Milk Production Costs 2016

➜ France

In 2016, the production costs for one kilogramme of milk in France were 44.49 cents, representing a slight decrease compared to the previous years studied.
Milk prices, on the other hand, were 2.11 cents down on 2015 at 30.18 cents, meaning that only 68% of the producers' costs were covered.

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

year	paid costs	+ income rate	= total costs	– subsidies	= production costs
2016	**34.39**	**14.21**	**48.60**	**4.11**	**44.49**
2015	35.65	14.21	49.85	4.11	45.74
2014	36.87	18.34	55.20	5.53	49.67
2013	38.27	14.56	55.82	5.94	46.88

Development of milk production costs France 2010 – 2016

year*	2010	2011	2012	2013	2014	2015	2016
production costs in ct/kg	41.51	42.67	43.81	46,88	49.67	45.74	44.49
farm gate milk prices in ct/kg**	31.55	33.94	32.58	35.3	37.34	32.29	30.18
price/cost ratio	**0.76**	**0.80**	**0.74**	**0.75**	**0.75**	**0.71**	**0.68**
shortfall in %	**24**	**20**	**26**	**25**	**25**	**29**	**32**
MMI (index)	**100**	**103**	**106**	**109**	**112**	**115**	**118**

* All results based on FADN 2015; as from 2016 extrapolation, 2015 provisonal figures
** Source: MMO of the EU, natural fat and protein contents

(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.