



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets
The Director (acting)

Brussels
AGRI.E.3/KJK/HGN (2026)1654518

Andras Lukacs
President
Clean Air Action Group
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Subject: Proposals to mitigate the current crisis in the dairy market

Dear Mr Lukacs,

Thank you for your letter of 29 January 2026 addressed to Commissioner Christophe Hansen, who asked me to reply on his behalf.

Increase milk supply in the EU in recent months can be attributed to several factors, including low input prices, good forage quality, favourable weather conditions, and, above all, high milk prices paid to farmers. From September onwards, EU milk deliveries increased rapidly, following attractive production conditions over the past years. As a logical consequence in a market-oriented economy, raw milk prices have started to decrease in the past three months, indicating a market adjustment driven by price transmission mechanisms and the need to restore balance between supply and demand.

Lower prices, in themselves, provide a clear market signal to farmers. Should prices approach break-even levels, producers would be able to adjust output. An exogenous policy intervention in the market would blur market signals. Lower prices stimulate demand, both within the EU and on external markets. EU dairy exports performed well in the final quarter of last year. The value of dairy product exports exceeded €20 billion in 2025.

You are proposing to reduce EU milk production by 10%, by analogy with the 2006 sugar market reform. Unlike the sugar market at that time, which faced difficulties in finding market outlets, global demand for dairy products continues to grow and is expected to increase significantly in the coming decade. EU dairy products not only help meet this demand but also contribute to global food security. Milk and dairy products play a crucial role in combating malnutrition by providing essential nutrients. Not all countries enjoy favourable conditions for milk production.

EU taxpayers do not subsidise foreign consumers of dairy products. Dairy exports generate revenue, create jobs, and add value within the EU. Furthermore, the Common Agricultural Policy payments you refer to are largely decoupled from production.

As regards the claim that reducing milk production would cut greenhouse gas emissions in the EU by 1%, it should be noted that the EU is among the most climate-efficient milk producers globally. A reduction in EU milk production does not guarantee a net global reduction in emissions if production shifts to regions with lower environmental standards. The EU dairy sector remains fully committed to sustainable transformation and to achieving environmental and climate objectives through the adoption of appropriate farming practices and technologies.

Yours sincerely,

Brigitte MISONNE