## Letter regarding the review of the EU school milk subsidy scheme

To whom it may concern,

We are writing to you regarding the ongoing <u>review of the school milk subsidy scheme</u> at the EU level and to express the hope that the Swedish Government decides to pursue the line that includes plant-based alternatives in the support scheme.

The proposal to include plant-based alternatives to milk (e.g. drinks made from potatoes, peas, oats, soy, etc.) is important for a number of reasons. Including such alternatives in the support recognises and facilitates individuals' own choices as well as children who cannot or do not want to drink milk for medical, ethical, health or environmental reasons. Offering plant-based beverages is, likewise, an important step to reducing our climate impact, and additionally creates healthy competition for a growing Swedish export industry.

Växtbaserat Sverige's industry report for 2023 shows that Sweden is the third highest consumer of plant-based food in Europe. Regarding alternatives to milk, Sweden's average consumption per capita tops the list, according to the Good Food Institute. Overall, figures show a significant demand for plant-based milk alternatives, both in Sweden and in Europe. This demand is driven partly by consumers who cannot drink milk for medical reasons, and partly by consumers choosing plant-based alternatives to milk-based drinks for reasons of taste, ethical considerations, animal rights, religion, health, climate, and the environment. This changing consumer behaviour has led to a range of Swedish innovations in the field and Sweden currently has a number of growing companies in the plant-based alternatives to milk sector, ranging from multinational companies such as Oatly to newcomers such as DUG, Planti, and Sproud. In addition, there are a number of farmers who make their living by producing crops for companies in the plant-based market.

When the EU School Milk Programme was introduced in 1968, demand was completely different to today and there were virtually no plant-based alternatives to milk. Today, we see that plant-based alternatives to milk are found in several countries' dietary recommendations. Sweden is no exception. The National Food Agency states: "Beverages made from oats and soy are environmentally smart. Choose ones that are fortified with vitamins and minerals." The Swedish recommended balanced diet (*svenska kostcirkeln*) was updated this spring, and the dairy section is now called *Dairy and Veggie Products*. Despite this, the European school milk subsidy only applies to animal milk and dairy products, which distorts competition on markets both in Sweden and across the EU. Unfortunately, innovative projects and food companies that invest in plant-based dairy products are negatively affected by the school milk subsidy as it directly disadvantages plant-based alternatives to milk.

If the school milk subsidy were expanded to include plant-based alternatives, it would provide new opportunities for both Swedish and European farmers, as

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crops used to produce plant-based alternatives to milk are primarily grown within the EU.

To support the Swedish agricultural sector, Swedish innovations, Swedish companies, and Swedish export opportunities, the Government should proactively work to ensure that the EU's school milk subsidy scheme additionally includes plant-based alternatives. We hope the Government recognises the value of this new, growing food segment and that it actively works to create healthy market conditions and competition between animal and plant-based foods.

Thank you in advance,

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Oatly DUG

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Annex: Examples of key reports recently published, which arguably and in various ways support the inclusion of plant-based drinks in the EU school milk subsidy.

- Towards sustainable food consumption: In June, the European Commission's group of Chief Scientific Advisors published an expert opinion including recommendations for various policy measures to overcome barriers that prevent consumers eating more sustainably. The recommendations complement existing initiatives under the Farm to Fork strategy and highlight the importance of making sustainable foods, such as plant-based alternatives, more accessible and affordable through subsidies, and by offering plant-based foods in meals provided to the public.
- Nordic Nutrition Recommendations 2023 (NNR2023): The new recommendations were launched in June and, for the first time, consider not only individuals' health but also how the food we consume impacts the environment and climate. The recommendations highlight milk's high impact on the environment and that milk and dairy products should be consumed in moderation. If the nutrients found in milk and dairy products can be obtained from other sources, such as fortified plant-based alternatives, the amount of milk and dairy products consumed can be reduced.
- Nutrient Density in Milk and Plant-Based Beverages (2022): This study compared the nutrient densities of five dairy products and ten plant-based beverages, which can be used as alternatives to milk. The study shows that the nutrient density of fortified plant-based alternatives, such as oats, soy, and almond drink, is equivalent to fortified milk. The study was conducted by RISE Agriculture and Food within the framework of the research programme Sustainable Production and Consumption of Milk, SLU Future Food.