



The huge dumping of extra-EU exports of dairy products and to the EPAs of West Africa, SADC, CEMAC and EAC in 2016
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Dairy products are the second largest sector of EU agricultural production in 2015, accounting for 14.1% of the value of total agricultural production, after fruit and vegetables (23.8%) and before cereals and seeds (13.3%). In 2016, they contributed €15.6 billion (bn) or 11.8% of extra-EU agricultural exports, second only to cereals (22.8%) but before fruits and vegetables (9%), wines (7.8%) and pigmeat (6%). However, it is a sector that has experienced recurring crises, which have been particularly profound over the last three years, because the EU's milk policy has always been built on an overproduction, which began with the CAP in the late 1960s. This overproduction was promoted by one of the strongest import protections in the world and by unlimited export refunds before the WTO, including in the form of external food aid, with refunds exceeding €2 bn per year until 1995, before gradually declining to disappear in 2014. The imposition of production quotas since 1984 did not solve the issue since they have been set at a level above about 10% to the needs of the domestic market, which has led to falling producer prices and the need to increase exports. Since the fall in producer prices, offset by semi-coupled direct aids (notified in the WTO blue box) of the 1992 and 1999 CAP reforms and the decoupled aids of the CAP reform of 2004 (notified in the WTO green box) has not been enough to stop overproduction and falling prices, the European Commission has strived to open new markets by multiplying bilateral free trade agreements (FTAs) and by ending production quotas in 2015, expecting increased markets in Russia and China. But this hope has vanished with the closure of the Russian market and the recent decline in Chinese imports. If the EU has succeeded in opening up a market of 18,500 tonnes of cheese to Canada after the European Parliament ratifies the CETA agreement, it has been pressuring India in the ongoing FTA negotiation over the last 6 years and even more the ACP countries (Africa, Caribbean and Pacific) to sign and implement EPAs (Economic Partnership Agreements) that would be destructive for these countries¹.

I - Subsidies to extra-EU28 exports of milk products in 2016

In 2011, the University of Wageningen produced a milk report for the European Commission presenting decoupled aid per tonne of milk in 2007 (Table 7.16) for all EU27 States. Since decoupled aid from the SPS (single payment scheme, now BPS, basic payment scheme) for the EU15 countries (plus Slovenia and Malta which have opted for SPS) are fixed – even if they have been reduced by a modulation but largely compensated for milk by special aids under Article 68 of the 2009 Health Check, plus storage aids and crisis aid since 2015, not to mention the CAP second-pillar aid, including those for setting-up of young farmers and modernization of farms, and those to farms in the deprived areas – they remain valid in 2016. However, the ten EU12 countries (of which Bulgaria and Romania which joined the EU on 1 January 2007) adopting the SAPS (single area payment scheme). Indeed, the SAPS was multiplied by 3.7 from 2007 (€2.082 bn) to 2015 (€7.770 bn) and it is therefore reasonable to

¹ *The EU fraudulent behaviour to extort the signing of the EPAs*, SOL, December 11, 2016, <http://www.sol-asso.fr/analyses-politiques-agricoles-jacques-b/>

estimate at least at €35/t the decoupled aid from those countries which did not reach this level in 2007 (Slovakia did). This results in an average subsidy of 49.79 euros per tonne of milk.

However, Wageningen University did not take into account feed subsidies included in direct aid to cereals, oilseed meals and protein crops (COPs) of European origin consumed by dairy cows². These subsidies were shown to be €17 per tonne of milk, based on 2010 data from the Tallage report³ and a study for a non-disseminated contract (to be released shortly). A study on export subsidies for poultry meat to SADC⁴ has shown that the WTO requires developed countries to notify subsidies to feed, which they refuse. And, although the EU says it does not subsidize its exports as it has not used export refunds since 2014, its domestic subsidies also benefit the exported products with the same dumping effect, even if most of them, supposedly decoupled from the level of production, are unduly notified in the WTO green box.

1.1 - Subsidies to extra-EU exports of milk powder in 2016

Before evaluating subsidies on exports of all dairy products, it is necessary to start with those to milk powder in order to be able to identify the conversion rate in tonnes of milk equivalent (TME) of code 0402 of the Harmonized System (HS) for concentrated milk. It groups milk powder corresponding to subheadings 040210, 040221 and 040229 and liquid condensed milk of subheadings 040291 and 040299. Milk powder is also included in sub-codes 190110 and 19019099, but as they do not belong to code 0402, they will be dealt with separately below. First we subtract liquid condensed milk (subheadings 040291 and 040299) from code 0402 to obtain total milk powder. The fat milk powder (FMP) groups subcodes 04022191, 04022199, 04022991 and 04022999. The low-fat milk powder (LFMP) is obtained by difference between the total milk powder and the FMP. The Italian consulting firm CLAL estimates the TME rate of 1 kg of fat powder (FMP) at 7.81 kg and the TME rate of LFMP, which is not necessarily totally skimmed, at 10.72⁵. And the French Ministry of Agriculture estimates the TME rate of condensed liquid milk at 2,332⁶.

Of the 1.232 million tonnes (Mt) of concentrated milk (0402) exported in 2016 to all countries, milk powder accounted for 77.5% (954 667 t) and condensed milk for 22.5% (277 435 t). FMP accounted for 18.1% of total powder (172,625 t) and LFMP for 81.9% (782,042 t). The total TME of code 0402 (concentrated milk) is 10.379 M TME, of which 9.731 M TME for powder, of which 1.348 M TME for FMP, 8.383 M TME for LFMP, and 646 978 TME for liquid condensed milk. The average TME rate of the exported concentrated milk (code 0402) was therefore 8.42: 10.379 M TME for 1.232 Mt of concentrated milk. The sum of the 28 EU States is somewhat different from the total due to rounding: Eurostat data are in 100 kg which are converted into tonnes and then the multiplication of tonnes of products by TME rates requires new roundings. Some Member States also have very low export values without mentioning the quantities exported because they are less than 100 kg and these values are not taken into account.

² http://ec.europa.eu/agriculture/sites/agriculture/files/evaluation/market-and-income-reports/2011/dairy-sector/fulltext_en.pdf

³ Tallage, *Modelling of feed consumption in the European Union*, November 2009, a report prepared for DG Agriculture for which "the study provided a comprehensive overview of feed consumption in the EU": http://ec.europa.eu/agriculture/analysis/external/feed/index_en.htm

⁴ *The EU28 subsidies on its exports of poultry meat and eggs to SADC in 2016*, SOL, March 24, 2017, <https://www.sol-asso.fr/analyses-politiques-agricoles-jacques-b-2/>

⁵ http://www.clal.it/en/?section=dairyPROD_DWT_me

⁶ http://agriculture.gouv.fr/sites/minagri/files/documents/pdf/Coefficients_Techniques_Lait_cle8e1393.pdf

Table 1 - Calculation of milk equivalents (TME) of extra-EU28 exports of milk powder in 2016

Tonnes	Tonnes of concentrated milk					Corresponding TME				
	0402	condensed	powder	FMP	LFMP	condensed	FMP	LFMP	FMP+LFMP	0402
EU28 t	1232102	277435	954667	172625	782042	646978	1348201	8383490	9731691	10378669
Austria	8458	2	8456	0,3	8455	5	2	90638	90640	90645
Belgium	115478	4475	111003	6419	104584	10436	50132	1121140	1171272	1181708
Bulgaria	55	5	50	4	46	12	31	493	524	536
Czech Rep.	16197	1228	14969	1196	13773	2864	9341	147647	156988	159852
Germany	190989	57449	133540	7626	125914	133971	59559	1349798	1409357	1543328
Denmark	65114	163	64951	40395	24556	380	315485	263240	578725	579105
Estonia	121	5	116		117	12	0	1254	1254	1266
Spain	14080	4620	9460	1184	8277	10774	9247	88729	97976	108750
Finland	30213	0	30213		30213	0	0	323883	323883	323883
France	185361	1643	183718	3013	180705	3831	23531	1937158	1960689	1964520
Unit-Kingdom	35564	2437	33127	544	32583	5683	4249	349290	353539	359222
Greece	301	127	174	18	156	296	141	1672	1813	2109
Croatia	52	0	52	19	33	0	148	354	502	502
Hungary	46	8	38		45	19	0	482	482	501
Ireland	56607	73	56534	11238	45262	170	87769	485209	572978	573148
Italy	1836	313	1523	328	1196	730	2562	12821	15383	16113
Lithuania	4833	1570	3263		3263	3661	0	34979	34979	38640
Luxembourg	301	31	270		0	72	0	0	0	72
Latvia	5752	1	5751		5750	2	0	61640	61640	61642
Malta	8	8	0		0	19	0	0	0	19
Netherlands	401138	201015	200123	77141	122982	468767	602471	1318367	1920838	2389605
Poland	54724	359	54365	769	53596	837	6006	574549	580566	581403
Portugal	4135	1834	2301	38	2263	4277	297	24259	24556	28833
Roumania	11		11	1	11	0	8	118	126	126
Sweden	40410	124	40286	22694	17592	289	177240	188586	365848	366137
Slovenia	251	15	236		236	35	0	2530	2530	2565
Slovakia	340	5	335		335	12	0	3591	3591	3603
Total	1232375	277510	954865	172627	781943	647153	1348219	8382427	9730646	10377799

Table 2 shows that the 9,730 M TME of exported fat and low-fat milk powder received €666 M in subsidies, which, at a FOB value of €2.266 bn, represented an average dumping rate of 29.4%.

Table 2 - Dumping rate (DR) of extra-EU28 exports of milk powder in 2016

Tonnes	0402	FMP	LFMP	Powder	TME FMP	TME LFMP	MTE FMP+LFMP	Sub/t	Tot subsid	FOB value	DR
UE28 t	1232102	172625	782042	954667							
EU MTE					1348201	8383490	9731691				
Austria	71214	0,3	8455	8455,3	2	90638	90640	66	5982240	51801848	11,5%
Belgium	972321	6419	104584	111003	50132	1121140	1171272	68	79646496	224044415	35,5%
Bulgaria	464	4	46	50	31	493	524	52	27248	100485	27,1%
Czech Rep.	136380	1196	13773	14969	9341	147647	156988	52	8163376	31796725	25,7%
Germany	1608125	7626	125914	133540	59559	1349798	1409357	79	111339203	283707246	39,2%
Denmark	548256	40395	24556	64951	315485	263240	578725	74	42825650	185886728	23%
Estonia	1022		117	117	0	1254	1254	52	65208	224319	29,1%
Spain	118554	1184	8277	9461	9247	88729	97976	51	4996776	27541472	18,1%
Finland	254389		30213	30213	0	323883	323883	77	24938991	52257457	47,7%
France	1560737	3013	180705	183718	23531	1937158	1960689	77	150973053	379280081	39,8%
Un-Kingdom	299450	544	32583	33127	4249	349290	353539	54	19091106	138984260	13,7%
Greece	2532	18	156	174	141	1672	1813	52	94276	348171	27,1%
Croatia	435	19	33	52	148	354	502	45	22590	87136	25,9%
Hungary	386		45	45	0	482	482	39	18798	120667	15,6%
Ireland	476633	11238	45262	56500	87769	485209	572978	76	43546328	116766834	37,3%
Italy	15460	328	1196	1524	2562	12821	15383	57	876831	10802133	8,1%
Lithuania	40695		3263	3263	0	34979	34979	52	1818908	5993515	30,3%
Luxembourg	257		0	0	0	0	0	96	0	336	0
Latvia	48428		5750	5750	0	61640	61640	52	3205280	12371615	25,9%
Malta	67		0	0	0	0	0	57	0	0	
Netherlands	4011380	77141	122982	200123	602471	1318367	1920838	57	109487766	552975246	19,8%
Poland	460778	769	53596	54365	6006	574549	580566	52	30188860	100643372	30%
Portugal	34812	38	2263	2301	297	24259	24556	45	1105020	8245530	13,4%
Roumania	94	1	11	12	8	118	126	52	6552	49281	13,3%
Sweden	340251	22694	17592	40286	177240	188586	365848	75	27436950	80922404	33,9%
Slovenia	2109		236	236	0	2530	2530	71	179630	446731	40,2%
Slovakia	2863		335	335	0	3591	3591	76	272916	654435	41,7%
Total	10374294	172627	781943	954570	172627	781943	9730646	68,48	666310052	2266052442	29,4%

Table 3 shows the share of milk powder exports (FMP and LFMP) in the 10 main EU28 member States and their share of TME and subsidies. These 10 States accounted for 91.1% of exports of powder in TME, 93.3% of FOB value and 96% of subsidies. The average dumping

rate was 30.2%, almost 3 times higher than the rate for all dairy products. France leads, ahead of the Netherlands, Germany, Belgium, Ireland and Denmark.

Table 3 - Share of top 10 exporters of milk powder in TME, FOB value and subsidies

	France	Netherlands	Germany	Belgium	Ireland	Denmark	Poland	Sweden	Uni-Kingdom	Finland	Total of 10
MTE	20,1%	19,7%	14,5%	8,3%	5,9%	5,9%	6%	3,8%	3,6%	3,3%	91,1%
FOB value	16,7%	24,4%	12,5%	9,9%	5,2%	8,2%	4,4%	3,6%	6,1%	2,3%	93,3%
Subsidies	22,7%	16,4%	16,7%	12%	6,5%	6,4%	4,5%	4,1%	2,9%	3,8%	96%
Dumping rate	39,28%	19,8%	39,2%	35,5%	37,3%	23%	30%	33,9%	13,7%	47,7%	30,2%

In an earlier version of this document we also used data from the European Milk Board (EMB) and the German Büro für Agrarsoziologie und Landwirtschaft (BAL) to estimate the milk production costs of specialized dairy farms in 5 EU countries – Netherlands, France, Germany, Denmark and Belgium – on the basis of the EU FADN (Agricultural Accounting Network) data in which they explicitly present subsidies per tonne of milk (including the decoupled SPS)⁷. These five countries accounted for 78% of extra-EU28 exports of FMP and 72.39% of LFMP in 2016, and 76.82% of FMP + LFMP. At the weighted average of the subsidies per tonne of €48.26 from these 5 EU countries, the subsidy on feedingstuffs of 17 €/t had to be added, making a total subsidy of 65.26 €/t, not very different from the 68.48 €/t identified here on the basis of the Wageningen study financed by the European Commission.

1.2 - Subsidies to total exports of extra-EU28 dairy products in 2016

Table 4 presents the subsidies to EU28 exports of dairy product by HS code in tonnes of milk equivalent (TME) of each Member State in 2016.

Table 4 - Dumping Rate (DR) of extra-EU28 exports of dairy products in 2016

	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total	Sub/t	Total sub	FOB value	DR
EU281	1046920	1232102	169219	633281	211694	800125	477464	762665	82074	133440	5448984				
TME/t	2.23	8.42	1.66	2	11.15	7.96	3	5.36	0.84	12.3	5.45				
EU TME	2334631	10378669	280903	1266562	2360385	6368995	1432391	4087885	68942	1641311	30220674				
Austria	14256	90645	3270	13224	773	136522	9929	12248	146	1069	282082	66	18617412	201033554	9.3%
Belgium	83564	1181708	18039	27551	190760	122218	24579	459454	3448	12616	2123937	68	144427716	537163254	26.9%
Bulgaria	3	536	45	32	2	60265	5	375	548	0	61811	52	3214172	30039167	10.7%
Cyprus	1821		0.2	0	3	28059		2	14		29899	52	1554758	25468999	6.1%
Czech Rep.	6301	159852	28	39707	1447	44305	237	1120	135	116	253248	52	13168896	76826731	17.1%
Germany	783528	1543328	80282	150750	177573	916920	108952	318958	5845	188180	4274316	79	337670964	1687837815	20%
Denmark	32011	579105	3638	24746	194288	522208	67513	365997	532	661	1790699	74	132511726	1098933344	12.1%
Estonia	281	1266	37	1386	1756	3853	1726	102	22	785	11214	52	583128	6942560	9.7%
Spain	128140	108750	21639	43463	13350	239951	58469	82137	4165	1144	700208	51	35710608	463630744	7.7%
Finland	34	323883	4341	36565	74752	44170	1033	3377	20	21	488196	77	37591092	124116173	30.3%
France	488338	1964520	24947	376653	449823	907934	284488	325786	29878	721646	5574013	77	429199001	2645745202	16.2%
Un-Kingdom	48338	359222	6185	10236	99654	277454	7194	148054	2664	14155	973156	54	52550424	525267918	10%
Greece	242	2109	6314	543	191	68671	1016	466	1120	328	81000	52	4212000	75632850	5.6%
Croatia	30119	502	12022	5162	4591	27072	5725	32240	2871	1546	121850	45	5483250	53172837	10.3%
Hungary	11957	501	91	28896	5947	116741	566	1962	650	2157	169468	39	6609252	77077090	8.6%
Ireland	16393	573148	17834	61521	376902	392086	250329	965256	1556	328815	2983840	76	226771840	1943938712	11.7%
Italy	120923	16113	2691	8961	7602	761676	1792	77345	5159	2103	1004365	57	57248805	804155820	7.2%
Lithuania	3429	38640	355	18628	96712	114186	1901	11846	952	729	287378	52	14943656	99341810	15%
Luxembourg	2885	72	13	0	77	159		4	344		3554	96	341184	2460004	13.9%
Latvia	700	61642	2869	9646	2669	2348	19	2476	544	1112	84025	52	4369300	30339045	14.4%
Malta		19	0	0		215	179	34599		0	35012	57	1995684	17499335	11.4%
Netherlands	49105	2389605	37978	202511	558547	1097286	509232	917541	2255	278339	6042399	57	344416743	3914685862	8.8%
Poland	327180	581403	5578	203510	54042	375616	63573	295701	1174	84035	1991812	52	103574224	590965406	17.5%
Portugal	111477	28833	12143	1717	45988	38351	13350	9091	1564	619	263133	45	11840985	11654655	10.2%
Roumania	17238	126	3806	55	1909	10404	18	531	229	4	34320	52	1784640	1387879	13.1%
Sweden	256	366137	8008	62	42	12505	9207	17082	965	720	414984	75	31123800	125168265	24.9%
Slovenia	50916	2565	8750	557	743	21365	11358	616	2143	412	99425	71	7059175	50250654	14%
Slovakia	5196	3603	1	481	242	4410	0	3532	0	0	17465	76	1327340	5931221	22.4%
Total	2334631	10377799	280904.2	1266563	2360385	6368992	1432390	4087896	68943	1641312	30196809	61.3	2029901765	1534306906	13.2%

Source: Eurostat; 0401: milk and cream; 0402: concentrated milk; 0403: yogurt; 0404: whey; 0405: butter; 0406: cheese; 190110: infant formulas; 19019099: LFMP enriched with solid vegetable oil; 2105: ice cream; 3501: casein

In 2016, the EU28 exported 5.449 Mt of dairy products, equivalent to 30.197 M TME, at a FOB value (excluding lactose) of €15.343 bn (€15.853 bn with lactose). Subsidies reached €2.03 bn, with an average subsidy rate of 61.3 €/MTE, and an average dumping rate of 13.2% related to the FOB value. Lactose is not retained since it is not possible to calculate a milk equivalent (TME) rate for this sugar already included in all dairy products.

⁷ <http://www.europeanmilkboard.org/special-content/milk-production-costs.html>

Let us stress the importance of code 19019099 which corresponds to fat-filled milk powder resulting from the addition to skimmed milk powder of solid vegetable oil (palm or copra), cheaper than milk fat (butter or cream). Hence the explosion of exports of this form of fat milk powder to West Africa (WA) which reached in 2016 223,416 tonnes against 29,179 tonnes of FMP. After discussion with the French Livestock Institute, the skimmed-milk powder content is at least 50% of the exported volume, i.e. 111,708 tonnes, a minimum estimate that will be used to halve the TME rate of the low-fat milk powder (LFMP) from 10.72 to 5.36. We have used the same percentage of 50% for the volume of extra-EU28 exports. Code 190110 corresponds to weaning foods based on milk but also on other ingredients such as cereals, sugar, cocoa.

The previously used rates of TME for several dairy codes were modified after a discussion with the French Livestock Institute. We found that the TME tonnage of milk powder (FMP + LFMP, excluding code 19019099) was 37.2% of total TME tonnage of dairy products and that powder subsidies were also 37.9% of total subsidies. On the other hand, the dumping rate of exported powder was only 45% of the rate of total dairy products because the value of the exported powder was only 16,3% of that of total exports.

Table 5 shows the percentages of TME volumes, FOB values (excluding lactose) and subsidies to these exports and dumping rates of the top 10 exporters, which accounted for 90.5% of the volume, 92% of FOB value and 91.2% of subsidies with an average dumping rate of 13.1% (close to 13.2% for the EU28). France leads the way in subsidies, followed by the Netherlands, Germany, Ireland, Belgium, Denmark and Poland.

Table 5 - Percentages of the top 10 dairy exporters in TME, FOB Value and Subsidies

	France	Netherlands	Germany	Ireland	Belgium	Denmark	Poland	Italy	United Kingdom	Spain	Total
MTE	18,4%	20%	14,1%	9,9%	7%	5,9%	6,6%	3,1%	3,2%	2,3%	90,5%
FOB value	17,2%	25,5%	11%	12,7%	2,9%	7,2%	3,9%	5,2%	3,4%	3%	92%
Subsidies	21,1%	17%	16,6%	11,2%	6,5%	6,5%	5,1%	2,8%	2,6%	1,8%	91,2%
Dumping rate	16,2%	8,8%	20%	7,2%	26,9%	12,1%	17,5%	7,2%	10%	7,7%	13,1%

II - Subsidies to EU28 exports of dairy products to West Africa in 2016

Although the West African (WA) EPA is not finalized since Nigeria, The Gambia and Mauritania have not signed it, Ivory Coast (IC) and Ghana have begun to apply their interim EPAs (iEPAs) in 2016 and will have to reduce to 0 the already extremely low level (5%) of the import duty (ID) of the ECOWAS Common External Tariff (CET) on milk powder imported from the EU28 at the beginning of the liberalization period (in 2018 for the IC iEPA and in 2021 for that of Ghana). Before calculating subsidies to all exports of dairy products, let us first calculate the milk-equivalent rate for the whole code 0402 of the concentrated milk that groups FMP, LFMP and condensed milk. It is also very important to study milk powder specifically since its already low 5% import duty would fall to zero in the first year of liberalization, as in the case of the iEPAs of Ivory Coast and Ghana.

2.1 - Subsidies to the EU28 exports of milk powder to West Africa in 2016

The average milk equivalent rate of concentrated milk exported was 8.19 (970,718 TME over 118 152 t of concentrated milk), significantly lower than that of 8.42 for the average of code 0402 exported to all countries. Table 6, which contains only the EU countries that exported milk powder to WA, shows that exports of powder in TME were 1,824 Mt and resulted in €61.263 M in subsidies, with an average subsidy of 67.17 €/t, slightly higher than 66.75 €/t for exports to all countries.

Table 6 – The EU28 dumping rate (DR) of milk powder exports to West Africa in 2016

	0402	FMP	LFMP	TME FMP	TME LFMP	TME FMP+LFMP	Sub/t	Total subsid.	FOB value	DRE
Tonnes	118152	29179	63824							
EU				227889	684193	912068	67,17	61262707	220547322	27,8%
Belgium	18468	1814	16074	14167	172313	186480	68	12680640	38909179	32,6%
Bulgaria	8	4		28		28	52	1456	4791	30,4%
Czech R.	25		25		268	268	52	13936	58647	23,8%
Germany	12679	539	8280	4209	88759	92968	79	7344472	16216470	45,3%
Denmark	5084	4526	555	35345	5945	41290	74	3055460	14513420	21,1%
Spain	126	34	83	268	892	1160	51	59160	307958	19,2%
France	12378	1385	10899	10815	116837	127652	77	9829204	27971341	35,1%
Uni-Kingdom	11764	0,4	11748	3	125935	125938	54	6800652	34388920	19,8%
Greece	3		3		28	28	52	1456	2600	56%
Ireland	12733	5902	6830	46098	73222	119320	76	9068320	27443109	33%
Italy	6	4	2	34	21	55	57	3135	19503	16,1%
Netherlands	40514	13299	6758	103868	72446	176314	57	10049898	51938768	19,3%
Poland	2476	172	2304	1343	24696	26039	52	1354028	4454942	30,4%
Portugal	407	18	263	137	2820	2957	45	133065	746134	17,8%
Sweden	1482	1482		11574		11574	75	868050	3571540	24,3%
Total		29179	63824	227889	684182	912071	67,17	61262932	220547322	27,8%

Table 7 summarizes the percentages of TME, FOB value, subsidies and dumping rates of the top 9 exporting countries, which accounted for 99.4% to 99.5% of these indicators, with the dumping rate being identical to the EU average of 27.8%. Belgium took the lead, ahead of the Netherlands, France, the United Kingdom and Ireland, which relegated Germany to 6th place.

Table 7 - Percentages of the top 9 exporters of milk powder for TME, FOB value and subsidies

	Belgium	Netherlands	France	United Kingdom	Ireland	Germany	Denmark	Poland	Sweden	Total
TME	20,4%	19,3%	14%	13,8%	13,1%	10,2%	4,5%	2,9%	1,3%	99,5%
FOB value	17,6%	23,5%	12,7%	15,6%	12,4%	7,4%	6,6%	2%	1,6%	99,4%
Subsidies	20,7%	16,4%	16%	11,1%	14,8%	12%	5%	2%	1,4%	99,4%
Dumping rate	32,6%	19,3%	35,1%	19,8%	33%	45,3%	21,1%	30,4%	24,3%	27,8%

It is now possible to analyse the subsidies to total exports of dairy products from the EU28 to WA in 2016.

2.1 – Subsidies to EU28 exports of dairy products to West Africa in 2016

Table 8 shows the tonnes of dairy products exported per EU28 Member State.

Table 8 - Tonnage of dairy products exported per EU28 member State to WA in 2016

Tonnes	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total
EU28	69814	118152	6909	11185	4040	6525	12600	223416	1676	838	455155
Austria	17			0		35					52
Belgium	5914	18468	941	100	478	348	237	10540	296	231	37553
Bulgaria		8				14			3		25
Czech Rep.	35	25				13					73
Germany	35732	12679	1018	537	78	393	2	15644	22	422	66527
Denmark	39	5084	0,5	5	82	545		4016	3		9775
Estonia	0,1	0	0,1	300	0	0,1			0,1		300
Spain	1499	126	497	74	65	296	150	453	321		3481
France	14989	12378	192	4179	2297	3634	7150	15729	625	147	61320
United Kingdom	0	11764		0,4	51	6	920	1141	48	6	13936
Greece		3	1			0,1			31		35
Croatia								63			63
Ireland		12733	755	225	62	55	10	91710			105550
Italy	131	6	8	235	21	50	0,1	4	90	0,3	545
Lithuania				75				9	2		86
Malta								73			73
Luxembourg	29	0	2		6	7			0		44
Netherlands	575	40514	2174	553	861	778	3383	56328	83		105249
Poland	590	2476	16	4850		40	166	25692	109		33939
Portugal	9367	407	1305	52	40	312	583	750	44	32	12892
Sweden	0,1	1482				0		1250			2732
Slovenia	268										268
Slovakia	631							14			645
Total	69814	118153	6910	11185	4041	6526	12601	223416	1677	838	455164

Source: Eurostat; 0401: milk and cream; 0402: concentrated milk; 0403: yogurt; 0404: whey; 0405: butter; 0406: cheese; 190110: infant formulas; 19019099: LFMP enriched with solid vegetable oil; 2105: ice cream; 3501: casein

Table 9 converts the tonnes of dairy products into TME and deducts the subsidies and dumping rate. Total subsidies to dairy products exported by the EU28 to WA were of €168.6 M in 2016, with an average subsidy of 67.43 €/TME and an average dumping rate of 20.8% related to the total FOB value of exports of €809.7 M for a total milk equivalent (TME) of 2.5 Mt, including 2.1 Mt of milk powder, of which 1.2 Mt of LFMP in fat-filled milk powder. The average subsidy is very close to that of milk powder (67.17 €/t), although the total subsidy is 2.75 times higher because the total volume of milk in TME is also 3.65 times higher than that exported in powder.

Table 9 – EU28 dumping rate (DR) of its dairy exports to West Africa in TME in 2016

	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total	Sub/t	Total subsi	FOB Value	DR
EU28: tonnes	69814	118152	6909	11185	4040	6525	12600	223416	1676	838	455155				
TME/t	2.23	8.19	1.66	2	11.15	7.96	3	5.36	0.84	12.3	8.89				
Austria	38	0	0	0	0	279	0		0	0	317	66	20922	169223	12.4%
Belgium	13188	151253	1562	200	3805	2770	711	56494	249	2841	233073	68	15848964	60531139	26.2%
Bulgaria	0	66	0	0	0	111	0		3	0	180	52	9360	87595	10.7%
Czech Rep.	78	205	0	0	0	103	0		0	0	386	52	20072	129883	15.5%
Germany	79682	103841	1690	1074	870	3128	6	83852	18	5191	279352	79	22068808	80197682	27.5%
Denmark	87	41638	1	10	914	4338	0	21526	3	0	68517	74	5070258	27559147	18.4%
Estonia	0.2	0	0.2	600	0	1	0		0.1	0	602	52	31278	226524	13.8%
Spain	3343	1032	825	148	725	2356	450	2428	270	0	11577	51	590427	6459860	9.1%
France	33425	101376	319	8358	25612	28927	21450	84307	525	1808	306107	77	23570239	141728811	16.6%
Uni-Kingdo	0	96347	0	0.8	569	48	2760	6116	40	74	105955	54	5721559	40701087	14.1%
Greece	0	25	2	0	0	1	0		26	0	54	52	2808	130227	2.2%
Croatia								338			338	45	15210	170046	8.9%
Ireland	0	104283	1253	450	691	438	30	491566	0	0	598711	76	45502036	187432270	24.3%
Italy	292	49	13	470	234	398	0.3	21	76	4	1557	57	88766	997408	8.9%
Lithuania	0	0	0	150	0	0	0	48	2	0	200	52	10400	61904	16.8%
Malta								392			392	57	22344	139926	16%
Luxembourg	65	0	3	0	67	56	0		0	0	191	96	18336	146809	12.5%
Netherlands	1282	331810	3609	1106	9600	6193	10149	301918	70	0	665737	57	37947009	191528610	19.8%
Poland	1316	20278	27	9700	0	318	498	137709	92	0	169938	52	8836776	52484466	16.8%
Portugal	20888	3333	2166	104	446	2484	1749	4020	37	394	35621	45	1602945	12208911	13.1%
Sweden	0.2	12138				0		6700			18838	75	1412865	6261926	22.6%
Slovenia	598										598	71	42458	145071	29.3%
Slovakia	1407							75			1482	76	112632	328078	34.3%
Total	155689	967674	11470	22371	43533	51949	37803	1197510	1411	10312	2499722	67.43	168566472	809741580	20.8%

Table 10 shows that, if we favour subsidies, Ireland leads, followed by the Netherlands, ahead of France, Germany, Belgium and Poland. The 9 countries accounted for 98.4% of exports in TME, 98.1% of their FOB value and subsidies, with an average dumping rate of 20.9%.

Table 10 - The EU's top nine EU dairy exporters for TME, FOB value and subsidies

	Ireland	Netherlands	France	Germany	Belgium	Poland	Uni-Kingdom	Denmark	Portugal	Total
TME	24%	26.6%	12.2%	11.2%	9.3%	6.8%	4.2%	2.7%	1.4%	98.4%
FOB value	23.1%	23.7%	17.5%	9.9%	7.5%	6.5%	5%	3.4%	1.5%	98.1%
Subsidies	27%	22.5%	14%	13.1%	9.4%	5.2%	2.9%	3%	1%	98.1%
Dumping rate	24.3%	19.8%	16.6%	27.5%	26.2%	16.8%	16.6%	18.4%	13.1%	20.9%

Table 11 shows the recipient WA States of the EU dairy exports, in tonnes of products, which Table 12 converts into TME, adding the FOB value, subsidies at the average rate of 67.43 €/TME identified in Table 9 and deducting therefrom the dumping rate per WA State. Lactose is not taken into account in Table 12 as explained above.

Table 11 - EU28 exports of dairy products to the 16 WA states in 2016, in tonnes

	0401	0402	0403	0404	0405	0406	1702	190110	19019099	2105	3501	total
ECOWAS	38031	110437	6741	11013	3979	6377	588	12443	195272	1562	838	387281
West Africa	69814	118152	6909	11185	4040	6525	588	12600	223416	1676	838	455743
Burkina Faso	813	2459	68	0	64	220		183	4804	23	0,2	8634
Benin	1067	1125	12		214	501		311	1598	93	72	4994
Ivory Coast	2212	9769	634	1775	812	936	2	2671	10381	462	225	29879
Cape-Verde	11434	3120	1127	288	146	858	1	507	1612	195	32	19320
Ghana	3040	12787	74	4316	339	526	197	525	11012	3	82	32899
Gambia	1176	1133	134	22	24	101		35	2458	169		5252
Guinea	1698	6002	158	17	108	76		517	8249	34	0	16856
GuineaBissau	657	257	416		5	33	0,1	89	1355	10	0,4	2822
Liberia	309	578	82		24	104		88	1608	26	25	2843
Mali	1312	5481	343	0,2	206	180		951	20323	58	0	28853
Niger	2249	1786	24	360	33	146		137	4808	11	0	9554
Nigeria	4511	54604	3516	3431	1011	796	249	5424	64279	38	344	138201
Sierra Leone	342	1106	20		70	60		197	1007	47	10	2858
Senegal	6225	8097	74	34	860	1652	83	655	51225	343	0,3	69248
Togo	985	2136	58	771	62	190	10	155	1055	51	49	15021
Mauritania	31783	7714	168	171	62	148		155	28144	114	0	68462

Tableau 12 – EU28 exports of dairy products to the 16 WA States in 2016, in TME, subsidies and DR

	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	total	Subventions	Valeur	Tx dumping
TEL/t	2.332	8.19	1.66	2	11.15	7.96	3	5.36	0.84	12.3				
ECOWAS	88688	904479	11190	22026	44366	50761	37329	1046658	1312	10307	2217117	149500199	739570931	20,2%
West Africa	162806	967665	11469	22370	45046	51939	37800	1197510	1408	10307	2508320	169136018	809743823	20,9%
Burkina Faso	1896	20139	113	0	714	1751	549	25749	19	2	50933	3434412	18971545	18,1%
Benin	2488	9214	20	0	2386	3988	933	8565	78	886	28568	1925666	12434351	15,5%
Ivory Coast	5158	80008	1052	3550	9054	7451	8013	55642	388	2768	173084	11671054	71093267	16,4%
Cape-Verde	26664	25553	1871	576	1628	6830	1521	8640	164	394	73840	4979031	24732321	20,1%
Ghana	7089	104726	123	8632	3780	4187	1575	59024	3	1009	190147	12821612	54060000	23,7%
Gambia	2742	9279	222	44	268	804	105	13175	142	0	26782	1805910	8079404	22,4%
Guinea	3960	49156	262	34	1204	605	1551	44215	29	0	101016	6811509	31336894	21,7%
GuineaBissau	1532	2105	691	0	56	263	267	7263	8	5	12189	821904	3785013	21,7%
Liberia	721	4734	136	0	268	828	264	8619	22	308	15898	1072002	5609030	19,1%
Mali	3060	44889	569	0,4	2297	1433	2853	108931	49	0	164081	11063982	60288833	18,4%
Niger	5245	14627	40	720	368	1162	411	25771	9	0	48353	3260443	16272968	20%
Nigeria	10520	447207	5837	6862	11273	6336	16272	344535	32	4231	853104	57524803	272430705	21,1%
Sierra Leone	798	9058	33	0	781	478	591	5398	39	123	17298	1166404	5755319	20,3%
Senegal	14517	66314	123	68	9589	13150	1965	274566	288	4	380584	25662779	132128148	19,4%
Togo	2297	17494	96	1542	691	1512	465	5655	43	603	30398	2049737	22593133	9,1%
Mauritania	74118	63178	279	342	691	1178	465	150852	96	0	291198	19635481	70172892	28%
Total	162805	967681	11467	22370	45048	51956	37800	1146600	1409	10333	2457463	165706729	809743823	

Table 13 shows that the top 10 importers accounted for 90.4% of TME, 95.6% of the EU FOB value and 95.8% of the subsidies. Nigeria dominates with a third of the EU FOB value and subsidies, and then Senegal and Mauritania are far ahead of Ghana, Ivory Coast and Mali.

Table 13 - The WA top ten importers of EU dairy products in MTE, FOB value and subsidies

	Nigeria	Senegal	Mauritania	Ghana	Ivory Coast	Mali	Guinea	Cape Verde	Niger	Burkina	Togo	Total
TME	28,8%	15,5%	11,8%	7,7%	7%	7,4%	3,9%	3%	2%	2,1%	1,2%	90,4%
FOB value	33,6%	16,3%	8,7%	6,7%	8,8%	7,4%	3,9%	3,1%	2%	2,3%	2,8%	95,6%
Subsidies	34,7%	15,5%	11,8%	7,7%	7%	6,7%	4,1%	3%	2%	2,1%	1,2%	95,8%

III – EU28 subsidies to its exports of dairy products to Southern Africa (SADC)

Let us first calculate the export subsidies to milk powder to know the TME rate of code 0402, which depends on the distribution of concentrated milk between fat milk powder (FMP), low fat milk powder (LFMP) and condensed milk (codes 040291 and 040299).

3.1 – EU28 subsidies to its exports of milk powder to Southern Africa (SADC) in 2016

The average milk equivalent rate for concentrated milk (code 0402) exported was 9.82 (68,628 TEL over 7,011 t of concentrated milk), significantly higher than that of 8.42 for the average code 0402 exported to all countries. Table 14, which contains only EU countries that exported milk powder, shows that exports of TEL powder were 68,275 t benefiting of €12.259 M of subsidies, at a subsidy average of 67.97 €/TEL, slightly lower than 68.48 €/TEL for EU powder exports to all countries.

Table 14 - EU dumping rate (DR) of milk powder exports to SADC in 2016

Tonnes	0402	FMP	LFMP	FMP TME	LFMP TME	FMP+LFMP TME	Sub/t	Tot subsidies	FOB value	DR
EU28 t	7011	223	6207	1744	66531	68275				
Belgium	869	26	689	206	7389	7595	68	516460	1368669	37,7%
Bulgaria	1		1		8	8	52	416	3284	12,7%
Germany	746	8	565	60	6056	6116	79	483164	1219481	39,6%
Denmark	181		179		1919	1919	74	142006	335654	42,3%
France	2662		2662		28538	28538	77	2197426	4748802	46,3%
United Kingdom	221		204		2186	2186	54	118044	399896	29,5%
Italy	81	2	66	17	706	724	57	41268	191128	21,6%
Lithuania	125		125		1340	1340	52	69680	226000	30,8%
Netherlands	2005	187	1608	1460	17233	18693	57	1065501	3543588	30,1%
Poland	32		32		343	343	52	17836	69774	25,6%
Portugal	20	0,1	8	1	86	86	45	3870	19040	20,3%
Sweden	68		68		727	727	75	54525	134123	40,7%
Total	7011	223	6207	1744	66531	68275	67,97	4710196	12259439	38,4%

3.2 – EU28 subsidies to exports of dairy products to Southern Africa (SADC) in 2016

Table 15 shows the tonnes of dairy products exported per EU28 State and Table 16 converts them into TME and deducts the subsidies and dumping rate. This time, code 19019099 is added to the lean powder enriched with vegetable oil, excluded from liberalization.

Table 15 - Tonnage of dairy products exported per EU28 Member State to SADC in 2016

Tonnes	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total
EU28	14261	7011	2526	5798	2246	10989	2722	14085	1071	1582	
Austria						476			7		483
Belgium	50	869	16	0	0	118		6350	6		7409
Bulgaria		1									1
Germany	500	746	354	93	19	2738	339	807	1	306	5903
Denmark	5	181	1		226	720		380			1513
Estonia				60							60
Spain						24		73			97
France	10	2662	1056	4864	85	959	1040	275	272	447	11670
United Kingdom	146	221	350	19	335	2562		731	196	9	4569
Greece			2			11	397				410
Hungary				25							25
Croatia								256		37	293
Ireland	177		526	250	1533	560	46	4629		405	8126
Italy	0,6	81	0		4	642		108	32	15	883
Lithuania		125				50			0,1	0,1	175
Latvia						12					12
Malta							33				33
Netherlands	17	2005	95	446	30	1567	229	118		130	4637
Poland	12961	32		32		451		311		181	13968
Portugal	394	20	127	9	14	100	638	41	563	0,6	1907
Sweden		68								52	120
Total	14261	7011	2527	5798	2246	10990	2722	14086	1070	1582	62293

Table 13 – TME, subsidies, FOB value and dumping rate of EU dairy exports to SADC in 2016

	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total	Sub/t	Total sub	FOB value	DR
UE28 t	14261	7011	2526	5798	2246	10989	2341	14085	1071	1582	61910		61910		
TEL/t	2,332	9,82	1,66	2	11,15	7,96	3	5,36	0,84	12,3		72,78			
UE en TEL	33257	68838	4195	11596	25043	87480	8166	75496	899	19468					
Austria	0	0	0	0	0	3789	0	38	0	0	3827	66	252582	1632150	15,5%
Belgium	117	8534	27	0	0	939	0	34036	5	0	43658	68	2968744	7900677	37,6%
Bulgaria		10						0			10	52	520	3824	13,6%
Germany	1166	7326	588	186	212	21794	1017	4326	1	3764	40380	79	3190020	16405278	19,4%
Denmark	12	1777	2	0	2520	5731	0	2037	0	0	12079	74	893846	6337831	14,1%
Estonia	0	0	0	120	0	0	0	0	0	0	120	52	6240	43725	14,3%
Spain	0	0	0	0	0	191	0	391	0	0	582	51	29682	86240	34,4%
France	23	26141	1753	9728	948	7634	3120	1474	228	5498	56547	77	4354119	26168667	16,6%
Un. Kingdom	340	2170	581	38	3735	20394	0	3918	165	111	31452	54	1698408	10778295	15,8%
Greece	0	0	3	0	0	88	1191	0	0	0	1282	52	66664	363462	18,3%
Hungary	0	0	0	50	0	0	0	0	0	0	50	39	1950	25248	7,7%
Croatia	0	0	0	0	0	0	0	1372	0	455	1827	45	82215	346835	23,7%
Ireland	413	0	873	500	17093	4458	138	24811	0	4982	53268	76	4048368	18870364	21,5%
Italy	1	795	0	0	45	5110	0	579	27	185	6742	57	384294	4993072	7,7%
Lithuania	0	1228	0	0	0	398	0	0	0,1	1	1627	52	84604	415114	20,4%
Latvia	0	0	0	0	0	96	0	0	0	0	96	52	4992	45195	11%
Malta	0	0	0	0	0	0	99	0	0	0	99	57	5643	32000	17,6%
Netherlands	40	19689	158	892	335	12473	687	632	0	1599	36505	57	2080785	11427872	18,2%
Poland	30225	314	0	64	0	3590	0	1667	0	2226	38086	52	1980472	7623317	26%
Portugal	919	196	211	18	156	796	1914	219	473	7	4909	45	220905	4399800	5%
Sweden	0	668	0	0	0	0	0	0	0	640	1308	75	98100	281618	34,8%
Total	33256	68848	4196	11596	25044	87481	8166	75500	899	19468	334454	67,13	22453153	118180584	19%

The 47,490 tonnes of dairy products exported for €118.2 M corresponded to 334,454 TME, which received €22.5 M of subsidies, corresponding to an average dumping rate of 19%.

Table 14 shows that the top 10 exporters accounted for 96.8% of the volume in TME, 97.2% of the FOB value, 90% of the subsidies, at an average dumping rate of 19%. France is far ahead of subsidies, before Ireland, Germany, Belgium, the Netherlands, Poland and the United Kingdom.

Table 14 - Top 10 EU dairy exporters for TELs, FOB value and subsidies

	France	Ireland	Germany	Belgium	Netherlands	Poland	Un.Kingdom	Denmark	Italy	Portugal	Total
TME	16,9%	15,9%	12,1%	13,1%	10,9%	11,4%	9,4%	3,6%	2%	1,5%	96,8%
FOB value	22,1%	11,1%	13,9%	6,7%	9,7%	6,5%	9,1%	5,4%	4,2%	3,7%	92,4%
Subsidies	19,4%	16%	14,2%	13,2%	9,3%	8,8%	7,6%	4%	1,7%	1%	95,2%
Dumping rate	16,6%	21,5%	19,4%	37,6%	18,2%	26%	15,8%	14,1%	7,7	5%	19%

IV – EU28 subsidies to its exports of dairy products to Central Africa (CEMAC)

Although the CEMAC EPA is not finalized, Cameroon has ratified and implemented it since 6 August 2016. However, most dairy products are excluded from liberalization, even codes 0401 (milk and cream) and 0402 (concentrated milk) with an import duty of 5%, the other main dairy products – 0403 (yogurt), 0404 (whey), 0405 (butter) and 0406 (cheese) – being taxed at 30%. The other dairy products will be fully liberalized in 2029, namely infant formula (190110) and casein (3501), both taxed at 10%, and ice cream (2105) taxed at 30%.

4.1 – EU28 subsidies to exports of milk powder to Central Africa (CEMAC) in 2016

Before calculating the subsidies to all dairy exports, those to milk powder are calculated in order to know the TME rate of code 0402, which depends on the distribution of concentrated milk between fat milk powder (FMP), low-fat milk powder (LFMP) and condensed milk (codes 040291 and 040299). The average milk equivalent rate of the exported concentrated milk (code 0402) was 7.23 (131,349 TEL, of which 9,647 TEL for condensed milk, 18,163 t of concentrated milk), lower than that of 8.42 for the average of code 0402 exported to all countries because the weight of the fat milk powder was almost as high as that of the low fat milk powder. Table 7, which contains only EU countries that exported milk powder to the CEMAC, shows that exports of TEL powder were 130,285 t and resulted in €8.043 M in subsidies, at an average subsidy of 61.74 €/t, significantly lower than the 66.75 €/t for EU exports to all countries.

Table 15 shows that the 130,283 TEL of milk powder exported for €41.403 M mobilized €8.044 M of subsidies, at an average dumping rate of 19.4%.

Table 15 - Dumping rate of milk powder exports from the EU to the CEMAC in 2016

Tonnes	0402	FMP	LFMP	FMP TME	LFMP TME	FMP+LFMP TME	Sub/t	Tot subsidies	FOB value	DR
UE28 t	18163									
UE										
Belgium	2742	188	2507	1470	26875	28345	68	1927460	6698776	28,8%
Germany	438		421		4513	4513	79	356527	850905	41,9%
Denmark	16	16		125		125	74	9250	43496	21,3%
Spain	1459	5	23	41	247	288	51	14688	143896	10,2%
France	1183	182	967	1421	10365	11786	77	907522	3544178	25,6%
Un.Kingdom	2253	41	2213	316	23718	24034	54	1297836	6439113	20,2%
Ireland	254	70	184	547	1972	2519	76	191444	572417	33,4%
Italy	3				1	1	57	57	1334	4,3%
Netherlands	9717	6397	715	49961	7659	57620	57	3284340	22936218	14,3%
Poland	98		98		1051	1051	52	54652	172327	31,7%
Portugal				1		1	52	52	762	6,8%
Total		6899	7128	53882	76401	130283	61,74	8043828	41403422	19,4%

Of the 11 EU25 Member States that exported milk powder to CEMAC in 2016 4 accounted for 93.4% of the volume in TME, 95.8% of the FOB value and 92.2% of the subsidies, at an average dumping rate of 18.7%. The Netherlands dominates largely, followed by Belgium, the United Kingdom and France.

Table 16 - The top 4 exporters of milk powder from the EU to CEMAC in 2016

	Netherlands	Belgium	United-Kingdom	France	Total
TME	44,2%	21,8%	18,4%	9%	93,4%
FOB value	55,4%	16,2%	15,6%	8,6%	95,8%
Subsidies	40,8%	24%	16,1%	11,3%	92,2%
Dumping rate	14,3%	28,8%	20,2%	25,6%	18,7%

4.2 – EU28 subsidies to exports of dairy products to Central Africa (CEMAC) in 2016

It is now possible to analyse the subsidies to total EU28 dairy exports to CEMAC in 2016. Table 17 shows the tonnes of dairy products exported per EU country and Table 18 converts them into TME and deducts the subsidies and dumping rate.

Table 17 - Tonnage of dairy products exported per EU28 State to CEMAC in 2016

Tonnes	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total
EU28	11143	18163	1935	224	867	1551	7391	12690	1110	261	55335
Austria							2				2
Belgium	428	2742	46	16	145	53	13	2912	231	144	6730
Czech Republic	20										20
Germany	1240	438	285		22	5		72	1	87	2150
Denmark		16		2	10	2		225			255
Estonia				50							50
Spain	367	1459	1040	20	8	77	481	69	38		3559
France	8503	1183	188	136	620	1222	6078	1099	716	0,3	19745
United-Kingdom		2253						350			2603
Croatia								180			180
Ireland		254						2638			2892
Italy	75	3	6		20	21		0,4	32	19	176
Netherlands	391	9717	369		42	170	273	3347	92		14401
Poland	40	98					544	1587			2269
Portugal	7	0,1	0,5		0,7	1	0,4	213	0,1	11	234
Slovakia	72										72
Total	11143	18163	1935	224	867	1551	7391	12692	1110	261	55337

Source: Eurostat; 0401: milk and cream; 0402: concentrated milk; 0403: yogurt; 0404: whey; 0405: butter; 0406: cheese; 190110: infant formulas; 19019099: LFMP enriched with solid vegetable oil; 2105: ice cream; 3501: casein

The 55,335 tonnes of dairy products exported in 2016 for €140.7 M represented 276,202 tonnes of milk equivalent (TME) and benefited from €17.867 M of subsidies, with an average dumping rate of 12.7%.

Table 18 - TEL tonnage of EU28 dairy products exported to CEMAC in 2016

Tonnes	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total	Sub/t	Total sub	Valeur	TD
EU28 t	11143	18163	1935	224	867	1551	7391	12692	1110	261	55335				
TME rate	2,23	7,23	1,66	2	11,15	7,96	3	5,36	0,84	12,3					
EU28 TME	24849	131318	3212	448	9667	12346	22173								
Austria	0	0	0	0	0	0	6		0	0	6	66	396	19475	2%
Belgium	954	19825	76	32	1617	422	39	15608	194	1771	40538	68	2756584	11496776	24%
Czech Rep.	45	0	0	0	0	0	0		0	0	45	52	2340	9253	25,3%
Germany	2765	3167	473	0	245	40	0	386	1	1070	8147	79	643613	2346339	27,4%
Denmark	0	116	0	4	112	16	0	1206	0	0	1454	74	107596	529917	20,3%
Estonia	0	0	0	100	0	0	0		0	0	100	52	5200	31250	16,6%
Spain	818	10549	1726	40	89	613	1443	370	32	0	15380	51	799680	7632882	10,5%
France	18962	8553	312	272	6913	9727	18234	5891	601	4	69469	77	5349113	61955540	8,6%
Un-Kingdom	0	16289	0	0	0	0	0	1876	0	0	18165	54	980910	7502957	13,1%
Croatia								965			965	45	43425	235905	18,4%
Ireland	0	1836	0	0	0	0	0	14140	0	0	15976	76	1214176	6766689	17,9%
Italy	167	22	10	0	223	167	0	2	27	234	852	57	48564	340302	14,3%
Netherlands	872	70254	613	0	468	1353	819	17940	77	0	92396	57	5266572	36012726	14,6%
Poland	89	709	0	0	0	0	1632	8506	0	0	10936	52	568672	5395836	10,5%
Portugal	16	1	1	0	8	8	1,2	1142		135	1312	52	68234	390828	17,5%
Slovakia	161	0	0	0	0	0	0		0	0	161	76	12236	25436	48,1%
Total	24849	131318	3212	448	9667	12346	22174	68032	932	3214	276202	64,69	17867311	140692111	12,7%

Milk powder accounted for 47.2% of TME but only 34% of the FOB value while mobilizing 45% of subsidies with an average dumping rate higher than 53% (18.5% against 12.7%). However, if the low fat milk powder included in code 19019099 is added, 71.8% of the TME are made of milk powder.

Table 19 shows that the top 6 exporters mobilized 93.5% of the total TME volume, 95.2% of the FOB value with 92.7% of the subsidies, with a dumping rate of 12.5%, close to the average rate of 12.7%. According to the criterion of subsidies, France is at the top, followed by the Netherlands, far ahead of Belgium, itself far ahead of Ireland, Spain and the United Kingdom.

Table 19 - The top 6 EU28 Member States exporting dairy to CEMAC in 2016

	France	Netherlands	Belgium	Ireland	Spain	United-Kingdom	Total
TME	25,2%	33,5%	14,7%	5,8%	7,4%	6,6%	93,2%
FOB value	44%	25,6%	8,2%	4,8%	6,3%	5,3%	94%
Subsidies	29,9%	29,5%	15,4%	6,8%	5,8%	5,5%	92,9%
Dumping rate	8,6%	13,7%	24%	17,9%	10,5%	13,1%	11%

IV – EU28 subsidies to its exports of dairy products to Eastern Africa (EAC)

It is interesting to compare exports from the EU28 and its subsidies to Eastern Africa (EAC) with those to other regional EPAs when we know that the EAC has import duties of 25% on most dairy products, and even 60% on milk powder. However, the EAC has been facing a trade deficit in dairy products for some years despite a significant surplus for Uganda and a more modest one for Rwanda so that it has to import, which was exacerbated in 2016 by adverse climatic conditions.

Table 20 shows that exports of milk powder were of 22,8M TME for a value of 5.319 M€ and received €1.584 M of subsidies, at an average dumping rate of 29.8%. The TME rate of code 0402 was 10.5 because there was virtually no condensed milk (12 t, i.e. 28 TME) and FMP.

Table 20 – EU28 exports of milk powder, subsidies, FOB value and dumping rate to the EAC in 2016

Tonnes	0402	FMP	LFMP	FMP TME	LFMP TME	FMP+LFMP TME	Sub/t	Total subsidies	FON value	DR
UE28 t	2180	127	2041	995	21874	22869				
Belgium	401	5	395	41	4237	4277	68	290836	723571	40,2%
Germany	150		150		16080	1608	79	127032	285668	44,7%
France	428		427		4582	4582	77	352814	1694812	20,8%
United Kingdom	155		155		1656	1656	54	89424	373950	23,9%
Ireland	549		549		5887	5887	76	447412	1028142	43,5%
Italy	9	4	5	33	48	81	57	4617	24780	18,6%
Netherlands	477	118	359	922	3852	4773	57	272061	1188333	22,9%
Total	2177	127	2040	996	21870	22864	61.74	1584196	5319256	29,8%

And Table 21 shows that 5 countries – in the order: Ireland, France, the Netherlands, Belgium and Germany – realized 92.3% of their exports in TEC for 92.5% of FOB value, with 94.1% of the subsidies, at an average dumping rate of 30.3%.

Table 21 – The E28 5 top Member States exporting milk powder to EAC en 2016

	Ireland	France	Netherlands	Belgium	Germany	Total
TME	25,7%	20%	20,9%	18,7%	7%	92,3%
FOB value	19,3%	31,9%	22,3%	13,6%	5,4%	92,5%
Subsidies	28,2%	22,3%	17,2%	18,4%	8%	94,1%
Dumping rate	43,5%	20,8%	22,9%	40,2%	44,7%	30,3%

Table 22 shows the tonnage of exported dairy products which are limited to 18,337 and which would have even been of only 3,917 tonnes in the absence of imports of skimmed milk fatten with solid vegetable oil of code 19119099 (fat-filled milk powder).

Table 22 - Tonnage of dairy products exported per EU28 Member State to EAC in 2016

	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total
EU28	179	2180	4	127	82	377	707	14421	47	213	18337
Austria						0,6					0,6
Belgium	9	401	1	1	3	27	36	12598	0,8		13077
Cyprus						0,4					
Germany	65	150				0,2	0,1	90		150	455
Denmark	61	3	2		32	112			2		21
Spain						0,1		20			
France	34	428		98	16	60	366	96	13		1111
United Kingdom		155		26	9	58		11	26		285
Greece			0,4			0,6					1
Ireland		549			14	4	58	1215			1840
Italy		9	0,3			90		3	5		107
Luxembourg	11	8									19
Netherlands	0,1	477		2	7	23	108	367		0	984
Poland							139	22		63	224
Total	179	2180	4	127	82	377	707	14421	47	213	18337

Source : Eurostat

Table 23 shows that the EU28 subsidies to dairy exports to the EAC were €7.462 M in 2016, for an equivalent milk tonnage of 109,564 tonnes at a FOB value of €25.838 M, at an average dumping rate of 29.4%. Concentrated milk (code 0402) and skimmed milk enriched with solid vegetable oil (code 19019099) accounted for 91.4% of TML and 91% of subsidies for only 70% of the FOB export value, and a dumping rate by 37.5% higher than the 29.4% rate for all milk products.

Table 23 - Tonnage in TME of EU28 exports of dairy products to EAC and subsidies in 2016

	0401	0402	0403	0404	0405	0406	190110	19019099	2105	3501	Total	Sub/t	Total sub	Valeur	TD
UE28	418	22889	7	254	914	3003	2122	77297	40	2616	109560				
Austria	0	0	0	0	0	5	0		0	0	5	66	330	2358	14%
Belgium	21	4205	2	2	36	216	108	67525	0,7	0	72116	68	4903868	10587017	46,3%
Cyprus	0	0	0	0	0	3	0		0	0	3	52	156	3457	4,5%
Germany	152	1575	0	0	0	2	0,3	482	0	1847	4058	79	320606	945816	33,9%
Denmark	142	30	3	0	361	888	0		2	0	1426	74	105524	1197375	8,8%
Spain	0	0	0	0	0	0,8	0	107	0	0	108	51	5498	44960	12,2%
France	79	4494	0	196	174	481	1099	515	11	0	7049	77	542773	4502104	12,1%
Unit. Kingdom	360	0		18	648	0	79	59	22	0	1186	54	64044	931347	6,9%
Greece	0	0	0,7	0	0	5	0		0	0	6	52	296	6510	4,5%
Ireland	0	5765	0	0	159	35	174	6512	0	0	12645	76	961020	3310433	29%
Italy	0	95	5	0	0	719	0	16	4	0	839	57	47823	792909	6%
Luxembourg	24	84	0	0	0	0	0		0	0	108	96	10368	16010	64,8%
Netherlands	0,2	5009	0	4	83	186	323	1967	0	0	7572	57	441615	2554604	21,4%
Poland	0	0	0	0	0	0	416	118	0	769	1303	52	67756	942802	7,2%
Total	418	22889	7	254	914	3003	2122	77301	40	2616	109564	68,1	7461677	25837702	29,4%

Table 24 shows that the top 6 EU28 Member States exported 85% of the tonnage in milk equivalent, accounting for 69.7% of the FOB value and benefited from 87% of the subsidies, with an average dumping rate of 32.2%. Belgium holds an overwhelming position with 65.8% of the TME, 41.8% of the FOB value and 66.7% of the subsidies, with a very high dumping rate of 46.3%.

Table 24 – The EU28 top 6 exporters of milk powder to EAC in 2016

	Belgium	Ireland	France	Netherlands	Germany	Denmark	Total
TME	65,8%	11,5%	6,4%	6,9%	3,7%	1,3%	95,6%
FOB value	41,8%	13,1%	17,8%	8,1%	3,7%	4,7%	89,2%
Subsidies	65,7%	12,9%	7,3%	5,9%	4,3%	1,4%	97,5%
Dumping rate	46,3%	29%	12,1%	23,4%	33,9%	8,8%	32,2%

Table 25 allocates EU28 exports to the five EAC Member States in 2016. Kenya accounted for 55.1% of EU FOB exports and 73.5% of product tonnage (not TME), ahead of Tanzania (29.5% and 19.8%, respectively), Rwanda (7.6% and 4.7%), Uganda (5.9% and 2.3%) and Burundi (1.9% and 0.7%). Table 26 shows the breakdown by adding the percentage distribution of TME. The only change is in Burundi, which lets the lowest ranking to Uganda, which is in the order of things, since Uganda is a net exporter of dairy products.

Table 25 – Distribution of EU28 dairy exports to the 5 EAC States in 2016

	EAC		Kenya		Tanzania		Rwanda		Uganda		Burundi	
	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes
0401	307741	179	44571	27	171857	109	592	0,4	85509	35	5212	9
0402	5353261	2180	1504674	742	2775006	875	982186	537	69071	19	22324	8
0403	14627	4	2417	1	5324	2	6328	1			558	0
0404	255810	127	114344	85	137772	41	3502	1	192	0,1		
0405	451441	82	101813	18	239845	42	3828	2	100519	19	5436	2
0406	2360692	377	1197178	198	769890	107	77752	12	301188	57	14684	3
190110	3376049	707	1267206	255	913324	213	433381	86	493502	108	268636	44
19019099	12743899	14421	9494925	11870	2487397	2204	453599	213	281421	117	26557	17
2105	220911	47	184622	44	26402	2	3948	1	5501	0,3	438	0
3501	752281	213	314642	64	92303	33	10560	3	191160	65	143616	49
Total	25836712	18338	14226392	13302	7619120	3628	1975676	857	1528063	420	487461	131
%par Etat	100%	100%	55,1%	72,5%	29,5%	19,8%	7,6%	4,7%	5,9%	2,3%	1,9%	0,7%

Table 26 – Distribution of EU28 dairy exports in TME to the 5 EAC States in 2016

	EAC		Kenya		Tanzania		Rwanda		Uganda		Burundi	
	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes	Euros	Tonnes
0401	307741	417	44571	63	171857	254	592	1	85509	82	5212	21
0402	5353261	22890	1504674	7791	2775006	9188	982186	5639	69071	200	22324	84
0403	14627	7	2417	2	5324	3	6328	2			558	0
0404	255810	254	114344	170	137772	82	3502	2	192	0,2		
0405	451441	914	101813	198	239845	468	3828	22	100519	212	5436	22
0406	2360692	3001	1197178	1576	769890	852	77752	96	301188	454	14684	24
190110	3376049	2121	1267206	765	913324	639	433381	258	493502	324	268636	132
19019099	12743899	77297	9494925	63623	2487397	11813	453599	1142	281421	627	26557	91
2105	220911	39	184622	37	26402	2	3948	1	5501	0,2	438	0
3501	752281	2620	314642	787	92303	406	10560	37	191160	800	143616	6101
Total	25836712	109560	14226392	75012	7619120	23707	1975676	7200	1528063	2699	487461	6475
%par Etat	100%	100%	55,1%	68,5%	29,5%	21,6%	7,6%	6,6%	5,9%	2,5%	1,9%	5,9%

Conclusion

Let us compare the relative weight of the 4 sub-Saharan Africa EPA regions in the dumping of EU28 dairy products in 2016. It is obvious that East Africa suffers little from EU dairy dumping compared to other EPA regions since it imports 0.66 kg of TME per capita compared to 4.8 kg on average for the four regions, i.e. 14 times less, and receives only 4 cents of euro per capita in subsidy compared to 32 cents on average, 8 times less, of which 46 cents in West Africa, 35 cents in Central Africa and 24 cents in Southern Africa. These amounts are likely to make people smile as negligible, but not so much when compared to the 3.99 euros per capita per year of the 11th European Development Fund for all ACP countries (Africa-Caribbean-Pacific) for the period 2014-20, especially since only the EU subsidies to dairy exports are taken into account. But East Africa maintains a 60% import duty on milk powder as well as on milk and cream (code 0401) and of 25% on other dairy products, all excluded from liberalization. Similarly, the SADC EPA excludes milk powder, which is taxed at 4500 \$/t (4230 €/t at 2016 rate) and CEMAC has excluded all dairy products from liberalization, with 5% duty on milk powder and cream and 30% on other dairy products.

Table 24 - Comparison of EU dairy exports to the 4 EPAs in 2016

	EU28-extra	West Africa	SADC	CEMAC	EAC	4 EPA	4 APE/EU
FOB value: M€	15343	810	118	141	25,8	1095	7,1%
Tonnage	5,449 Mt	455 155 t	61 910 t	55 335 t	18 337 t	590 737	10,8%
Tonnage in TME	30,197	2,500	0,334	0,276	0,110	3,220	10,7%
Subsidies: €M	2030	168,566	22,453	17,867	7,462	216,348	10,7%
Dumping rate	13,2%	20,8%	19%	12,7%	29,4%	19,8%	
Population in M		362 807	92012	50 793	166 165	671 777	
TME rate: kg/inhb		6,9	3,6	5,4	0,66	4,8	
Subsidies: €/inhb		0,46	0,24	0,35	0,04	0,32	

Most notable is the scandal for the EU to forbid EPAs from raising their current applied import duties while its own duties are much higher on dairy products. Thus the EU MFN (most favoured nation) duty applied to non-preferential countries for most of its milk powder imports was in 2016 of 74.5% ad valorem (AV: specific duty divided by the CIF price), the condensed milk duty of 98.7% and the butter duty of 67.8%.

Table 25 - EU28 Tariffs on concentrated milk and butter imports in 2016

HS codes	Milk powder			Condensed milk	Butter
	04021019	04022118	04022199	04029110	04051019
Tonnes	3567,6	5105,8	266,6	463,4	7268,1
CIF price	1589,5	1750	3917,4	351,6	2798,5
Specific duty: €/t	1188	1304	1619	347	1896
AV equivalent duty	74,7%	74,5%	41,3%	98,7%	67,8%

Source: Eurostat and TARIC

Not only do the EPAs prohibit to raise applied duties, but EU dairy companies have pressured the WA EPA to reduce to 0 the already ridiculously low 5% duty on milk powder.

How is it possible that the EU is so blind that it does not link the suffering of the 60% WA population in the agricultural sector with the explosion of illegal immigrants in the EU? The latest FRONTEX statistics, far from being exhaustive, show that for the 3rd quarter alone, the number of those coming from the only 6 WA countries taken into account – Nigeria, Ivory Coast, The Gambia, Guinea, Mali – increased by 64% from 2015 to 2016, from 17,997 to 29,431.

This sad fact will not delight EU dairy farmers who, despite the large subsidies they receive, have seen their incomes fall sharply in recent years in the face of a crisis of structural overproduction, but this calls for a radical change in the CAP after 2020, by reverting to milk quotas limiting production to domestic needs.