

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	5.13	5.13	0.73	0.85		0.78		41.09	52.22	0.35
DMK Deutsches Milchkontor eG	DE	5.01	5.01		0.20		0.50	1.00	39.89	55.28	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	48.06	55.95	
Arla Foods DK	DK	4.98	5.47	1.13			0.99	0.99	41.67	54.11	1.63
Capsa Food	ES	3.00	3.00						54.36	53.69	
Valio	FI	5.50	7.00				1.94		50.34	50.51	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.04					44.16	46.39	
Danone (Pas de Calais)	FR	2.96	5.39						45.33	45.62	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		44.32	45.93	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58			0.15		44.17	45.70	
Saputo Dairy UK (Dairy Crest)	UK	4.11	8.21	-1.12	0.78	-2.23			41.27	51.21	
Dairygold	IE	4.42	7.23	0.39			0.10		40.66	51.88	
Glanbia (Tirlan)	IE	3.97	7.94				0.50		41.22	52.36	0.18
Kerry Agribusiness	IE	4.46	6.69				0.10		37.66	50.31	
FrieslandCampina	NL	4.40	6.61				0.25	0.66	41.69	54.48	0.60
<b>AVERAGE MILK PRICE</b>									<b>43.73</b>	<b>51.04</b>	
Emmi	CH	4.10	5.13				2.08		69.50	72.11	
Fonterra	NZ	4.69	4.69						35.65	36.79	0.87
United States Class III	US	5.59	3.65	0.17					37.62	48.37	

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 May 2023 averaged to € 43.73 per 100 kg of standard milk. This is a decrease of € 1.60 compared to the previous month. Compared to May 2022, the average milk price was € 3.49 lower compared to the previous year.

The fact that the average milk price fell again in May is mainly due to the fact that the milk price of almost all companies fell further, except the Irish and Spanish dairy companies had no changes in the milk price compared to the previous month. Outside Europe, a significant decrease in the American class III milk price was observed, caused by a lower protein price.

## PRICE CHANGES IN MAY 2023 AND ADDITIONAL INFORMATION

(€ per 100 kg compared to the previous month)

### **Milcobel:** -1.0

The milk price includes an (average) sustainability premium, which has been adjusted retroactively from January 2023 from € 0.69 per 100 kg to € 0.78 per 100 kg. In May, the sustainability premium rose again to € 0.80 per 100 kg. The back payment has been adjusted from January 2022 from € 0.90 to € 0.35.

### **DMK Deutsches Milchkontor eG:** -3.1

The DMK milk price fell again in May 3.1 ct.

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

### **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 € 1.50 ct. to €0.0.

### **Arla:** -1.8

The calculated milk price includes a sustainability surcharge of € 1 for the climate check and a surcharge for GMO-free milk. This has dropped to € 1 per 100 kg last month. 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

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:** -2.9

After 4 months unchanged, Valio's milk price fell for the first time this year. 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:** -0.5

Savencia's milk price is falling again caused by a fall in the basic price, this is the third month in a row in which the basic price has fallen.

### **Danone (A-price):** -0.7

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:** -0.8

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). The contribution from the Scamark tripartite is 0.50 ct.

**Sodiaal (A-price):** -3.9

Last month, Sodiaal's milk price fell to € 44.17 compared to March. Unlike before, an average basic price is calculated and no longer an A and a B price per 1000 L. 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:** -1.1, June -1.1

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:** unchanged

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 (Tirlan):** unchanged**Kerry:** -1

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 an additional payment has been made of € 0.82.

**FrieslandCampina:** -1.4, June unchanged

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:** -1.6

The average is based on all calculated milk prices in May.

**Emmi:** +0.2

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. The increase in the milk price is caused by a change in exchange rate.

**Fonterra:** +0.4

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: -4.8**

Despite a change of course, the USA milk price has fallen considerably, mainly due to a decrease in the protein price. Expressed in dollars, the U.S. Class III milk price has fallen from \$18.52 in April to \$16.10 per cwt (hundredweight (46.56 kg) in May.

**MARKET SITUATION**

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

Official Dutch dairy price quotations (€ per 100 kg)

	28/6/23	31/5/23	avg. 2022
<b>Butter</b>	472	473	662
<b>Whole milk powder</b>	351	347	473
<b>Skimmed milk powder</b>	237	248	364
<b>Whey powder</b>	63	66	112

**EU milk supply growth below 1%**

EU milk supplies increased by 0.7% in April. Since February, the growth rate has been below 1%. The picture within the EU remains 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 and April. On balance, the EU milk supply increased by 0.7% in the period up to and including April 2023.

Milk production in the other globally important dairy exporting countries also showed a mixed picture in April. The US again achieved modest growth (+0.6%). New Zealand, on the other hand, showed a substantial increase (+6.7%). Argentina saw its volume increase by 1.8%. Australia continued the downward trend (-1.7%), although the rate of decline is slowing down. Uruguay recorded a slight decrease (-0.6%). The aggregate volume of major dairy exporters (including the EU) was on balance 0.8% higher (0.87 billion kg) in the period up to April 2023 than in the same period in 2022. At that time, there was a decline, so that the current growth can actually be seen as a partial recovery.

**Less demand weakens dairy market**

The dairy market rebounded somewhat in May and early June after the decline in March and April. After that, the market came under some pressure again, which was mainly due to disappointing demand. On the butter market, a lack of buying interest, large stocks and limited storage capacity have led to lower prices since the second half of June. The pressure on prices is also increasing in the case of skimmed milk powder. Ample inventories and lower demand are causing negative sentiment. Buyers are currently only buying the most necessary and are waiting quietly in a now declining market. Demand remains weak in both the internal market and the world market.

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