



What is the cost
of producing milk?

2023

Cost shortfall in 2023 (in c/kg)

Milk production costs, farm-gate milk price and cost shortfall in 2023 (in c/kg)

Country	DE	NL (Q1 2023)	LU	Ø EU***
Production costs* (final results excl. net investments)	46.36	51.62	49.78	49.73
Milk price in c/kg**	45.34	48.86	45.06	46.98
Cost shortfall in c/kg	-1.02	-2.76	-4.72	-2.75
Cost shortfall in %	-2%	-5%	-9%	-6%

* All results of 2022 and 2023: trend calculations by BAL based on FADN 2021 (DE and NL) and FADN 2022 (LU and EU) and Eurostat.

** The stated farm-gate milk prices refer to natural fat and protein contents (according to data from the MMO) or to 4% fat and 3.4% protein

*** Preliminary trend result. The result for the EU average in 2023 is based on the data available in the FADN 2022 from the member states (excluding DE, GR, CY)

Composition of costs in 2023 (in c/kg)*

Country	DE	LU	NL (Q1 2023)	Ø EU****
Input costs** (final result without net investments)	23.34	28.82	25.61	26.68
General operating costs***	23.31	26.37	22.34	21.46
Production value of beef (deducted)	-9.06	-9.55	-4.32	-7.18
Paid costs (production costs after deduction of production value of beef)	37.59	45.64	43.63	40.96
Income variable (labour costs)	11.51	11.54	9.75	12.60
Total milk production costs	49.10	57.18	53.38	53.56
CAP payments (deducted)	-2.74	-7.40	-1.76	-3.83
Milk production costs (final result)	46.36	49.78	51.62	49.73
Net investments (Ø last 10 years)	1.81	5.04	4.12	1.63

* All results of 2023: trend calculations by BAL based on FADN 2021 or 2022 and Eurostat.

** Seeds, fertilizers, plant protection products, bought-in feed, equipment & machinery upkeep and energy.

***Other specific costs for plant and animal production and all non-specific costs like contract work, other farming overheads, paid wages, rent, interest and taxes (in 2021).

**** Preliminary result. The result for the EU average in 2023 is based on the data available in the FADN from the member states (excluding DE, GR, CY)

Actual income in 2023

Comparison of actual income with necessary adequate income in 2023

Country	DE	LU	NL	Ø EU**
Revenue from milk price and CAP payments (in c/kg)	48.08	52.46	50.62	50.81
- Paid costs (in c/kg)	37.59	45.64	43.63	40.96
= Remaining income (in c/kg)	10.49	6.82	6.99	9.85
Remaining income converted in EUR/h***	18.23	19.80	17.64	17.34
Adequate income in EUR/h	20.00	33.50	24.60	22.18

* All results of 2023: trend calculations by BAL based on FADN 2021 or 2022 and Eurostat.

** Preliminary result. The result for the EU average in 2023 is based on the data available in the FADN 2022 from the member states (excluding DE, GR, CY)

*** Calculation estimate based on the income variable. The income variable is calculated based on twice the minimum wage in the respective countries or on applicable collective agreements.

Cost of milk production - Netherlands



Composition of costs: 2018-2023 (in c/kg)

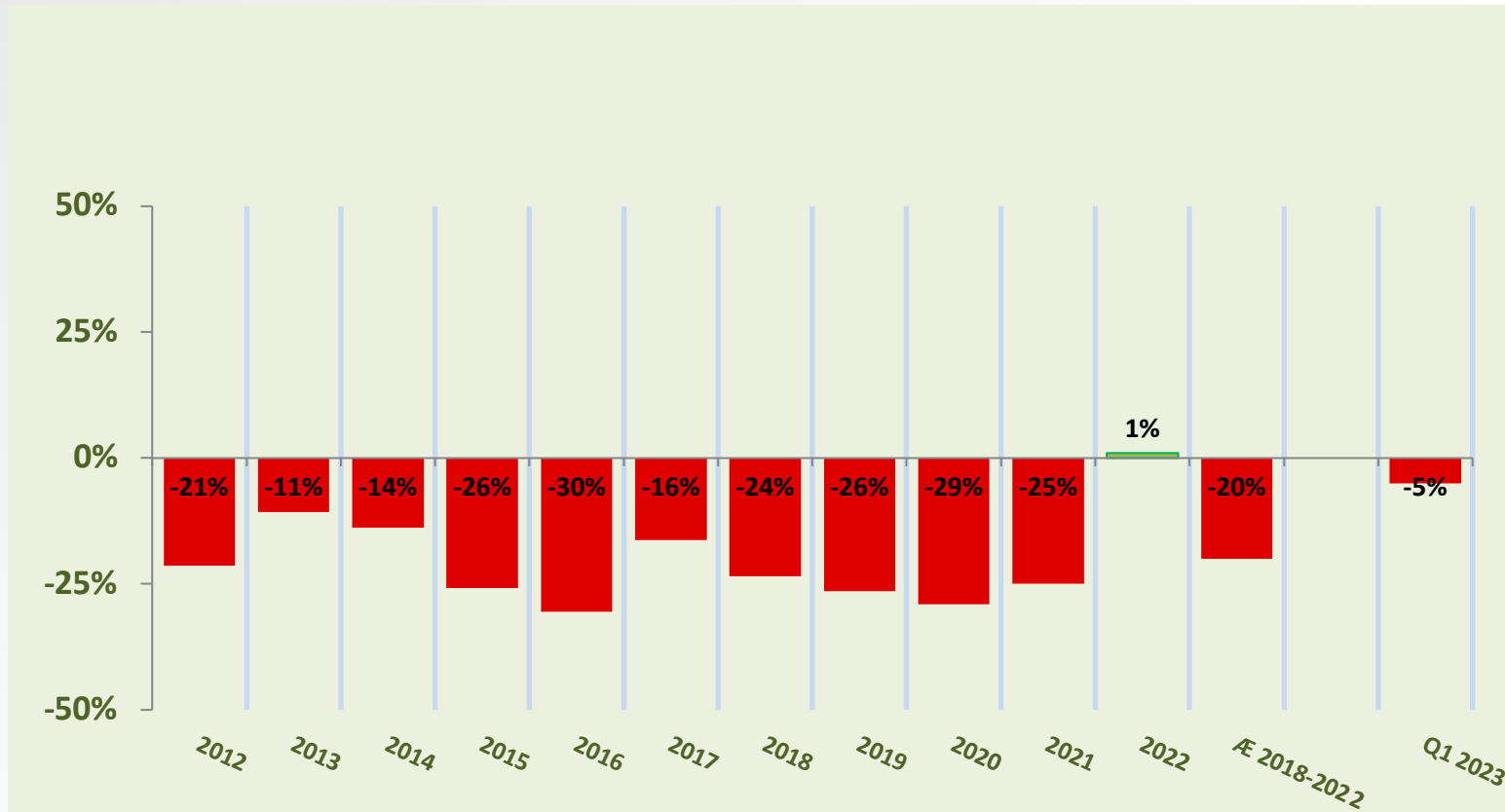
Year	Paid costs	+ Income variable	= Total milk production costs	- CAP payments	= Production costs (final result)	+ Net investments (Ø 2017- 2021)	= Costs + Net investments
Q1-2023*	43.63	9.75	53.38	1.76	51.62	4.12	55.74
2022*	43.52	9.75	53.27	1.76	51.51		55.63
2021	38.44	9.75	48.19	1.76	46.43		50.55
2020	36.55	9.68	46.23	1.63	44.60		48.72
2019	37.33	9.66	46.99	1.73	45.26		49.38
2018	36.62	9.12	45.74	1.59	44.15		48.27
Ø (2018- 2022)	38.49	9.59	48.08	1.69	46.39		

*Trend

Cost of milk production - Netherlands



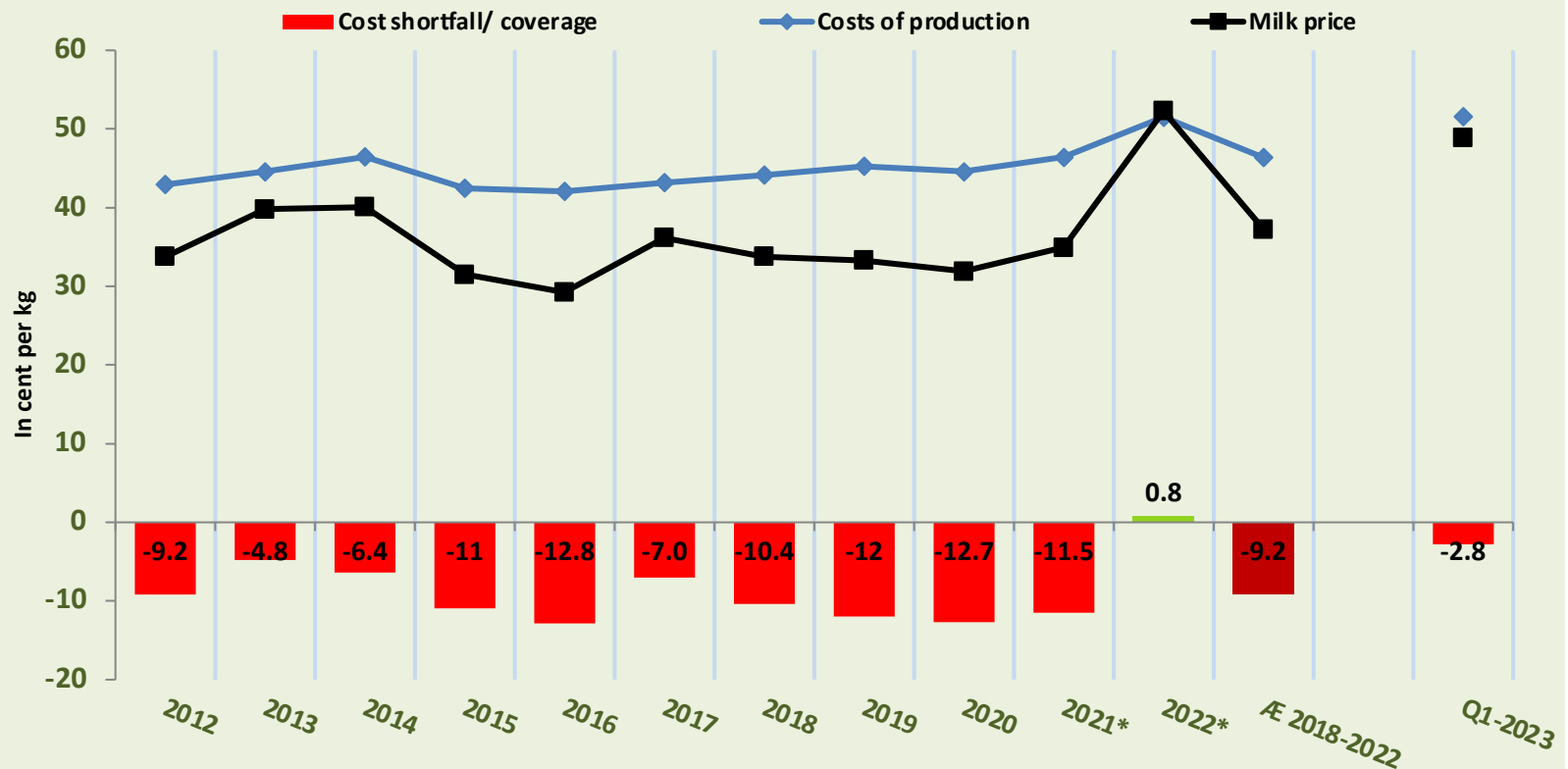
Price/cost ratio (cost coverage/ shortfall in %)



Cost of milk production - Netherlands



Price/cost ratio (cost coverage/ shortfall in c/kg)



Composition of milk production costs 2023*

Cost item

in c/kg

Bought-in feed	16.39
Fodder production (seeds, fertilizers, plant protection products, other)	1.60
Livestock costs (veterinary costs, insemination, etc.)	4.67
Building & machinery upkeep	3.72
Energy	4.08
Contract work (contractors, machine rental, etc.)	3.03
Wages paid (including costs of employees)	1.13
Other farming overheads	2.44
Rent paid	2.16
Depreciation	5.64
Interest and taxes	3.09
- Production value of beef	-4.32
= Paid costs of milk production (for collected milk only)	43.63
+ Income variable (labour costs)	9.75
= Total costs	53.38
- CAP payments	-1.76
= Milk production costs	51.62
+ Net investments (10-year average: 2010-2019)	4.12
= Milk production costs including net investments	55.74

*Trend





Development of investments 2012-2021 (in c/kg, based on FADN 2021)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Ø 10 years
Gross investments	12.85	10.95	13.82	12.49	6.04	6.38	9.01	8.53	8.79	5.36	9.42
Net investments (without depreciation)	7.21	5.26	8.41	7.31	1.04	1.39	3.82	3.15	3.53	0.13	4.12

Development of milk production costs 2014 - 2022



Development of milk production costs 2014-2022 (in c/kg, based on FADN 2021)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022 *	Ø 2018 - 2022	Q1- 2023 *
Production costs in c/kg	46.47	42.46	42.07	43.20	44.15	45.26	44.60	46.43	51.51	46.39	51.62
Milk price in c/kg	40.07	31.49	29.25	36.18	33.77	33.29	31.88	34.93	52.27	37.23	48.86
Cost shortfall/ coverage in c/kg	-6.40	-10.97	-12.82	-7.02	-10.38	-11.97	-12.72	-11.50	0.76	-9.16	-2.76
Cost shortfall/ coverage in %	-14%	-26%	-30%	-16%	-24%	-26%	-29%	-25%	1%	-20%	-5%
MMI (index, base year = 2015)	109	100	99	102	104	107	105	109	121		122

*Trend

Conclusions for the Netherlands



- In the first quarter of 2023, the costs of milk production in the Netherlands were 51.62 cents per kilogramme.
- Compared to 2019, costs have risen by 6.36 cents/kg or 14%.
- Only 95% of the costs were covered.
- Only an income of 6.99 cents/kg was generated from the milk price and CAP payments.
- This corresponds to 72% of the income variable for adequate labour costs or €17.64 per hour (gross gross).



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