

# July 2018

## 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 July 2018, 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.

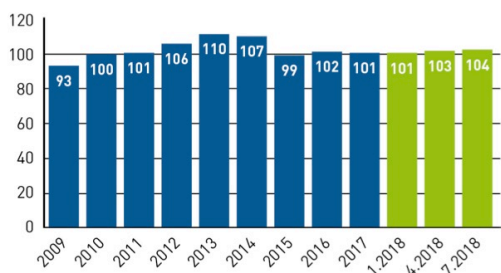


Milk production costs in Germany												
Year/ quarterly figures*	2009	2010	2011	2012	2013	2014	2015	2016	2017	01. 2018	04.2018	07.2018
Production costs in ct/kg	38.54	41.44	42.05	44.08	45.90	44.39	41.20	42.44	41.81	41.67	42.70	43.28
Farm-gate milk prices in ct/kg**	25.84	31.89	35.92	32.90	38.75	38.78	30.53	27.93	37.40	36.73	33.42	34.56
Price/cost ratio (in per cent)	0.67	0.77	0.85	0.75	0.84	0.87	0.74	0.66	0.89	0.88	0.78	0.80

\* Provisional quarterly figures. All values excluding VAT, as from 2015 new basis for calculations FADN 2016 (prov. for 2016), before FADN 2010-2014. Extrapolation for 2016, 2017 and Jan. 2018 updated on basis of FADN 2016.

\*\* 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)

### MILK MARKER INDEX (MMI)

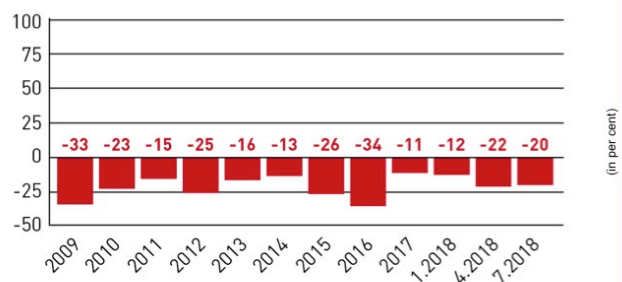


■ Development of milk production costs in Germany, with base year 2010=100. Updated basis for calculation: FADN 2016 (before 2010-2014).

■ 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

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