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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 30 March 2026:
European milk market under pressure: the need for a coordinated
European response
– *Information from Slovakia, supported by Bulgaria, Hungary and Italy*

Slovakia supported by Bulgaria, Hungary and Italy would like to draw the attention to the serious situation in the milk sector, which is increasingly reflected in declining profitability of primary production and threatens the economic sustainability of dairy farming. The main problem is the continued decline in farm-gate prices of raw cow’s milk at a time when producers continue to face high production costs and significant market volatility.

The scale of the problem is also illustrated by price developments across EU Member States. For example, in Slovakia, the average price of raw cow’s milk reached in January 2026 a month-on-month decrease of 4,6% and a year-on-year decrease of 7,6%. The EU average price in that month was €45,15/100 kg, i.e. 6,0% lower than in December 2025 and as much as 15,9% lower than in January 2025. Particularly alarming is the development of spot prices. According to preliminary data from March 2026, the spot price on the reference market in Lodi was only €20,75/100 kg. Such price developments create extreme pressure on primary producers and significantly worsen their liquidity.

This unfavourable price trend comes at a time when production costs remain high. In all production areas, costs exceeded selling prices, with losses of approximately €0,10 per kg. This means that, at current prices, milk production is loss-making for many farms and economically unsustainable in the long term.

One of the main causes of price pressure is the continued growth in milk production in the EU, which exceeds the growth in demand for milk and dairy products. In 2025, EU raw cow's milk production increased by 1,6%, with even higher growth in some major producing countries. In December 2025, year-on-year production growth in the EU reached as much as 5,7%. This imbalance between supply and demand creates further downward pressure on prices, which most strongly affects primary producers.

The seriousness of the situation is further exacerbated by uncertainty in commercial relations between primary producers and processors, who themselves face strong pressure on selling prices from their buyers. Although milk deliveries are mostly carried out on the basis of written contracts, in times of crisis these contracts may not be renewed or may be terminated by processors or traders seeking to purchase at lower current market prices. This further weakens the stability of farms and their ability to plan production and investments.

The current situation requires not only further monitoring but calls for active and immediate intervention at EU level. Slovakia, supported by Bulgaria, Hungary and Italy, therefore calls on the Commission to take concrete measures without delay to stabilize the milk market.

First and foremost, we consider it necessary **to activate exceptional market measures**, particularly a **temporary voluntary production reduction scheme**, which would help alleviate the pressure of excess supply on prices. At the same time, we call for **the adoption of an Implementing Regulation establishing exceptional measure and emergency financial support for milk producers**. Such support is essential to bridge the period when market prices do not cover actual production costs and the sector is losing economic stability.

We also propose **to make use of existing tools of the Common Market Organisation, in particular increasing intervention prices for butter and skimmed milk powder and providing aid for private storage.** These measures can help temporarily reduce market pressure and contribute to price stabilization. In addition, it is necessary to strengthen demand-side support measures, especially by **facilitating exports of EU dairy products to third-country markets, providing additional funding for the EU School Scheme, and implementing targeted information and promotion activities** to support the consumption of products of EU origin. The aim should be not only to mitigate the current crisis but also to strengthen demand and improve the income stability of primary producers.

Without a rapid and coordinated response, there is a risk of further deepening losses in primary production, worsening farm liquidity, and weakening the entire milk sector. Slovakia, with the support of Bulgaria, Hungary and Italy, stands ready to cooperate with the Commission in adopting measures that will contribute to restoring profitability and stabilizing the EU milk market.
