



Dairy farming in turbulent times

Report on the EDF Cost of Production Comparison 2009

EDF Congress 2009, June 24th - 27th

Cork, Ireland

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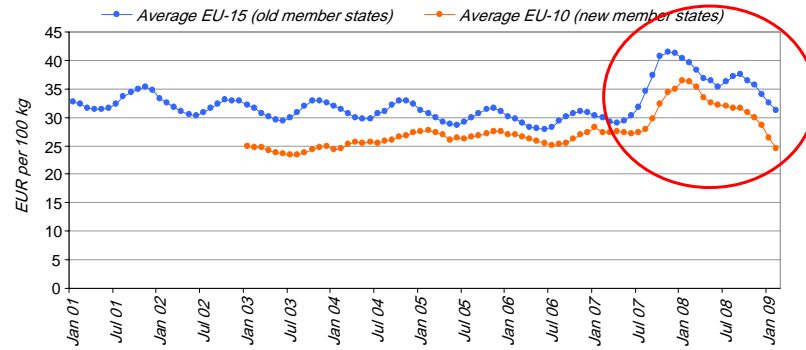


Content

- 1) Market developments of the past years
- 2) Overview on the results of EDF CoP 2009
- 3) Times series analysis: Development of the national EDF groups
- 4) Summary



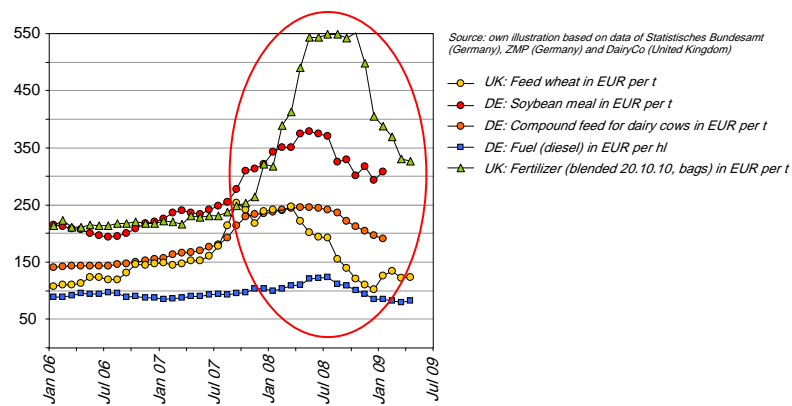
Development of farm gate milk price in the EU from January 2006 to February 2009



→ The last years were characterized by unusual strong fluctuations in milk producer price.



Development of input prices in selected EU-states from January 2006 to April 2009

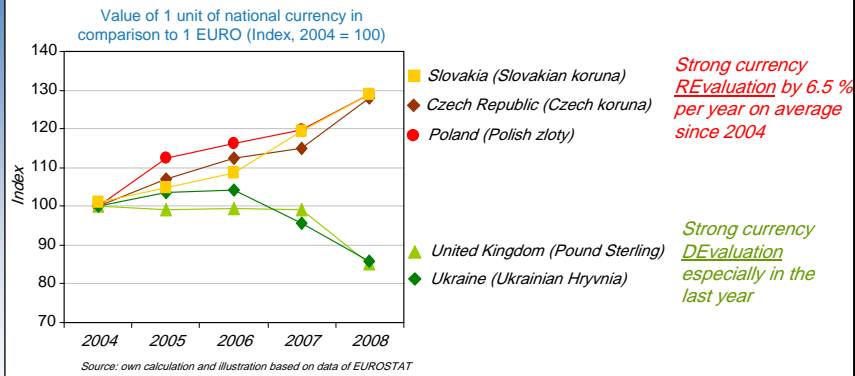


→ Prices of agricultural inputs changed significantly and but delayed, compared to milk price development.

→ The former price level is not reached again.



Changes in currency valuation in European countries from 2004 to 2008 (Index, 2004 = 100)



- The exchange rate is affecting the international competitive position of a national branch (or a farm).
- EDF countries with strong changes in exchange rate compared to EURO were: SK, CZ, PL, UK and UA.

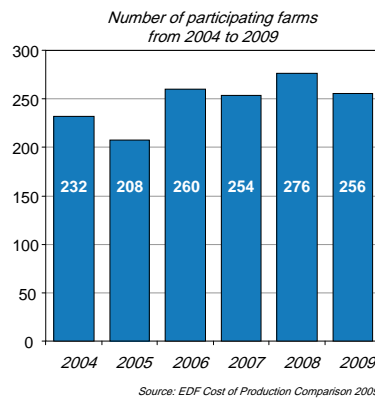


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Participation in EDF Cost of Production Comparison 2009



- 256 European dairy farms sent in their data for the analysis.
- A Russian dairy farm took part for the first time.

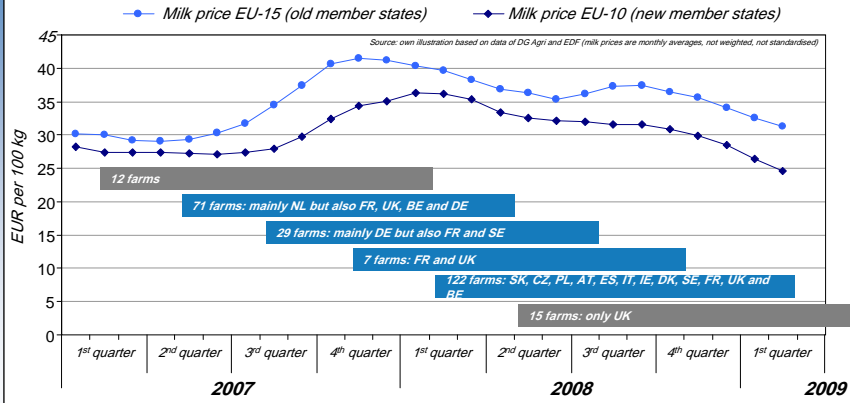


Different production systems all over Europe

- *Automatic Milking System:*
25 farms with AMS mainly from NL (12) and FR (5)
- *Organic production:*
8 farms with organic production from DE, UK, NL, FR and SE
- *Pasture based dairy farming:*
111 EDF farms were mainly pasture-based



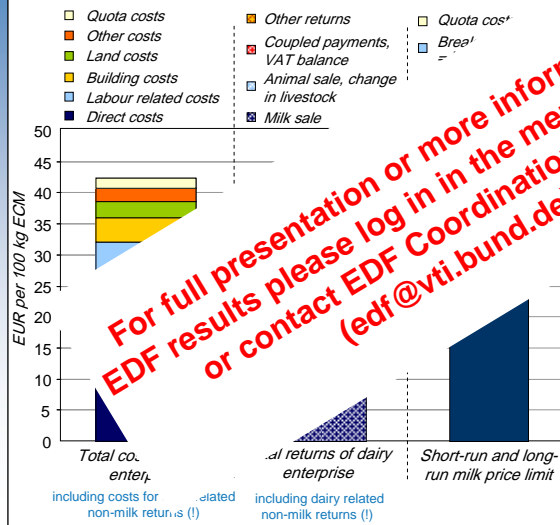
Development of farm gate milk price and distribution of data sets sent in for CoP 2009 by covered accounting period



- Differences in annual milk price between the groups were not as extreme as expected.
- Calculating one EDF average and doing analysis on that was acceptable.



Overview on economic results of dairy enterprise of 231 farms with accounting periods from 2nd quarter 2007 (earliest begin) to 1st quarter 2009 (latest end)



*EDF sample formed by 231 EDF farms having their accounting period between 2nd quarter of 2007 (earliest begin) and 1st quarter of 2009 (latest end); 220 data sets of CoP 2009 and 11 data sets of CoP 2008 (only UK), without farms from CH, UA and RU, not representative