

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	5.33	5.33	0.73	0.85		0.69		42.50	53.75	0.90
DMK Deutsches Milchkontor eG	DE	5.82	5.82		0.20		0.50	1.00	46.06	56.59	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	54.06	55.60	1.50
Arla Foods DK	DK	6.08	6.69	1.40			1.00	1.50	51.23	54.66	1.63
Capsa Food	ES	3.00	3.00						60.80	51.67	
Valio	FI	5.50	7.00				1.94		53.25	49.20	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.18					47.22	46.14	
Danone (Pas de Calais)	FR	2.96	5.39						48.79	44.48	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		46.79	45.69	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58			0.15		48.05	44.80	
Saputo Dairy UK (Dairy Crest)	UK	4.72	9.44	-1.10	0.77				50.09	50.95	
Dairygold	IE	4.62	7.57	0.39		0.97	0.10		43.64	54.99	
Glanbia	IE	3.65	7.31			3.97	0.50		50.97	55.74	0.18
Kerry Agribusiness	IE	4.78	7.17				0.10		42.59	53.76	
FrieslandCampina	NL	5.14	7.71				0.25	0.66	48.55	55.61	0.91
<b>AVERAGE MILK PRICE<sup>5</sup></b>									<b>48.97</b>	<b>51.58</b>	
Emmi	CH	4.04	5.05				2.05		69.40	71.16	
Fonterra	NZ	4.81	4.81						36.59	38.10	0.88
United States class III	US	5.62	4.96	0.19					42.56	51.39	

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 March 2023 averaged to € 48.97 per 100 kg of standard milk. This is a decrease of € 2.81 compared to the previous month. Compared to March 2022, the average milk price was € 5.12 higher (or 11.7%). As a result, the positive difference in the monthly average compared to the same month in the previous year decreased for the fourth consecutive month.

The fact that the average milk price again fell in March is mostly because most dairies had their milk prices drop again compared to the previous month. This because of the cooling down of international markets. Remarkably, several companies in southern Europe and Valio (Finland) form an exception in this development. Their prices so far remained (nearly) stable.

## PRICE CHANGES IN FEBRUARY 2023 AND ADDITIONAL INFORMATION

(€ per 100 kg compared to the previous month)

**Milcobel:** -4.5, April 0.0 (stable)

The milk price includes an (average) sustainability bonus of € 0.69. For February, a correction was made to the calculated sustainability premium, as a result of which the calculated milk price in February fell from € 47.98 to € 47.

**DMK Deutsches Milchkontor eG:** -7.2

The DMK milk price fell again in March by 7.2 ct.

The milk price includes an (average) bonus of € 0.50 for participation in the Milkmaster sustainability program and the bonus of € 1 for the use of GMO-free feed.

**Hochwald eG:** -3

The milk price includes a sustainability bonus (Cool Farm Tool) of € 0.60 and € 1.00 per 100 kg for the use of GMO-free feed (VLOG certified). All milk is VLOG. 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:** -4

The milk price includes a bonus of € 1 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 was updated based on the final milk statement over 2022, from € 1.89 per 100 kg to € 1.63 per 100 kg.

**Capsa Food:** unchanged

This month, Capsa Food's milk price remains high and 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. This price level 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.

A correction has been made for the months of January and February, by including the sustainability premium of 2 ct. per litre.

**Savencia:** -1.0

**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:** unchanged

The milk price includes a premium of € 0.07 per 100 kg for participation in the national programme Carte des Bonnes Pratiques d'Élevage (CBPE). The Scamark three-party contract benefit was raised from 0.36 ct. to 0.54 ct. this month.

**Sodiaal (A-price): -1.9**

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: -5.3, April -4.0**

The calculated milk price has partly decreased due to the loss of the seasonal premium of 2 ct. The calculated milk price of Saputo Dairy UK is based on dairy farmers supplying the Davidstow cheese factory.

**Dairygold: -5**

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 € 1.

**Glanbia Ingredients Ireland: -1.1**

In March, an incidental, weather-related payment of 1 ct. per litre for all milk supplied was paid, which somewhat reduced the fall in the milk price.

For February, a downward correction of € 1 has been made in the amount of Agri Input Support Payment, as a result of which the February milk price was adjusted downwards to € 52.07 per 100 kg of standard milk.

**Kerry: -4**

The calculated milk price includes a bonus of € 0.10 for participation in the sustainability program SDAS. For March, the milk price gets an extra addition of 2 ct. This so-called 'top-up' also applied to January and February and has been retroactively incorporated into the milk price of those months. These upward corrections resulted in milk prices for January and February of € 52.64 and € 46.60 per 100 kg of standard milk respectively.

**FrieslandCampina: -5.2**

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 2022 deliveries.

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

**AVERAGE: -2.81****Emmi: -0.5**

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: -0.5**

For the current milk price year 2022/23 Fonterra lowered the milk price forecast on April 3rd 2023 to NZD 8.30 (was 8.50) per kg of milk solids (fat and protein). This reduction has been retroactively incorporated into the calculated milk prices from June 2022 onwards.

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: +0.7**

Expressed in dollars, the USA class III milk price decreased from \$ 17.78 in February to \$ 18.09 per cwt (hundredweight (45.36 kg) in March.

## MARKET SITUATION

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

Official Dutch dairy price quotations (€ per 100 kg)

	3/5/23	5/4/23	avg. 2022
<b>Butter</b>	460	470	662
<b>Whole milk powder</b>	326	335	473
<b>Skimmed milk powder</b>	235	235	364
<b>Whey powder</b>	63	66	112

### Cautious recovery in global milk supply

The EU milk supply showed a slight increase (+0.5%) in February. Since September last year, the volume has been increasing again after a lengthy period of decline, but it is not an exuberant growth. The picture remains diverse. On the one hand there was a strong increase in North-Western Europe (Belgium, Germany and the Netherlands) and on the other hand there was a decrease in Southern Europe due to drought (France, Italy and Spain). Ireland also recorded a decline in February. On balance, milk supply within the EU member states increased by 0.7% in the first two months of 2023.

The picture of milk production in other, globally important dairy exporting countries was also mixed in February. New Zealand recorded a further recovery (+2%). Although milk production in the US continued to increase, it once again stalled at a growth rate of a meagre 1%. The sharp decline continued in Australia. There was also decrease in Argentina (-1%) and especially Uruguay (-9%).

In summary, the aggregated production volume of the major dairy exporters (including the EU) up and to February 2023 was on balance 0.9% higher (0.44 billion kg) than in the same period in 2022. It should be kept in mind however, that this reference period was characterised by a production in decrease, which means the current growth cannot be seen otherwise as only a partial recovery.

### Lower prices

After the short-lived recovery of the market in February to early March, the dairy market came under pressure again. This was due to disappointing demand in combination with an increasing supply because of the growth in milk production (which was also reinforced by the spring peak in the northern hemisphere). In particular the quotation of skimmed milk powder went down in March and April. After a slight recovery in the second half of April its price level at the beginning of May ended up at € 235 per 100 kg. The butter quotation initially held up reasonably well, but there too, some price pressure was starting to be felt from the end of March. In mid-April the price levels stabilized somewhat again, at € 460 per 100 kg. This level was still the same at the beginning of May.

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