

PRICES IN EURO PER 100 KG STANDARD MILK WITH 4.2% FAT, 3.4% PROTEIN, 1,000,000 KG PER YEAR, TBC 24,999 PER ML AND SCC 249,999 PER ML, VAT EXCLUDED

COMPANY		prices (€/kg) ¹		bonuses/deductions (included) ²					MILK PRICE this month	av. last 12 month. ³	recent suppl. payment ⁴
		fat	protein	quality	quantity	season	sustainability	Milk flows			
Milcobel	BE	6.64	6.64	0.73	0.85		0.69		52.50	53.96	0.90
DMK Deutsches Milchkontor eG	DE	7.72	7.72		0.20		0.50	1.00	60.44	56.10	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	60.06	53.53	1.50
Arla Foods DK	DK	6.94	7.63	1.60			1.00	1.50	58.21	53.00	1.89
Capsa Food	ES	3.00	3.00						60.80	47.97	
Valio	FI	5.50	7.00						51.31	46.78	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.18					48.19	44.97	
Danone (Pas de Calais)	FR	2.96	5.39						48.79	42.83	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		47.15	44.68	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58			0.15		50.28	43.25	
Saputo Dairy UK (Dairy Crest)	UK	5.03	10.06	-1.10	0.77	2.20			55.58	49.29	
Dairygold	IE	5.65	9.25	0.39		2.91	0.10		55.62	55.32	
Glanbia	IE	4.47	8.94			3.97	0.50		57.13	55.21	0.18
Kerry Agribusiness	IE	5.86	8.79				0.10		50.74	54.12	
FrieslandCampina	NL	6.11	9.17				0.25	0.66	57.55	54.50	0.14
AVERAGE MILK PRICE⁵									54.29	50.37	
Emmi	CH	4.02	5.02				2.04		70.22	69.55	
Fonterra	NZ	5.04	5.04						38.34	39.75	5.41
United States class III	US	5.67	5.74	0.21					45.32	52.44	

1) Payment per % fat and % protein above or below 4.2% and 3.4% respectively. France and US true protein and not in crude protein as in most European countries.

2) These premiums and deductions are included in the milk price, but it is not a complete list. There may also be other premiums and deductions included.

3) Weighted average based on the basis of national monthly deliveries exclusive of most recent supplementary payment.

4) The most recent supplementary payment is stated to give an indication of a possible supplement to the monthly milk prices after the calendar year.

5) Arithmetic average.

MILK PRICES

The calculated monthly milk prices in January 2023 averaged to € 54.29 per 100 kg of standard milk. This is a decrease of € 1.15 compared to the previous month. Compared to December 2021, the average milk price increased by € 12.90 or 31.17%.

The fact that the average milk price fell in January is mainly due to the fact that the milk price of most companies fell compared to the previous month. Except for a Finnish and a few French companies, including Sodiaal with an increase in the milk price of € 6.12. Many companies increased the cost of fixed costs as of 1 January 2023. In Ireland, VAT was reduced from 5.5% to 5%.

PRICE CHANGES IN JANUARY 2023 AND ADDITIONAL INFORMATION

(€ per 100 kg compared to the previous month)

Milcobel: -3.0, February -4.5

The milk price includes an (average) sustainability bonus of € 0.69.

DMK Deutsches Milchkontor eG: -1.96

The milk price includes an (average) bonus of € 0.50 for participation in the Milkmaster sustainability program and the bonus of € 1.00 for the use of GMO-free feed.

Hochwald eG: almost unchanged

Hochwald eG increased the fixed costs for research from € 28.50 to € 31.25 per month. The milk price includes sustainability (Cool Farm Tool) bonus of € 0.60 and € 1.00 per 100 kg for the use of GMO-free feed (VLOG certified).

Arla: -1. February -2.97

Increase in the fixed costs of € 1.54 but € 1.76 per 100 kg of milk. The milk price includes a bonus of € 1.00 for the Climate Check programme and a bonus of € 1.50 per 100 kg for the use of GMO-free feed.

The most recent supplementary payment for milk delivered in 2021 was € 1.95 based on the Arla annual report 2021, but is actualised to € 1.89 per 100 kg based on the milk statement.

Capsa Food: unchanged

The calculated milk price of Capsa is based on an average of an A- (70%) and a B-price (30%). The laboratory costs increased from € 44.83 to € 51.63 per month. The increase in the milk price is, same as November, mainly due to an increase of the additional bonuses. These are not listed separately in the table, but are included in the calculated milk price.

Valio: +1.54

Milk prices of Valio are based on milk statements of one of its member coops. The base price is a weighted average of the A-, B- and C-price.

The milk price includes a bonus of € 1.94 for participation in the sustainability/animal health program NASEVA.

Savencia: unchanged

Danone (A-price): +1.70

Danone's milk price is based on a contract whereby 50% of the A- milk price development is determined by market indicators and 50% by cost price development at dairy farms.

Lactalis: -0.98

The milk price includes a premium of € 0.07 per 100 kg for participation in the national programme Carte des Bonnes Pratiques d'Elevage (CBPE).

Sodiaal (A-price): +6.12

The increase is caused by an increase in the A-milk price. The milk price includes a premium of € 0.15 per 100 kg for participation in the sustainability program La Route Du Lait (LRDL).

Saputo Dairy UK: -0.81, March -3.0

The calculated milk price has decreased, due to an increase in the value of the euro against the British pound.

The calculated milk price of Saputo Dairy UK is based on dairy farmers supplying the Davidstow cheese factory.

Dairygold: -3.13

The milk price includes a bonus of € 0.10 for the national sustainability program SDAS (Sustainable Dairy Assurance Scheme) and an Early Calving Bonus of € 3.00.

Glanbia Ingredients Ireland: -5.72**Kerry:** -7.07

The calculated milk price includes a bonus of € 0.10 for participation in the sustainability program SDAS.

FrieslandCampina: -2.9, February -3.79

The calculated milk price includes an (average) payment of € 0.25 per 100 kg for the quality and sustainability program Focus planet and an average premium for outdoor grazing (meadow milk) of € 0.66 per 100 kg.

The most recent supplementary payment is based on the 13th month payment for 2021 deliveries.

As part of a 3-yearly evaluation, the milk price system has been adjusted from 2023. For example, the payment in the milk components protein, fat and lactose is in a fixed ratio of 6:4:0. This was 10:5:1.

AVERAGE: -1.15**Emmi:** -0.45

The decrease is partly caused by an increase in costs for, among other things, the market deduction. Emmi's milk price is based on a weighted average of an A- (66%) and a B- price (34%).

Emmi's milk price includes the bonus for the sustainability program 'gruner Teppich' (green carpet). The milk money statements come from a dairy farmer who is a member of a producer organization that supplies milk to Emmi.

Fonterra: -0.44

For the current milk price year 2022/23 Fonterra lowered the milk price forecast on February 24, 2023 to NZD 8.50 (was 9.00) per kg of milk solids (fat and protein). This reduction has been retroactively incorporated into the calculated milk prices from June 2022 onwards. Expressed in euros, however, the calculated milk price of Fonterra has remained (almost) unchanged compared to the milk price published last month. This is entirely due to the appreciation of the New Zealand dollar against the euro.

The most recent supplementary payment relates to the dividend of NZD 0.20 per kg of milk solids paid for milk delivered in 2021/22.

USA Class III: -3.48

Expressed in dollars, the USA class III milk price decreased from \$ 20.50 in December to \$ 19.43 per cwt (hundredweight (45.36 kg) in January. Converted into euros, however, the calculated milk price has decreased more, due to the increase in the value of the euro against the dollar.

MARKET SITUATION

(Source: **ZuivelNL** www.zuivelnl.org)

Official Dutch dairy price quotations (€ per 100 kg)

	01/3/23	25/1/2023	avg. 2022
Butter	485	430	662
Whole milk powder	339	345	473
Skimmed milk powder	260	250	364
Whey powder	68	72	112

Minimal drop in EU milk supply over the whole of 2022

EU milk supply increased by almost 1% in December. Since September, the volume has increased again after a prolonged period of decline. The picture is currently fairly diverse. On the one hand, the volume in Belgium, Germany, Ireland, the Netherlands and Poland is increasing sharply. On the other hand, Italy has been showing a sharp decline since August. France was unable to sustain the growth of the previous months in December and recorded a decline. The increase in the last four months of the year meant that there was only a small decrease in the EU over the whole of 2022 (-0.1%).

Milk production in the other globally important dairy exporting countries again showed a predominantly negative picture in December. The milk supply in Australia continues to decrease significantly (-7%). In New Zealand, the rate of decline levelled off further (-1%). Argentina was severely affected by drought, as a result of which the contraction continued (-2%). Uruguay also suffered from this, the volume decreased by 1%. The US (+1%) remains a positive exception, which showed growth for the sixth month in a row. The aggregate volume of the major dairy exporters (including the EU) was ultimately 0.5% (1.46 billion kg) lower on balance in 2022 than in 2021. The gap with the previous year gradually decreased due to the recovery in Europe and the US.

Rising dairy prices

Between the beginning of October last year and the end of January, the dairy market showed a continuous downward movement. A drop in demand due to the high price level in combination with a recovery in milk supply in a number of key dairy countries (EU and US) and falling prices on the energy market caused strong pressure on prices during that period. Since the second week of February, a turnaround in the market has been noticeable, although the recovery is still very early. The upward trend of the last few weeks seems to be mainly a correction of prices that have fallen too far, which caused buying interest to return to the market. Moreover, many parties were briefly covered (short) and had to purchase to meet the need.

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