

April 2022

MILK PRODUCTION COSTS

Germany



The study "What is the cost of producing milk?", carried out in 2012 by the German BAL (Büro für Agrarsoziologie und Landwirtschaft) on behalf of the European Milk Board and the MEG Milch Board, allowed for the first time to calculate milk production costs in all regions of Germany. The calculation is based on data of the EU's Farm Accountancy Data Network (FADN) and of the German Federal Statistical Office (Destatis). Since 2014, an update of the study is published on a quarterly basis.

The latest results, which reflect milk production costs in April 2022, are available in the table below.

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.



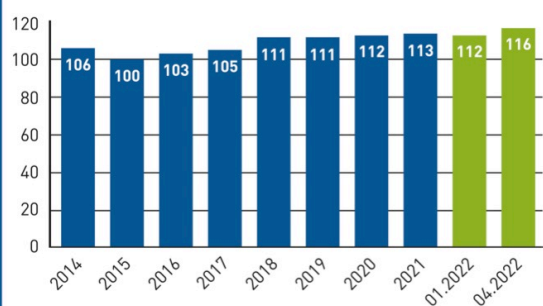
Milk production costs in Germany

| Year/ quarterly figures* | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Jan. 2022 | Apr. 2022 |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|
| Production costs in ct/kg | 44.39 | 41.20 | 42.44 | 43.17 | 45.57 | 45.87 | 45.96 | 46.48 | 46.29 | 47.60 |
| Farm-gate milk prices in ct/kg** | 38.78 | 30.53 | 27.93 | 37.40 | 35.60 | 33.70 | 32.84 | 36.27 | 41.66 | 47.20 |
| Price/cost ratio | 0.87 | 0.74 | 0.66 | 0.87 | 0.78 | 0.73 | 0.71 | 0.78 | 0.90 | 0.99 |

*Provisional quarterly figures. All values excluding VAT. Extrapolation as from 2020 on basis of FADN 2020 (prov. for 2020) and Destatis. Before basis for calculations FADN 2010 to 2019.

**All milk prices for 4% fat and 3.4% protein, as of 2019 farm gate milk prices, previously prices delivered to dairy. Source: 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)

MILK MARKER INDEX (MMI)

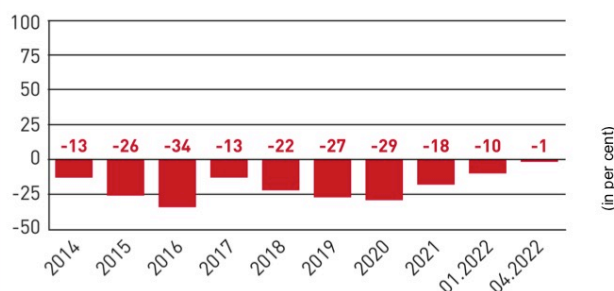


■ Development of milk production costs in Germany, with base year 2015=100. Updated basis for calculation: FADN 2020 (before 2010-2019).

■ Provisional quarterly figures.

Source: trend calculations of the BAL based on Destatis and FADN data

PRICE/COST RATIO



Source: trend calculations of the BAL based on Destatis and FADN data

Legal notice

European Milk Board asbl
Rue de la Loi 155
1040 Brussels
Belgium
Tel.: +32 (0)2 808 1936
office@europeanmilkboard.org
www.europeanmilkboard.org

MEG Milch Board w. V.
Stresemannstr. 24
37079 Göttingen
Germany
Tel.: +49 (0) 55 15 07 64 90
info@milch-board.de
www.milch-board.de

Büro für Agrarsoziologie
und Landwirtschaft (BAL)
Heiligenstädter Str. 2
37130 Gleichen-Bremke
Germany
Tel.: +49 (0) 55 92 92 75 67
kj@agrarsoziologie.de