

MMO Economic Board

Meeting of 28 November 2017

- o The 24th meeting of the MMO Economic Board took place on 28/11/2017, with the participation of experts from the various steps in the milk supply chain: CEJA (young farmers), COPA-COGECA (producers and cooperatives), ECVV (Via Campesina), EDA (dairy industry), Eucolait (dairy trade) and Eurocommerce (retail). The EMB (European Milk Board) was not present. Presentations and information exchanged during the meeting showed the following.
 - o EU milk deliveries increased in September 2017 by 440 000 t while cumulated collection increased in Jan-Sep by a mere 0.4%. Recent growth has been particularly notable in DE, FR and IE. Only 7 Member States notified production drops in September, and those concerned modest amounts. SMP and butter production decreased by 6.1% and 3.5% respectively. EU cheese production increased by 90 000 t in 2017.
 - o Average EU farm gate milk prices rose to 36.7 c/kg in September 2017, which is 11% higher than the last 5 years' average, and the second best price for September (after year 2013) in the MMO records. Estimates point to a price stabilisation in October. The index on gross margins for milk production shows a sharp recovery since Q3 2016 thanks to improved milk prices and lower operating costs.
 - o With the exception of protein based products (SMP and whey powder), EU dairy product prices are well above medium term references. Butter prices have abruptly corrected from their record levels and have somewhat stabilised at around 530 €/100 kg. EU SMP prices are below public intervention levels (152 €/100 kg) but still some 14% higher than US prices. With short term fluctuations, the €/ \$ ratio has remained stable on average in the last months, keeping a 12% €/ \$ appreciation in 2017.
 - o Public intervention stocks of SMP total 363 000 t. This volume should increase following the 22 000 t bought in in September.
 - o The assessment of EU stock levels based on a residual approach (production + imports - consumption - exports) shows atypical tight levels of SMP private stocks. Given supportive export demand there should be room for releasing public intervention stocks. Butter stocks remain short. Cheese stocks are normal in relation to demand levels.
- o Combined world milk production grew by 1.6% in Jan-Sep and by some 2% since May. The EU is leading the growth since Sep. The US maintains a steady increase though lower in autumn. NZ collection bounced back in October, peak month of the season. With an average demand growth of 1.5% the situation is becoming increasingly unbalanced.
- o Global exports have expanded this year (+6% in milk equivalent) but are below 2016 and 2015 since August. Asia remains as the main growth region. Demand in China has been higher than expected; increased domestic production has not prevented bigger imports. Food services are the main driver for cheese and butter consumption and imports in the US. The availability of public intervention might have impacted EU SMP exports in September, but they are expected to develop through the rest of the year. High prices have conditioned EU cheese exports in the last two months. Butter trade slows down due to high prices and low availability; still the EU has increased shipments to the US, China, Iran and UAE.
- o Retail consumption of liquid milk continues its structural decline. Volumes and prices for retail butter corroborate some scarcity this year but claims of shortage seem rather overstated. Cheese has performed better than most of other dairy categories this year.
- o The Commission presented annual milk production figures for 2016. Out of 168 million t milk production, 163 million t correspond to cow's milk. Deducting on-farm consumption, direct sales, feed use and losses, total deliveries amount to 153 million t. EU-N13 MS increased collection while diminished production.
- o Growing global milk production is causing some bearish market sentiment. Demand remains strong but is being outpaced by supply. A correction is therefore needed to address current imbalance and avoid stock build-up.

ANNEX 1

Milk Market Situation

European Commission



European
Commission



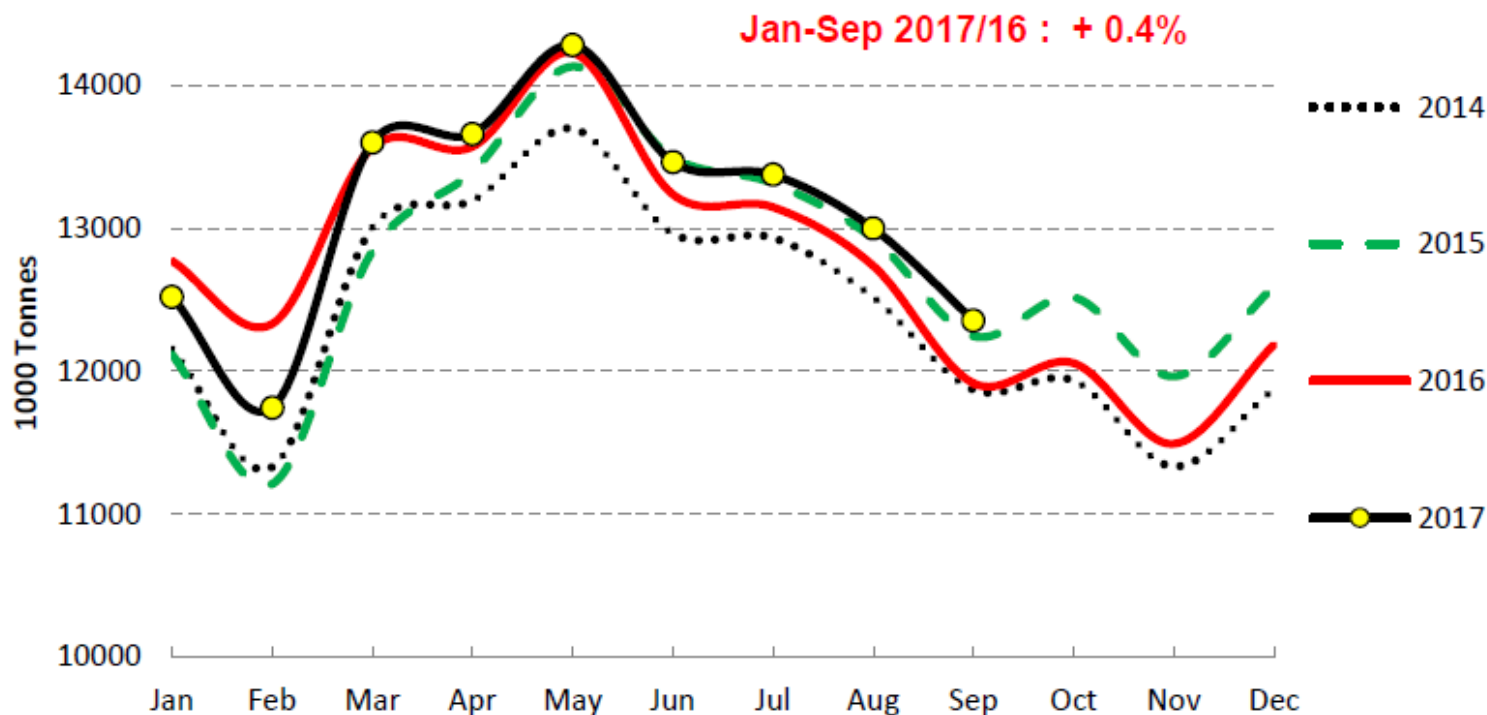
Milk Market Situation

Brussels, 28 November 2017

EU Milk deliveries



EU - Cows' milk collected



Jan	-2,0%
Feb	-4,8%
Mar	0,3%
Apr	0,7%
May	0,4%
Jun	1,7%
Jul	1,7%
Aug	2,1%
Sep	3,7%
Oct	
Nov	
Dec	

Source : Estat - Newcronos

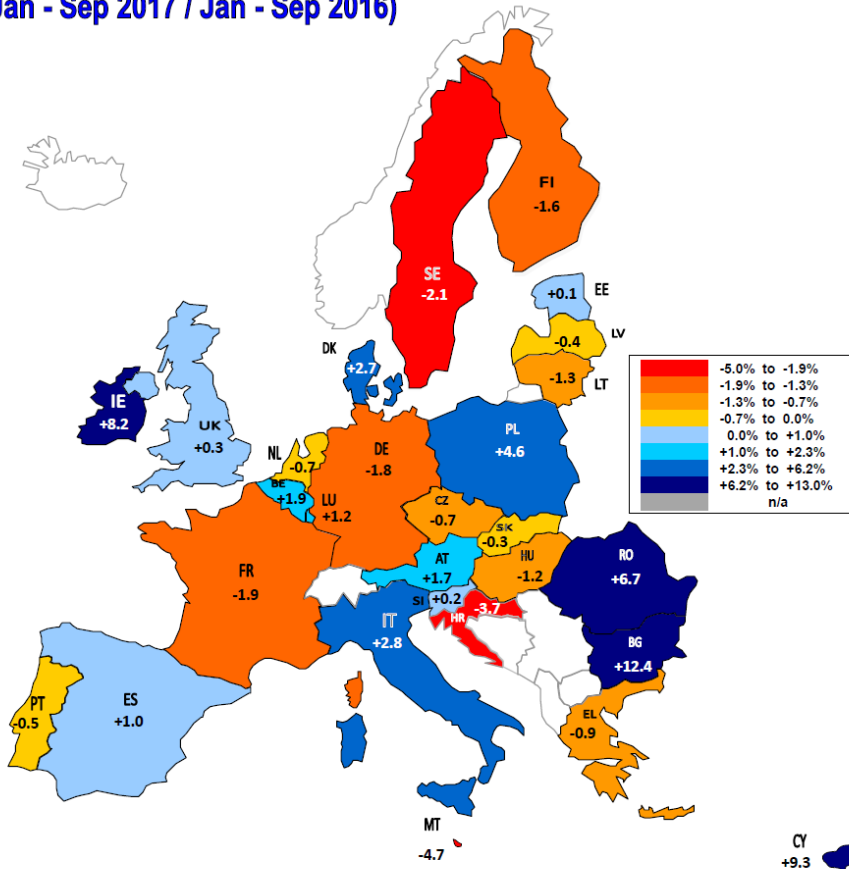
Last update : Jan-Sep

EU Productions



EU Milk Deliveries compared to last period (in %)

(Jan - Sep 2017 / Jan - Sep 2016)



Sep 17 compared to Sep 16

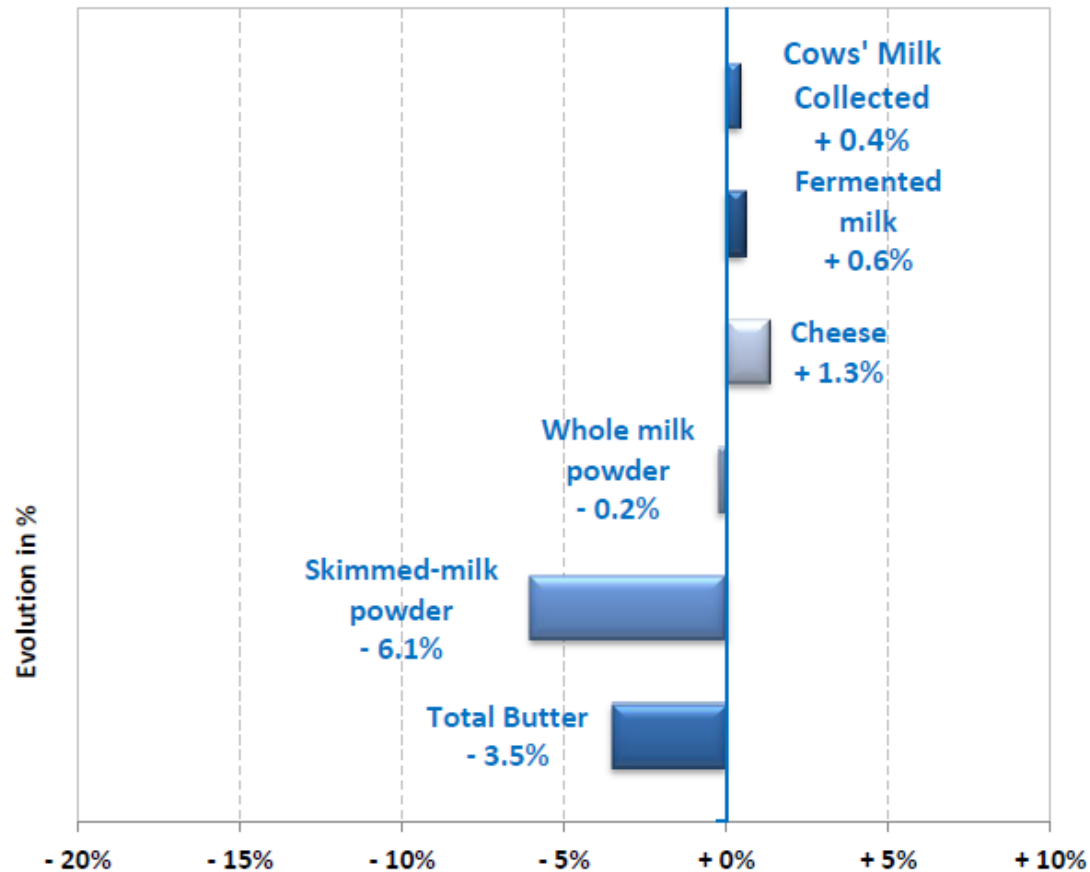
Rank	evolution in %		evolution in 1000 Tons	
	MS	%	MS	Tons
1.	BG	+ 17.0%	DE	+ 81
2.	RO	+ 11.5%	FR	+ 65
3.	IE	+ 10.4%	IE	+ 63
4.	DK	+ 9.3%	PL	+ 44
5.	LU	+ 8.8%	DK	+ 38
6.	BE	+ 8.1%	UK	+ 32
7.	AT	+ 7.0%	BE	+ 24
8.	CY	+ 5.5%	ES	+ 22
9.	PL	+ 4.9%	IT	+ 19
10.	SK	+ 4.8%	AT	+ 16
11.	ES	+ 4.1%	RO	+ 9
12.	EE	+ 3.6%	BG	+ 7
13.	FR	+ 3.6%	CZ	+ 7
14.	DE	+ 3.2%	NL	+ 7
15.	CZ	+ 3.1%	PT	+ 4
16.	UK	+ 2.8%	SK	+ 3
17.	PT	+ 2.6%	LU	+ 2
18.	IT	+ 2.2%	EE	+ 2
19.	SI	+ 1.6%	CY	+ 1
20.	NL	+ 0.6%	FI	+ 1
21.	FI	+ 0.4%	SI	+ 1
22.	SE	- 0.4%	HR	- 0
23.	HR	- 0.8%	MT	- 0
24.	HU	- 1.0%	SE	- 1
25.	LT	- 1.5%	HU	- 1
26.	LV	- 2.2%	LV	- 2
27.	EL	- 4.1%	EL	- 2
28.	MT	- 9.6%	LT	- 2
	EU28	+ 3.7%	EU28	+ 439

Source : MS' Communications to Eurostat, FEQA, AGEA, Reg.479/2010.1(a)1

EU Productions



EU-28 Deliveries/Productions development (Jan-Sep 2017 compared to Jan-Sep 2016)



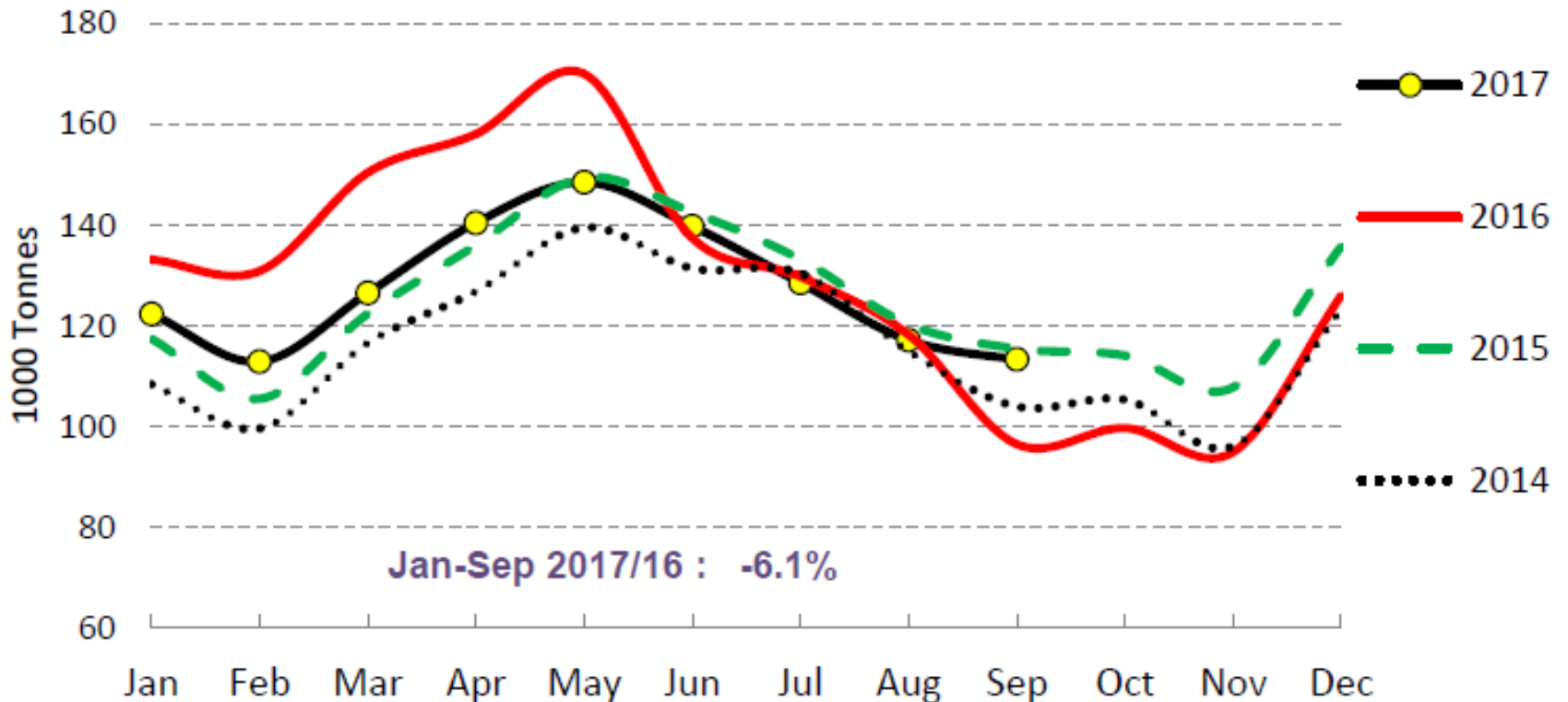
Estimation for DK, HR and AT

Source : MS' Communications to Eurostat,
and, for milk : AGEA, FEGA,
Reg. 2017/1185

EU Productions



EU - Skimmed-milk powder



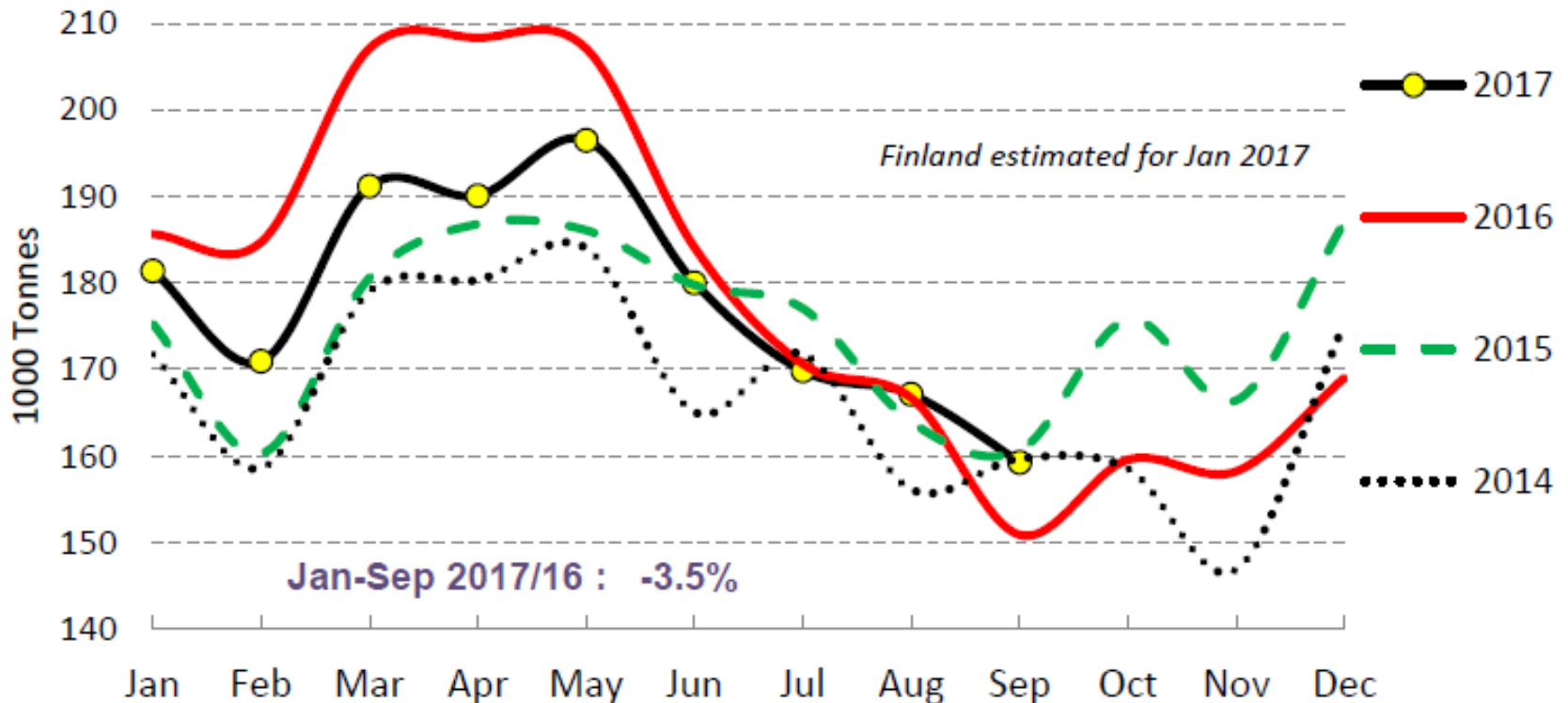
Source : Estat - Newcronos

Last Update : Jan-Sep

EU Productions



EU - Butter



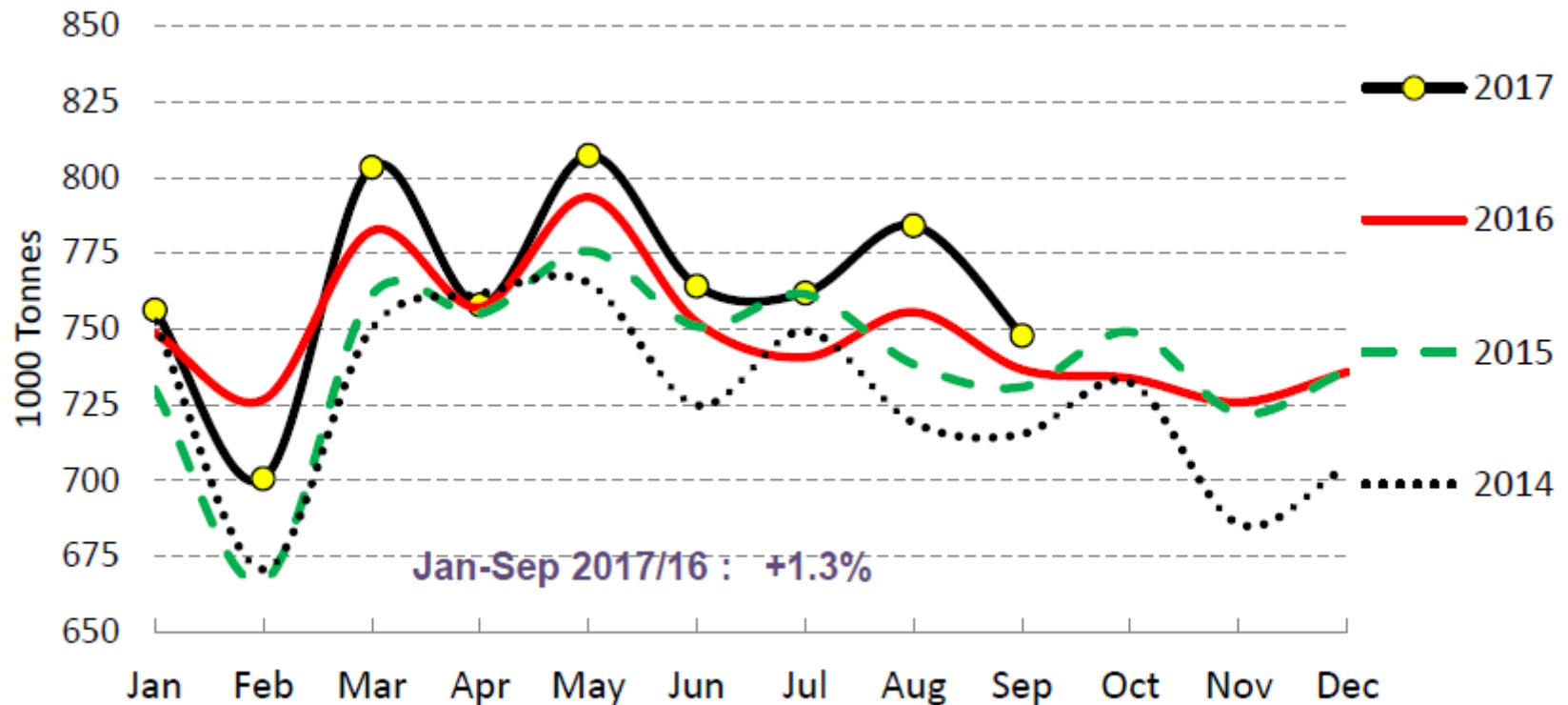
Source : Estat - Newcronos

Last Update : Jan-Sep

EU Productions



EU - Cheese



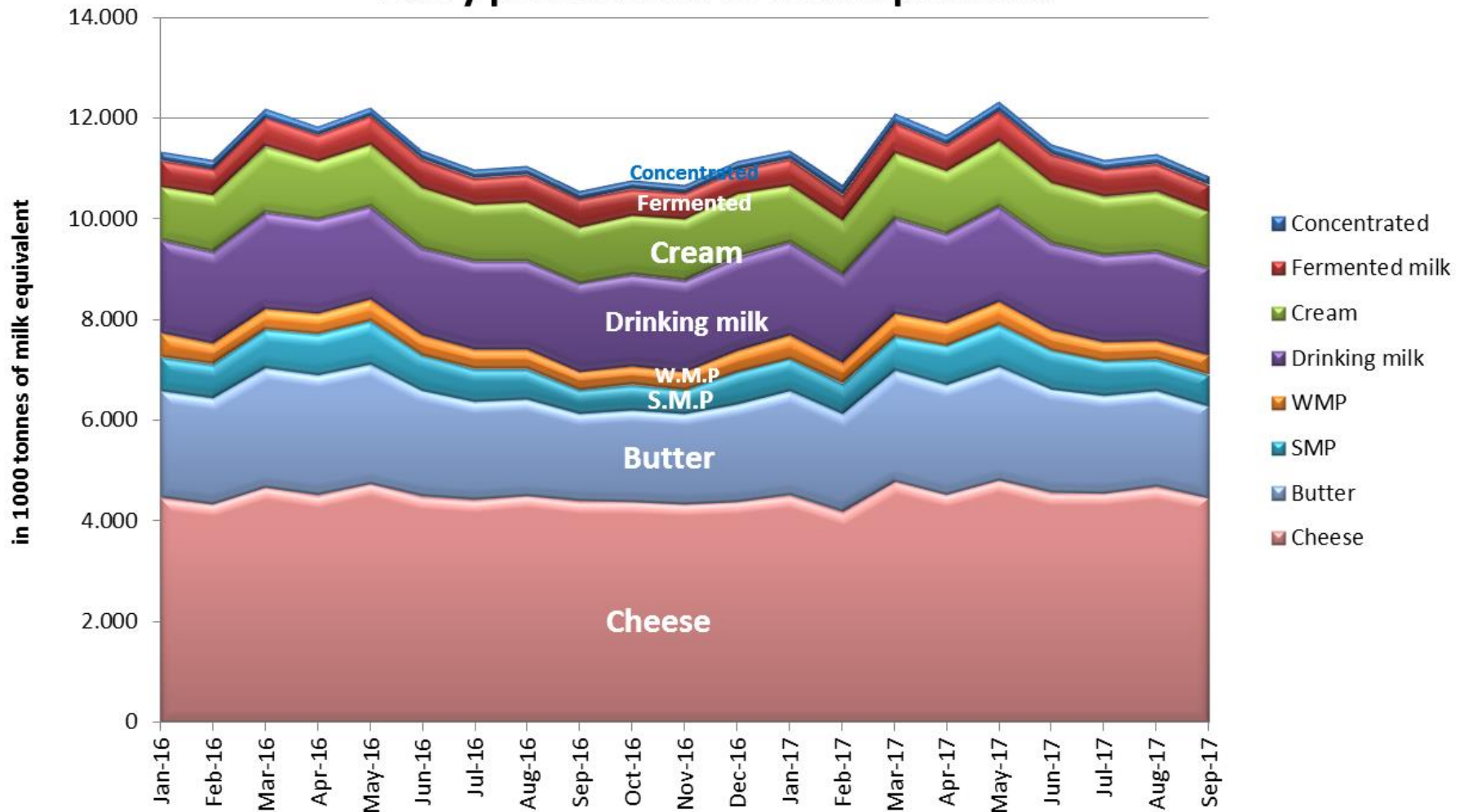
Source : Estat - Newcronos

Last Update : Jan-Sep

EU Productions



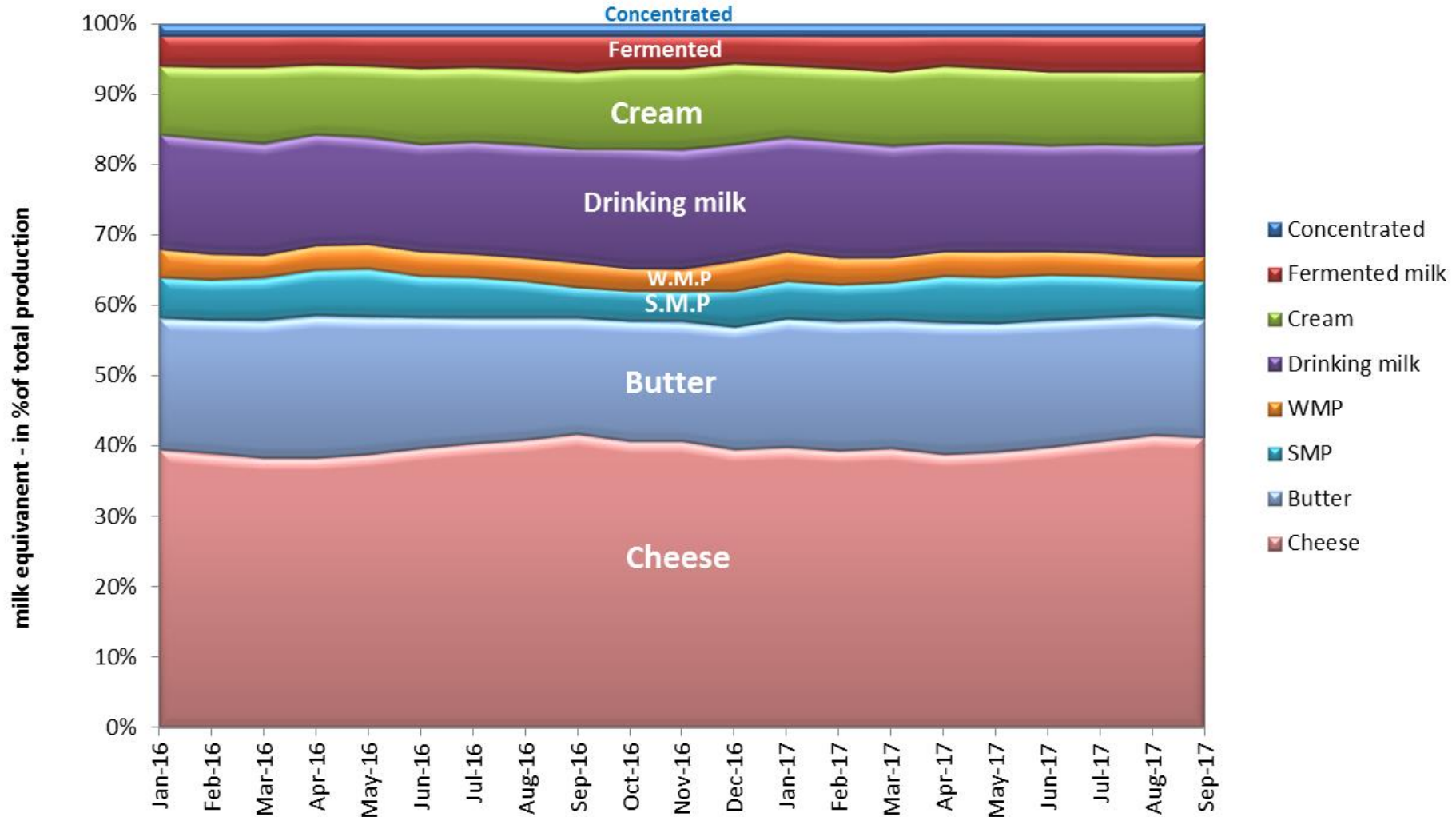
Dairy productions in milk equivalent



EU Productions

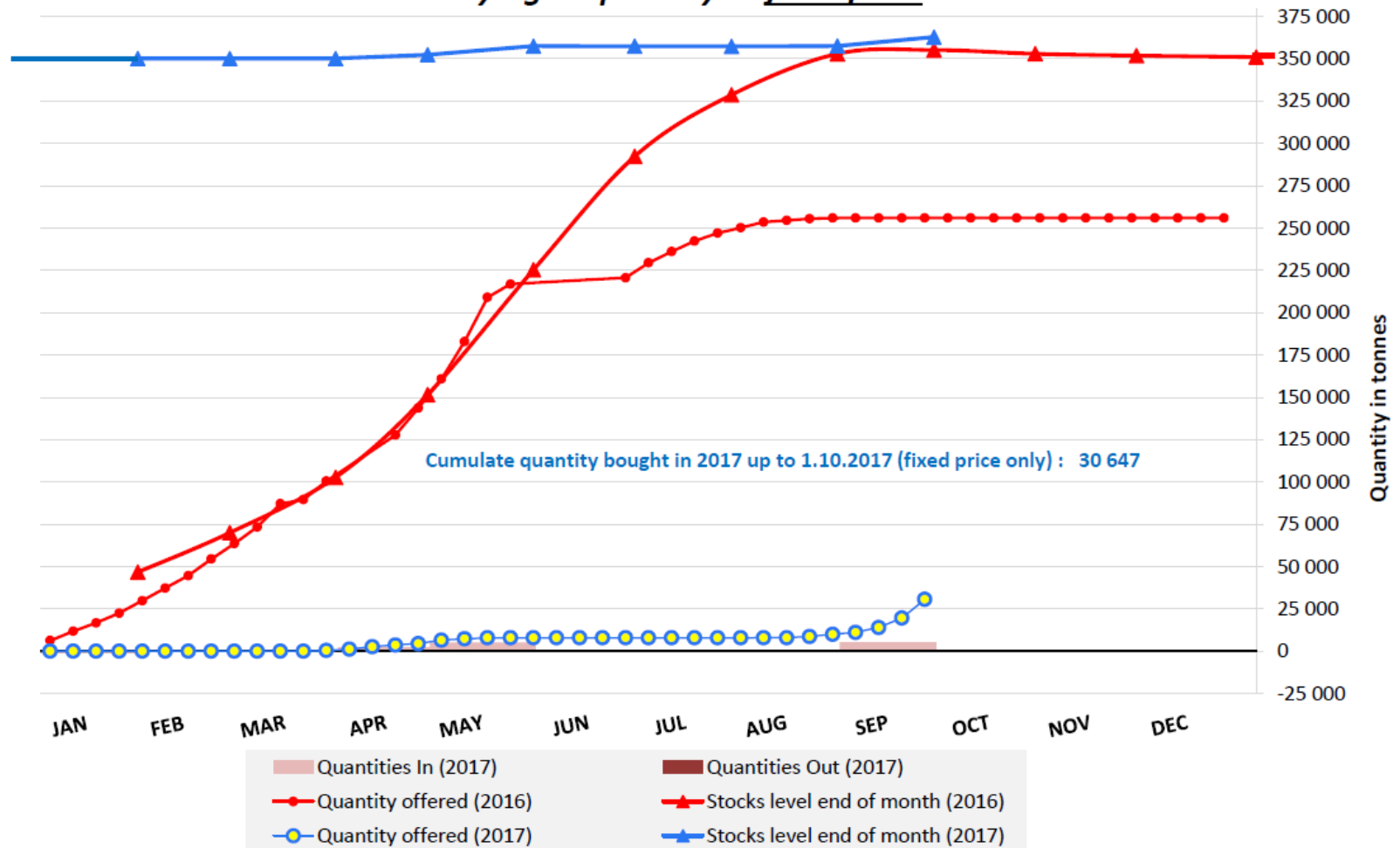


Dairy productions in milk equivalent

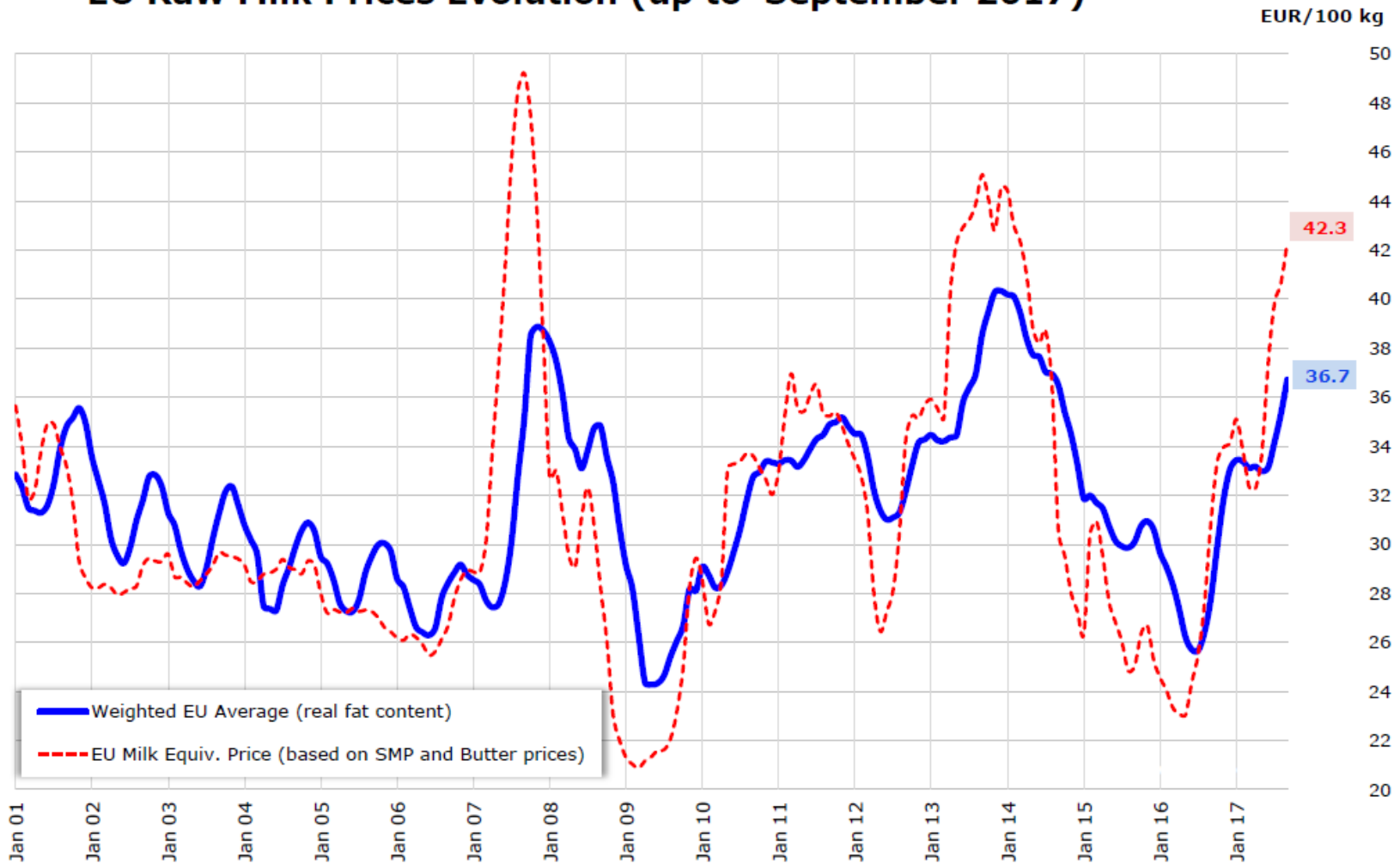


Public SMP Intervention scheme (2016-2017)

Buying-in quantity at fixed price



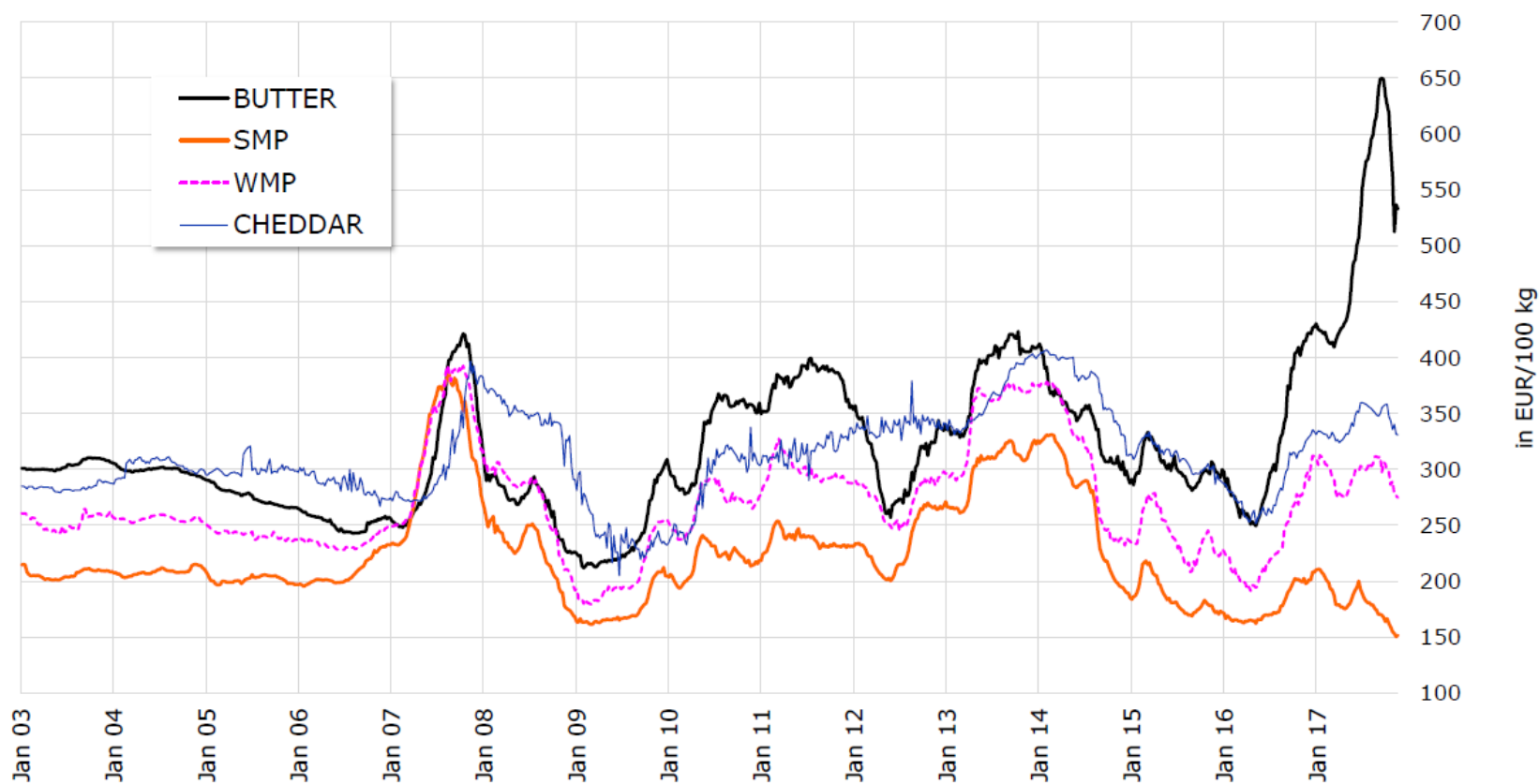
EU Raw Milk Prices Evolution (up to September 2017)



Source : MS' communications under Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a)

EU Dairy Quotations

(EU Average Prices based on MS communication and weighted by production)



Source: Regulation (EU) No 2017/1185 Article 11 - Annex I.7



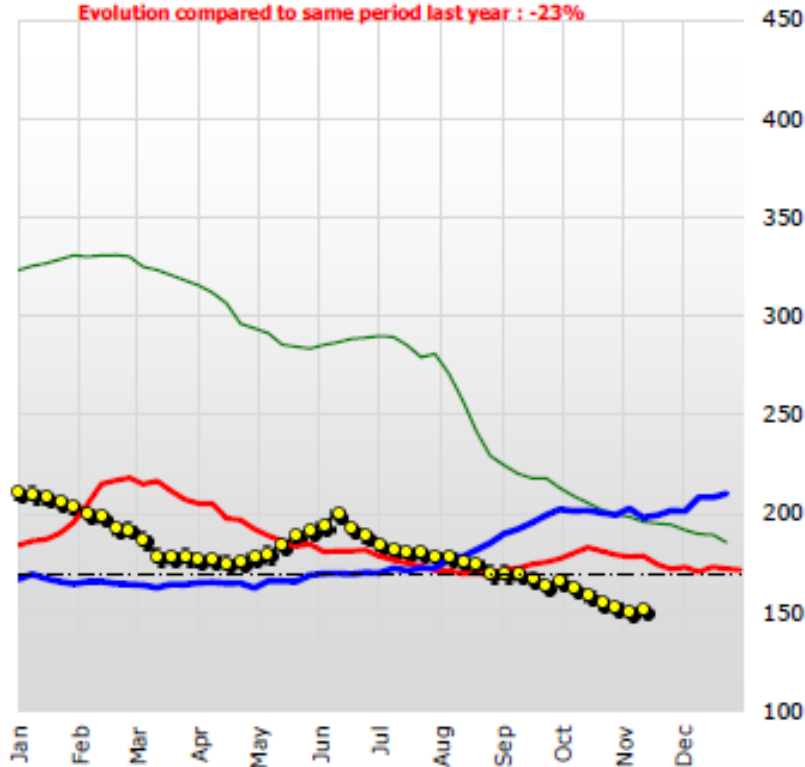
European
Commission

Prices of EU Dairy commodities (Source: Regulation (EU) No 2017/1185 Article 11 - Annex I.7)

Weekly EU SMP Prices

Latest price : 152 EUR/100kg

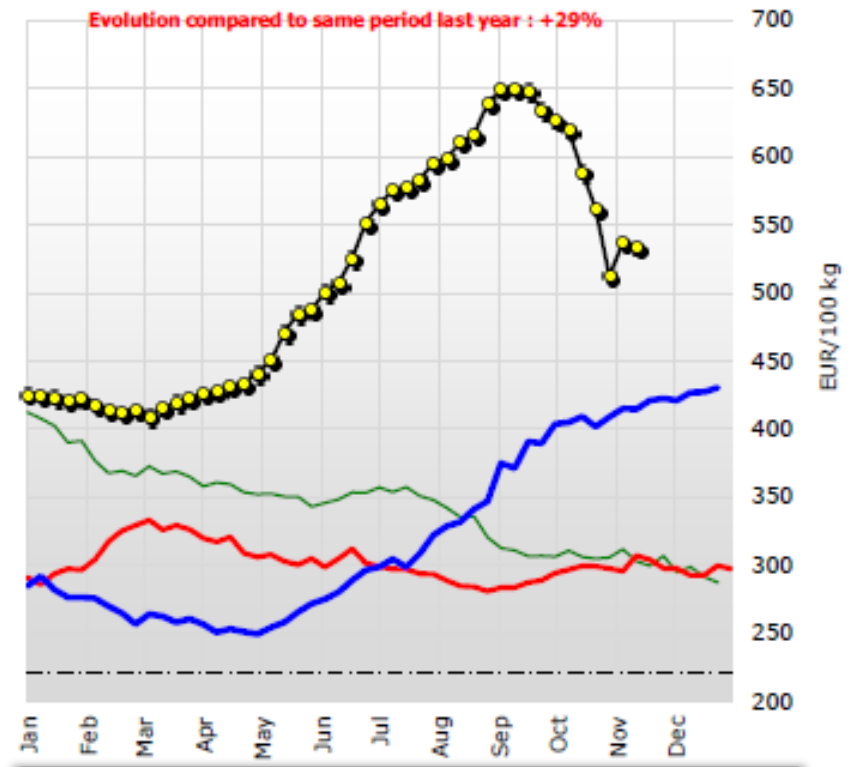
Evolution compared to same period last year : -23%



Weekly EU BUTTER Prices

Latest price : 533 EUR/100kg

Evolution compared to same period last year : +29%



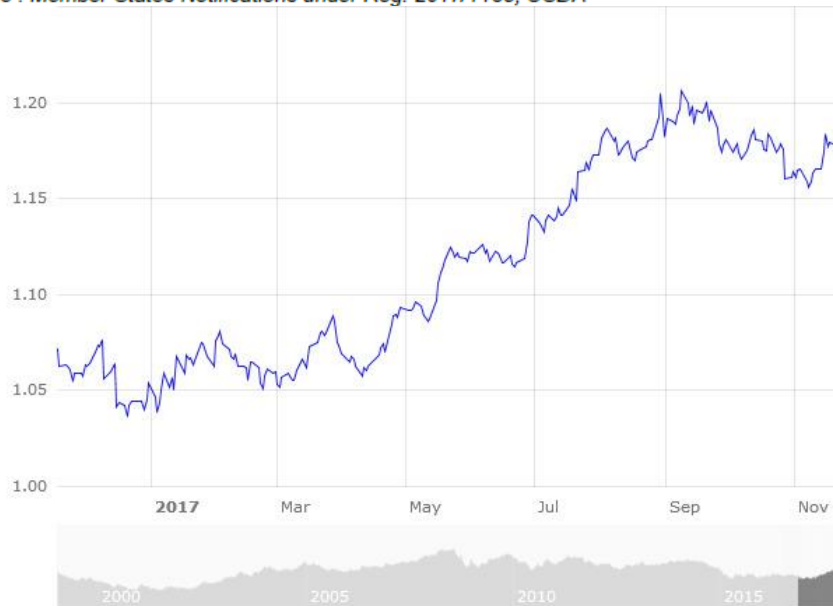


European
Commission

Latest World Quotations of Dairy Products

In US\$/t	Latest Quotations			Week - 2						Year - 1					
	12/11/2017			29/10/2017			% change (previous quotation)			November 2016			% change (1 year)		
	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA
Butter	6 067	5 738	4 891	6 924	5 763	5 052	↓ -12.4%	→ -0.4%	↘ -3.2%	4 536	4 100	4 267	↑ +34%	↑ +40%	↑ +15%
SMP	1 819	1 800	1 590	1 889	1 813	1 650	↘ -3.7%	→ -0.7%	↘ -3.7%	2 212	2 338	1 926	↓ -18%	↓ -23%	↓ -17%
WMP	3 257	2 888	3 020	3 383	3 013	3 097	↘ -3.7%	↘ -4.1%	↘ -2.5%	3 072	3 100	2 921	↑ +6%	↓ -7%	↘ +3%
Cheddar	4 096	4 125	3 683	4 104	4 125	3 792	→ -0.2%	→ nc	↘ -2.9%	3 510	3 613	4 247	↑ +17%	↑ +14%	↓ -13%

Source : Member States Notifications under Reg. 2017/1185, USDA



28/11/2017

ANNEX 2

EU dairy products monthly stock estimates at the end of September 2017

EDA



**EU dairy products
monthly stock estimates
at the end of September 2017**

Milk Market Observatory

Economic Board

November 28th , 2017

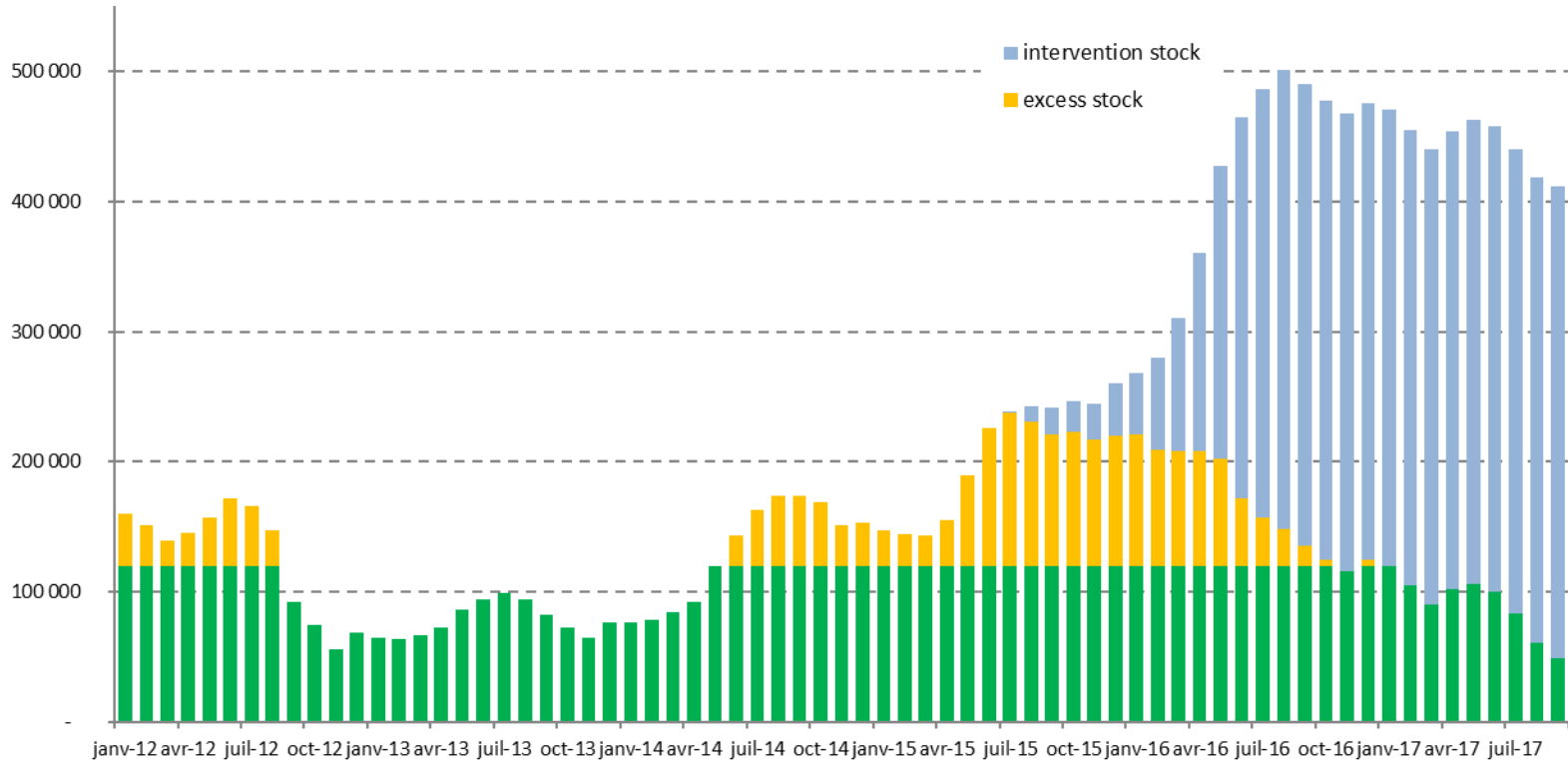
Methodology

- For each dairy product and each month, the stock estimates are based on the equation:
 - **Stock variation** = EU production + EU import – EU internal consumption – EU exports
- ZMB balance sheets and forecasts have been used as references for :
 - End of year stock levels
 - Yearly consumption levels
- Monthly production statistics are based on ZMB Dairy World publications.
- Exports and imports figures are based on MMO website figures.
- The initial stocks entered in the model at the beginning of 2012 are :
 - SMP: 152 000 t
 - Butter: 80 000 t
 - Cheese: 200 000 t (arbitrary basis)
- The green parts in each graph mean that this stock level can be considered as normal for the month.
- The orange part means that this stock level can be considered as too high for the month
- These qualifications are based on the EDA analysts' personal views and past market observations.

stock level
in tons

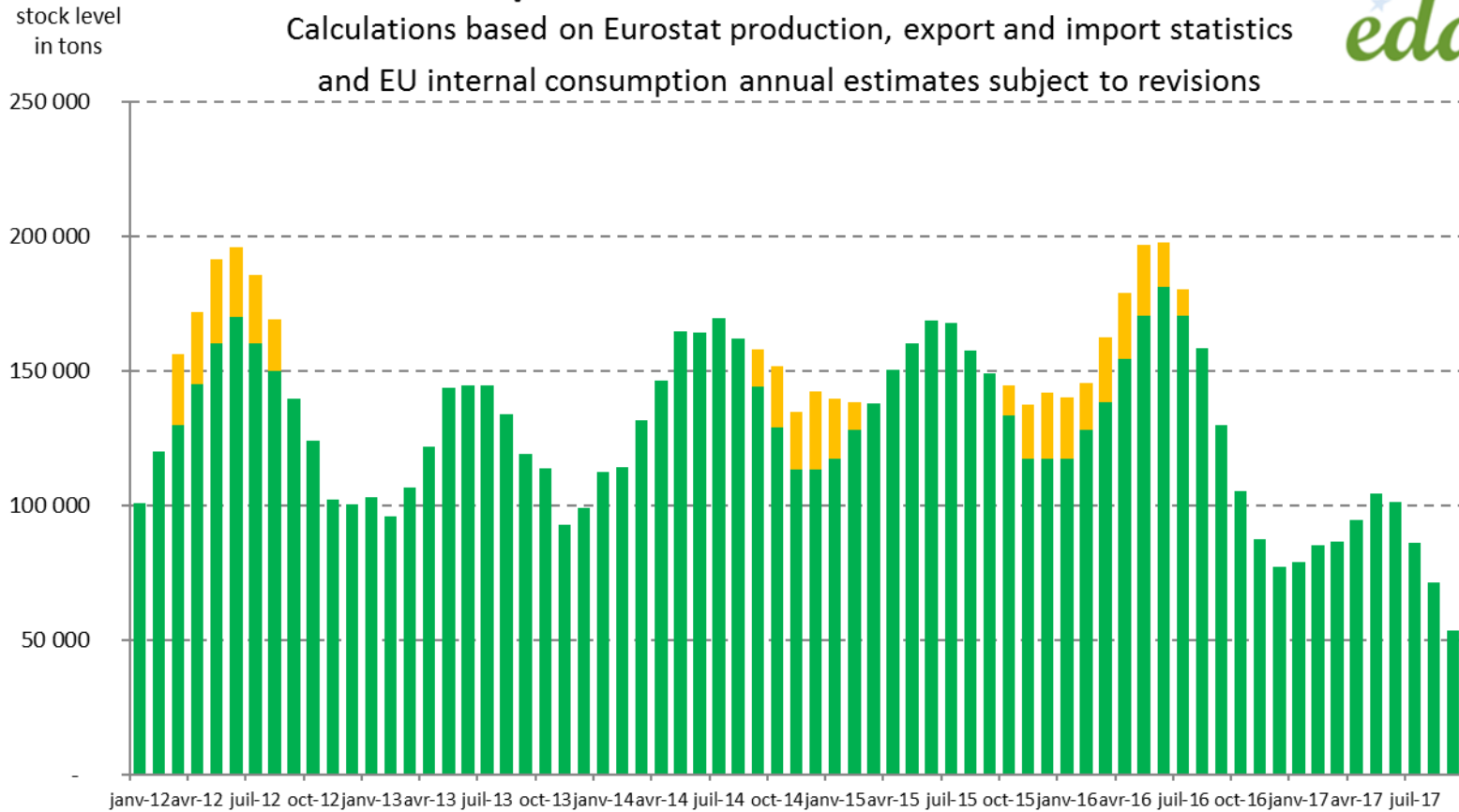
European stock level estimates - SMP

Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions



European stock level estimates - Butter

Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions

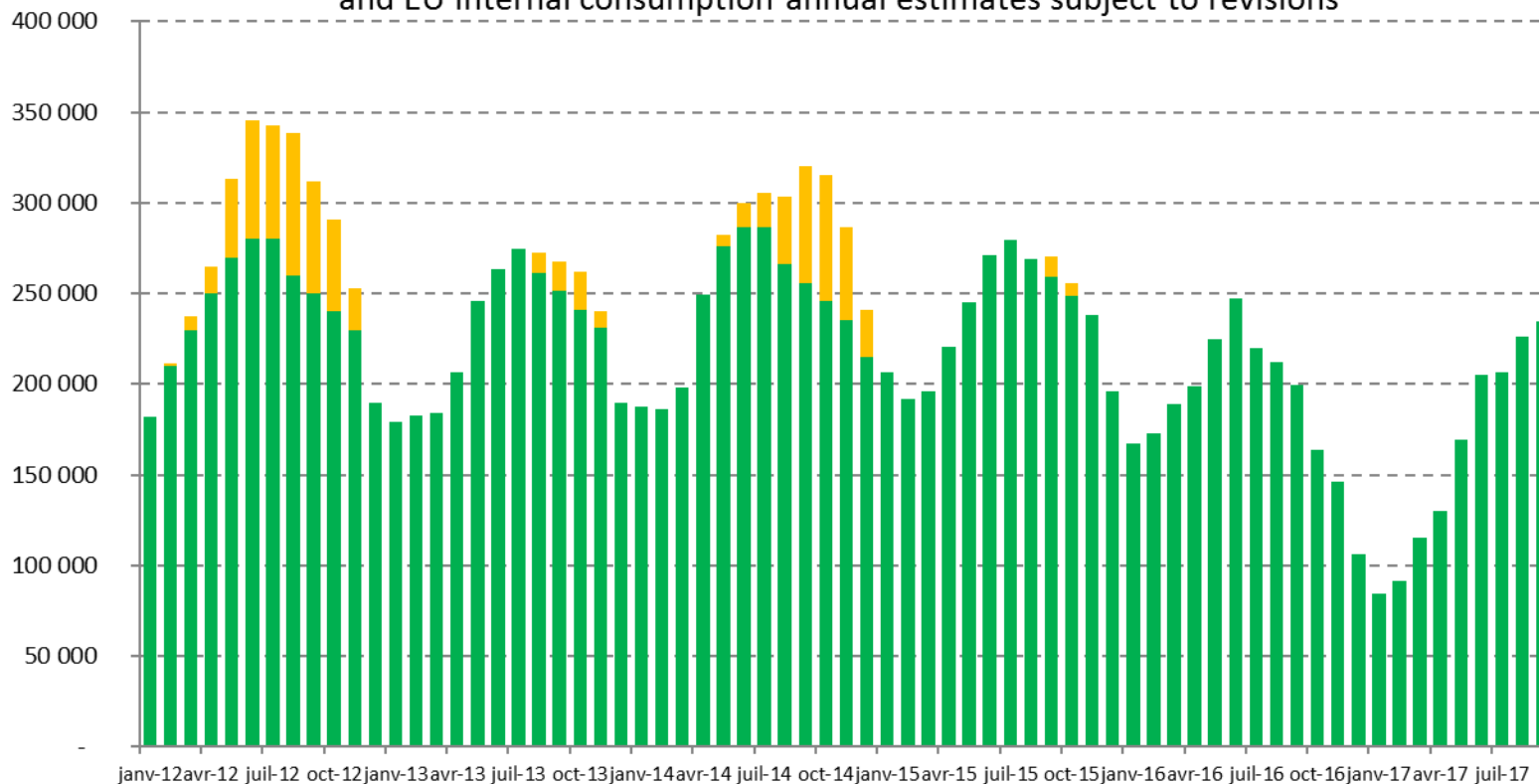


European stock level best estimates - Cheese

Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions



stock level
in tons



ANNEX 3

Perspectives from the Dairy Trade

Eucolait



Perspectives from the Dairy Trade

MMO Economic Board

28 November 2017



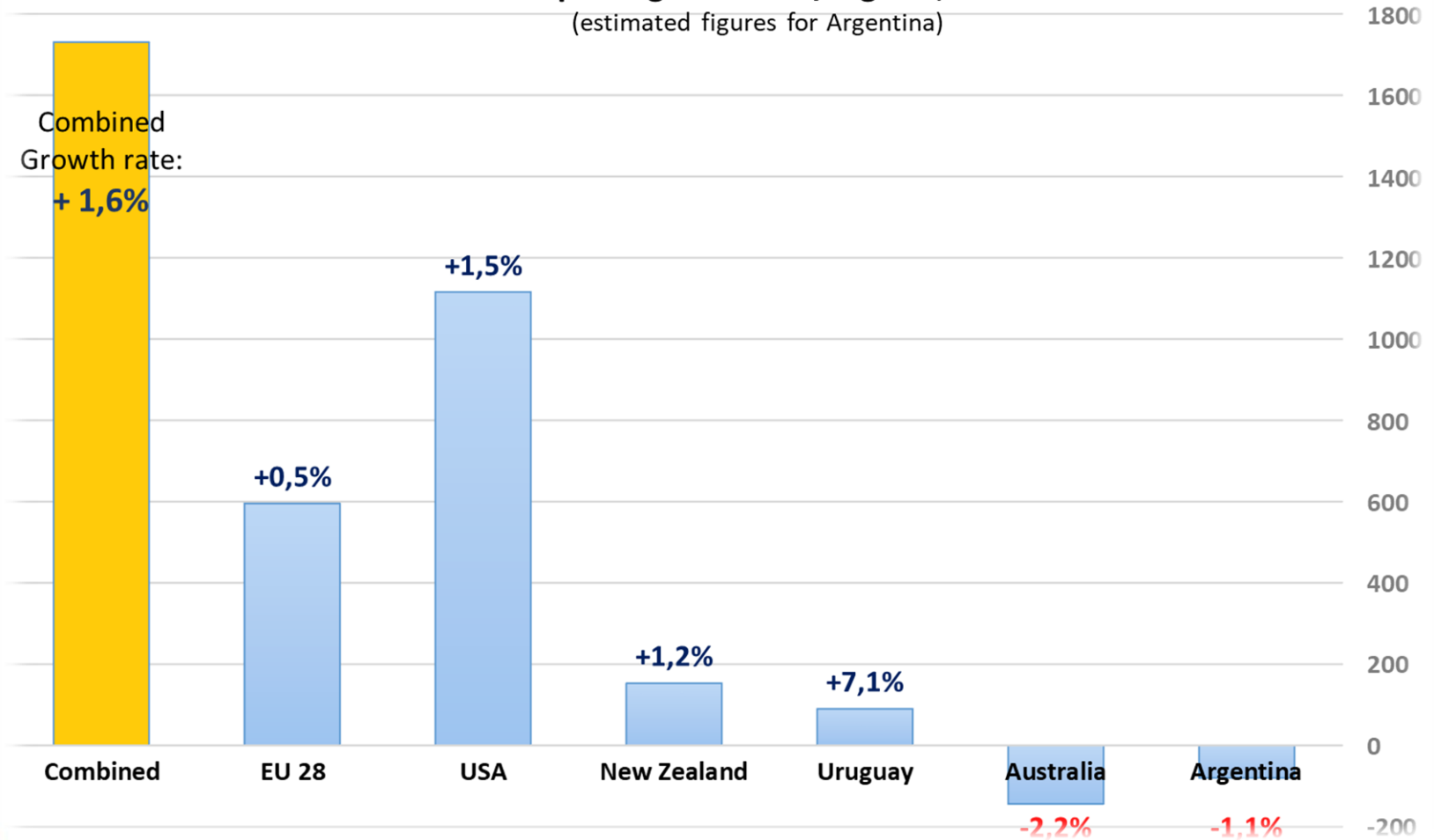
Outline

- Global Supply
- Global exports & demand
- Developments in key import markets
- Conclusions



Milk production in key export regions

Comparing Jan-Sep 2017 milk production with Jan-Sep 2016
in main exporting countries/regions, in '000 tonnes
(estimated figures for Argentina)

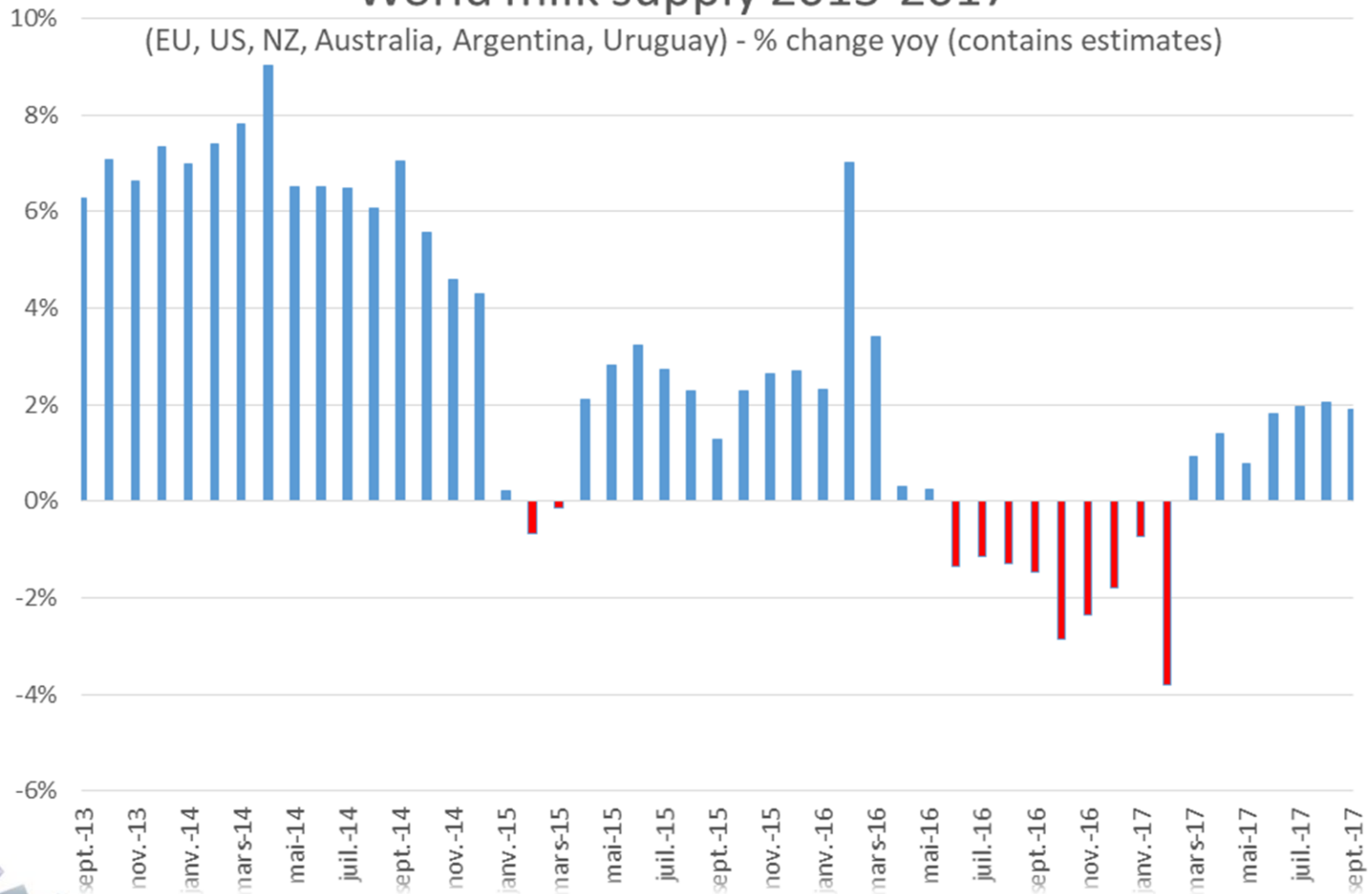




Milk production in key export regions

World milk supply 2013-2017

(EU, US, NZ, Australia, Argentina, Uruguay) - % change yoy (contains estimates)





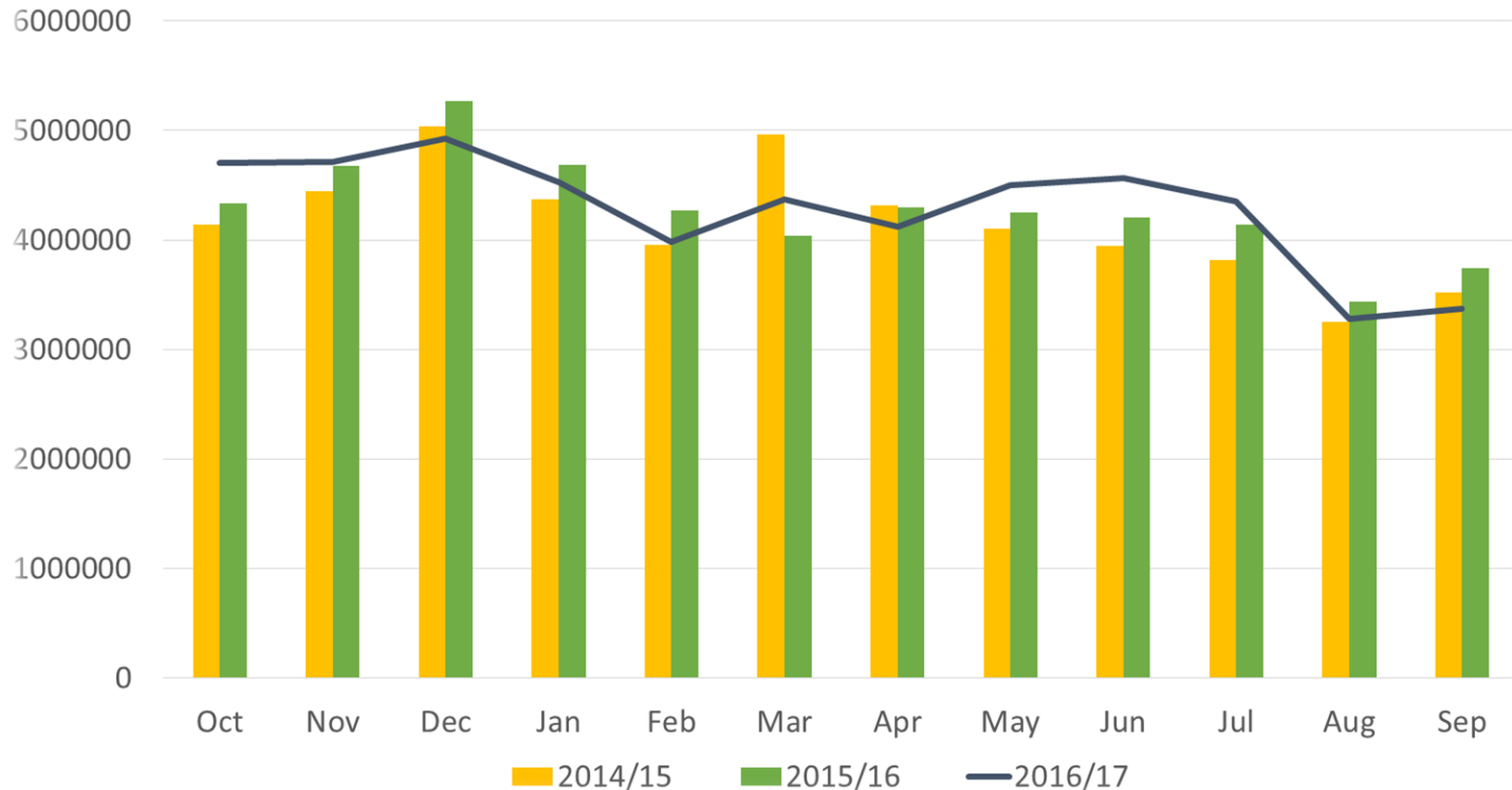
Production outlook

- **EU milk production is firmly back in growth mode (+3,9% in September; +0,6% Jan-Sept)** led by PL, IE and now also DE, FR, encouraged by high milk prices & favourable weather. Outlook for 2017: +0,7%, Outlook 2018: +1%
- **NZ milk collection bounced back in October with +2,7%**; season to date (Jun-Oct) +0,9%. Moderate increase expected for the 2017/18 season
- **Australia's milk production up in October by +6,7%**, season to date (Jul-Oct): +2,7%, Outlook for current season: between +2% and +3% (Dairy Australia)
- **US milk collections 'only' +1,4% in October** with strong regional differences (Outlook for 2017: +1,6%, 2018: lowered to +1,8% (USDA))
- **Recovering milk production in South America in 2017** due to improved climatic conditions and rising milk prices in most areas
- **Global milk production** expected to increase by 1,5% in 2017. However the **current rate of (monthly) growth** is about **+ 2%**



Dairy exports of main market players in ME

Monthly global exports - all products
EU+USA+NZ+Aus+Uru+Arg
in Milk equivalents





Main EU export markets for all dairy products (in value - €)

Jan-Sep
2015



Jan-Sep
2016



Jan-Sep
2017





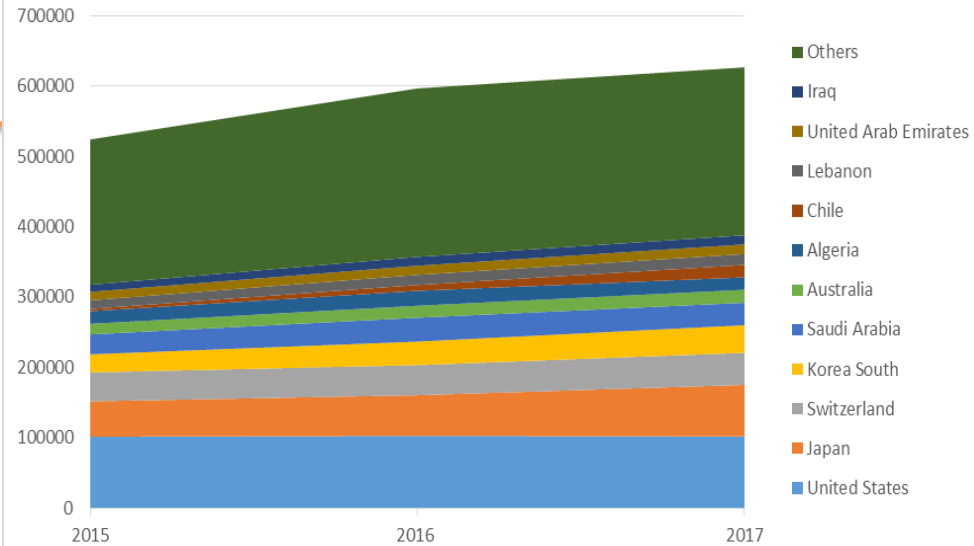
Cheese trade

- EU cheese exports:
 - Growth rate Jan-Sep 17/16: +5,0%
- Combined cheese exports:
 - Growth rate Jan-Sep 17/16: +2,5%

Development of EU export destinations for cheese

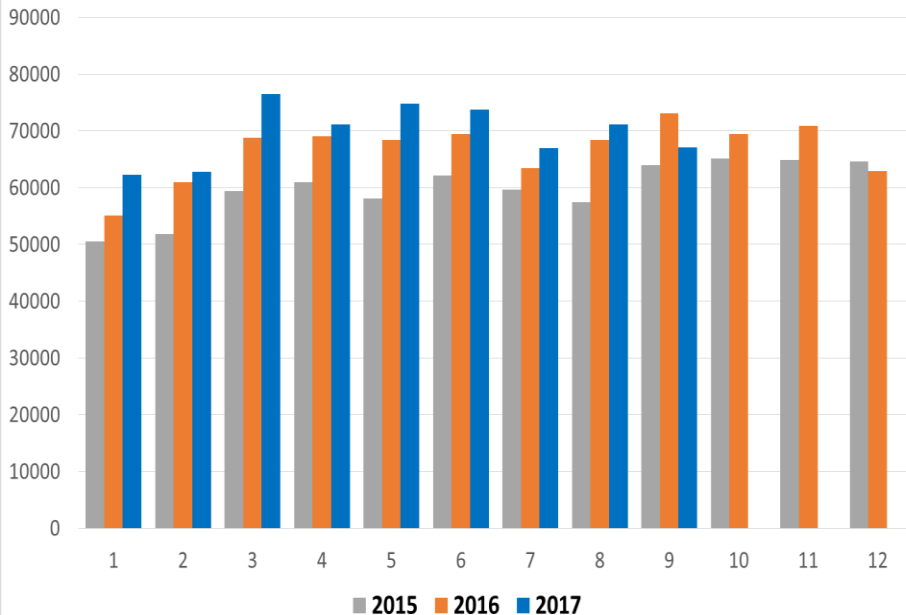
Jan-Sep 2015, 2016, 2017

(total exports Jan-Sep 2017: 626 554 tonnes)

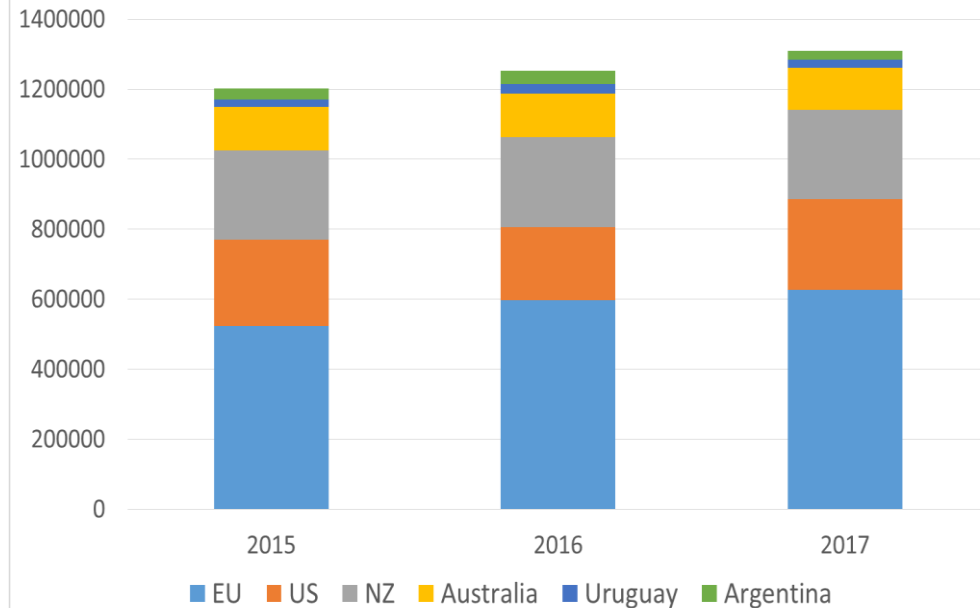


EU Cheese Exports

(tonnes)



Cumulated Cheese Exports for Jan-Sep 2015, 2016 & 2017 of major Exporters (tonnes)

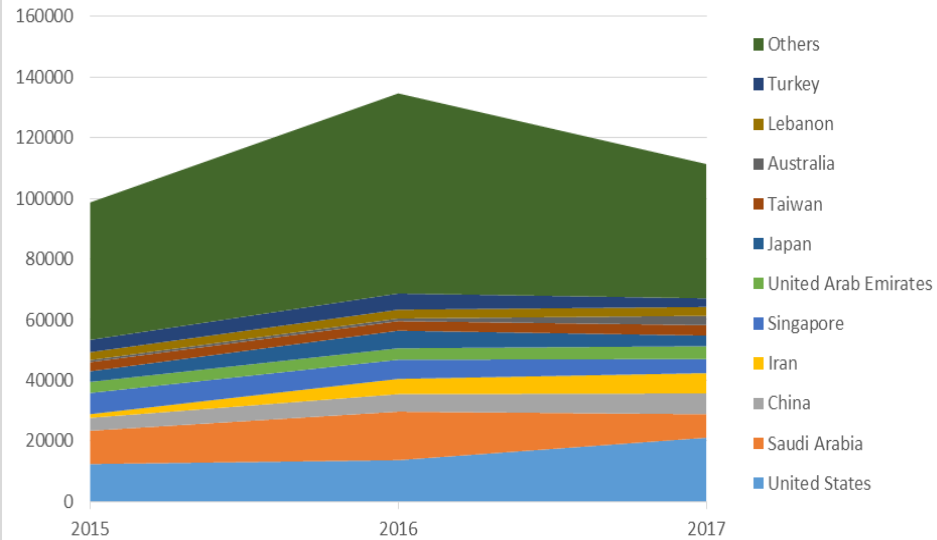




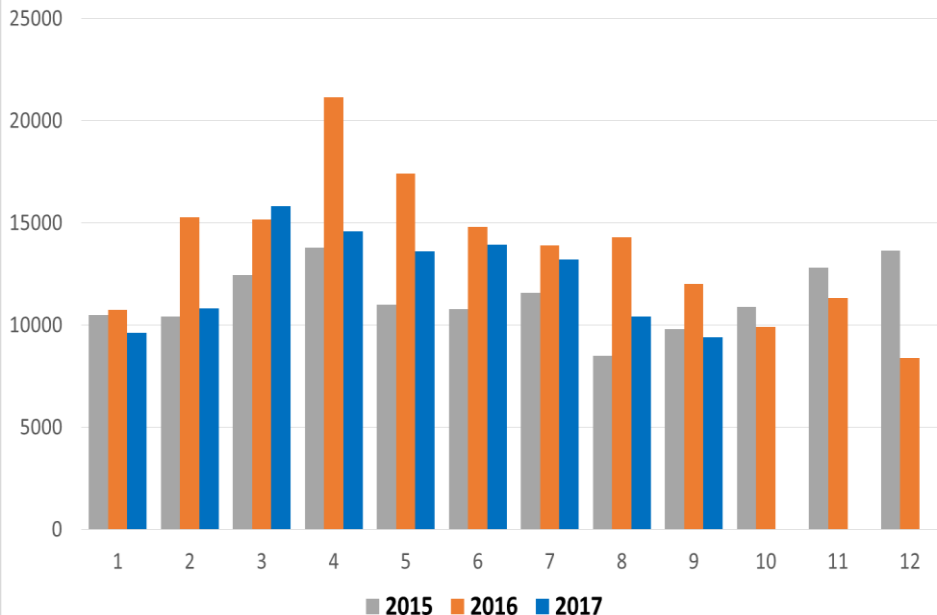
Butter trade

- EU butter exports:
 - Growth rate Jan-Sep 17/16: -17,3%
- Combined butter exports:
 - Growth rate Jan-Sep 17/16: -16,2%

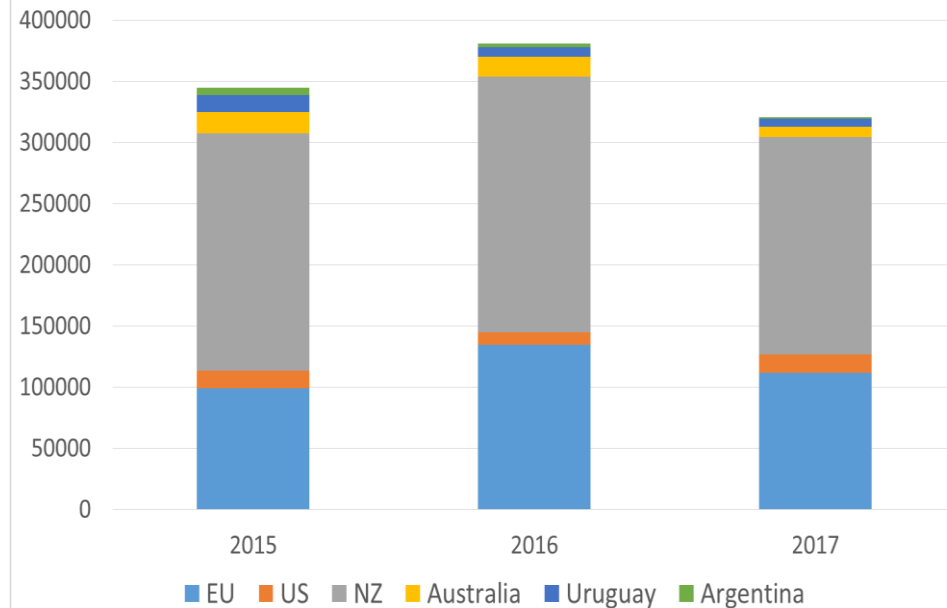
Development of EU export destinations for butter
Jan-Sep 2015, 2016, 2017
(total exports Jan-Sep 2017: 111 365 tonnes)



EU Butter Exports
(tonnes)



Cumulated Butter Exports for Jan-Sep 2015, 2016 & 2017
of major Exporters (tonnes)





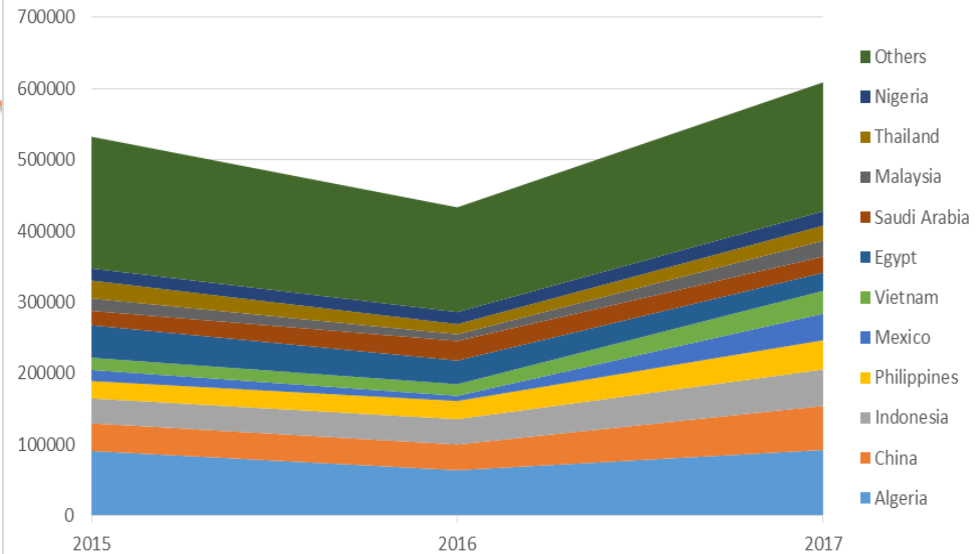
SMP trade

- EU SMP exports:
 - Growth rate Jan-Sep 17/16: +40,4%
- Combined SMP exports:
 - Growth rate Jan-Sep 17/16: +10,4%

Development of EU export destinations for SMP

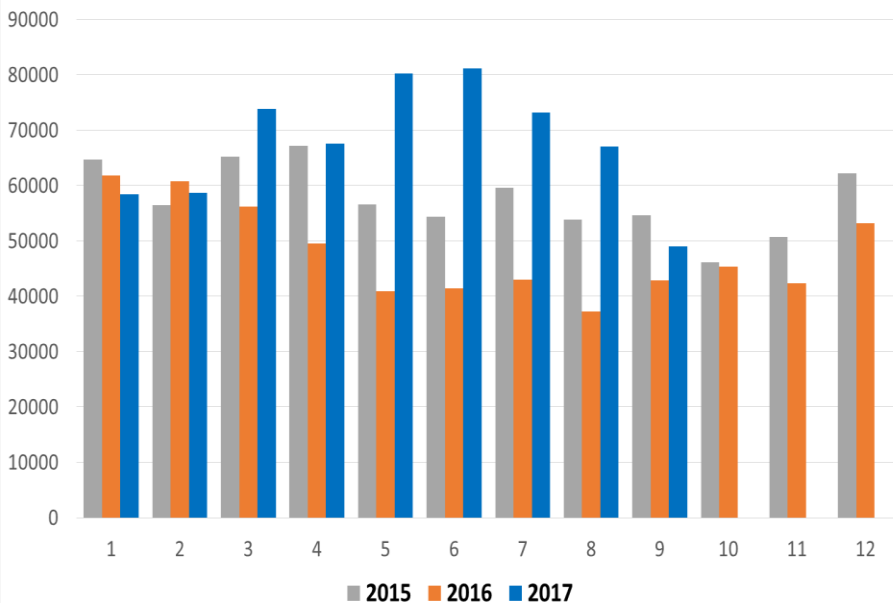
Jan-Sep 2015, 2016, 2017

(total exports Jan-Sep 2017: 608 900 tonnes)



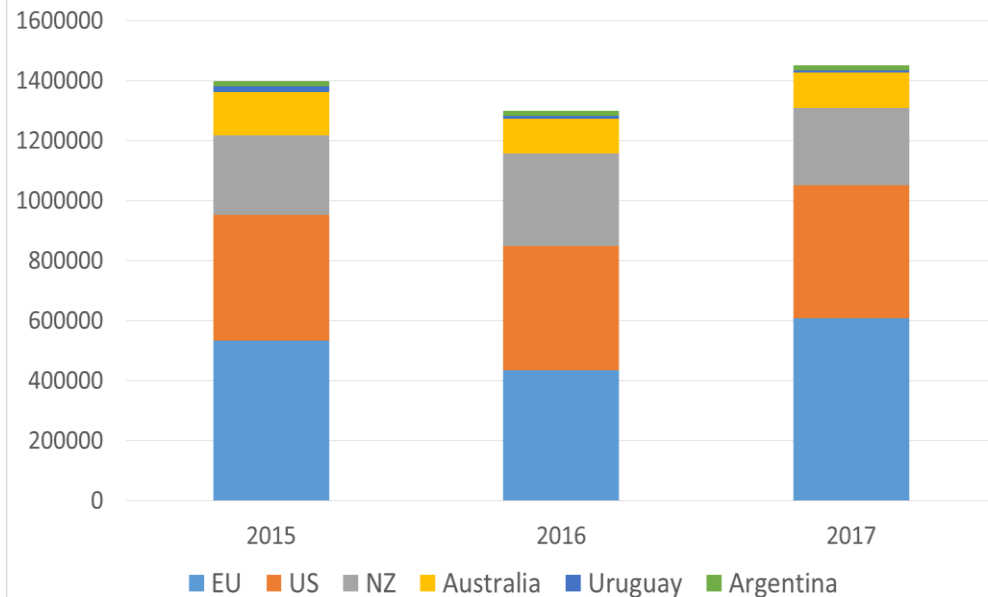
EU SMP Exports

(tonnes)



Cumulated SMP Exports for Jan-Sep 2015, 2016 & 2017 of major Exporters (tonnes)

(tonnes)

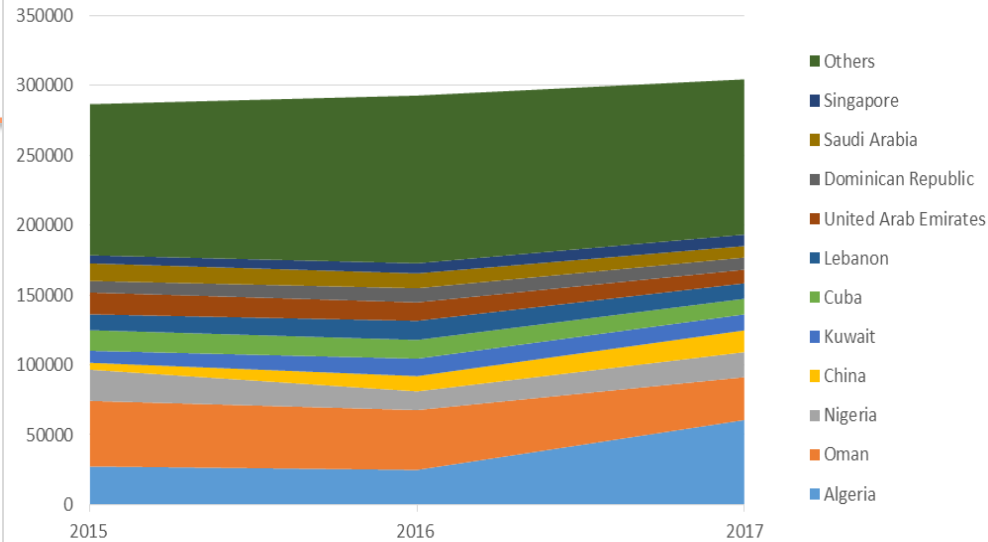




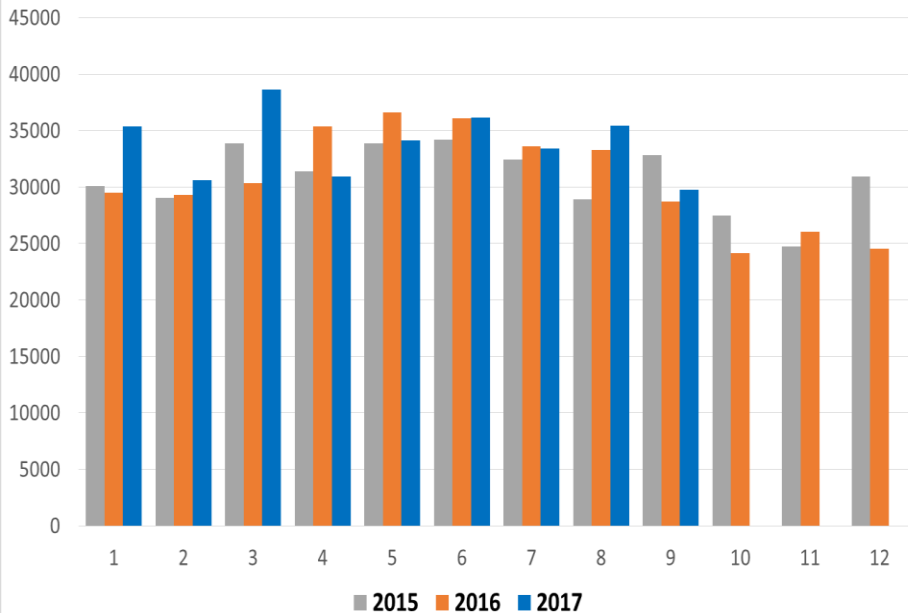
WMP trade

- EU WMP exports:
 - Growth rate Jan-Sep 17/16: +4,0%
- Combined WMP exports:
 - Growth rate Jan-Sep 17/16: -9,4%

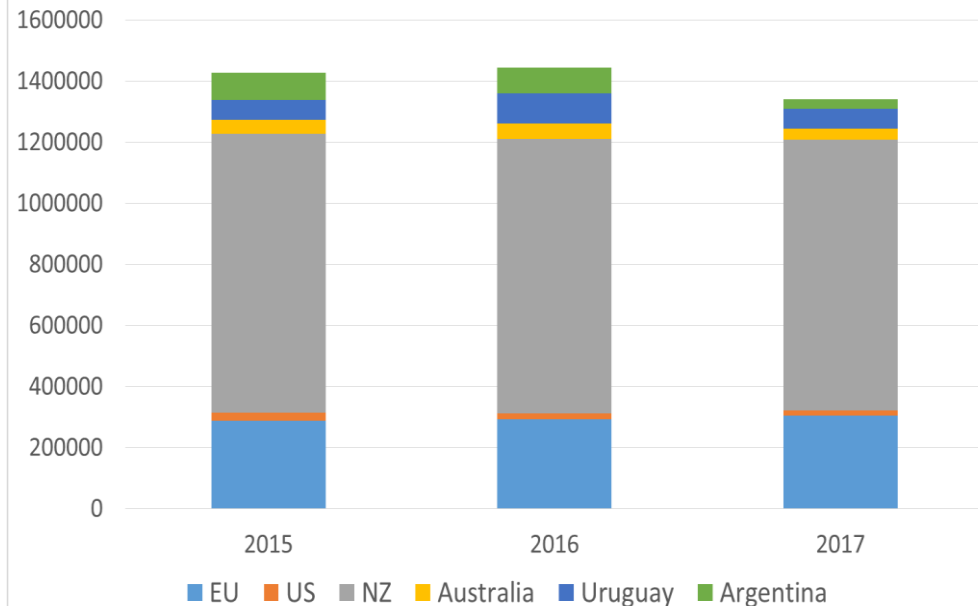
Development of EU export destinations for WMP
Jan-Sep 2015, 2016, 2017
(total exports Jan-Sep 2017: 304 483 tonnes)



EU WMP Exports
(tonnes)



Cumulated WMP Exports for Jan-Sep 2015, 2016 & 2017 of major Exporters (tonnes)





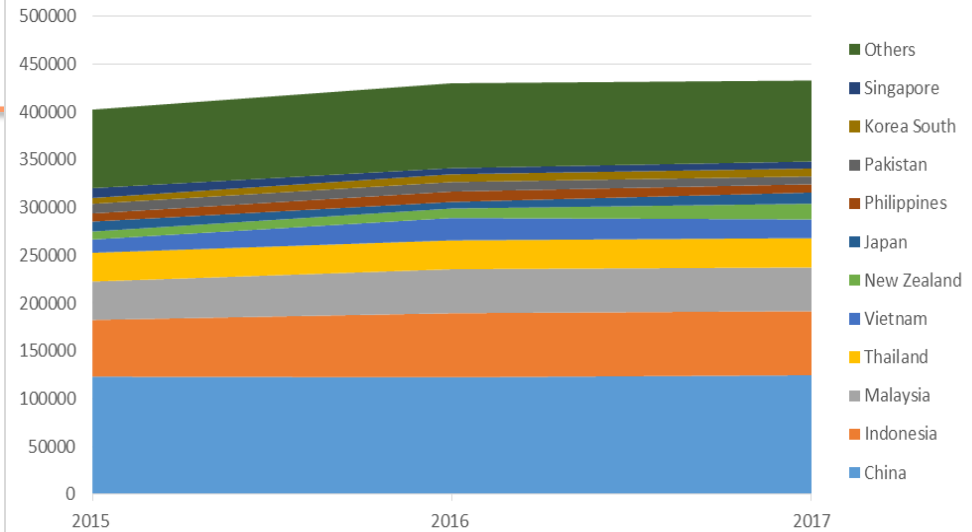
Whey powder trade

- EU whey powder exports:
 - Growth rate Jan-Sep 17/16: +0,6%
- Combined whey powder exports:
 - Growth rate Jan-Sep 17/16: -2,6%

Development of EU export destinations for Whey powder

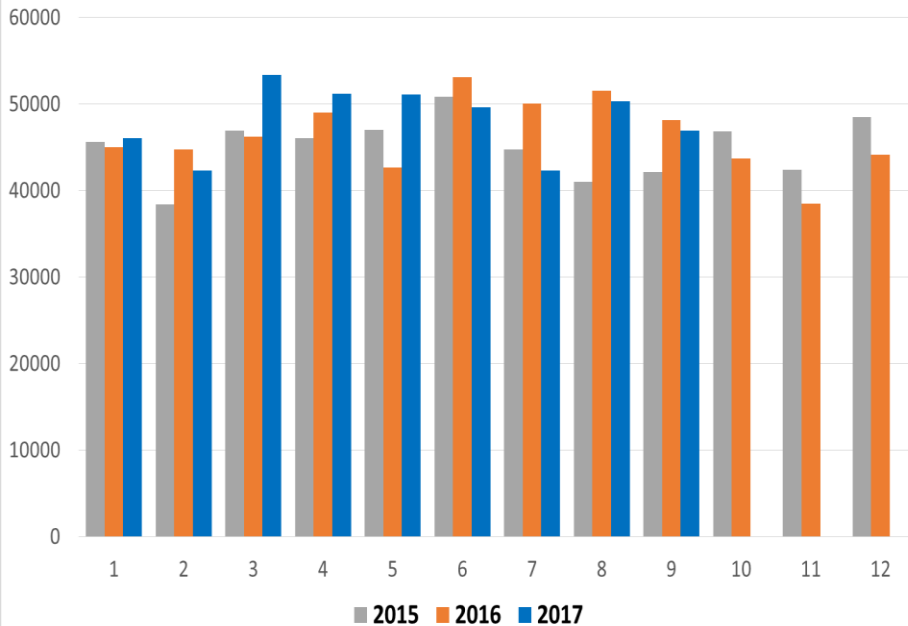
Jan-Sep 2015, 2016, 2017

(total exports in Jan-Sep 2017: 433 033 tonnes)



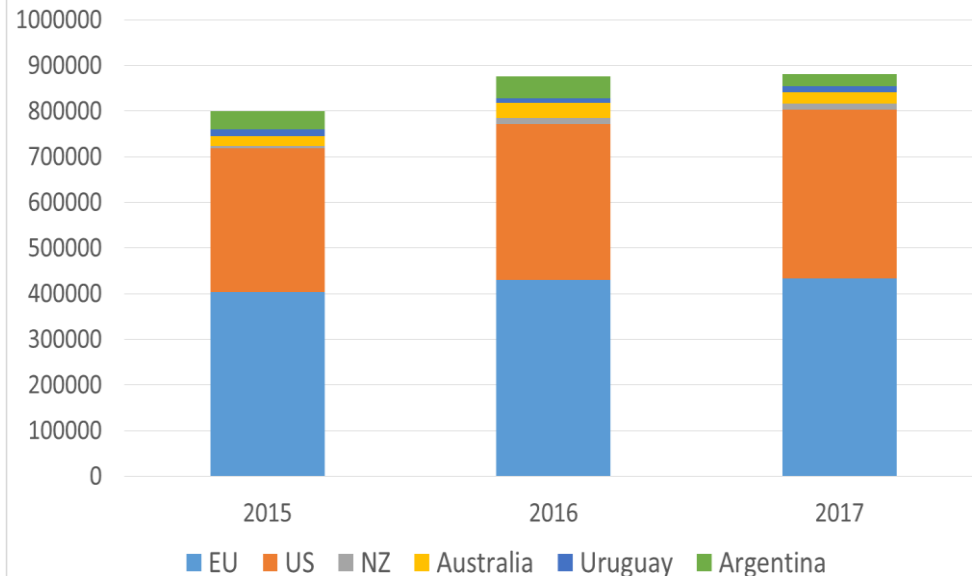
EU Whey powder Exports

(tonnes)



Cumulated Whey powder Exports for Jan-Sep 2015, 2016 & 2017 of major Exporters

(tonnes)

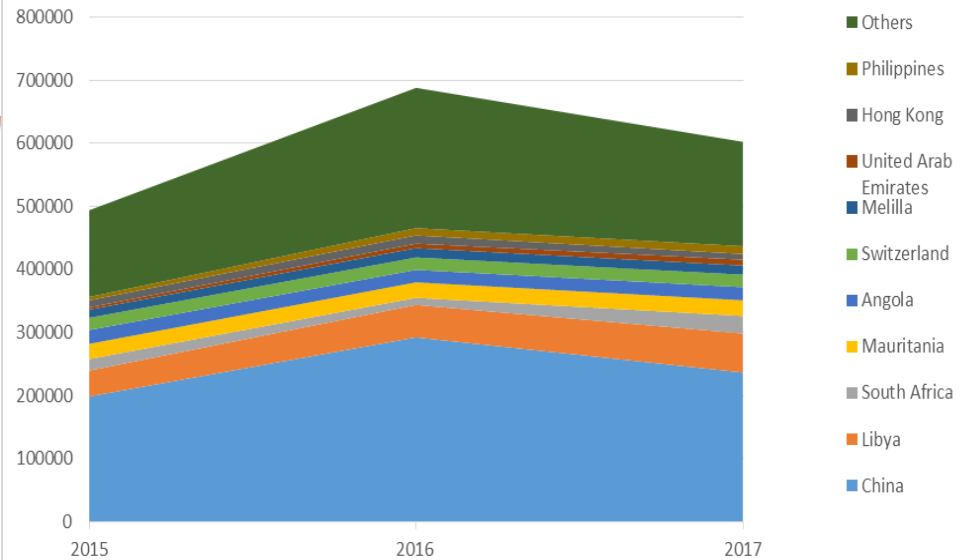




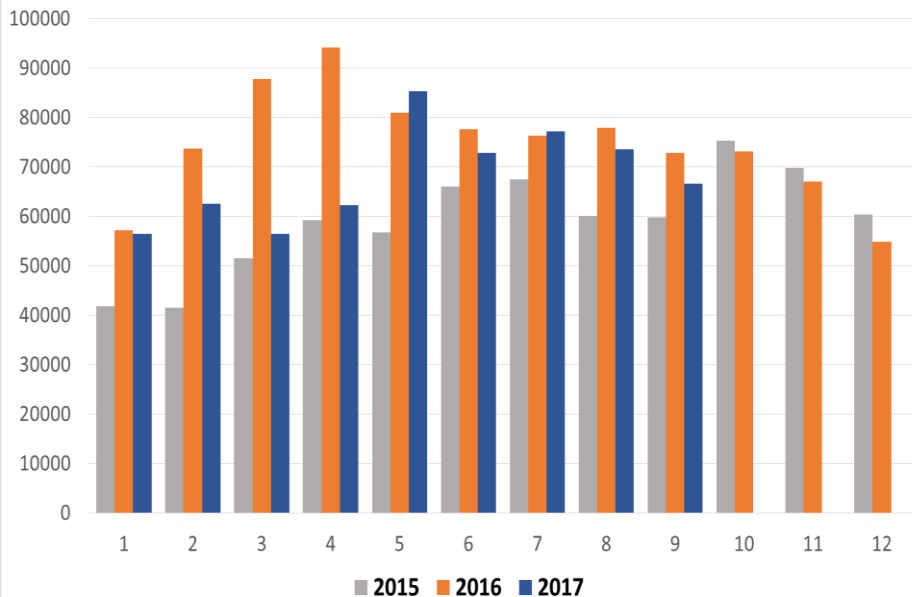
Trade of milk

- EU milk exports:
 - Growth rate Jan-Sep 17/16: -2,8%
- Combined milk exports:
 - Growth rate Jan-Sep 17/16: -19,8%

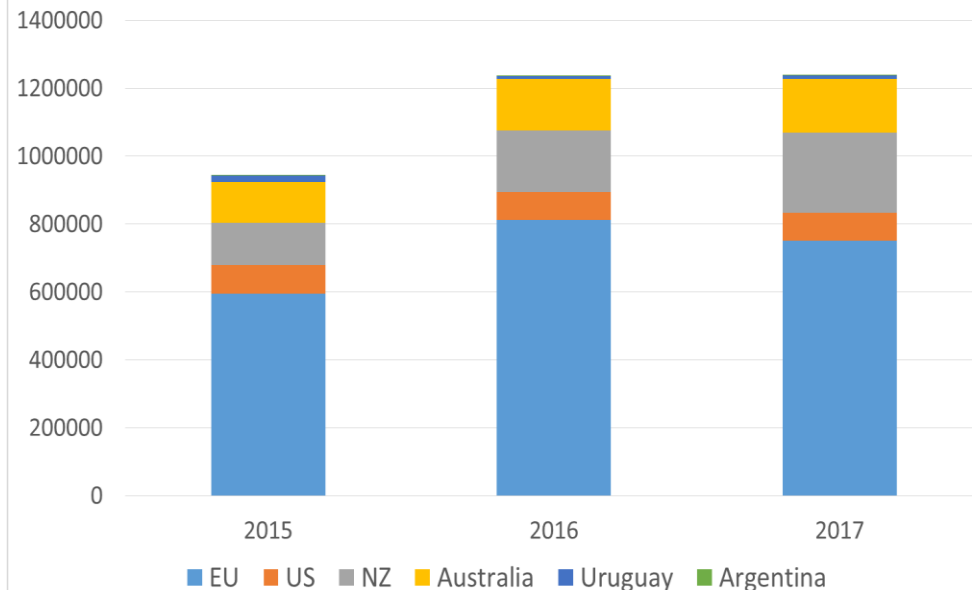
Development of EU export destinations for Liquid milk (040120 & 040110) Jan-Sep 2015, 2016, 2017 (total exports Jan-Sep 2017: 612 997 tonnes)



EU liquid milk exports (tonnes)



Cumulated Milk & Cream Exports for Jan-May 2015, 2016 & 2017 of major Exporters (tonnes)

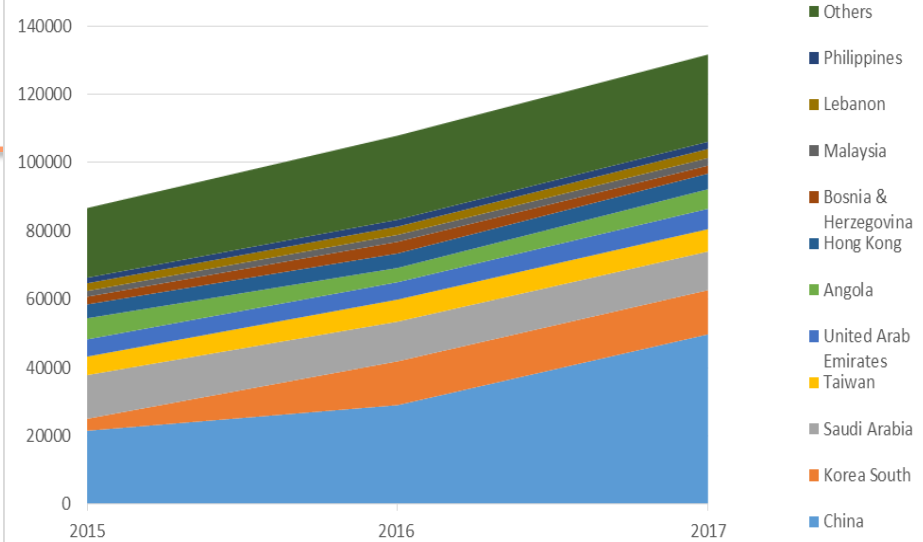




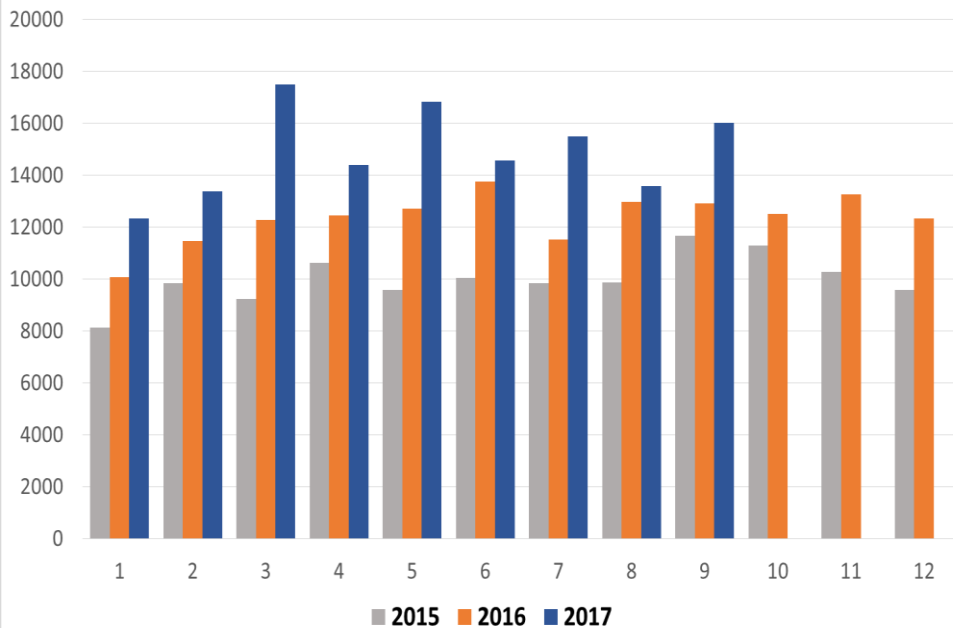
Trade of cream

- EU cream exports:
 - Growth rate Jan-Sep 17/16: +21,7%
- Combined cream exports:
 - Growth rate Jan-Sep 17/16: +17,6%

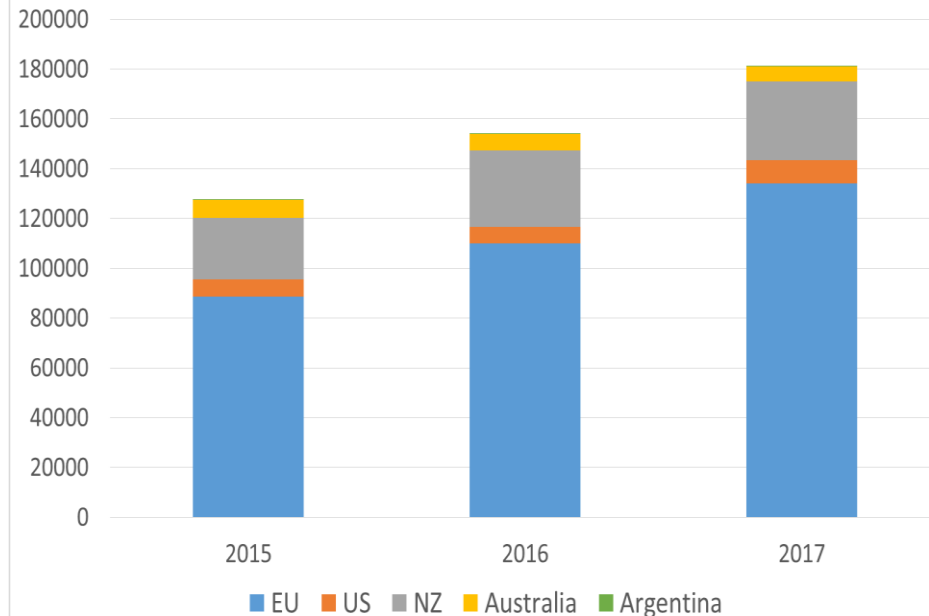
Development of EU export destinations for Cream (040150) Jan-Sep 2015, 2016, 2017 (total exports Jan-Sep 2017: 133 983 tonnes)



EU cream exports (tonnes)



Cumulated Cream Exports for Jan-Sep 2015, 2016 & 2017 of major Exporters (tonnes)

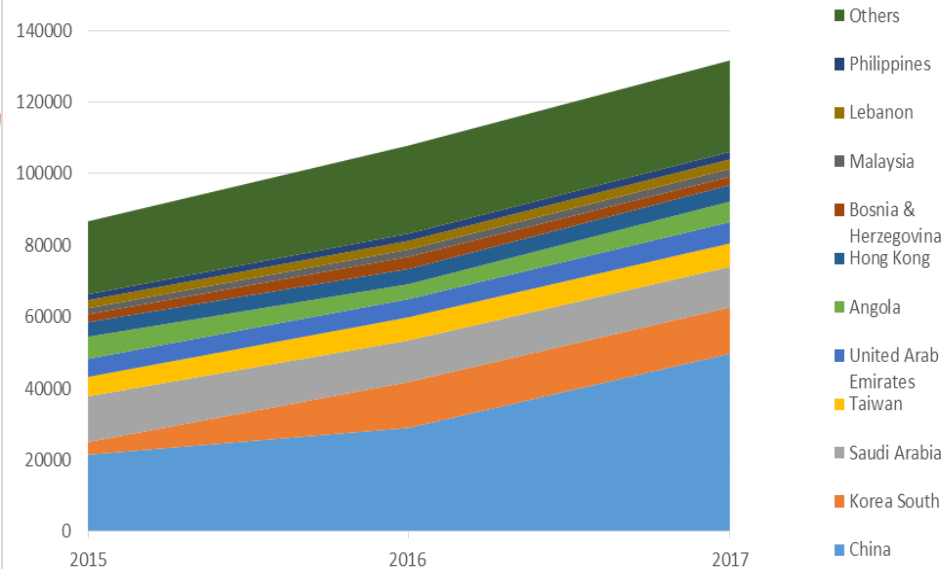




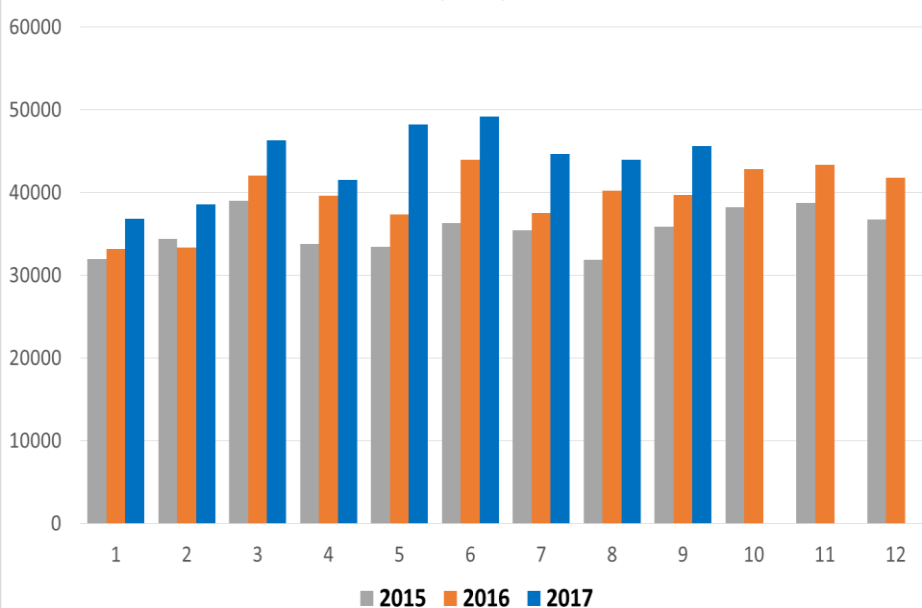
Infant formula trade

- EU infant formula exports:
 - Growth rate Jan-Sep 17/16: +13,5%
- Combined infant formula exports:
 - Growth rate Jan-Sep 17/16: +7,5%

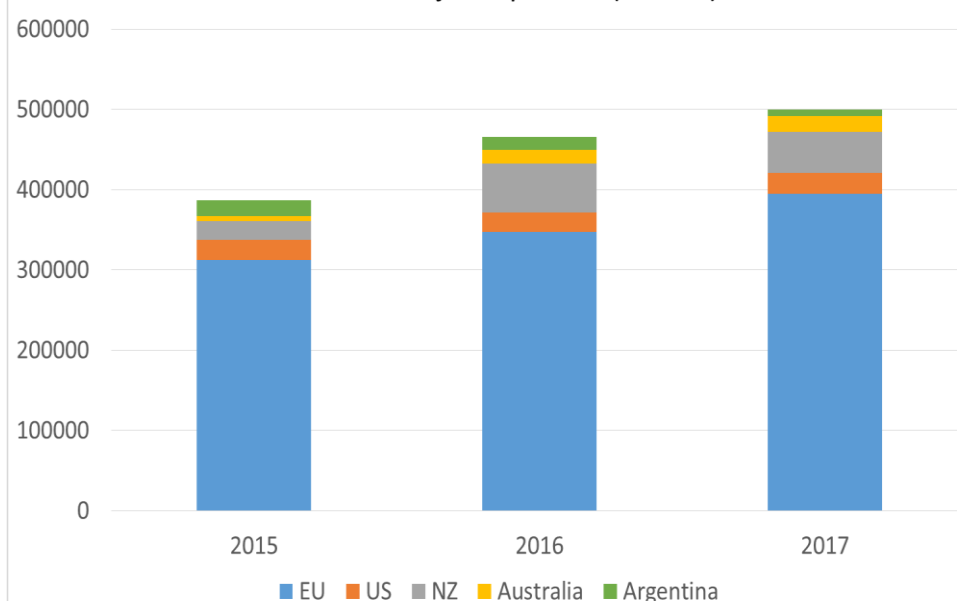
Development of EU export destinations for Cream (040150) Jan-Sep 2015, 2016, 2017 (total exports Jan-Sep 2017: 133 983 tonnes)



EU Infant formula Exports (tonnes)



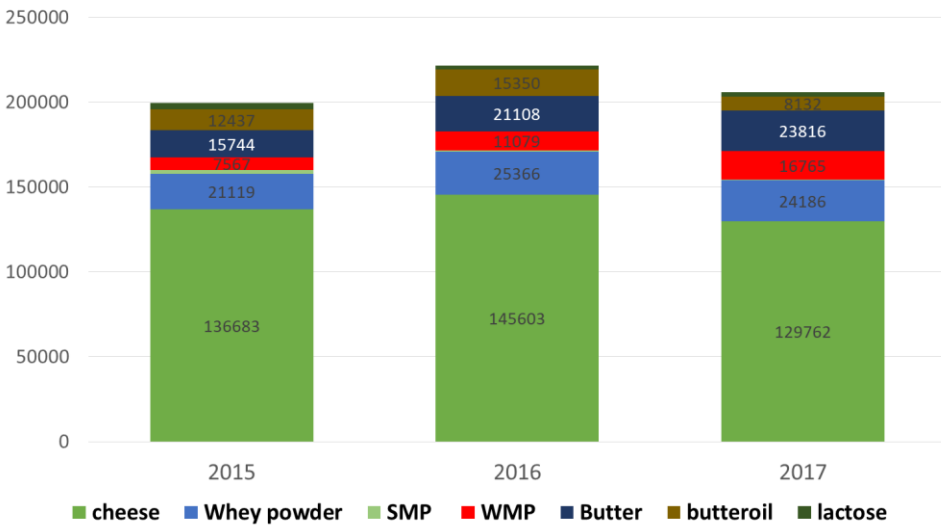
Cumulated Infant formula Exports for Jan-Sep 2015, 2016 & 2017 of major Exporters (tonnes)



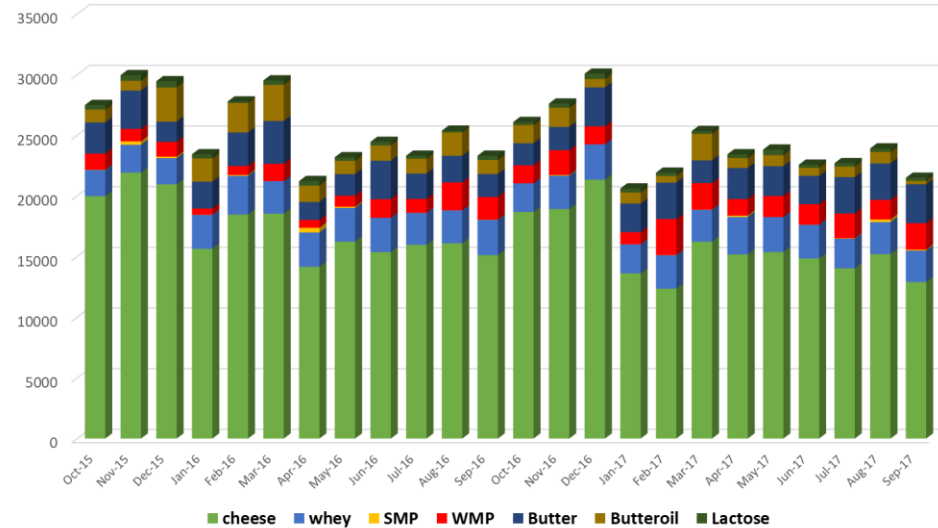


USA imports

Cumulated USA imports for Jan-Sep 2015, 2016 & 2017 (tonnes)



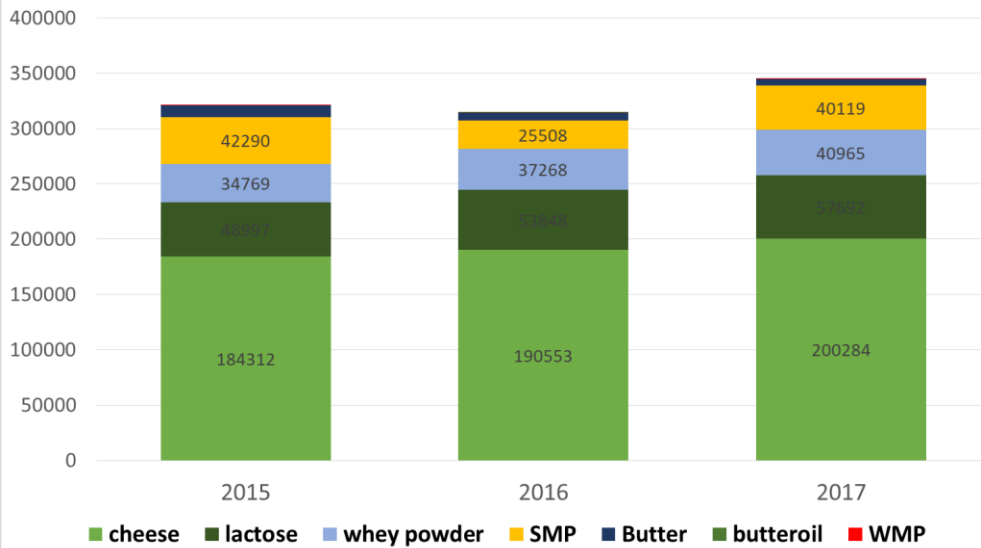
USA monthly imports (tonnes)



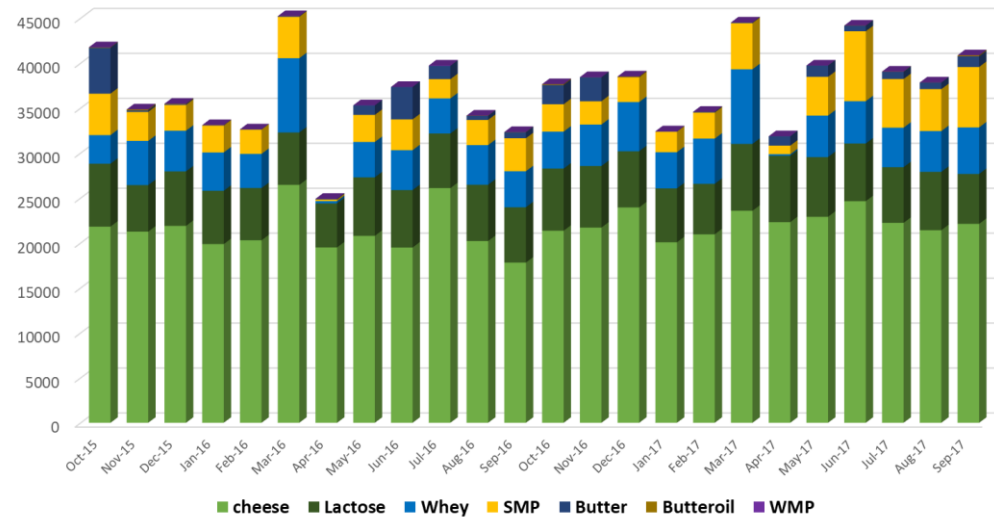


Japan imports

Cumulated Japan imports for Jan-Sep 2015, 2016 & 2017 (tonnes)



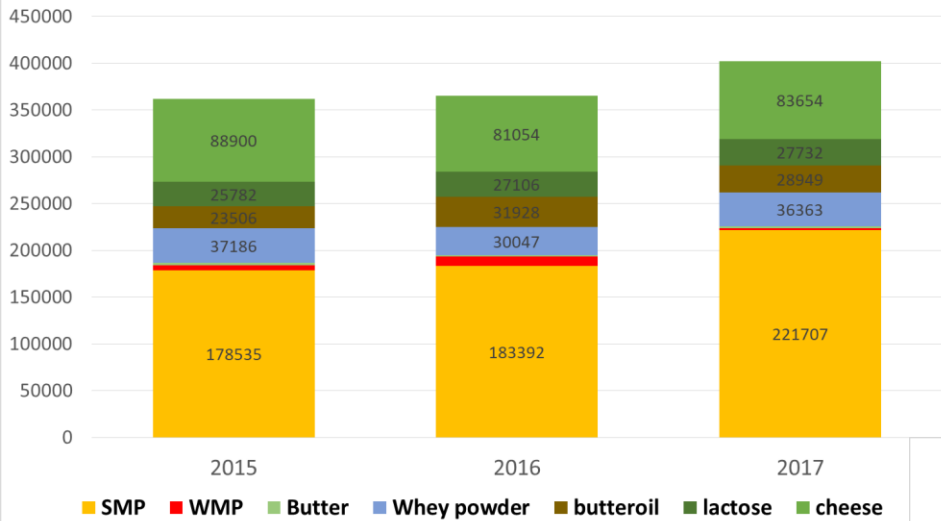
Japan monthly imports (tonnes)



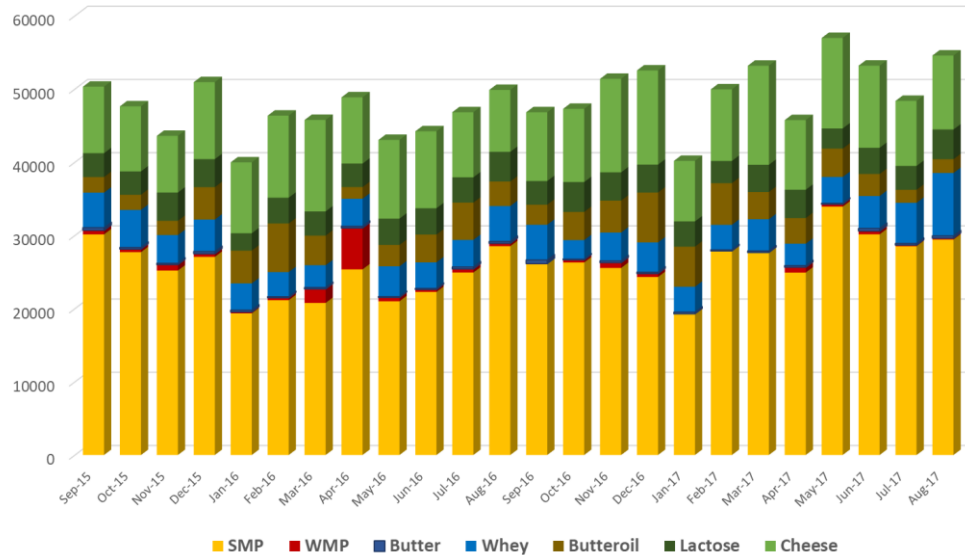


Mexico imports

Cumulated Mexico imports for Jan-Aug 2015, 2016 & 2017 (tonnes)



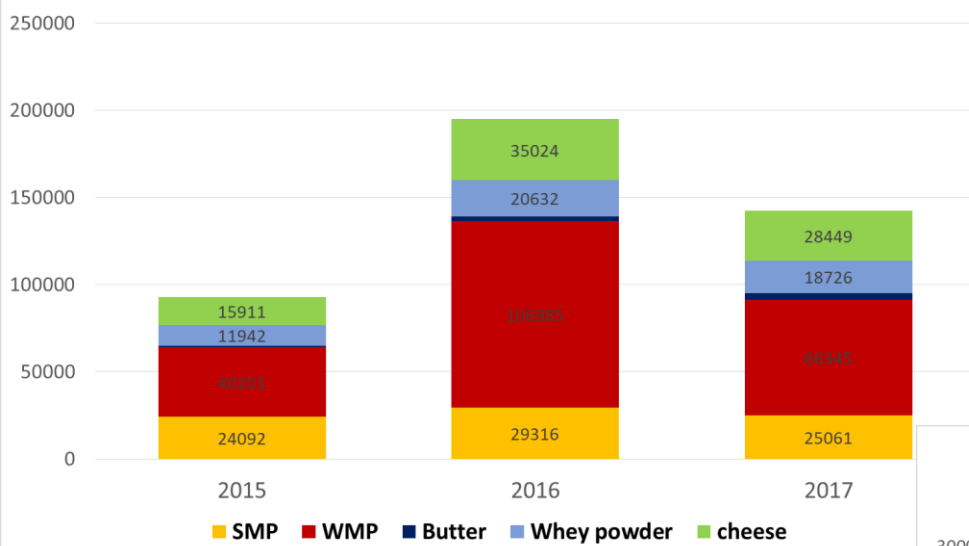
Mexico monthly imports (tonnes)



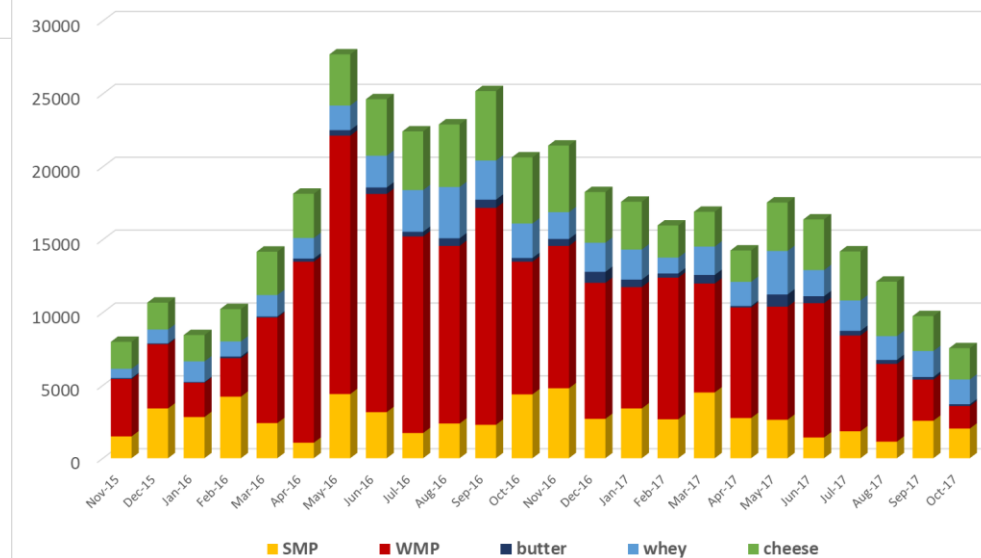


Brazil imports

Cumulated Brazil imports for Jan-Oct 2015, 2016 & 2017 (tonnes)



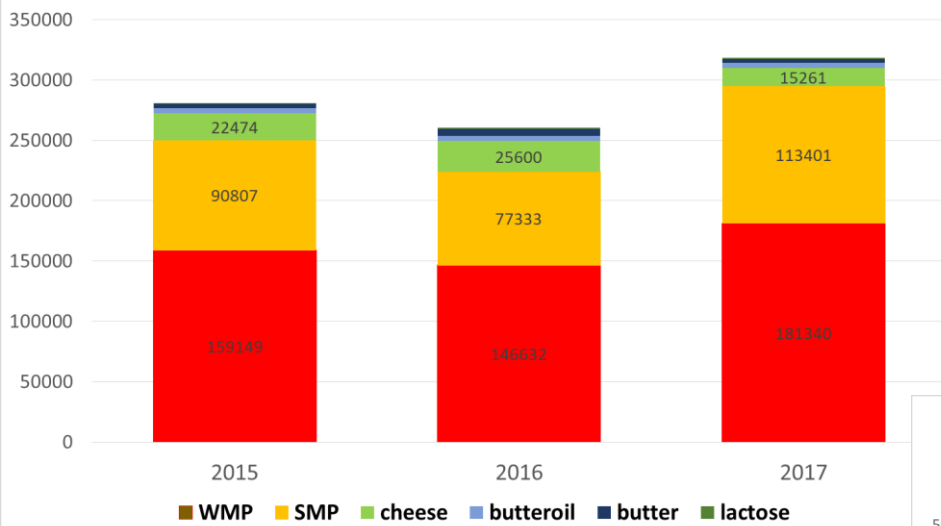
Brazil monthly imports (tonnes)



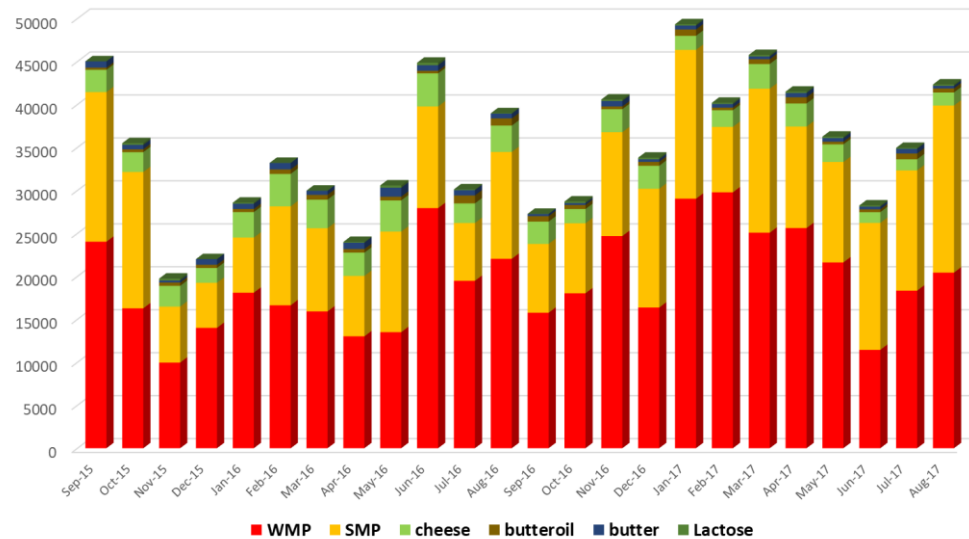


Algeria imports

Cumulated Algeria imports for Jan-Aug 2015, 2016 & 2017 (tonnes)



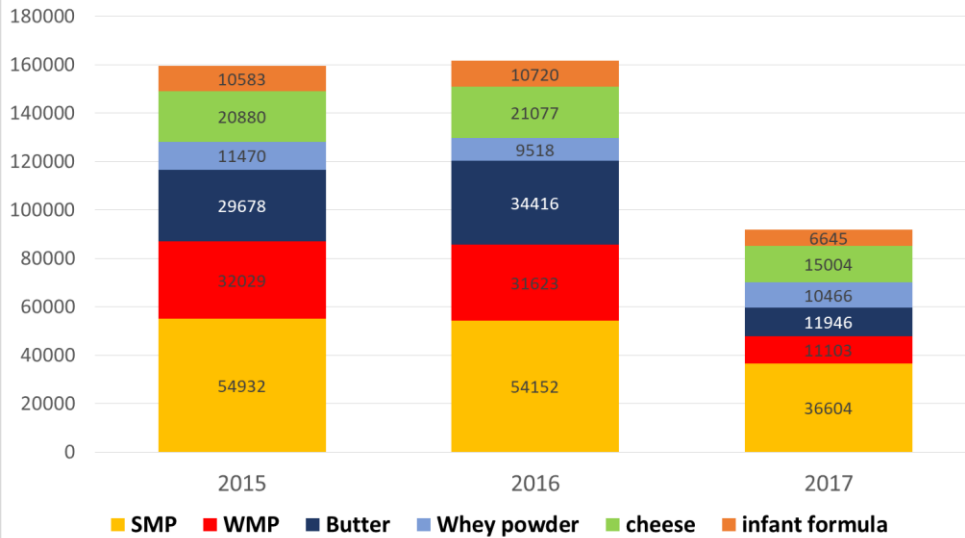
Algeria monthly imports (tonnes)



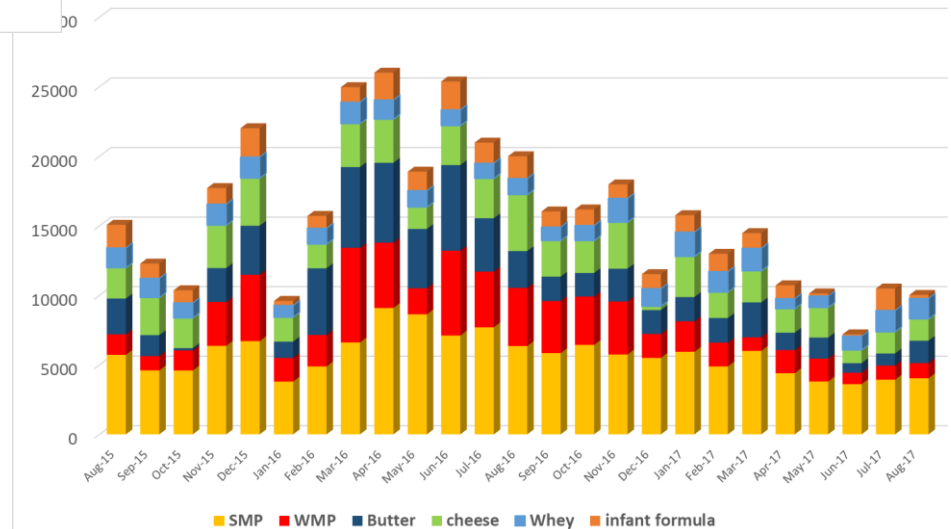


Egypt imports

Cumulated Egypt imports for Jan-Aug 2015, 2016 & 2017 (tonnes)



Egypt monthly imports (tonnes)





Conclusions

- **Growing global milk production** is causing **increasingly bearish market sentiment**
- **Global trade** has **expanded** further in 2017 and demand remains **supportive overall**, with **Asia** being the **main growth region**
- **Exceptionally strong SMP exports at very low prices**. Market direction will depend on the management of **intervention stocks** which **limit any significant upward potential**
- **Butter prices** corrected and have **stabilised at historically high levels**. Buyers are still holding off at current prices.
- **EU cheese exports** and **domestic demand** have kept the **market reasonably well in balance** but the ever increasing production has put **considerable pressure on prices**. The lower prices could again stimulate export demand.
- **WMP demand remains sluggish** despite strong Chinese & Algerian imports
- **Growing pressure to further increase exports** which are however challenged by increased competition (mainly from the US) and a still strong Euro
- **Supply side correction needed to address current imbalance between supply & demand and to avoid stock build**



- Thank you for your attention -

ANNEX 4

Trends in sales of Milk & Dairy products – a retail perspective

EuroCommerce



TRENDS IN SALES OF MILK & DAIRY PRODUCTS – A RETAIL PERSPECTIVE

Milk Market Observatory
28 November 2017

Belgium

Consumer price index		
Product	Oct 17 vs Oct 16	Total 2017 vs total 2016
Whole milk	1.8%	-6.4%
Semi-skimmed milk	5.7%	-3.8%
Concentrated milk, powdered milk	4.7%	4.5%
Yogurt	3.6%	0.5%
Butter	28.6%	18.6%

Source: SPF Economie (2017)

Belgium

Total FMCG – Oct 2017				Total YTD 2017			
	Volume % change	Value % change	Price % change		Volume % change	Value % change	Price % change
Dairy	0.1	0.8	0.7		0.3	1.7	1.3

Source: Nielsen ScanTrack

France

Period ending 29 October 2017

Product category	Volume (% change) 4 weeks period (P11'16/P11 '17)	Volume (% change) Year on year (P11 '15-P11'16 / P11'16 –P11 '17)	Price (% change) 4 weeks period (P11'16/P11 '17)	Price (% change) Year on year (P11 '15-P11 '16 / P11'16 –P11 '17)
Total liquid milk	+1,6%	-3,8%	+1,6%	+1,4%
Of which UHT semi-skimmed milk	-3,8%	-6,4%	+0,7%	+0,7%
Yoghurt & fresh cheese	-1,5%	-1,8%	+1,3%	-0,1%
Butter	+14,0%	-0,8%	+15,9%	+5,3%
Cream	+0,1%	-1,5%	+5,4%	+1,1%
Cheese	-1,6%	+0,3%	+2,5%	+0,8%

Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

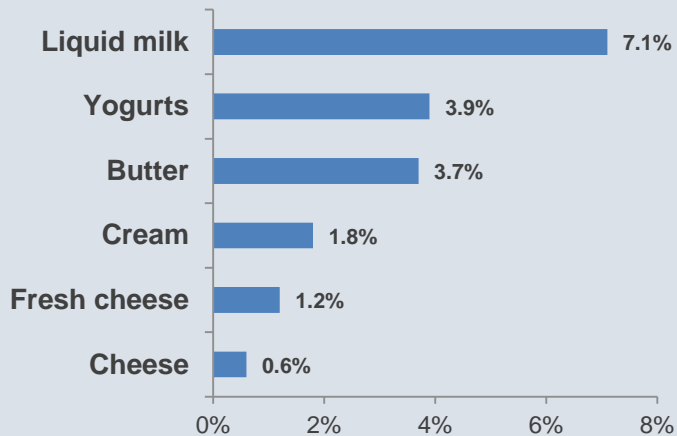
France

Sales of organic versus conventional milk & dairy products

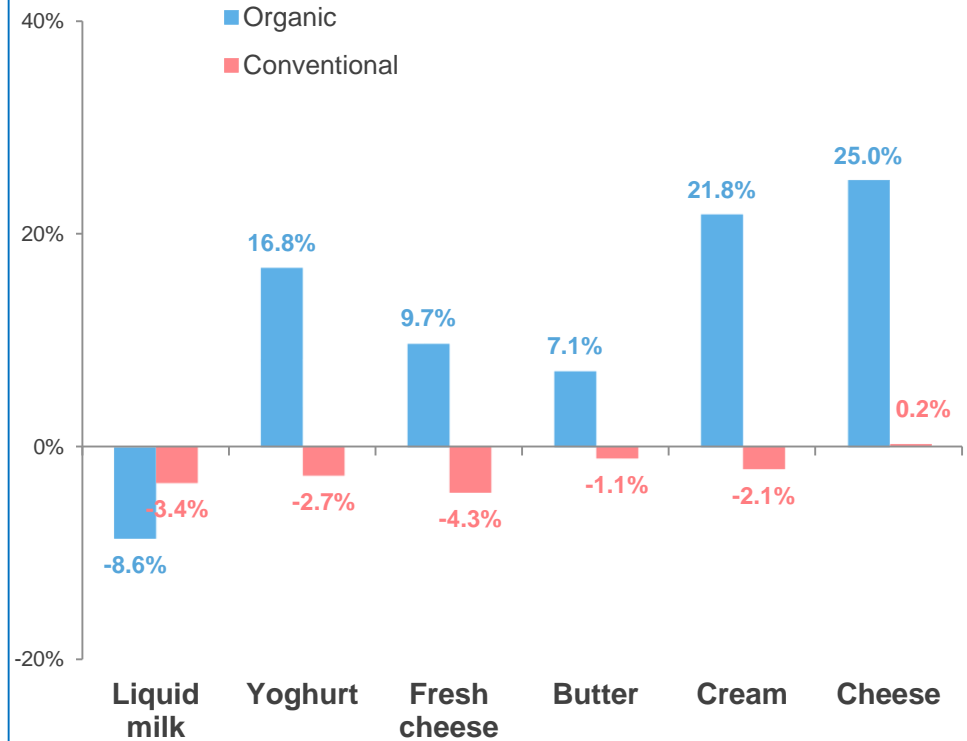
Organic milk & dairy products

- ❖ Organic dairy products sales have continued to increase. The increase is recorded for every product, **except for liquid milk**. This decrease is due to the supply shortage in France.

Organic market shares (% vol. 29/10/2017)



Consumption of organic versus conventional milk & dairy products % in volume, year to year 52 weeks 29/10/2017



Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

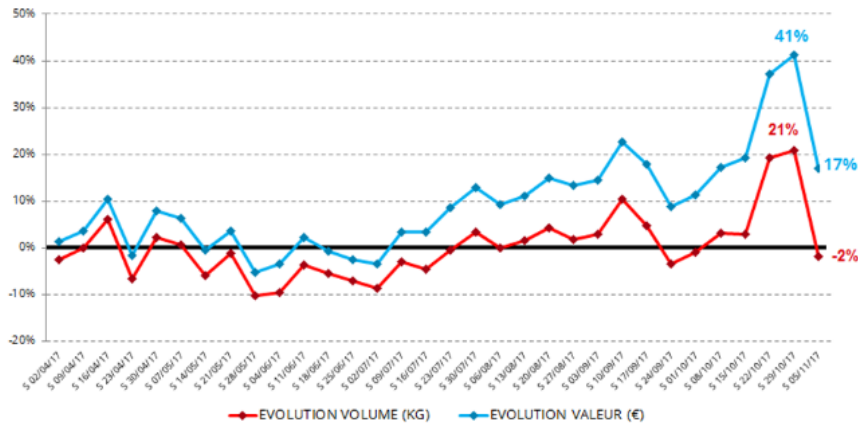
France

Butter market

The shortage in France has been complemented by a panicking rush by consumers to stock up in the past few weeks. The situation is expected to improve considerably and return to normality over the next few weeks.

BEURRE : LES VENTES VOLUME SE STABILISENT DÉSORMAIS

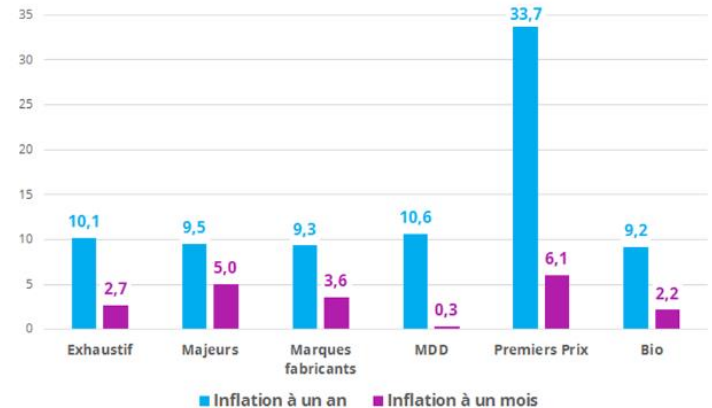
Evolution des ventes hebdomadaires de beurre vs. les mêmes semaines de l'an passé



Lecture : sur la semaine du 30 octobre au 5 novembre, les ventes de beurre en grande distribution et proximité sont en baisse de -2% en volume (kg) mais en hausse de 17% en valeur vs. la même semaine l'an passé.

BEURRE : HAUSSE GÉNÉRALISÉE DES PRIX

Pourcentage d'inflation de l'offre sur les beurres en hypermarchés, supermarchés et SDMP - octobre 2017



Inflation sur les références constantes d'une année sur l'autre, excluant de fait les innovations et les modifications d'EAN.

Source : Nielsen Note d'inflation - octobre 2017

Italy

Period: 2016 vs. 2015

Product category	<u>VOLUME</u> (2016 vs. 2015 % change)	<u>VOLUME</u> Q4 2016 vs Q4 2015	<u>VALUE</u> (2016 vs. 2015 % change)	<u>VALUE</u> Q4 2016 vs Q4 2015
Fresh milk	-3,5%	-0,4%	-4,4%	-1,7%
UHT milk	-3,1%	-3,2%	-6,8%	-6,1%
Yoghurt	+0,7%	0,0%	-1,0%	-1,8%
Fresh cheese ⁽¹⁾	+1,0%	+0,9%	-1,7%	-1,6%
Fresh dessert	+4,2%	+7,2%	+3,2%	+4,5%
Cheese ⁽¹⁾	+2,2%	+2,7%	+0,03%	+1,1%

Source: Market Track Nielsen

(1) Peso imposto

Italy

Period: YTD Sept17 e Q3 2017

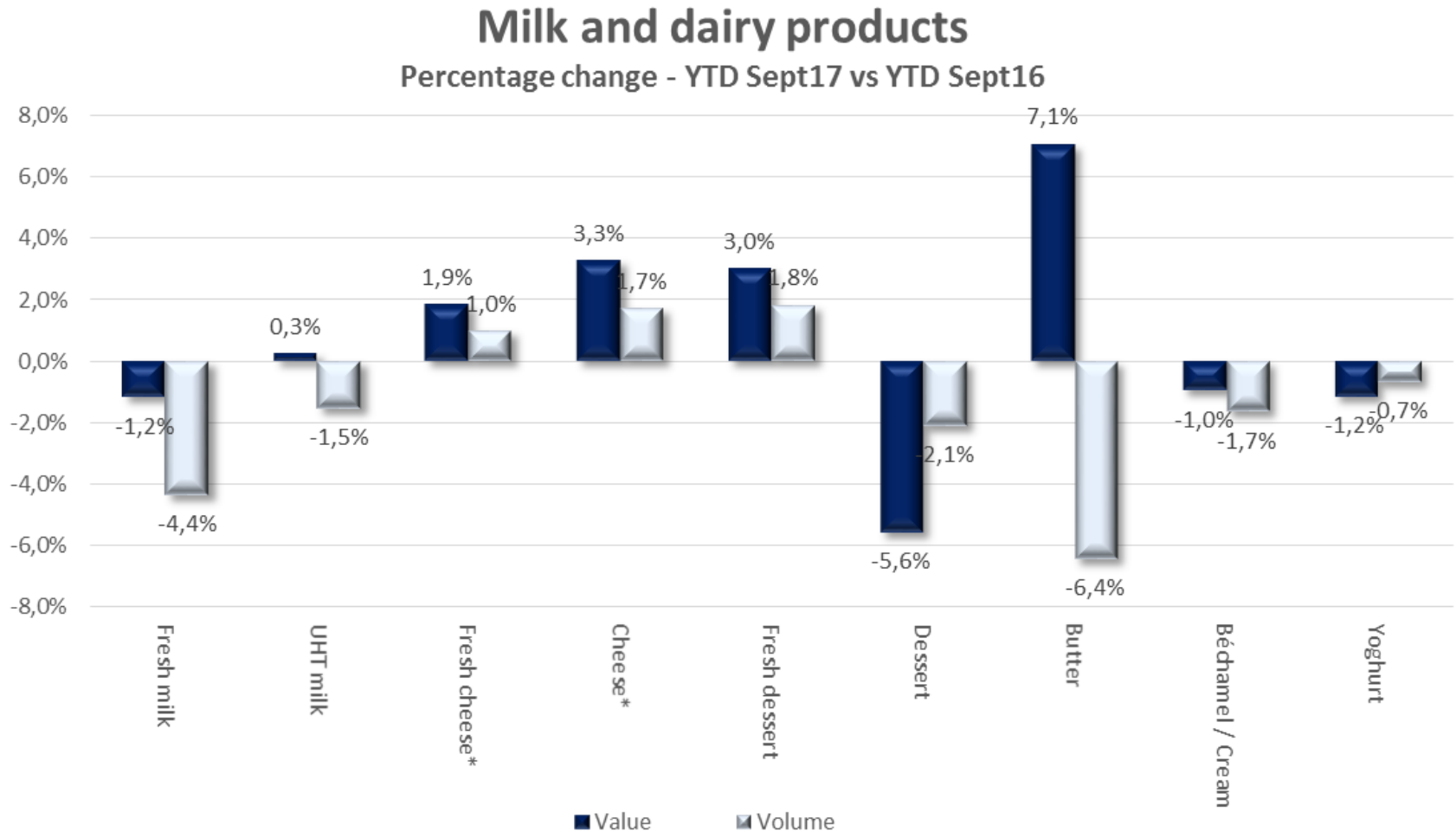
Product category	<u>VOLUME</u> (YTD Sept17 vs. YTD Sept16 % change)	<u>VOLUME</u> (Q3 2017 vs Q3 2016 % change)	<u>VALUE</u> (YTD Sept17 vs. YTD Sept16 % change)	<u>VALUE</u> (Q3 2017 vs Q3 2016 % change)
Fresh milk	-4,4	-3,3	-1,2	0,7
UHT milk	-1,5	-0,4	0,3	4,0
Fresh cheese ⁽¹⁾	1,0	1,3	1,9	3,4
Cheese ⁽¹⁾	1,7	1,3	3,3	4,4
Fresh dessert	1,8	-0,6	3,0	2,7
Dessert	-2,1	-4,0	-5,6	-6,1
Butter	-6,4	-4,7	7,1	19,3
Béchamel / Cream	-1,7	-1,0	-1,0	2,4
Yoghurt	-0,7	0,9	-1,2	1,3

Source: Market Track Nielsen

(1) Peso imposto

Italy

Period: YTD Sept17 vs. YTD Sept16



Source: Market Track Nielsen

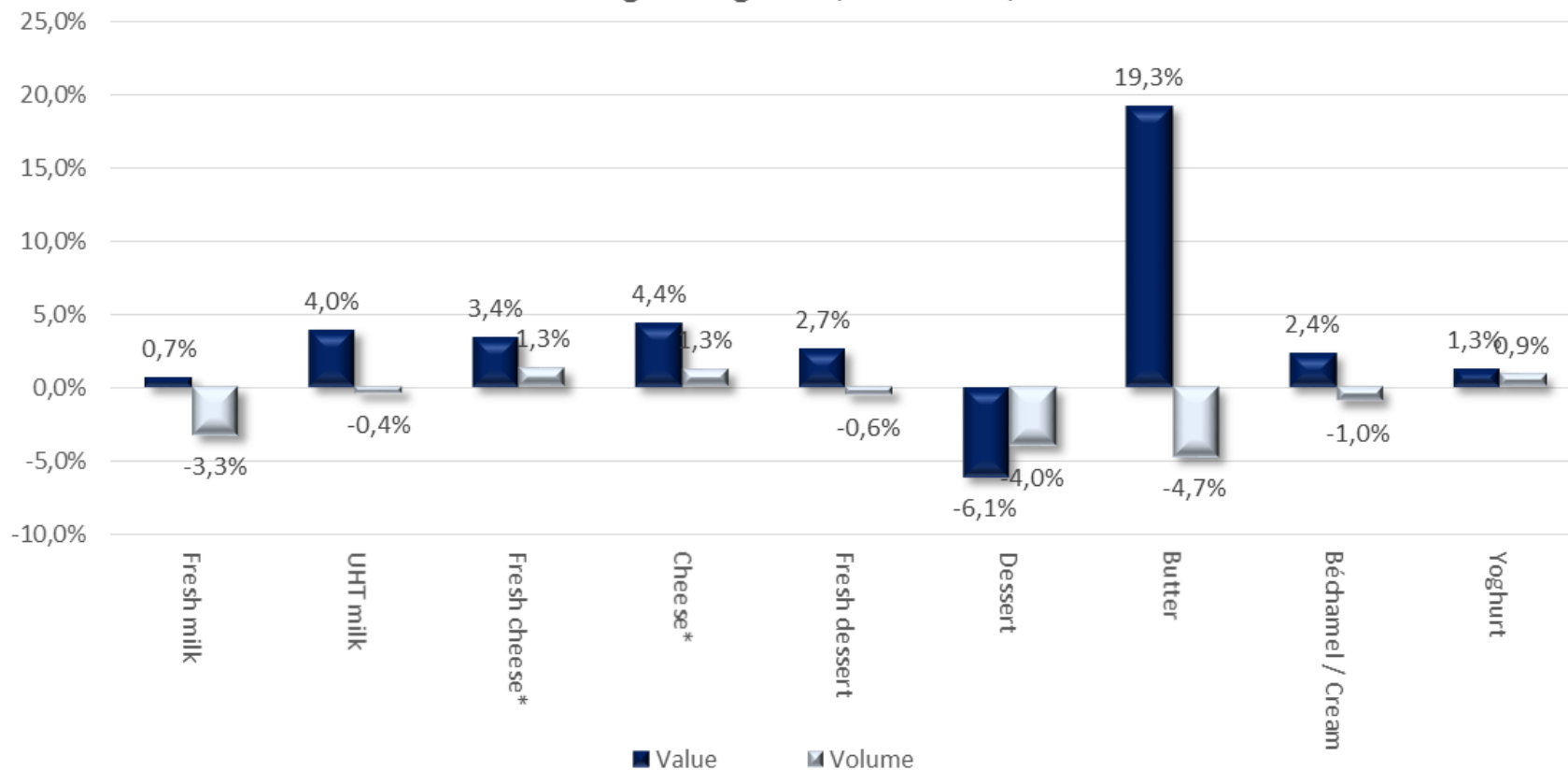
* Peso imposto

Italy

Period: Q3 2017 vs. Q3 2016

Milk and dairy products

Percentage change - 3Q 2017 vs 3Q 2016



Source: Market Track Nielsen

* Peso imposto

Portugal

Period ending 8 October 2017

Product category	Volume (% change, year-to-date)	Volume (% change, year-on-year)	Value (% change, year-to-date)	Value (% change, year-on-year)
Fresh milk	-10,3	-10,8	-10,4	-11,0
UHT milk	-3,0	-3,9	0,5	-0,2
Yoghurt	-3,8	-4,3	-3,5	-3,1
Fresh cheese	-0,5	-0,9	0,6	-0,1
Butter	-2,0	-1,7	4,5	3,6
UHT cream	0,0	0,9	2,2	2,4
Fresh dessert	2,0	3,2	-1,4	1,9
Cheese	2,1	2,7	4,1	3,9

Source: Nielsen

Spain

Period ending September 2017

Product category	Volumes (% change Sept 2017 vs Sept 2016)	Volumes (% change YTD Sept 2017)	Value (% change Sept 2017 vs Sept 2016)	Value (% change YTD Sept 2017)	Price (% change Sept 2017 vs Sept 2016)	Price (% change YTD Sept 2017)
Standard liquid milk	-2.5%	-4.1%	-2.2%	-..1%	+0.3%	-0.5%
Other types of milk	+5.9%	+5.8%	+3.4%	+1.2%	-2.4%	-4.3 %
Milkshakes	-1.6%	+0.5%	+0.3%	+3.6%	+2.0%	+3.1%
Yoghurts and fermented milk	+0.6%	0.7%	-1.0%	-1.7%	-1.6%	-2.3%
Fresh desserts	+0.6%	-3.0%	+1.0%	-2.1%	+0.4%	+0.9%
Fresh cheese	-1.5%	-2.0%	1.3%	-1.3%	+2.9 %	+0.7%
Local, traditional cheese	+3.6%	+2.4%	+6.9%	+4.0%	+3.2%	+1.5%
Processed cheese	+1.5%	+0.3%	+1.7%	+1.5%	+0.2%	+1.1%

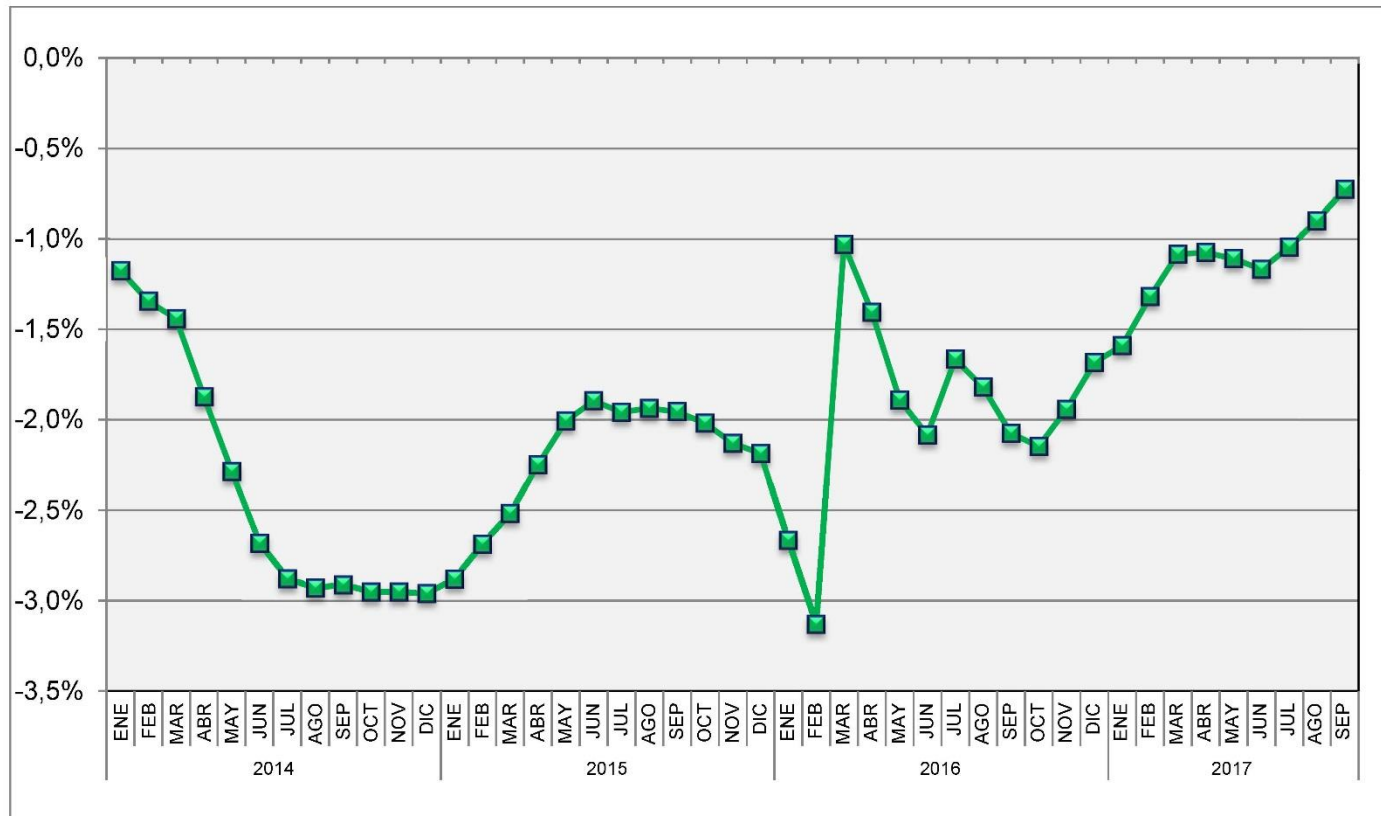
Spain

Period ending September 2017

Product category	Volumes (% change Sept 2017 vs Sept 2016)	Volumes (% change YTD Sept 2017)	Value (% change Sept 2017 vs Sept 2016)	Value (% change YTD Sept 2017)	Price (% change Sept 2017 vs Sept 2016)	Price (% change YTD Sept 2017)
Grated cheese	+8.6%	+4.7%	+11.1%	+6.8%	+2,3%	+2.0%
Other types of cheese	+7.9%	+6.2%	+9.3%	+6.6%	+1.3%	+0.4%
Cream	+3.0%	1.0%	+8.1%	+3.6%	+5.0%	+2.6 %
Butter	+15.3%	+12.7%	+29.9%	+17.7%	+12.6%	+4.5%
Desserts and long-term conservation yoghurt	+6.7%	+3.2%	+6.0%	+13.2%	+6,1%	+9.7%
Non-liquid milk	+0.5%	-1.8 %	-2,6%	-6.0%	-3.1%	-4.3%
Total dairy products	+0.1%	-1.0 %	+2.1%	0.2%	+2.0%	+1.1%

Spain

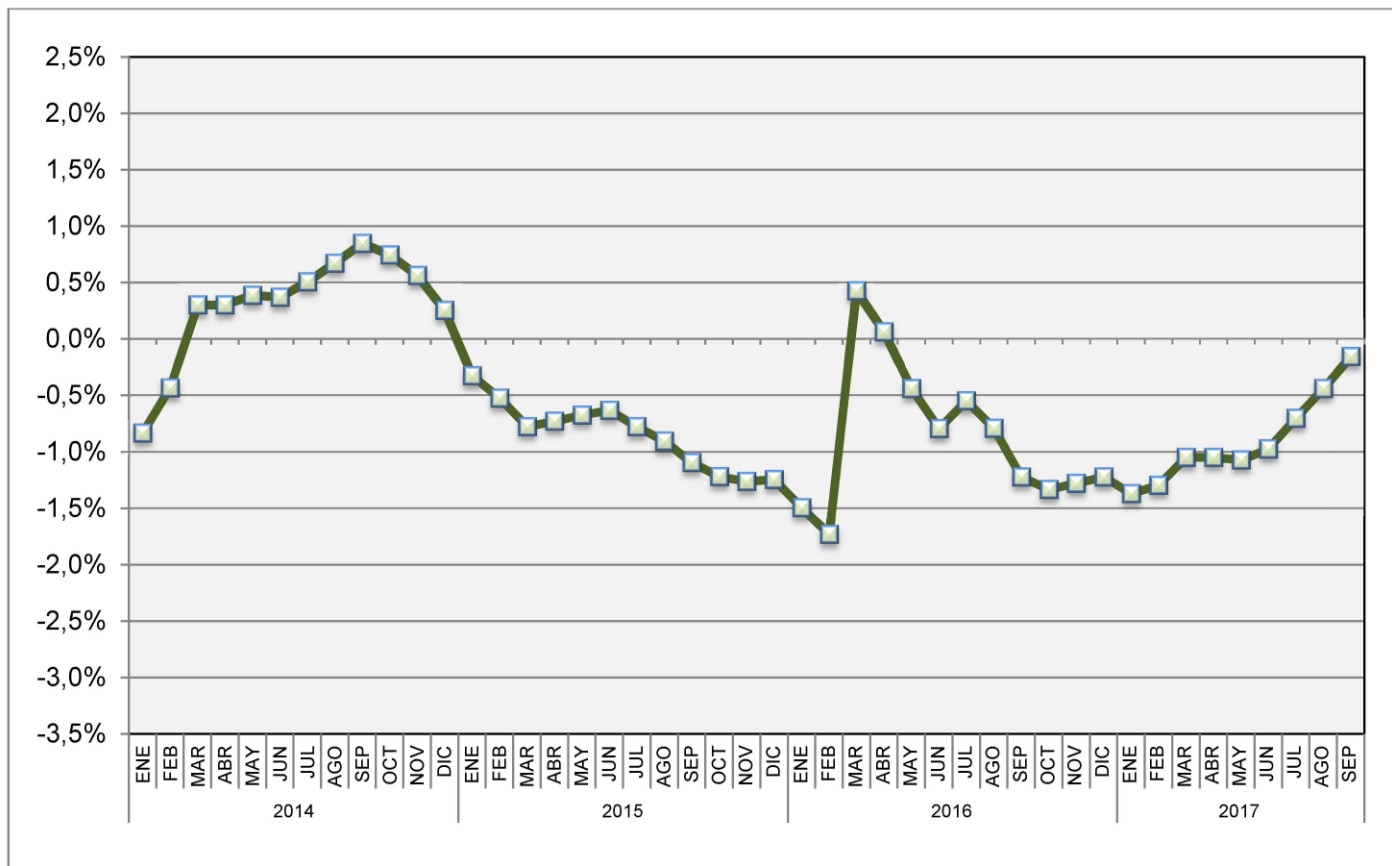
1. Evolución de la variación del VOLUMEN VENTAS TAM. Total productos lácteos.



Source: Nielsen and FeNIL

Spain

2. Evolución de la variación del VALOR VENTAS TAM. Total productos lácteos.



Source: Nielsen and FeNIL

Spain

	Total liquid milk	Dairy products	Cheese
Volume (000s l) 2016	3,198.551.88	1,738.259.87	351,994.14
Variation 2016 vs 2015	-2,2%	-0,6%	+1,4%
Value (€000s) 2016	2,261,085.22	5,762,868,60	2,597,769.91
Variation 2016 vs 2015	-2.6%	-0.6%	+0.1%
Consumption per capita 2016	72.86	39.60	8.02
Variation 2016 vs 2015	-0.6%	1.0%	+3.1%

ANNEX 5

EU milk production and collection 2016

European Commission



European
Commission



EU milk production and collection 2016

Milk market observatory
28.11.2017

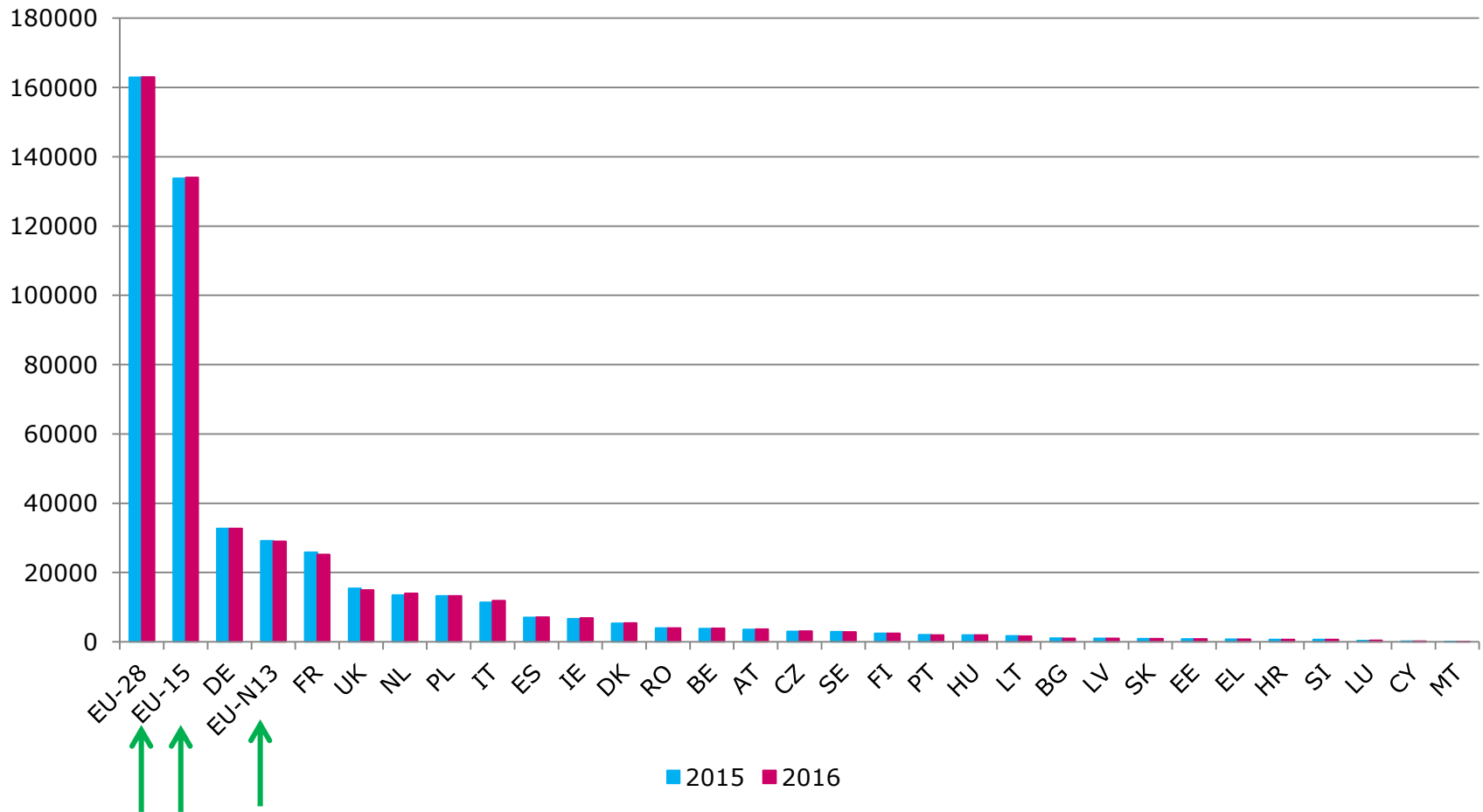
Andrea Čapkovičová
DG Agriculture and Rural Development
European Commission

Agriculture
and Rural
Development

Foreword

- Final 2016 milk production figures
 - Obligation of MS to send data to Eurostat = end of September (IE still missing)
 - In 2016, for the EU-28:
 - whole milk production = 168.4 Mt
 - cow milk production = 163.0 Mt
 - cow milk collection = 153.4 Mt
- | EU-28 milk use (2016) | |
|--------------------------|----------|
| Farm use, incl. losses = | 4.1 Mt |
| Feed use = | 3.5 Mt |
| Direct sales = | 2.1 Mt |
| Deliveries = | 153.4 Mt |
- Production vs collection figures
 - All the milk produced on farms is not collected:
 - Consumption on farm, direct sales, feed use, losses
 - Not all the milk produced in country X is delivered to a dairy in country X
 - With the end of the quota system, direct cross-border milk collection increased (no use any more of sister companies)
 - Only production figures give an accurate picture on the amount of milk produced by MS

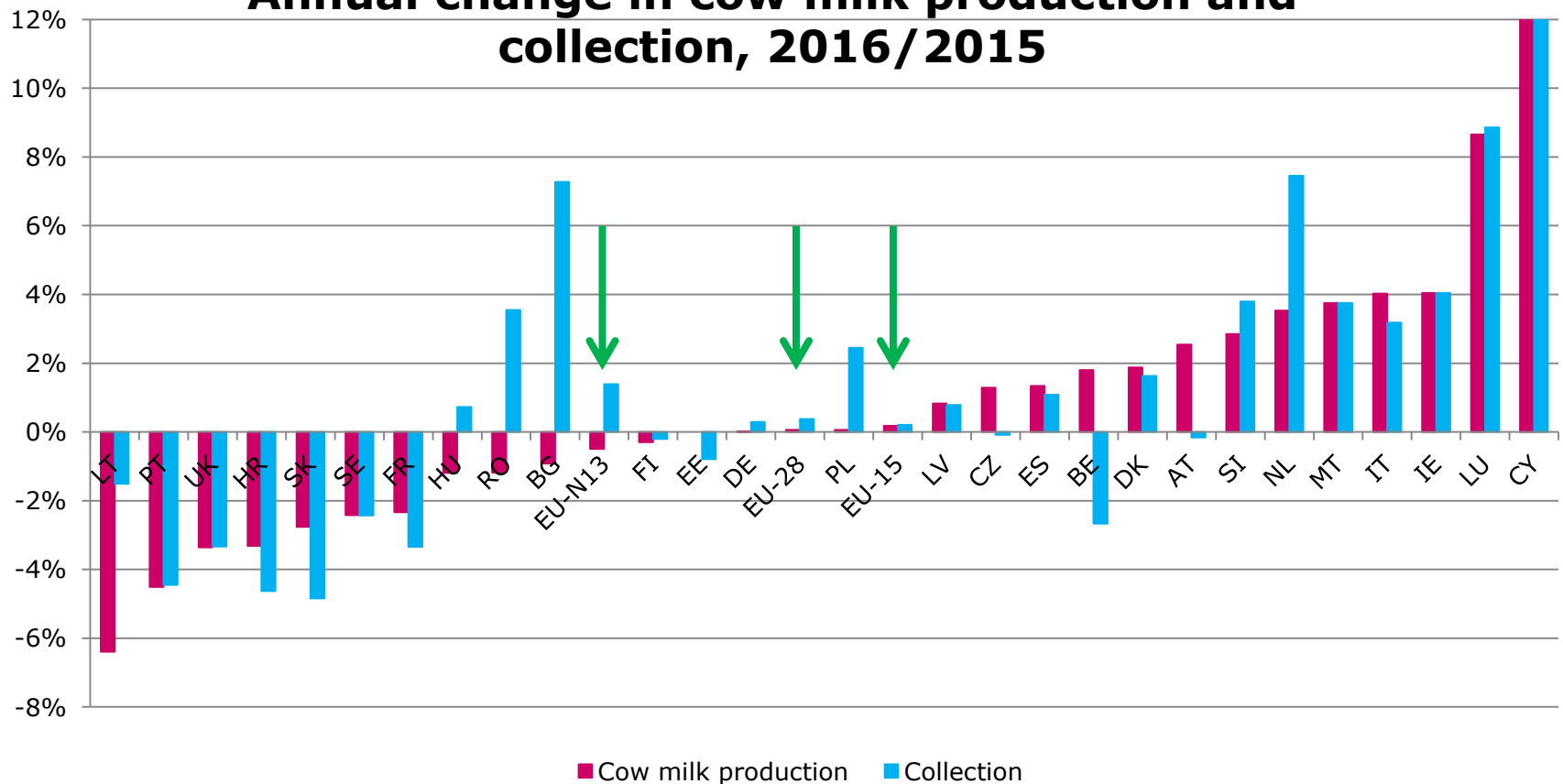
Cow milk production by MS (Mt)



Source: Eurostat

Production goes down in the EU-N13, while deliveries go up

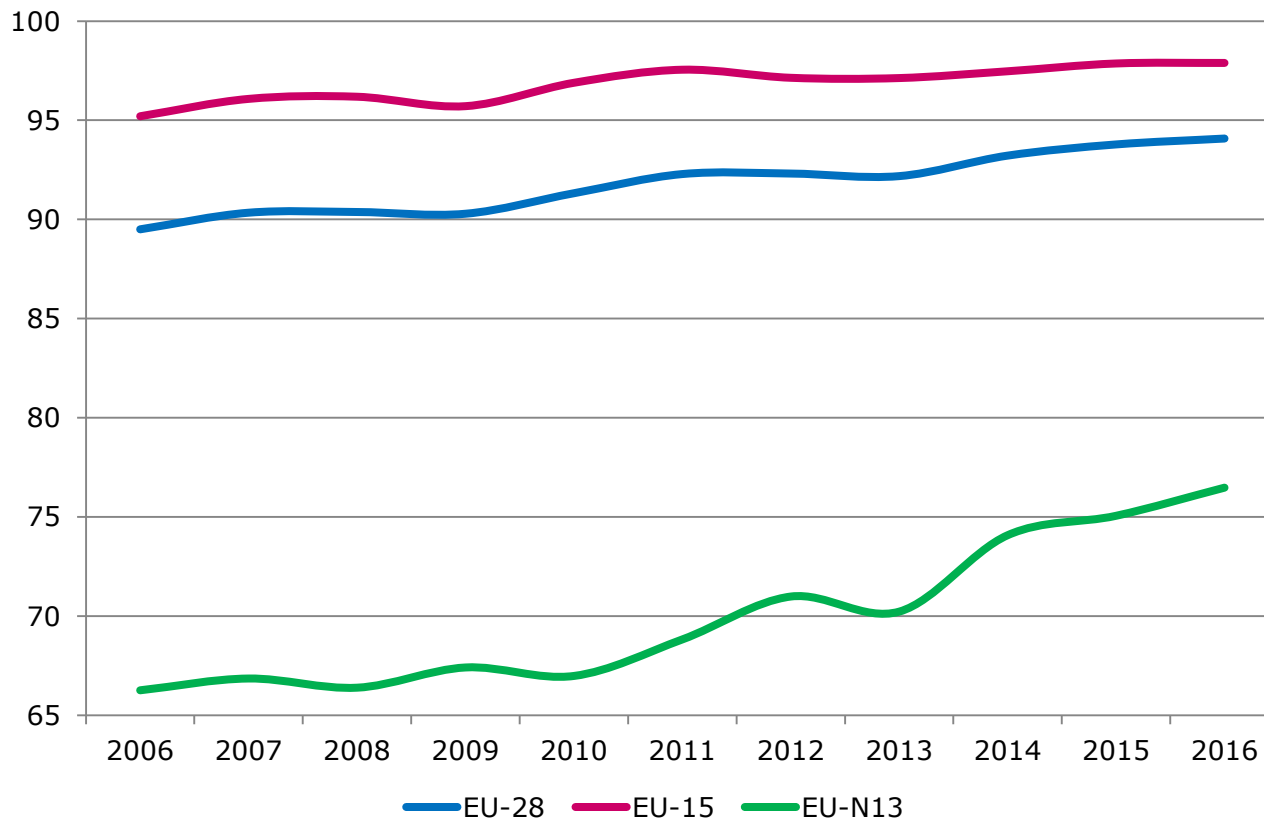
Annual change in cow milk production and collection, 2016/2015



Source: Eurostat

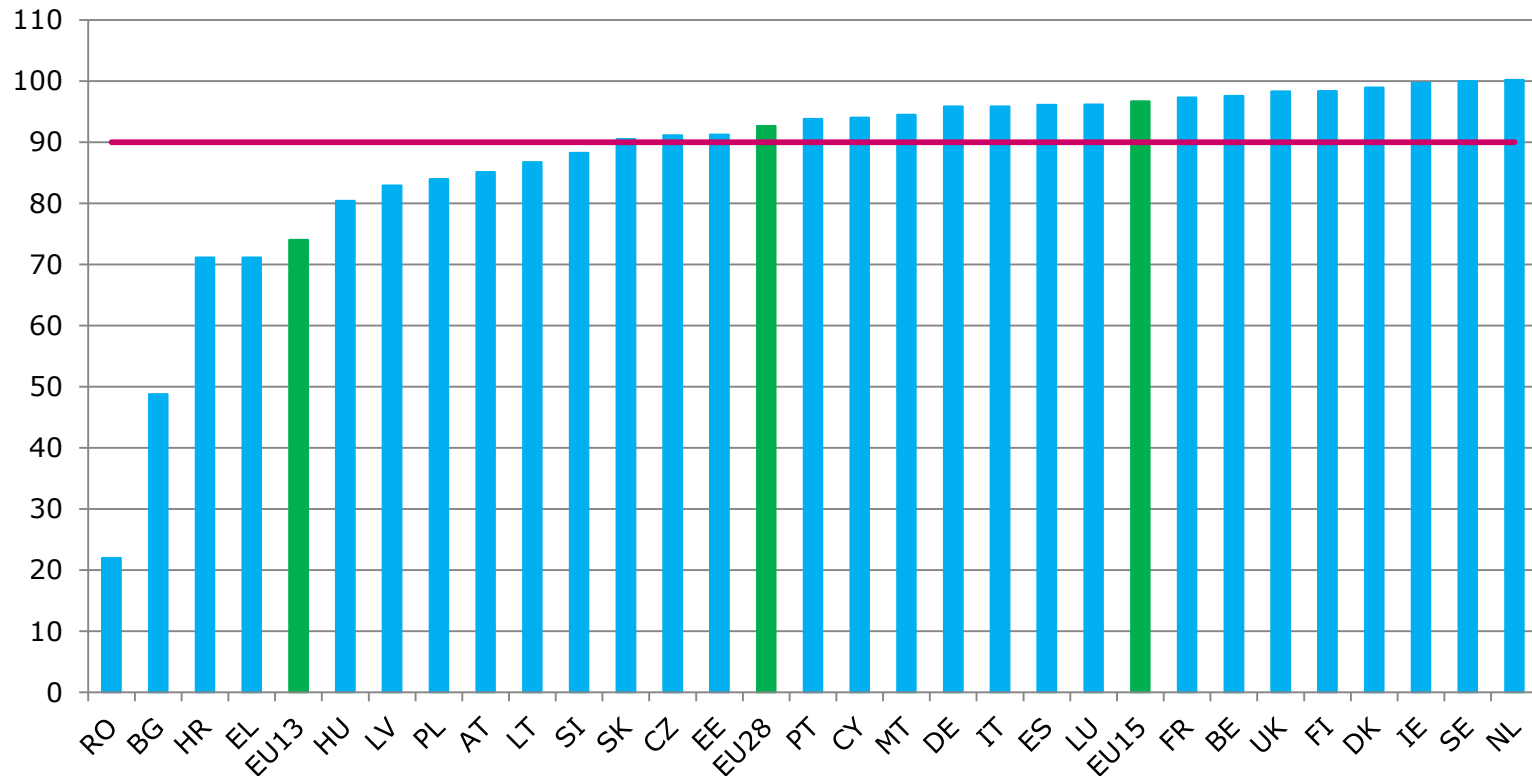
The share of the milk produced which is collected in the EU-N13 is growing steadily

Collection/cow milk production (%)



... but differences between MS still noticeable

Collection/cow milk production (% , 2016)



Thank you

Short-term outlook

http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook_en

Medium-term outlook

http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook_en

EU agricultural outlook conference

https://ec.europa.eu/info/events/2017-eu-agricultural-outlook-conference_en

EU Milk Market Observatory

https://ec.europa.eu/agriculture/market-observatory/milk_en