



Milk powders from the EU are very strongly protected

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The EU28 imported in 2019 107,846 tonnes (t) of code 190190 from outside the EU28, 4,530 t of PLG (fat milk powder), 5,329 t of PLM (skimmed milk powder) and 5,946 t of infant powder.

Adding the ad valorem equivalent (AVE) of the subsidies resulted in total customs duty (CDs) of 82.4% for code 190190, 55.4% for PLG, 82.4% for PLM and 22.2% for infant powder, compared to 5% in WA.

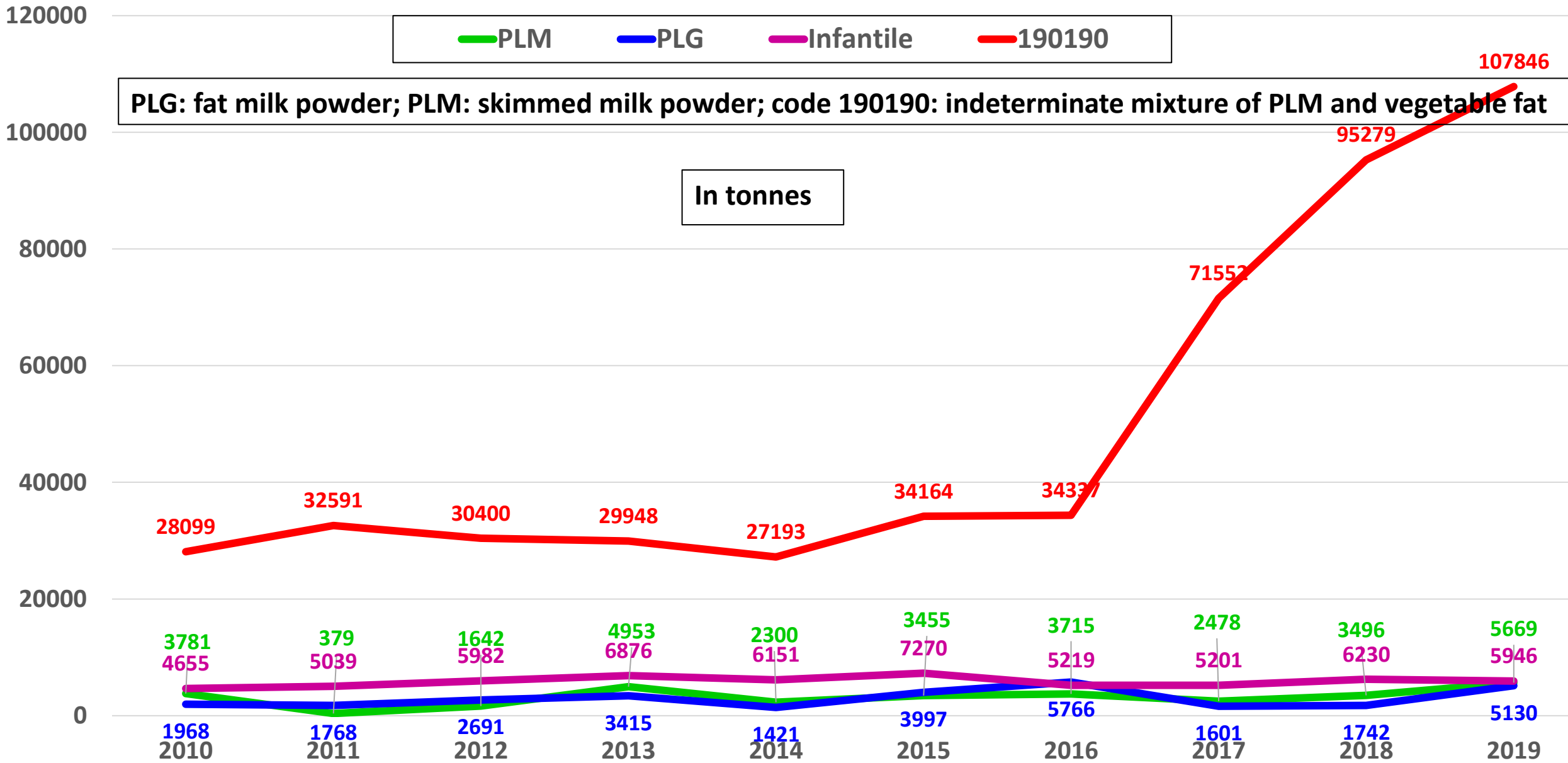
But French extra-EU imports have been limited in 2019 to 2,704 t of code 190190, 1,374 t of PLM, 725 t of PLG and 1,376 t of infant powder, involving total CDs of 35.6%, 107.6%, 67.6% and 15.8% respectively, compared to 5% in WA.

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The EU and the US reformed the CAP and the Farm Bill in 1992-93 by offsetting with domestic subsidies the sharp drop in their minimum prices (intervention price and loan rate) while they were co-authoring the Agreement on Agriculture. And in 2012, the WTO recommended the calculation of the total protection rate which, in addition to the customs duty (CD), adds the ad valorem equivalent (AVE) of the domestic subsidies that allow for less imports.

Even though the EU imports very little dairy products, it has imported in 2019 107,846 t of code 190190 (so-called fat filled milk powder, FFMP) for €431,073 M (CIF price of 3,997 €/t), with CD of 9.6% (5.1%+180 €/t), without a tariff quota (TQ), with subsidy of €55.578 M: 67 €/TME (t of milk equivalent) multiplied by 832 571 TME of 7.72 (72% of PLM's TEL of 10.72 as palm oil represents 28% of the weight). This implies an AVE of 12.9%, for total CDs of 22.5%, compared to 5% in WA.

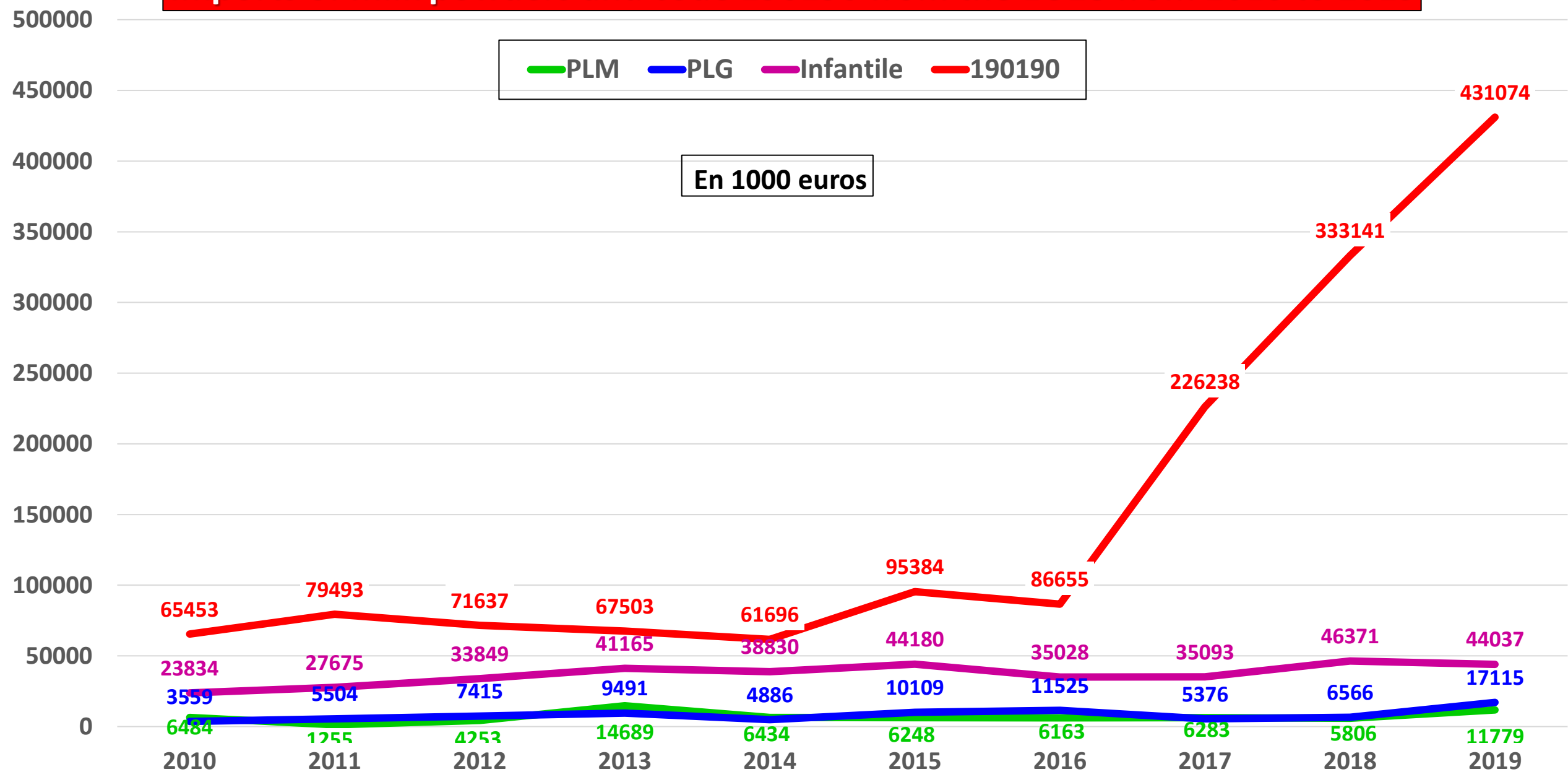
Imports of milk powders and code 190190 from the EU28 from 2010 to 2019



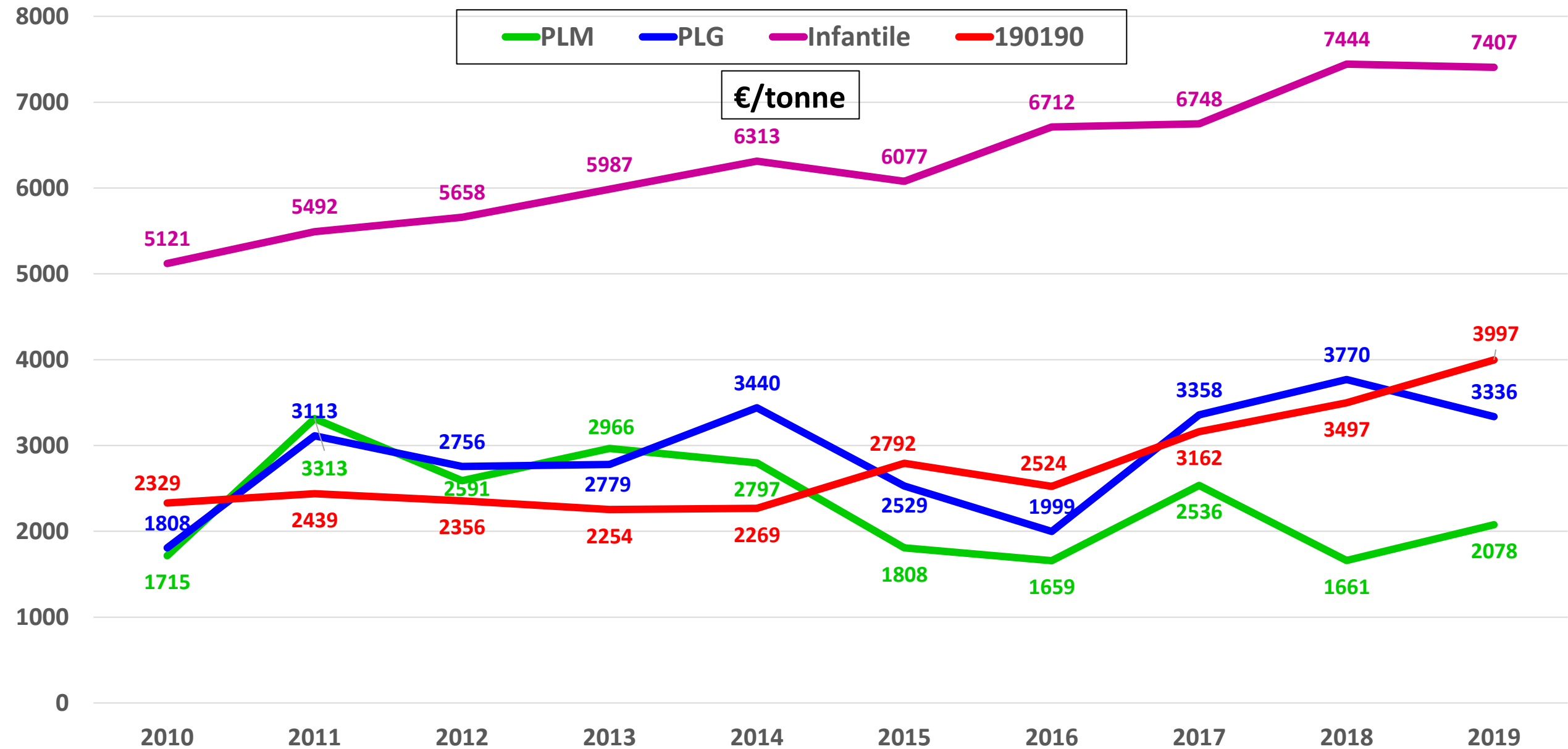
Imports of milk powders and code 190190 from the EU28 from 2010 to 2019

PLM PLG Infantile 190190

En 1000 euros



CIF price of milk powders and code 190190 imported by the EU28: 2010-19



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The EU imported in 2019 4,530 t of code 190190, excluding a duty free tariff quota (TQ) of 600 t to Ukraine for €15.368 M, at a CIF price of 3,393 €/t with CDs of 6.147 €M (1,357 €/t), subsidies of €2.370 M (67 €/t x 35,379 TME at 7.81 TME/t) equal to an AVE of 15.4%, or total CDs of 55.4%, against 5% in WA.

The EU imported in 2019 5,329 t of PLM, excluding a duty free TQ of 340 t to Ukraine, for €10.996 M, at a CIF price of 2,063 €/t, with CDs of 6.683 M€ (1,254 €/t), i.e. an AVE of 60,8%, and subsidies of 2.370 €M (67 €/t x 57,127 TEL (at 10.72 TEL/t), which corresponds to an AVE of 21.6%, for total CDs of 82.4%, against 5% in WA.

In 2019, the EU imported 5,946 t of infant powder from outside the EU for 44.037 €M, at a CIF price of 741 €/t with CDs of 7.407 €M (563 €/t), i.e. an AVE of 16.8%, with subsidies of 2.370 €M (67 €/t x 47,568 TME (8 TEL/t)), at an EAV of 5.4%, i.e. total CDs of 22.2%, against 5% in WA.

French imports of milk powders from outside the EU in 2019

In 2019 France imported only 2704 t of code 190190 (2.2% of EU total) for 5.380 €M, at a CIF price of 1990 €/t, with CDs of 9.60% ad valorem and subsidies of 1.399 €M (67 €/t x 20,875 TME), an AVE of 26% and total CDs of 35.6%, against 5% in WA.

In 2019 France imported 1374 t of PLM in 2019 for €2.518 M, at a CIF price of 1,832 €/t, with CDs of 1.723 €M (1,254 €/t), i.e. an EAV of 68.4%, and subsidies of 0.987 €M (67 €/t x 14,729 TME) i.e. an EAV of 39.2% and total CDs of 107.6%, against 5% in WA.

France imported in 2019 725 t of PLG for 2.018 €M, at the CIF price of 2,783 €/t, with CDs of 0.984 €M (1,357 €/t) or 48.8%, and subsidies of €379 M (67 €/t x 5,662 TME), i.e. an EAV of 18.8% and total CDs of 67.6%, against 5% in WA.

France imported in 2019 1,376 t of infant powder € (8778 €/t), with CDs of 918 M€ (667 €/t, at 7.6%), with subsidies of 0.987, M€ (67 €/t x 11,008 TEL) i.e. EAV of 8.2% and total CDs of 15.8%, against 5% in WA.