

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	5.26	5.26	0.73	0.85		0.69		42.00	53.28	0.35
DMK Deutsches Milchkontor eG	DE	5.42	5.42		0.20		0.50	1.00	42.98	56.19	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	51.06	56.04	
Arla Foods DK	DK	5.34	5.88	1.22			1.02	1.53	45.18	54.71	1.63
Capsa Food	ES	3.00	3.00						54.33	52.66	
Valio	FI	5.50	7.00				1.94		53.25	50.02	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.04					44.64	46.30	
Danone (Pas de Calais)	FR	2.96	5.39						46.04	45.06	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		45.10	45.95	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58			0.15		48.05	45.47	
Saputo Dairy UK (Dairy Crest)	UK	4.31	8.62	-1.10	0.77	-2.20			43.52	51.14	
Dairygold	IE	4.42	7.23	0.39			0.10		40.66	53.65	
Glanbia	IE	3.97	7.94				0.50		41.22	53.92	0.18
Kerry Agribusiness	IE	4.57	6.85				0.10		38.67	52.30	
FrieslandCampina	NL	4.56	6.84				0.25	0.66	43.11	55.30	0.60
<b>AVERAGE MILK PRICE</b>									<b>45.32</b>	<b>51.47</b>	
Emmi	CH	4.06	5.08				2.06		69.34	71.66	
Fonterra	NZ	4.64	4.64						35.26	37.10	0.86
United States Class III	US	5.43	5.15	0.19					42.45	50.26	

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 April 2023 averaged to € 45.32 per 100 kg of standard milk. This is a decrease of € 3.20 compared to the previous month. Compared to April 2022, the average milk price was € 0.03 higher, bringing it to a similar level after months higher compared to the previous year.

The fact that the average milk price fell again in April is mainly due to the fact that the milk price of almost all companies fell further, in response to the cooling on the international dairy market. In the calculation of the average milk price, the April milk price of Sodiaal has not been calculated and the milk price of Sodiaal of March has been included. Outside Europe, Fonterra again revised its milk price forecast downwards, following last month. Included in the milk price comparison are the monthly milk supply figures for 2022. No major change in the weighing factor has been observed after this update, meaning there have been no significant adjustments to milk supply in 2022.

## PRICE CHANGES IN FEBRUARY 2023 AND ADDITIONAL INFORMATION

(€ per 100 kg compared to the previous month)

**Milcobel:** -0.5, May -1.0

The milk price includes an (average) sustainability bonus of € 0.69. The back payment has been adjusted from January 2022 from 0.90 to 0.35 ct.

**DMK Deutsches Milchkontor eG:** -3.1

The DMK milk price fell again in April 3.1 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. The back payment for 2022 has been adjusted from 1.5 ct. to 0.0 ct.

**Arla:** -6.1

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:** -6.5

Also this month, after months, the milk price of Capsa Food fell from € 60.80 to € 54.33 per 100 kg of standard milk. 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:** -2.6

**Danone (A-price):** -1.7

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. The milk price has been corrected since 1 January after the disappearance of the basic milk price. The

basic milk price is now calculated on the basis of 80% of the reference price for the French market and 20% for that of the export market.

**Lactalis: -1.7**

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 contribution from the Scamark tripartite contract was reduced this month from 0.54 ct. to 0.50 ct.

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

This month it was not possible to calculate the milk price of Sodiaal and the milk price of March was assumed. 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: -6.6, May -2.2**

The calculated milk price has partly decreased due to the seasonal premium, which has gone from 0 ct. to -2 ct. The calculated milk price of Saputo Dairy UK is based on dairy farmers supplying the Davidstow cheese factory.

**Dairygold: -3**

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). This month, the Early Calving Bonus expired, explaining part of the decline.

**Glanbia Ingredients Ireland: -3.9**

As announced, the Agri input support Payment would be reconsidered at the end of the first quarter of 2023. This payment was introduced on condition that the dairy market remained at a high level. In view of the current market, it has been decided not to make this payment anymore.

**Kerry: -3.9**

The calculated milk price includes a bonus of € 0.10 for participation in the sustainability program SDAS. No additional surcharge was paid this month. Over 2022 in an additional payment made of 0.82 ct.

**FrieslandCampina: -5.5**

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, this has been corrected from € 0.91 to € 0.6. 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: -3.2****Emmi: -0.1**

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: -0.9**

For the current milk price year 2022/23, Fonterra lowered the milk price forecast to NZD 8.20 (was 8.30) per kg of milk solids (fat and protein) on 25 May 2023. This reduction has been retroactively incorporated into the calculated milk prices from June 2022. For the upcoming 2023/2024 season, Fonterra has published an amount of NZD 8.00 per kg of milk solids (fat and protein) as the start of the milk price forecast. These declines are caused by a decline in Chinese demand. The most recent back payment relates to the dividend paid for milk price year 2021/22 of NZD 0.20 per kg of milk solids.

### USA Class III: +0.1

Expressed in dollars, the USA class III milk price decreased from \$ 18.09 in March to \$ 18.52 per cwt (hundredweight (45.36 kg) in April.

## MARKET SITUATION

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

Official Dutch dairy price quotations (€ per 100 kg)

	31/5/23	3/5/23	avg. 2022
<b>Butter</b>	473	460	662
<b>Whole milk powder</b>	347	326	473
<b>Skimmed milk powder</b>	248	235	364
<b>Whey powder</b>	66	63	112

### EU milk supply virtually stable

The EU milk supply in March remained at almost the same level (+0.1%) as last year. This put an end to the growth, which took place between September last year and February. The picture is still diverse. On the one hand, there is an increase in Northwest Europe (Belgium, Germany and the Netherlands). On the other hand, the drought in southern Europe (especially in France and Italy) caused declining volumes. Ireland also recorded a decline in March. On balance, the EU milk supply increased by 0.6% in the first quarter of 2023.

Milk production in the other globally important dairy exporting countries again showed a mixed picture in March. Both New Zealand (+0.3%) and the US (+0.5%) achieved modest growth. However, the South American countries Argentina (-3%) and Uruguay (-4%) recorded a sharp decline. Australian milk production declined further (-3%). The aggregate volume of major dairy exporters (including the EU) was on balance 0.7% higher (0.55 billion kg) in the first quarter of 2023 than in the same period in 2022. At that time, there was a decrease, so that the current growth cannot otherwise be characterized as partial recovery.

### Dairy market rebounds

The dairy market rebounded somewhat in May after the decline in March and April. In the case of butter, higher cream prices in particular, as a result of more demand for cream from, among others, the ice cream industry and an increased use of milk fat in cheese production, have given a positive impulse to prices. However, there is no question of a sharp increase. At the end of May, the butter quotation was € 473 per 100 kg. The recovery with skimmed milk powder was slightly firmer than with butter. From Asia, buying interest is gradually increasing again, although there is no question of exuberant demand. There is sufficient supply of skimmed milk powder. At the end of May, the quotation of skimmed milk powder was at a level of € 248 per 100 kg.

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