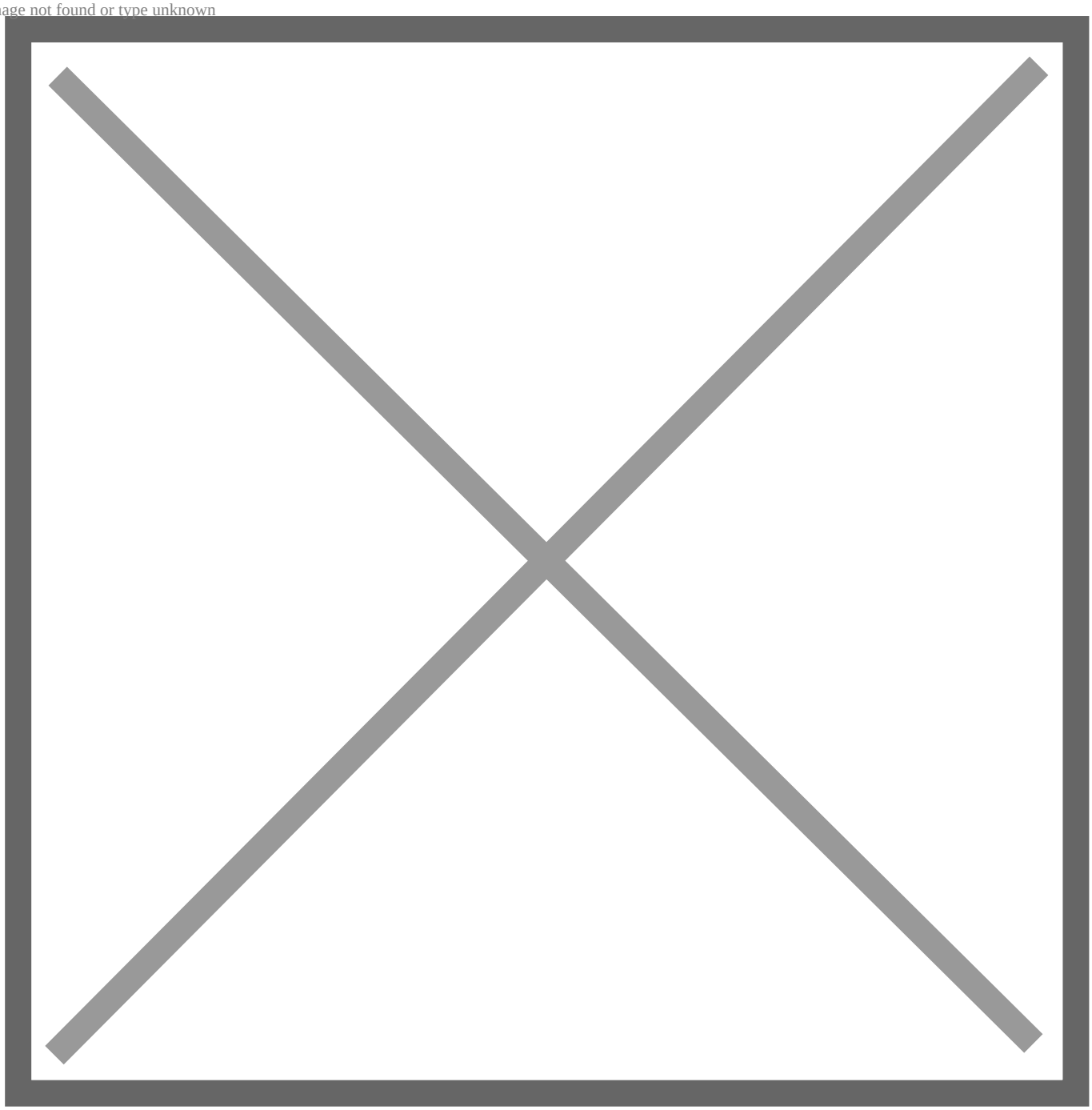
China Launches an Anti-Subsidy Investigation into Dairy Imports from the European Union

TAGS Food & Beverage Dairy

ARTICLES | 28 August 2024

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FEBRUARY 2026 UPDATE: On 12 February 2026, China's Ministry of Commerce (MOFCOM) announced its final ruling, with tariffs ranging from 7,4% to 11,7% on certain dairy products imported from Europe, for a period of five years. You will find the detailed list of items and corresponding tariffs here.

- **China's Investigation into Dairy Imports from the EU: What You Need to Know**
- **Read Our Report on China's Dairy Market**
- **Unofficial English Translation of the Investigation Announcement**
- **Assistance to European SMEs: Useful Contacts**

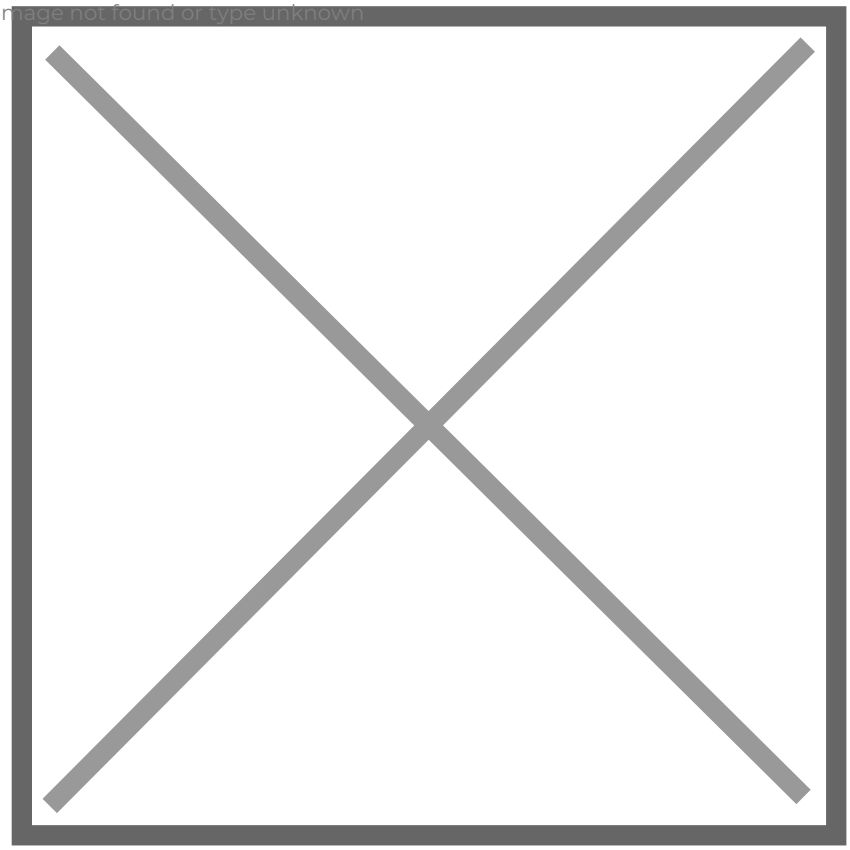
China's Investigation into Dairy Imports from the EU: What You Need to Know

On 21 August 2024, China's Ministry of Commerce (MOFCOM) announced the launch of a probe into certain dairy imports from the European Union. We provide below an unofficial English translation of the Announcement made by the Ministry of Commerce. You can also find the Announcement in Chinese on MOFCOM's website.

The investigation will look into subsidies granted for various types of cheese, milk, and cream under the EU Common Agricultural Policy, as well as subsidy programs implemented by EU Member States including Austria, Belgium, Croatia, Czech Republic, Finland, Italy, and Romania. The investigation will run for one year, until 21 August 2025; it may be extended for six months in special circumstances.

The European Commission has declared that it "is confident that these subsidy schemes are fully in line with international rules and are not causing injury to the Chinese dairy industry." The Commission has vowed to "firmly defend the interests of the EU dairy industry and the Common Agricultural Policy, and take all necessary actions to ensure that the investigation fully complies with relevant WTO rules."

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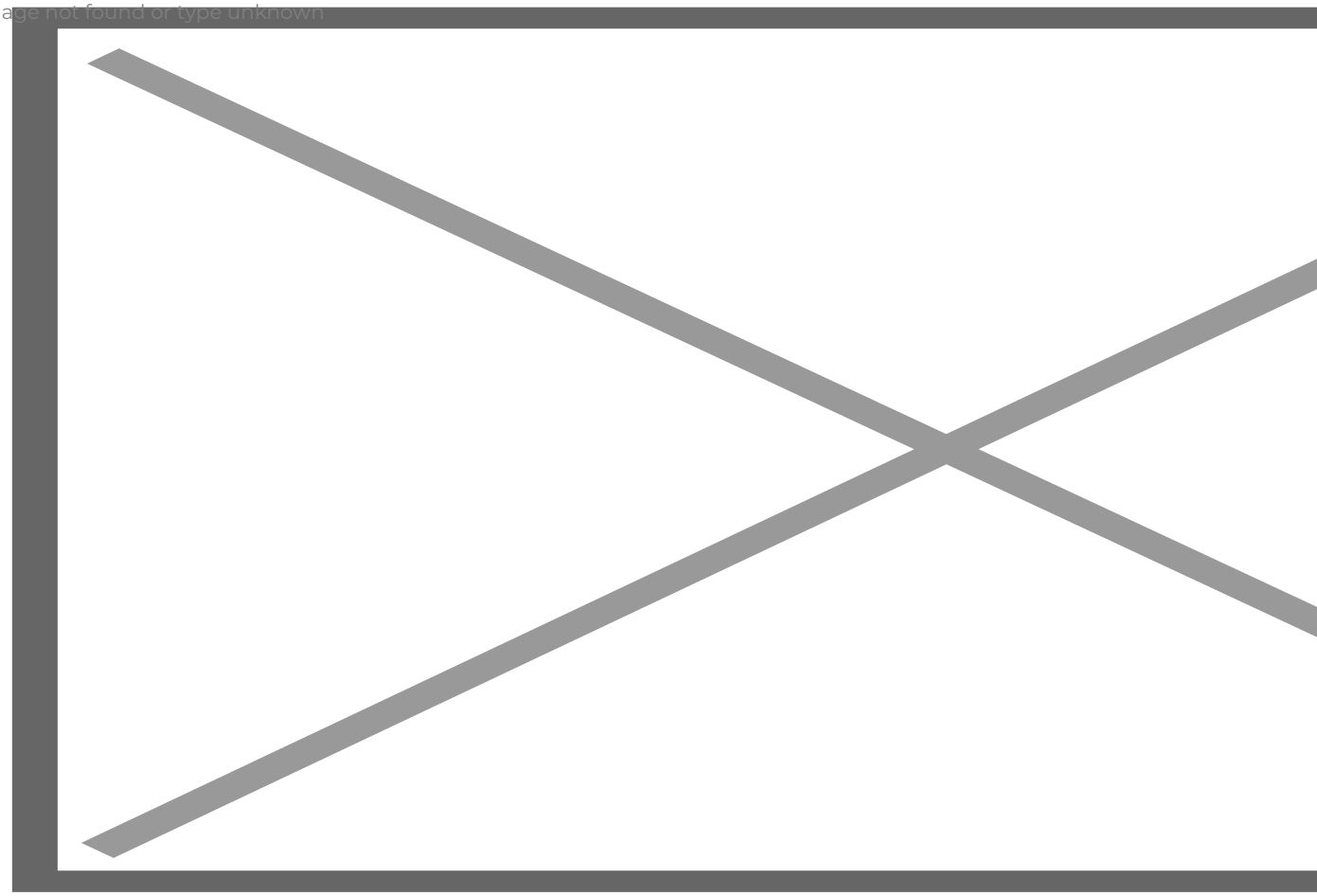


European suppliers currently have a 29% market share of dairy imports from China in the milk, cream, and cheese categories, as shown by the pie chart by SOAPBOX to the left, behind New Zealand's 57% share of the imported dairy market in China.

Statistics from the General Administration of Customs of the People's Republic of China (GACC) show that France, Italy, the Netherlands, Denmark, Spain, and Ireland are the largest EU Member State exporters of milk, cream, and cheese products to China. If the investigation leads to new tariffs, these countries stand to be most heavily impacted.

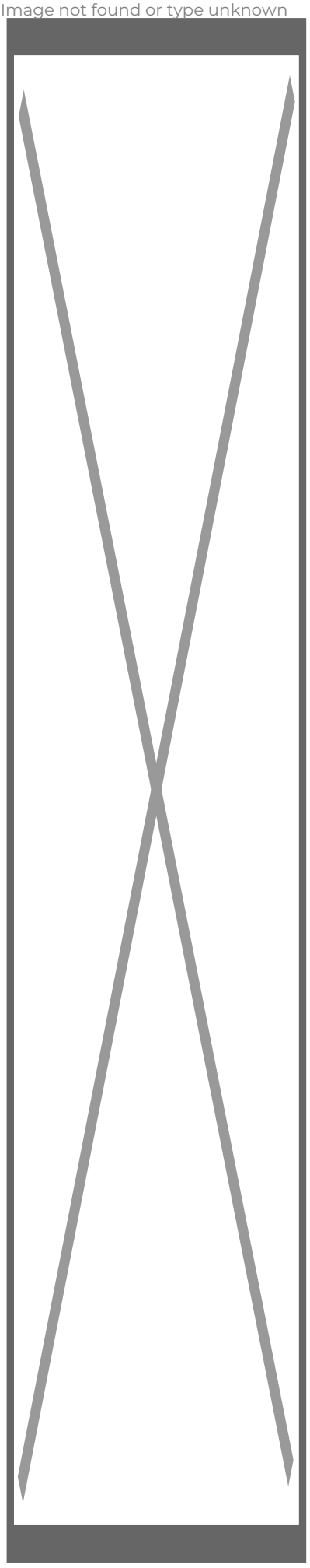
The chart below shows China dairy imports from European countries in 2023 and from January to July 2024, according to the trade data released by GACC. This chart compiles import figures of relevant dairy products denominated by HS code, for milk and cream (HS code 04015000) and for cheese (HS codes 040610, 040620, 040630, 040640, 040690).

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Our Report on China’s Dairy Market

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Our 2023 report provides a detailed analysis of dairy imports into China for various dairy segments, with EU dairy products leading in some categories but lagging behind in others. We detail the **regulatory and technical requirements for importing dairy products into China**, with a focus on issues such as country protocols and eligibility, GACC/CIFER registration for production establishments, as well as heightened requirements for infant formula.

The report contains recommendations for European dairy exporters approaching the Chinese market, including on the most popular retail channels available in China, and key findings from **interviews conducted with 8 dairy industry professionals in China**. Read the report >

You will find below the unofficial English translation of the Announcement made by China's Ministry of Commerce on 21 August 2024 on the launch of the probe into dairy imports from the EU.

Announcement No. 34 of 2024 of the Ministry of Commerce on the Initiation of an Anti-Subsidy Investigation on Imports of Certain Dairy Products Originating in the European Union

Please note that this is an unofficial translation. For the Chinese text of the Announcement, please visit MOFCOM's website.

Issuing Unit: Trade Remedies Bureau
Issuing Document Number: Ministry of Commerce Announcement No. 34 of 2024
Issuing Date: 21 August 2024

The Ministry of Commerce of the People's Republic of China (hereinafter referred to as the Ministry of Commerce) received an application for anti-subsidy investigation formally submitted by the Dairy Association of China and the China Dairy Industry Association (hereinafter referred to as the Applicant) on behalf of the domestic dairy industry on 29 July 2024. The Applicant requested an anti-subsidy investigation on imports of certain dairy products originating from the European Union. In accordance with Article 16 of the Anti-Subsidy Regulations of the People's Republic of China, on 7 August 2024, the Ministry of Commerce issued a consultation invitation to the EU government on the relevant anti-subsidy investigation matters and held consultations with the EU government on August 14.

In accordance with the relevant provisions of the Anti-Subsidy Regulations of the People's Republic of China, the Ministry of Commerce reviewed the qualifications of the applicant, relevant information about the products under investigation, relevant information about similar products in China, the impact of the products under investigation on domestic industries, and relevant information about the countries (regions) under investigation.

According to the evidence provided by the applicant and the preliminary review of the Ministry of Commerce, the total output of the applicant's certain dairy products in 2020, 2021, 2022, 2023 and the first quarter of 2024 accounted for a major part of the total output of similar products in China

during the same period, which is in compliance with the provisions of Article 11 and Article 13 of the *Anti-Subsidy Regulations of the People's Republic of China* for domestic industries to apply for anti-subsidy investigation by domestic industries.

The application claims that the products under investigation have received subsidies from the EU and its member governments, and that the EU dairy industry (enterprises) may benefit from a total of 20 subsidy projects. After preliminary review, the Ministry of Commerce believes that the application contains the content and relevant evidence required for the filing of an anti-subsidy investigation as stipulated in Articles 14 and 15 of the *Anti-Subsidy Regulations of the People's Republic of China*.

According to the above review results and in accordance with Article 16 of the *Anti-Subsidy Regulations of the People's Republic of China*, the Ministry of Commerce has decided to open an anti-subsidy investigation on imports of certain dairy products originating from the European Union from 21 August 2024. The relevant matters are announced as follows:

I. Investigation and Investigation Period

From the date of this announcement, the Ministry of Commerce will initiate an anti-subsidy investigation into imports of certain dairy products originating in the European Union. The subsidy investigation period determined in this investigation is from 1 April 2023 to 31 March 2024, and the industry injury investigation period is from 1 January 2020 to 31 March 2024.

II. Products under Investigation and Scope of Investigation

Scope of investigation: Imported relevant dairy products originating from the EU.
Name of the products under investigation: Relevant dairy products.
Name in English: Certain dairy products.

Product description: Certain dairy products specifically include fresh cheese (including whey cheese) and curd, processed cheese (whether or not grated or powdered), blue cheese and other cheese with texture produced by Penicillium roqueforti, other unlisted cheeses, milk and cream that are not concentrated and not added with sugar or other sweetening substances (fat content, by weight, exceeding 10 %).

Main uses: Mainly used as food for human consumption directly or after processing.

Products classified in the "Import and Export Tariff of the People's Republic of China" as: 04015000, 04061000, 04062000, 04063000, 04064000, 04069000.

III. Anti-Subsidy Investigation Items

In the application submitted, the applicant claimed that the EU and its member governments provided a total of 20 subsidy projects to the EU's relevant dairy industries (enterprises). After preliminary review and claims made by the EU authorities in the pre-filing consultations in accordance with the law, the Ministry of Commerce decided to investigate the following subsidy projects in this investigation:

A. Subsidy projects under EU Common Agricultural Policy:
1) Voluntary-linked subsidies and income-linked subsidies
2) Basic payment schemes and sustainable basic income subsidies
3) Green subsidies and ecological program subsidies
4) Redistributive subsidies and sustainable supplementary redistributive income subsidies
5) Young Farmers Subsidy and Young Farmers Supplementary Income Subsidy
6) Relevant dairy product storage subsidies
7) Intervention measures for rural development

B. Subsidy programmes implemented by EU Member States
8) Ireland – Dairy Equipment Subsidy Programme
9) Austria – Mobility Subsidy Programme
10) Austria – Bridge Loan Guarantee Programme
11) Belgium – Flemish Bridge Loan Programme
12) Italy – Livestock Insurance Subsidy
13) Italy – Dairy Logistics Subsidy
14) Croatia – Livestock producer subsidy
15) Croatia – Subsidy for raw milk purchase costs
16) Finland – Agricultural producer damage subsidies
17) Finland – Subsidies for agricultural and aquaculture sector costs
18) Finland – Dairy production enterprise cost subsidy
19) Romania – Livestock Administrative Subsidy
20) Czech Republic – Agricultural producer damage subsidies

IV. Register to Participate in the Investigation

Stakeholders and government of interested countries (regions) shall register with the Trade Remedy and Investigation Bureau of the Ministry of Commerce to participate in this anti-subsidy investigation **within 20 days** from the date of this announcement. The interested parties and the governments of the interested countries (regions) participating in the investigation shall provide basic identity information, the quantity and amount of the investigated products exported to or imported from China, the quantity and amount of similar products produced and sold, and related

information in accordance with the "**Reference Format for Registration to Participate in the Investigation**". The "Reference Format for Registration to Participate in the Investigation" can be downloaded from the Trade Remedies and Investigation Bureau on the website of the Ministry of Commerce.

Stakeholders and governments of interested countries (regions) who register to participate in this anti-subsidy investigation and submit comments and questionnaires during the investigation should submit an electronic version through the "**Trade Remedy Investigation Information Platform**" (https://etrb.mofcom.gov.cn) and submit a written version at the same time according to the requirements of the Ministry of Commerce. The electronic and written versions should have the same content and format.

Stakeholders referred to in this announcement are the individuals and organisations specified in Article 19 of the *Anti-Subsidy Regulations of the People's Republic of China*.

V. Access to Public Information

Stakeholders and governments of the interested countries (regions) can download the non-confidential text of the application submitted by the applicant of this case from the sub-website of the Trade Remedy Investigation Bureau on the website of the Ministry of Commerce, or go to the Trade Remedy Public Information Reading Room of the Ministry of Commerce (Tel: +86-10-65197878) to search, read, transcribe and copy the non-confidential text of the application submitted by the applicant of this case. During the investigation, the interested parties and the governments of the interested countries (regions) can search for the public information of the case through the sub-website of the Trade Remedy Investigation Bureau on the website of the Ministry of Commerce or go to the Trade Remedy Public Information Reading Room of the Ministry of Commerce to search, read, transcribe and copy the public information of the case.

VI. Comments on the Case

If interested parties and governments of interested countries (regions) wish to comment on the product scope, applicant qualifications, investigated countries (regions) and other relevant issues of this investigation, they may submit written opinions to the Trade Remedy Investigation Bureau of the Ministry of Commerce **within 20 days** from the date of publication of this announcement.

VII. Investigation Method

In accordance with Article 20 of the Anti-Subsidy Regulations of the People's Republic of China, the Ministry of Commerce may use questionnaires, sampling, hearings, on-site inspections and other methods to obtain information from relevant interested parties and governments of interested countries (regions) and conduct investigations.

In order to obtain the information required for the investigation of this case, the Ministry of Commerce usually issues a questionnaire to the interested parties and the governments of the interested countries (regions) listed in the application within 10 working days from the deadline for registration for participation in the investigation as stipulated in this announcement. The interested parties and the governments of the interested countries (regions) can also download the questionnaire from the Trade Remedy Investigation Bureau sub-website of the Ministry of Commerce website.

The "Questionnaire for Foreign Exporters or Producers in the Certain Dairy Products Countervailing Cases" inquires about information including the company's structure and operations, affiliated companies, production costs, sales, and detailed information on each specific subsidy project under investigation. The "Questionnaire for Domestic Producers in the Certain Dairy Products Countervailing Cases" inquires about information including the company's basic situation, the situation of similar domestic products, operations and related information, financial and related information, and other issues that need to be explained. The "Questionnaire for Domestic Importers in the Certain Dairy Products Countervailing Cases" inquires about information including the company's basic situation, trade in the investigated products and related information. The "Questionnaire for Governments in the Certain Dairy Products Countervailing Cases" inquires about information including the situation of the investigated products, industry situation, management structure and policies, and detailed information on each specific subsidy project under investigation.

Interested parties and governments of interested countries (regions) should submit complete and accurate answers within the specified time, and the answers should include all the information required by the questionnaire.

VIII. Submission and Processing of Information

When interested parties and governments of interested countries (regions) submit comments, questionnaires, etc. during the investigation process, they should submit an electronic version through the "Trade Remedy Investigation Information Platform" (https://etrb.mofcom.gov.cn) and submit a written version at the same time according to the requirements of the Ministry of Commerce. The electronic version and the written version should have the same content and the same format.

If the information submitted by the interested parties or the governments of the interested countries (regions) to the Ministry of Commerce needs to be kept confidential, they may make a request to the Ministry of Commerce for confidentiality of the relevant information and explain the

reasons. If the Ministry of Commerce agrees to their request, the interested parties or the governments of the interested countries (regions) that apply for confidentiality shall also provide a non-confidential summary of the confidential information. The non-confidential summary shall contain sufficient and meaningful information so that other interested parties can have a reasonable understanding of the confidential information. If the non-confidential summary cannot be provided, reasons shall be explained. If the information submitted by the interested parties or the governments of the interested countries (regions) does not state that it needs to be kept confidential, the Ministry of Commerce will regard the information as public information.

IX. Consequences of Non-Cooperation

According to Article 21 of the Anti-Subsidy Regulations of the People's Republic of China, when the Ministry of Commerce conducts an investigation, the interested parties and the governments of the interested countries (regions) shall truthfully reflect the situation and provide relevant information. If the interested parties and the governments of the interested countries (regions) fail to truthfully reflect the situation and provide relevant information or fail to provide necessary information within a reasonable time, or seriously hinder the investigation in other ways, the Ministry of Commerce may make a ruling based on the available facts.

X. Investigation Period

The investigation will begin on 21 August 2024, and should normally be completed before 21 August 2025. It may be extended for six months in special circumstances.

XI. Contact information of the Ministry of Commerce

Trade Remedy Investigation Bureau of the Ministry of Commerce
Address: No. 2 East Chang'an Avenue, Beijing, China
Zip code: 100731
Tel: +86-10-65198054, 65198760
Fax: +86-10-65198172
Website: trb.mofcom.gov.cn

Assistance to European SMEs: Useful Contacts

Do you have questions on dairy exports from Europe to China? The EU SME Centre provides free first-line assistance to all small and medium-sized enterprises from EU Member States and

countries participating in the Single Market Programme. Ask our experts for information and advice.

You can also get in touch with your national trade promotion organisation, as well as with trade promotion agencies specialised in the F&B sector or in the dairy industry. For instance, for the EU Member States named in the anti-subsidy investigation:

Austria
Advantage Austria – Austria's official trade promotion organisation
FIAA – Food Industry Association of Austria

Belgium
AWEX – Wallonia Export & Investment Agency
BFTA – Belgian Foreign Trade Agency
FIT – Flanders Investment and Trade
hub.brussels – Brussels Business Support Agency
VLAM – Flanders Agricultural Marketing Board

Croatia
HGK – Croatian Chamber of Economy

Czech Republic
Czech Trade – National trade promotion agency of the Czech Republic

Finland
Business Finland – Finland's official government agency for trade and investment

Ireland
Bord Bia – Ireland's trade development & promotion body

Italy
ITA – Italian Trade Agency

Romania
ARICE Invest Romania – Romania's official government agency for trade promotion