

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	5.92	5.92	0.73	0.85		1.66		47.98	54.21	0.90
DMK Deutsches Milchkontor eG	DE	6.77	6.77		0.20		0.50	1.00	53.25	56.67	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	57.06	54.72	1.50
Arla Foods DK	DK	6.57	7.23	1.51			1.00	1.50	55.19	54.05	1.63
Capsa Food	ES	3.00	3.00						60.80	49.76	
Valio	FI	5.50	7.00						51.31	47.78	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.18					48.19	45.61	
Danone (Pas de Calais)	FR	2.96	5.39						48.79	43.64	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		46.67	45.27	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58			0.15		49.99	44.10	
Saputo Dairy UK (Dairy Crest)	UK	5.01	10.02	-1.10	0.77	2.19			55.37	50.31	
Dairygold	IE	5.04	8.24	0.39		1.94	0.10		48.63	55.43	
Glanbia	IE	3.92	7.85			3.97	0.50		53.07	55.51	0.18
Kerry Agribusiness	IE	5.21	7.82				0.10		45.70	54.19	
FrieslandCampina	NL	5.70	8.55				0.25	0.66	53.76	55.31	0.14
<b>AVERAGE MILK PRICE<sup>5</sup></b>									<b>51.72</b>	<b>51.10</b>	
Emmi	CH	4.04	5.05				2.05		69.85	70.41	
Fonterra	NZ	5.00	5.00						37.96	39.43	0.89
United States class III	US	5.59	4.87	0.19					41.85	52.11	

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 February 2023 averaged to € 51.72 per 100 kg of standard milk. This is a decrease of € 2,57 compared to the previous month. Compared to February 2022, the average milk price increased by € 9.56 or 23.1%.

The fact that the average milk price fell in February is mainly due to the fact similar to last month that the milk price of most companies fell compared to the previous month. It is striking that northern European companies in particular showed a decline and southern European companies remained stable or virtually stable.

## PRICE CHANGES IN FEBRUARY 2023 AND ADDITIONAL INFORMATION

(€ per 100 kg compared to the previous month)

**Milcobel:** -4.5, March -4.5

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

**DMK Deutsches Milchkontor eG:** -7.2

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:** -3

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). As of January, Hochwald has started with a bonus for the reduction of CO<sub>2</sub>, which has not yet been included in the milk price calculation.

**Arla:** -3

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 supplementary payment for milk delivered in 2022 has been updated on the basis of milk payment in 2022 from € 1.89 per 100 kg to € 1.63 per 100 kg.

**Capsa Food:** unchanged

The calculated milk price of Capsa is based on an average of an A- (70%) and a B-price (30%). Since November 2022, the milk price of Capsa Food has remained unchanged, the amount of the price is mainly determined by the special surcharges that are not listed separately 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.

**Savencia:** unchanged

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

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:** -0.5

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):** -0.3

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: -0.2, 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: -7**

At the beginning of this year, Dairygold started a new bonus system Grass roots. 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 € 2.00.

**Glanbia Ingredients Ireland: -4.1****Kerry: -5**

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

**FrieslandCampina: -3.8**

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 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: -2.57****Emmi: -0.4**

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: -0.4**

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: -3.5**

Expressed in dollars, the USA class III milk price decreased from \$19.43 in January to \$ 17.78 per cwt (hundredweight (45.36 kg) in February.

## MARKET SITUATION

(Source: [ZuivelNL www.zuivelnl.org](http://www.zuivelnl.org))

Official Dutch dairy price quotations (€ per 100 kg)

	29/3/23	01/3/2023	avg. 2022
<b>Butter</b>	475	485	662
<b>Whole milk powder</b>	337	339	473
<b>Skimmed milk powder</b>	241	260	364
<b>Whey powder</b>	66	68	112

### Growth in global milk supply

The EU milk supply grew by almost 1% in January. Since September, the volume has increased again after a prolonged period of decline. The picture remains fairly diverse. On the one hand, there was a continuation of the strong increase in Belgium, Germany and the Netherlands. Polish milk supply also rose further. On the other hand, volume declined in France and Italy. In the latter country, a sharp decline has been seen since August.

Milk production in the other, globally important dairy exporting countries showed a slightly more positive picture in January than in the previous months. New Zealand's milk supply (+1%) grew for the first time in almost a year and a half. Argentina (+3%) showed a convincing increase after the negative development in the second half of 2022. The US (+1%) recorded growth for the seventh month in a row. However, the milk supply in Australia continues to decline sharply (-4%). The volume also declined further in Uruguay (-1%). On balance, the aggregate volume of major dairy exporters (including the EU) was more than 1% higher in January 2023 (0.28 billion kg) than in January 2022.

### Prices under pressure

After the short-lived recovery of the market in February to early March, the dairy market came under some pressure again. Disappointing demand and increasing supply as a result of the growth in milk production (also reinforced by the approaching spring peak in the northern hemisphere) were the reason for this. In particular, the listing of skinny milk powder went down in March. The price level at the end of March was € 241.00 per 100 kg. The butter quotation still

remained reasonably stable, but there was also some pressure on prices at the end of March. The demand for Easter has largely been filled, so there is less buying interest. At the end of March, the butter quotation was at a level of € 475.00 per 100 kg.

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