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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: AOB item for the meeting of the “Agriculture and Fisheries” Council
on 11-12 December 2025:
Critical situation on the European milk market
- *Information from Hungary*

Hungary would like to draw the Commission's attention to the negative trends on the European dairy market in recent months, which are jeopardising the effective functioning of our producers and processors. Increased production volumes, rapidly falling raw milk prices, decreasing consumption, the deterioration of export positions and the market effects of animal diseases are all hitting our dairy sector.

The fact that in August China extended for another six months its anti-subsidy investigation on imports of dairy products from the European Union has a particularly negative impact on the European market, further increasing pressure on the internal market and uncertainty for EU exporters.

EU-27 milk purchases continued to increase in September 2025. This year, buying-in has already increased in 22 Member States compared to the previous year, and production growth continued in September in all major milk producing member states.

The EU-27 average raw milk price has remained stable at 53 euro cents/kg since the beginning of 2025, while world market price for milk has been falling, currently stands at 36-37 euro cents. In the milk spot market, prices continued to fall. In October, the spot market price of skimmed milk fell by 12% and that of whole milk by 11%. On the basis of prices at the beginning of November, the downward trend is continuing, with a further 12% decrease for skimmed milk and 16% for whole milk. This brings the price of whole milk to 42% and skimmed milk to 44% below the November 2024 spot price level.

Similarly, in November the price of milk-fat based products continued to decline, albeit to a lesser extent than in earlier months. The price of all products fell well below the price level of the previous year: the price of cheese is 28% lower, that of butter 34% lower and that of cream 39% lower than in November 2024.

Processors are unable to follow the rapid market changes on the sales side with their long-term raw milk supply contracts, and are therefore constantly producing losses, while their storage costs are also increasing.

As a result, market pressure also has an impact on raw milk delivery contracts: many expiring contracts are not intended to be re-signed by processors, or they are postponing the conclusion of new contracts, which is why milk producers suffer increasing uncertainty and envisage animal culling and closures of businesses.

In order to address the current market crisis, Hungary call for the opening of a private storage aid measures for cheese and milk powder.

In this market situation the temporary and quick withdrawals of certain produce from the market are justified and would ease the effects of overproduction and stabilise the dairy sector.