

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) <sup>1</sup>		bonuses/deductions (included) <sup>2</sup>				MILK PRICE this month	av. last 12 month. <sup>3</sup>	recent suppl. payment <sup>4</sup>	
		fat	protein	quality	quantity	season	sustainability				Milk flows
Milcobel	BE	7.04	7.04	0.73	0.85		0.69		55.51	53.27	0.90
DMK Deutsches Milchkontor eG	DE	7.03	9.14		0.20		0.50	1.00	62.40	54.68	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	60.07	51.90	1.50
Arla Foods DK	DK	6.48	8.42	1.63			1.00	1.50	59.21	51.60	1.89
Capsa Food	ES	3.00	3.00						60.80	46.01	
Valio	FI	3.90	6.50				1.94		49.77	45.72	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.18					48.19	44.21	
Danone (Pas de Calais)	FR	2.96	5.39						47.09	41.89	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		48.13	44.01	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58			0.19		44.21	42.18	
Saputo Dairy UK (Dairy Crest)	UK	5.10	10.20	-1.12	0.78	2.23			56.39	48.14	
Dairygold	IE	6.27	10.26	0.39			0.10		58.75	55.10	
Glanbia	IE	4.99	9.98			3.97	0.50		62.85	54.96	0.18
Kerry Agribusiness	IE	6.51	9.77				0.10		57.81	53.94	
FrieslandCampina	NL	5.01	10.03				0.25	0.66	60.45	53.30	0.14
<b>AVERAGE MILK PRICE<sup>5</sup></b>									<b>55.44</b>	<b>49.39</b>	
Emmi	CH	4.05	5.07				2.06		70.67	68.94	
Fonterra	NZ	5.40	5.40						41.06	41.56	0.91
United States class III	US	6.57	5.53	0.21					48.80	52.42	

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 December 2022 averaged to € 55.44 per 100 kg of standard milk. This is an increase of € 0.21 compared to the previous month. Compared to November 2021, the average milk price increased by € 16.28 or 41.6%.

The fact that the average milk price rose slightly in December is mainly due to the increase in the milk price of the Irish Glanbia. The milk prices of most other companies rose slightly or remained virtually the same as the previous month's milk price. Except for the Belgian company Milcobel, whose milk price fell by €1.50.

## PRICE CHANGES IN DECEMBER 2022 AND ADDITIONAL INFORMATION

### (€ per 100 kg compared to the previous month)

**Milcobel:** -1.5, January 2023 -3.0

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

**DMK Deutsches Milchkontor eG:** unchanged, January 2023 -1.7

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:** unchanged

The milk price of Hochwald eG has been updated after the supplementary payment from € 0.50 to € 1.50 per 100 kg. 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:** unchanged, January 2023 -1.0

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 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:** unchanged

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:** +0.5

**Danone (A-price):** -0.4

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:** -0.1

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):** unchanged

The price decrease is due to the cancellation of the seasonal bonus

La Route Du Lait (LRDL) is Sodiaal's sustainability programme. Dairy farmers receive a premium of € 0.19 per 100 kg for participation which is included in the milk price.

**Saputo Dairy UK:** (almost) unchanged, no price reduction until 1<sup>st</sup> March 2023

The calculated milk price has decreased slightly, due to a slight 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:** +0.3

The milk price has been updated on the basis of an additional payment for the quantity of milk delivered in 2022. The milk price includes a bonus of € 0.10 for the national sustainability program SDAS (Sustainable Dairy Assurance Scheme).

**Glanbia Ingredients Ireland:** +4.0

The increase in the milk price is caused by a bonus. This will also be paid in January and February 2023. The milk price has been updated on the basis of an additional payment for the quantity of milk delivered in 2022 and the constituents in the milk.

**Kerry:** +0.3

The calculated milk price includes a bonus of € 0.10 for participation in the sustainability program SDAS. The milk price has been updated on the basis of an additional payment for the quantity of milk delivered in 2022 and the constituents in the milk.

**FrieslandCampina:** +0.2, January 2023 -2.7

The calculated milk price includes an (average) payment of € 0.25 per 100 kg for the quality and sustainability program Foqus 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 13<sup>th</sup> month payment for 2021 deliveries.

As part of a 3-yearly evaluation, the milk price system will be 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:** +0.21

(Nb As the calculated milk prices of Dairygold, Glanbia and Kerry have been increased retroactively, the average milk price of all months in 2022 has also been slightly increased compared to the average milk prices previously published in 2022. The average milk price for November has been increased from €55.09 to €55.23)

**Emmi:** -0.9 (lower B-price) and January +0.2 (slightly higher A-price)

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:** unchanged

For the current milk price year 2022/23 Fonterra lowered the milk price forecast on December 8, 2022 to NZD 9.25 (was 9.50) 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:** -3.2

Expressed in dollars, the USA class III milk price decreased from \$ 21.01 in November to \$ 20.50 per cwt (hundredweight (45.36 kg) in December. 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](http://www.zuivelnl.org))

Official Dutch dairy price quotations (€ per 100 kg)

	25/1/2023	4/1/2023	avg. 2022	avg. 2021
<b>Butter</b>	430	495	662	425
<b>Whole milk powder</b>	345	385	473	329
<b>Skimmed milk powder</b>	250	278	364	265
<b>Whey powder</b>	72	82	112	100

### Milk supply in the EU continues to rise

The growth of the EU milk supply continued in November (+2%). Since September, the volume has been increasing again after a prolonged period of decline. The strongest increase was seen in Germany (+3%), Ireland (+7%), the Netherlands (+5%) and Poland (+2%). In France, too, the volume increased by 1%. On balance, the EU milk supply in the period up to and including November 2022 was only 0.2% behind last year's level.

Milk production in the other, globally important dairy exporting countries still showed a predominantly negative picture in November. The milk supply in Australia again decreased significantly (-9%). In New Zealand (-2%), the pace of decline levelled off somewhat. Argentina was increasingly affected by drought and recorded a decrease of 3%.

Uruguayan milk supply remained virtually stable. The positive exception is the US (+1%), which showed growth for the fifth month in a row. The aggregate volume of major dairy exporters (including the EU) was 0.5% (1.54 billion kg) lower in the first 11 months of 2022 than in the same period of 2021. The recovery in Europe and the US gradually reduced the gap compared to the previous year.

### Dairy prices down sharply

Since the beginning of October last year, the dairy market has entered 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 determining dairy countries and falling prices on the energy market caused a strong pressure on prices. Buyers took a wait-and-see attitude in the hope that prices would fall further. In the case of butter in particular, the quotation has fallen sharply. In four months' time, this has decreased by no less than 40% to € 430 per 100 kg at the end of January. The quotation for skimmed milk powder has also fallen sharply by 32% since the beginning of October, reaching a level of € 250 per 100 kg at the end of January. The quotation of whole milk powder decreased in a similar degree (-27%) with that of butter and skimmed milk powder.

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