

European Milk Board (EMB)

Position Paper

on the withdrawal of the United Kingdom from membership of the European Union (Brexit)

The EU in general will see an impact due to the exit of an important country such as the UK, which currently accounts for a population of 64 million. In this regard, Brexit will have consequences for many sectors – the dairy sector being a crucial one. Since the United Kingdom is a net importer of dairy products, consumers, farmers, processors and the market in general will be affected. Especially neighbouring countries such as Ireland, the Netherlands and France are significantly dependent on the British market.

Therefore, the EMB calls on both sides – the EU and the UK – to reach a good outcome while keeping turbulence to an unavoidable minimum.

The arrangements between the two parties should contain the following:

- Maintenance of the Single Market or a free trade agreement. Without such agreements, onerous tariffs on both EU and UK products which have a negative impact on mutual trade would be almost inevitable.
- A transition agreement between Brexit and the new trade arrangement coming in to force, which includes legal aspects
- Recognition of the special position of the Irish border
- Measures to address currency volatility
- Measures to avoid crucial divergences between EU and UK food and safety standards

The EMB emphasizes the importance of a reasonable and balanced solution, which will be beneficial to the citizens and producers of the EU as much as to their colleagues in the UK. The future on both sides depends on farm-gate prices not shrinking even further as a consequence of Brexit. This is also important in light of the already reduced CAP budget, which would not be able to compensate for losses resulting from decreasing prices.



Good results from the negotiation process are essential because a lot is at stake for European citizens on both sides of the English Channel.

In view of the great uncertainty surrounding the outline and consequences of Brexit, it also seems necessary for the EU to have a **geostrategic instrument** at its disposal. This can be used to manage the consequences of withdrawal. There is a high risk that after 30 March 2019 – the date on which the UK leaves the EU – products will not be able to cross the border without further ado and will thus place a heavy burden on the EU market. By means of an instrument such as the Market Responsibility Programme (MRP), it is possible to respond to crises provoked by Brexit and adapt production to these circumstances. Without this tool, the EU dairy market would be at the mercy of the expected turbulence.