integrating this EU sustainability objective. Strengthening the social and economic pillars of sustainability can be achieved through local and short supply chains. Reducing GHG emissions per KG of milk, manure management in the stable thus has an influence on environmental sustainability. Milk quotas have imposed strict limits on European milk production, but regularization of the market as a whole has taken time 20 years, the use of interventions, subsidized exports, and to help consumers for trade surpluses - structural aspects of industrial products.

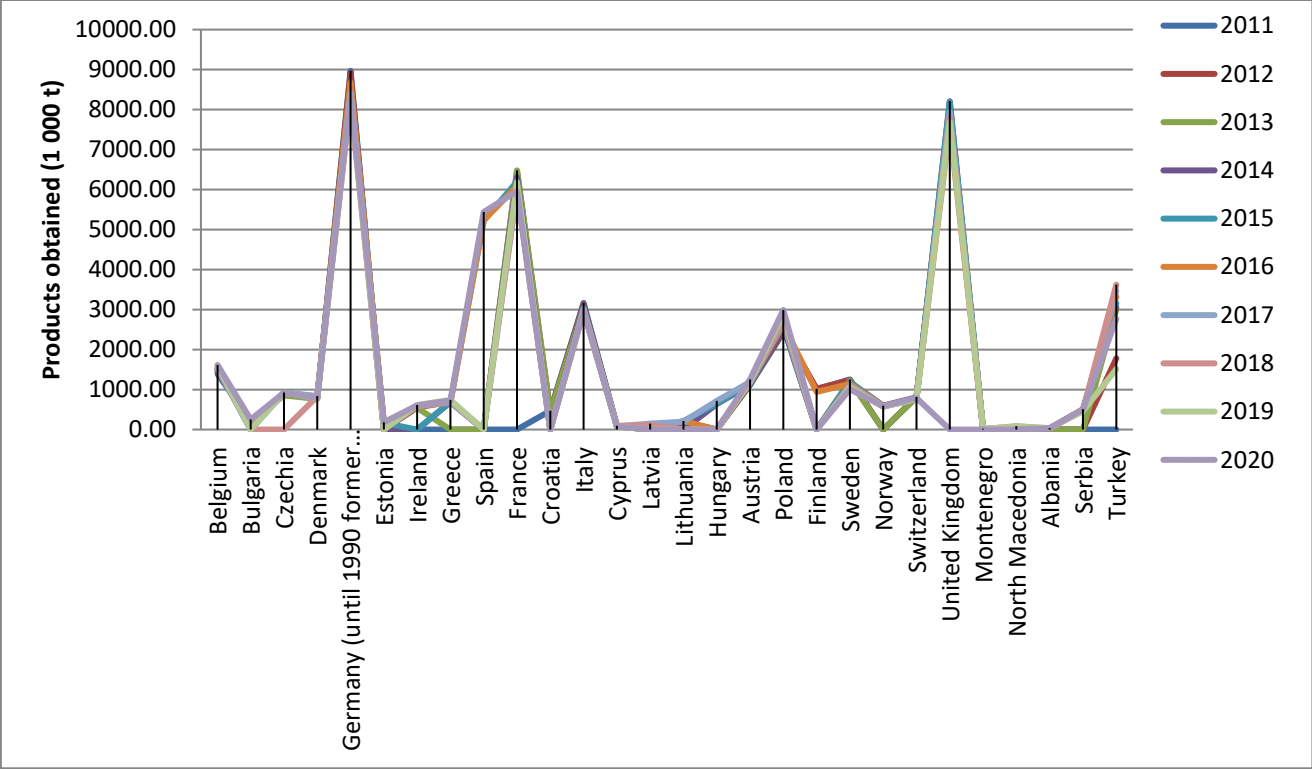


Fig. 1. changes in the distribution of collection of milk (all milk) and dairy products obtained - annual data
source: eurostat

In 2020, the sixth year after the expiry of the production quota regime, the EU had a self-sufficiency rate for milk and dairy products [1] of over 118 percent, with a net equivalent milk surplus of almost 26 million tonnes. Of these, over 11 million tonnes of milk equivalent were exported as SMP or whole milk powder (WMP), while cheese exports accounted for another 11 million tonnes of milk equivalent. The rest consisted of packaged milk, condensed milk and cream.

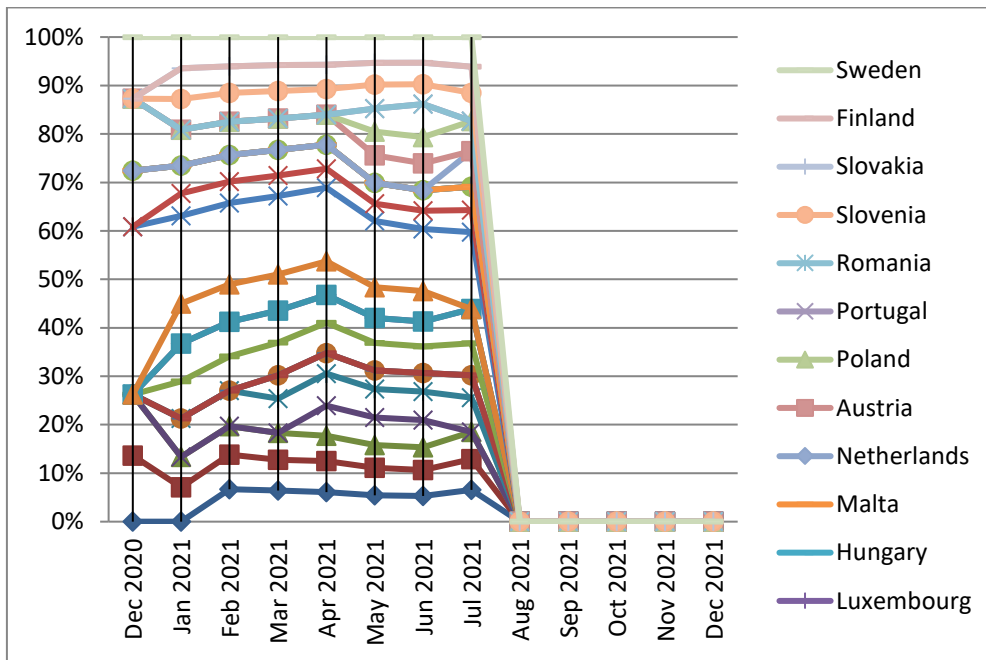


Fig. 2. historical eu price serie of organic cow's raw milk in euro/100 kg

source: Regulation (EU) No 2017/1185 Article 12(a) - Annex II.7(a)

Community policy on milk, as well as other sectoral agricultural policies, is based on the overall objectives of the CAP specified in Article 33 of the Treaty establishing the European Community. CMO regulations in the milk sector explicitly refers to the following four objectives:

- the balance of the milk market. Equilibrium refers to the quantitative adjustment of supply in depending on the demand on the milk market and the elimination of structural surpluses;
- stabilization of prices for milk and dairy products. Stability is assessed on the basis of the evolution of production prices. Analysis of the evolution of consumer prices it also provides some clues about the impact of CMO on consumers;
- ensuring a fair standard of living for the population in the agricultural sector.

Increasing individual income means increasing farm productivity. Structural adjustment is an integral part of the CMO in the dairy sector, albeit. In developing agricultural policy, the need to operate must be taken into account gradually make the appropriate changes;

- improving the competitiveness of dairy products on international markets. Competitiveness must be achieved, among other things, by aligning prices European to the world, structurally inferior. For the import of agricultural products into the European Union is it is necessary to obtain an import license - subject to the establishment of a deposit until the moment when the importer proves that his products comply with the sanitary norms and phytosanitary products, as well as European quality requirements - and the payment of customs duties. Customs duties have replaced the import levies as a result of the negotiations in the framework World Trade Organization-Uruguay Round. There is currently a single import tax system for all in the European Union agricultural products. According to him, agricultural products entering the Community are subject to the level of customs duty found in the Community customs tariff. Also, according to the international commitments assumed by the European Union, for a series of products agricultural tariff quotas exist.

EU producers will thus increasingly focus on meeting food demand in growing worldwide. This will be more pronounced for meat products and dairy products, which enjoy a stable demand from the large economies of Asia, America.

For dairy products, global demand for EU cheese will increase significantly in major countries importers (e.g. 65% in the United States, 52% in Mexico and 33% in Russia), while for skimmed milk powder in the EU, it is expected to increase by 90% in China and 27% in Russia. Of the EU is also expected to maintain a comfortable trade surplus in the long run environment for its dairy products.

Although the principles of the CAP are valid for all market organizations, there is, however, no single market organization covering all product ranges. Both the various production and market conditions and international agreements have made it necessary the establishment of competent market organizations for certain production sectors. A market organization is a set of legal measures on production, production procedures obtaining agricultural products and their prices, in order to ensure the objectives of the CAP (increase in productivity,

adequate livelihoods for producers, market stabilization, guarantee obtaining products and an adequate level of prices).

Conclusion

The rules on market organization established by the Community are mainly valid for all EU Member States. As a result of the demand for a mature and highly selective market, development, continuous growth of products will be vital to future sales growth. Trend for healthy eating, naturally, the key to success, with the vast majority of new launches that highlight some form of additional benefits. Consumers are constantly looking for products natural. To align with current trends of the market, European policies have focused on quality and specialization. To highlight values added of this sector, ensuring competitiveness globally, economic growth and the creation of jobs, the agri-food market is supported through a series of quality and certification systems a product and through good promotion mechanism defined and regulated at Community and national level. In this context, for the realization of some products high quality, European farmers and producers pay close attention to the useful raw material and its origin, have developed their techniques production and processing and consider compliance animal welfare and environmental standards and work.

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