

News Details

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19.04.2022

Milk price in Germany above 40 cents for the first time - but cost shortfall remains

(Brussels, 19 April) According to the quarterly figures published by the Farm Economics and Rural Studies Office (BAL) – current figures of January 2022 –, production costs amount to 45.88 c/kg, whereas the farm-gate milk price was only 41.64 c/kg in the same period. Producers in Germany thus lack 4.24 c/kg to cover their costs. Due to the higher producer prices for milk and beef, the gap between price and costs has narrowed. However, due to the simultaneous sharp increase in input costs, a cost shortfall of currently 9% still prevails.

Results for 2019 for Belgium, Denmark, France, Germany, Ireland, Lithuania, Luxembourg and the Netherlands were published last year. You can find the complete study [here](#) and a video presenting the costs [here](#).

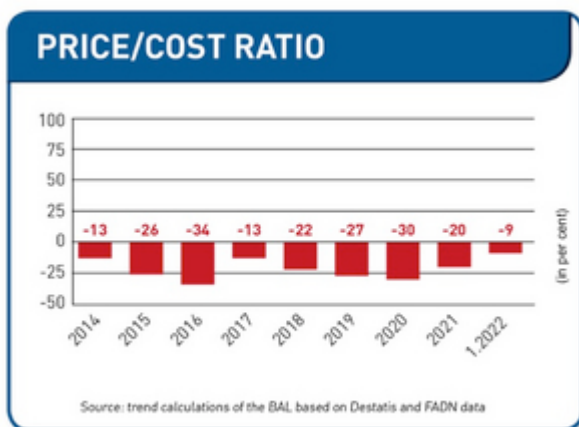
Development of milk production costs in Germany

[Here](#) you have the evolution of German milk production costs from 2014 to January 2022.

Price/cost ratio (shortfall)

The price/cost ratio illustrates to which extent milk prices cover the cost of production. In January 2022, producers only recovered 91% of their production costs from the milk price; the shortfall was thus 9%.

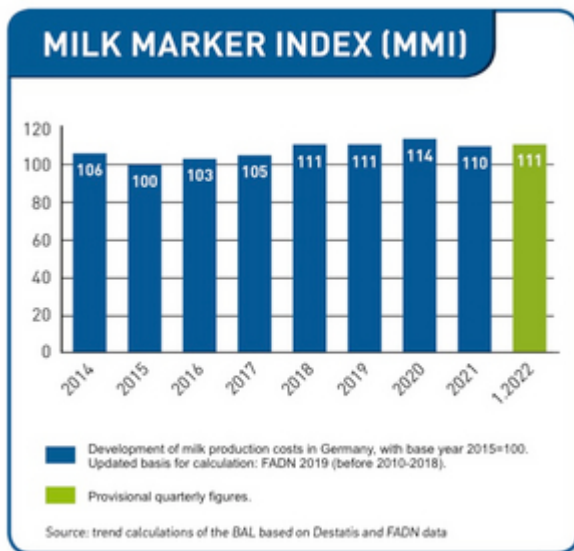
Here you see the cost shortfall since 2014.



Milk Marker Index (MMI)

The Milk Marker Index (MMI) represents the evolution of milk production costs. In January 2022, the MMI was at 111, i.e. production costs for German dairy farmers had risen by 11% as compared to the base year 2015 (2015 = 100).

Here you see the evolution of the Milk Marker Index over time.



Study on organic milk production costs

In November 2019, a study on the cost of production of organic milk in Germany was published (period: 2011/12 to 2018/19). You can find this study [here](#) as well as current data for 2020/21 [here](#).

Study on milk production costs in eight key milk producing countries

Cost calculations are regularly carried out in Germany but also in seven other countries. They also clearly show that the prices paid to milk producers do not cover the cost of production.

The 2019 study on milk production costs in Belgium, Denmark, France, Germany, Ireland, Lithuania, Luxembourg and the Netherlands is available [here](#). In this [video](#), you will find a presentation of the costs as well as individual contributions from all cost countries.

A chronic shortfall between production costs and milk prices – what is the solution?

The European Milk Board promotes a legally-anchored crisis instrument to counteract the chronic cost shortfall. The Market Responsibility Programme (MRP) observes and reacts to market signals by aligning production.

[Here](#) you have a short description of the EMB's Market Responsibility Programme.

Background:

Commissioned by the European Milk Board and the German producer organisation MEG Milch Board, the Farm Economics and Rural Studies Office (BAL) started compiling comprehensive data on milk production costs in Germany in 2012 for the study entitled "What is the cost of producing milk?". The calculation is based on data from the EU Farm Accountancy Data Network (FADN) as well as the German Federal Statistical Office (Destatis), and has been updated every quarter since 2014.

[Download data sheet here](#)

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