



# Milk Production Costs 2016

## → Germany

In 2016, the production costs for one kilogramme of milk in Germany were 41.17 cents, representing a decrease of almost 1 cent compared to the previous year.

Milk prices, on the other hand, were 2.9 cents down on 2015 at 27.93 cents, meaning that only 68% of the producers' costs were covered.

### Milk production costs in Germany in cents per kg (based on FADN 2015)

year	paid costs	+ income rate	= total costs	- subsidies	= production costs
2016	31.04	12.81	43.85	2.68	41.17
2015	32.00	12.81	44.81	2.68	42.13
2014	35.36	13.30	48.66	4.27	44.39
2013	37.60	13.22	50.82	4.92	45.90

### Development of milk production costs in Germany 2010 - 2016

year*	2010	2011	2012	2013	2014	2015	2016
production costs in ct/kg	41.44	42.05	44.08	45.90	44.39	42.13	41.17
farm gate milk prices in ct/kg**	31.89	35.92	32.90	38.75	38.78	30.53	27.93
price/cost ratio	0.77	0.85	0.75	0.84	0.87	0.72	0.68
shortfall in %	23	15	25	16	13	28	32
MMI (index)	100	101	106	110	107	101	99

\* As from 2014 new basis for calculations FADN 2015; extrapolation for 2016 updated on the basis of FADN 2015

\*\* All milk prices for 4% fat and 3,4% protein, sources: prices of collected raw milk and prices of conventional cow's milk, in: Statistical yearbook and Statistical monthly reports BMEL, different years, www.bmel-statistik.de, ed. Bundesministerium für Ernährung und Landwirtschaft (Federal Ministry for Food and Agriculture, Germany)



(Source: trend calculations by the BAL based on Destatis and FADN data)

The current results also serve as a basis for the calculation of the Milk Marker Index (MMI) and the price/cost ratio.

The MMI reflects the development of milk production costs, while the price/cost ratio shows to which extent farm gate milk prices allow to cover production costs.