MMO Economic Board

Meeting of 30 June 2015

- The 7th meeting of the MMO Economic Board took place on 30 June 2015, with the participation of experts from the various steps in the milk supply chain: CEJA (young farmers), COPA-COGECA (producers and cooperatives), ECVC (Via Campesina), EMB (European Milk Board), EDA (dairy industry), Eucolait (dairy trade) and Eurocommerce (retail). DG AGRI presentations and information exchanged during the meeting showed the following.

- EU milk production was up by 1.3% in April, showing a reverse in trend compared to the 1st quarter of the year. In 12 MS, production over the first 4 months of the year was higher than in 2014. The increase in percentage was particularly big in IE, AT, HU, LU & PT. In volume, the increase was the highest in IE, PL, AT, IT, UK & NL. So far, milk production since 1st April remains below last year in the first 2 milk producing MS: DE & FR.

- Average farm gate milk prices approximated 31.3 c/kg in April and a further decrease is expected in May (estimated average around 31 c/kg, 6% below the last 5 years' average). May prices in PT, CY and UK were higher than the 5 years' average, while the strongest reductions were reported in the Baltic States, BE and HU. The gap is big between the MS with the highest and the lowest milk price, but the gap is also big within one single MS between prices paid for spot operations and under long term contractual relations. Further price cuts are expected in the months to come with stabilisation hoped for the last months of the year.

- Positive price developments were mentioned for organic milk, where increasing demand allows dairies to better remunerate raw milk (difference with conventional milk can be as high as 16 c/kg).

- Farmers' margins are in a decreasing trend, mainly due to decreasing milk prices but also to an increase in operational costs. This is generating cash problems, in particular for bigger farms.

- Official notifications show slight increases in butter and cheddar prices and some stabilisation for milk powder prices, while the industry expert reported continued downward trends, in particular whey powder, Edam and Gouda. On the world market, EU prices increased due to the €/US$ exchange rate, while cheddar prices decreased in Oceania and SMP prices decreased in the US.

- The assessment of EU stock levels based on a residual approach (production + imports – consumption and exports) confirmed excessive stocks for SMP up to March included (likely to continue in April, May and June), normal butter stocks (which explains that there is less pressure on butter prices) and slight surplus cheese stocks.

- For the short-term outlook, cumulative EU milk deliveries in 2015 were estimated to increase by 0.9%. Milk production having decreased by 1.2% in the 1st quarter of 2015, this cumulative increase would mean that 1.6% more milk would be produced from June to December (milk production in April and May being assessed as having increased by 1.8%). This is due to good forage conditions so far and an increased herd, despite decreasing milk prices.

- At world level, milk production increased by some 200 000 t in the first 4 months of the year, mainly due to the US. The FAO forecasts a global supply growth by 2% for the whole year, most of which in Asia. US milk production is expected to increase by 1.3% for 2015, NZ by 2% and Australia by 2%. Since the Russian ban, the US have emerged as the top destination of EU dairy exports, followed by Algeria, Russia and China. Buyers in regions outside China and Russia (South East Asia, Middle East, Africa) are covering their needs for the longest possible period at prevailing market prices, which explains increasing EU exports.

- EU internal consumption benefits from renewed consumer confidence but deflationary trends were reported in the main food categories. Dairy demand is currently driven by yoghurt, butter and milk drinks. Particular concerns were expressed with regard to the Greek situation. Attention was drawn to positive promotion campaigns and examples of successful direct cooperation between farmers and retailers.

- Overall market sentiment was rather bearish, with an improvement of the situation not appearing in sight before early 2016, except if weather conditions change the rules of the game on either of the two hemispheres. A supply side correction is needed to improve market sentiment.

ANNEX 1

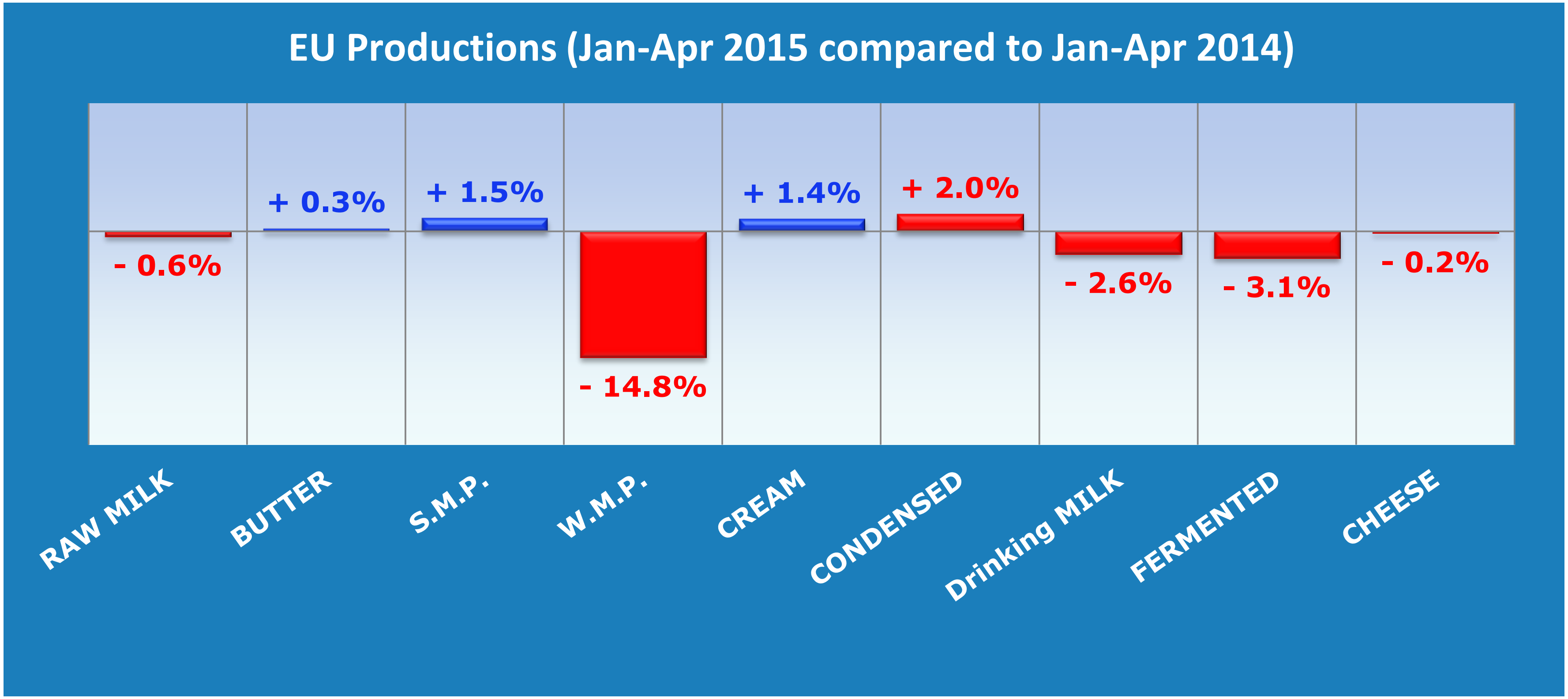
Milk Market Situation

European Commission

Milk Market Situation

Brussels, 30 June 2015

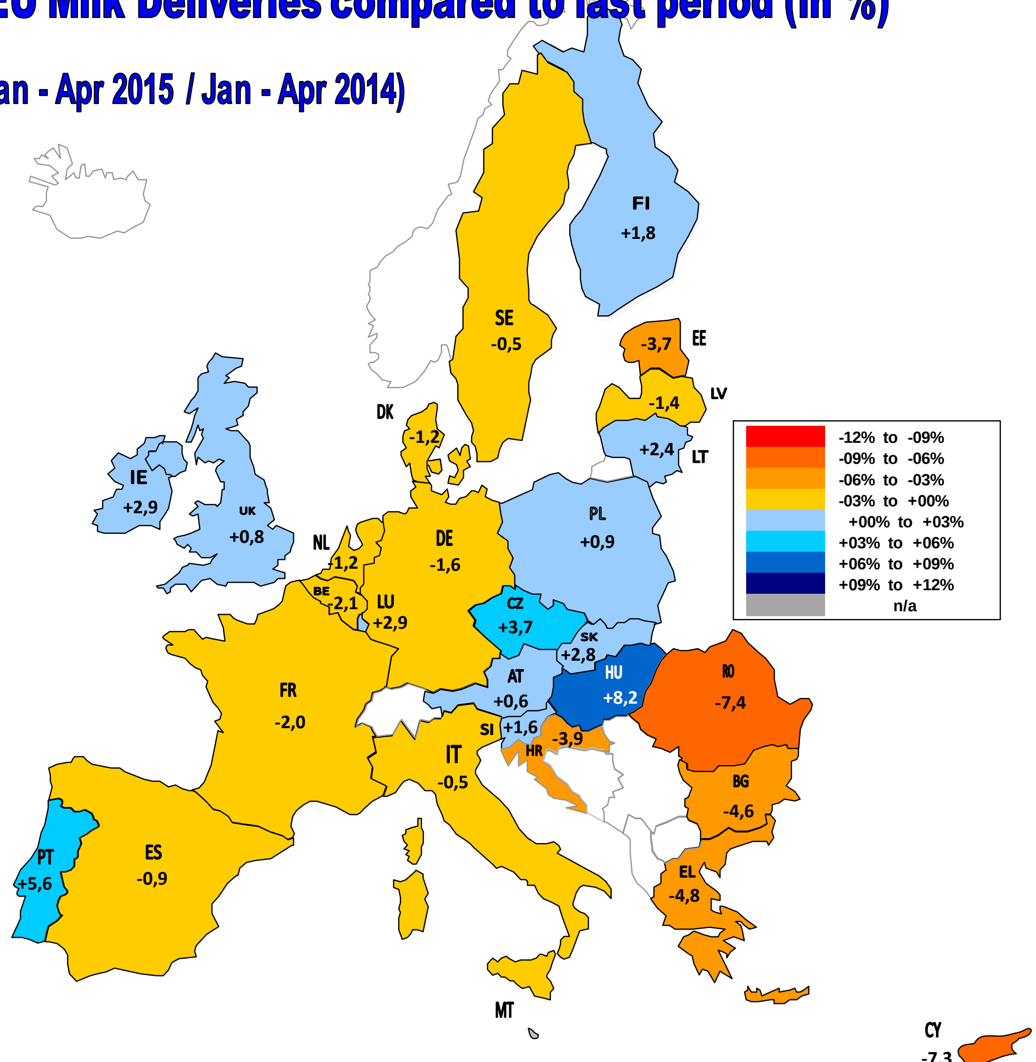
EU Productions



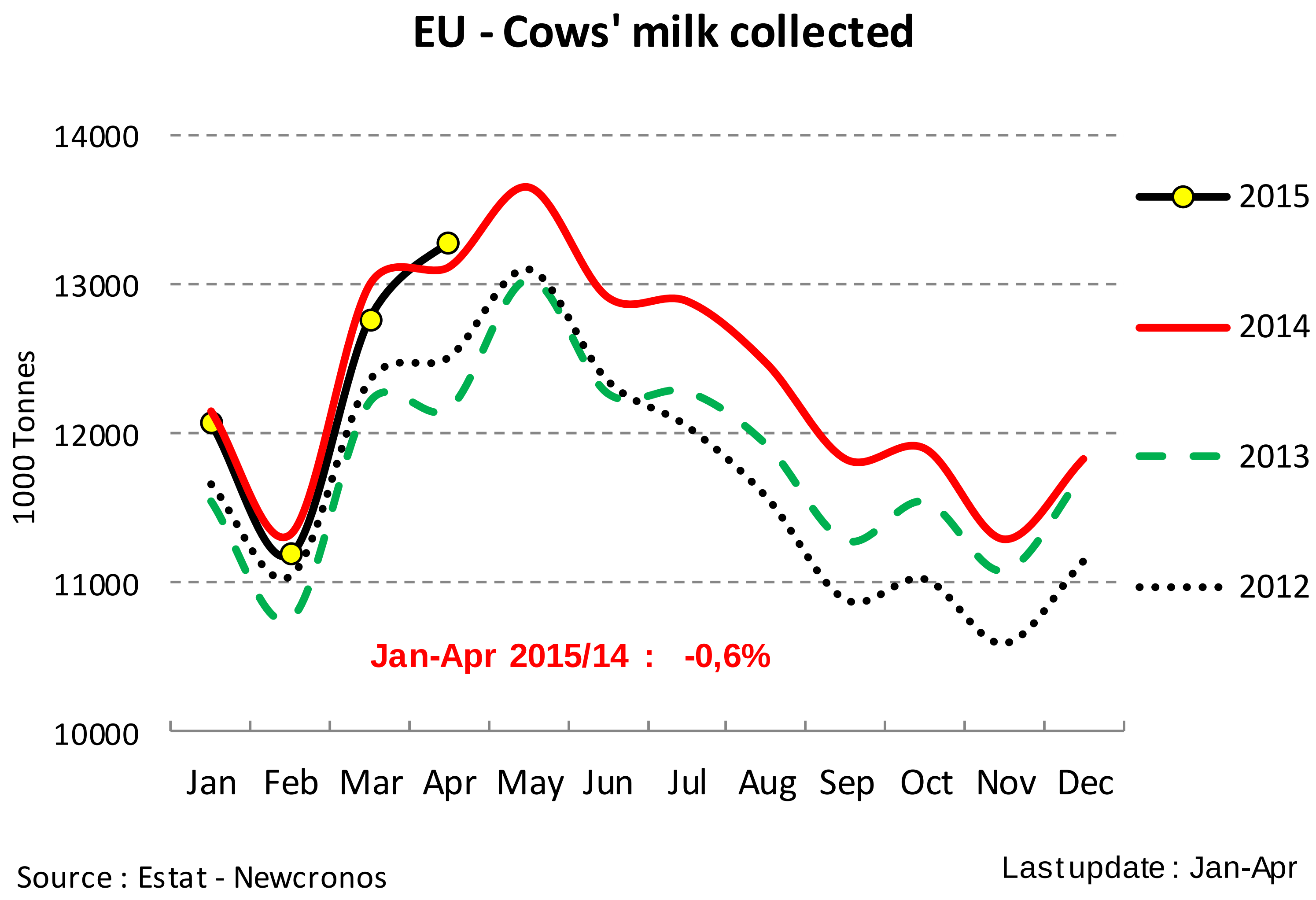
!!! Data from some Member States are confidential and are NOT included in this table !!!

EU Milk Deliveries compared to last period (in %)

(Jan - Apr 2015 / Jan - Apr 2014)

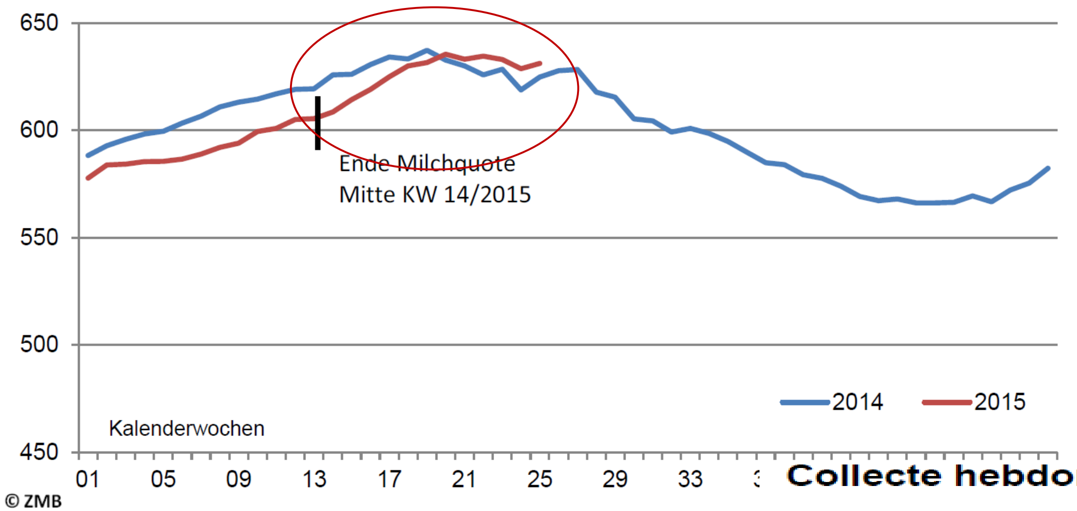


Source : MS' Communications to Eurostat, FEGA, AGEA

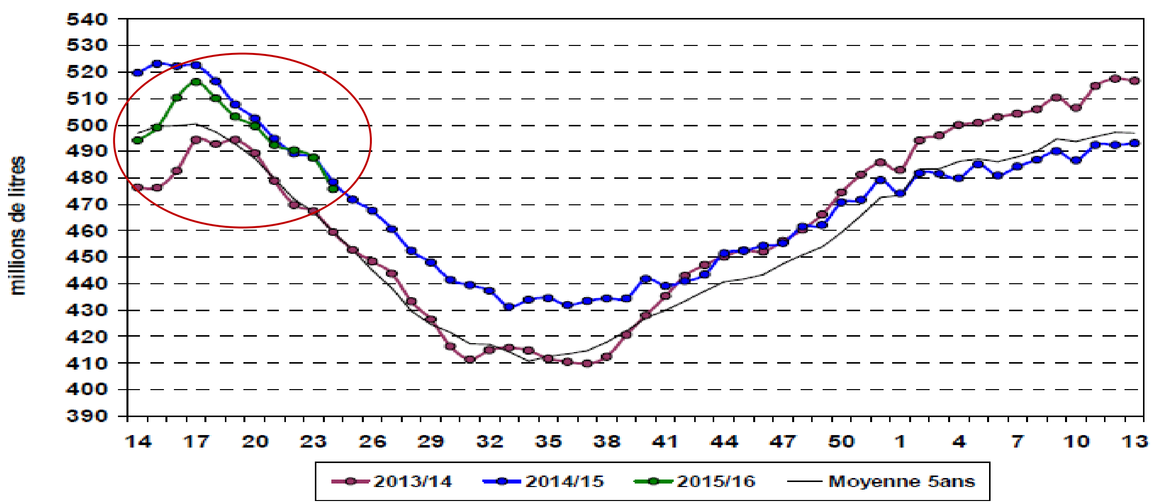


Source: MS' communications to Eurostat

Deutschland: Milchanlieferung nach Kalenderwochen
(in 1.000 Tonnen)

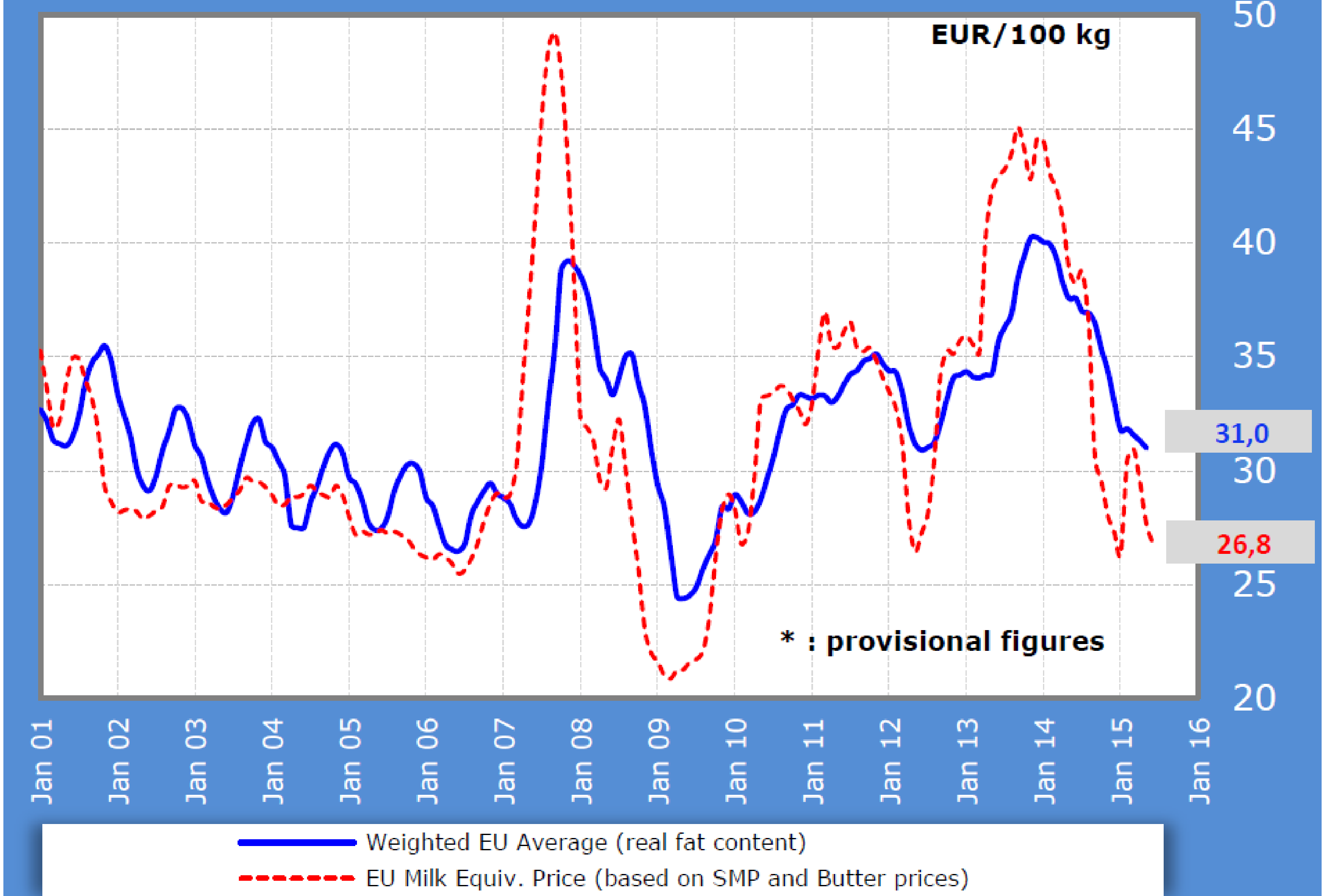


Collecte hebdomadaire des dernières campagnes

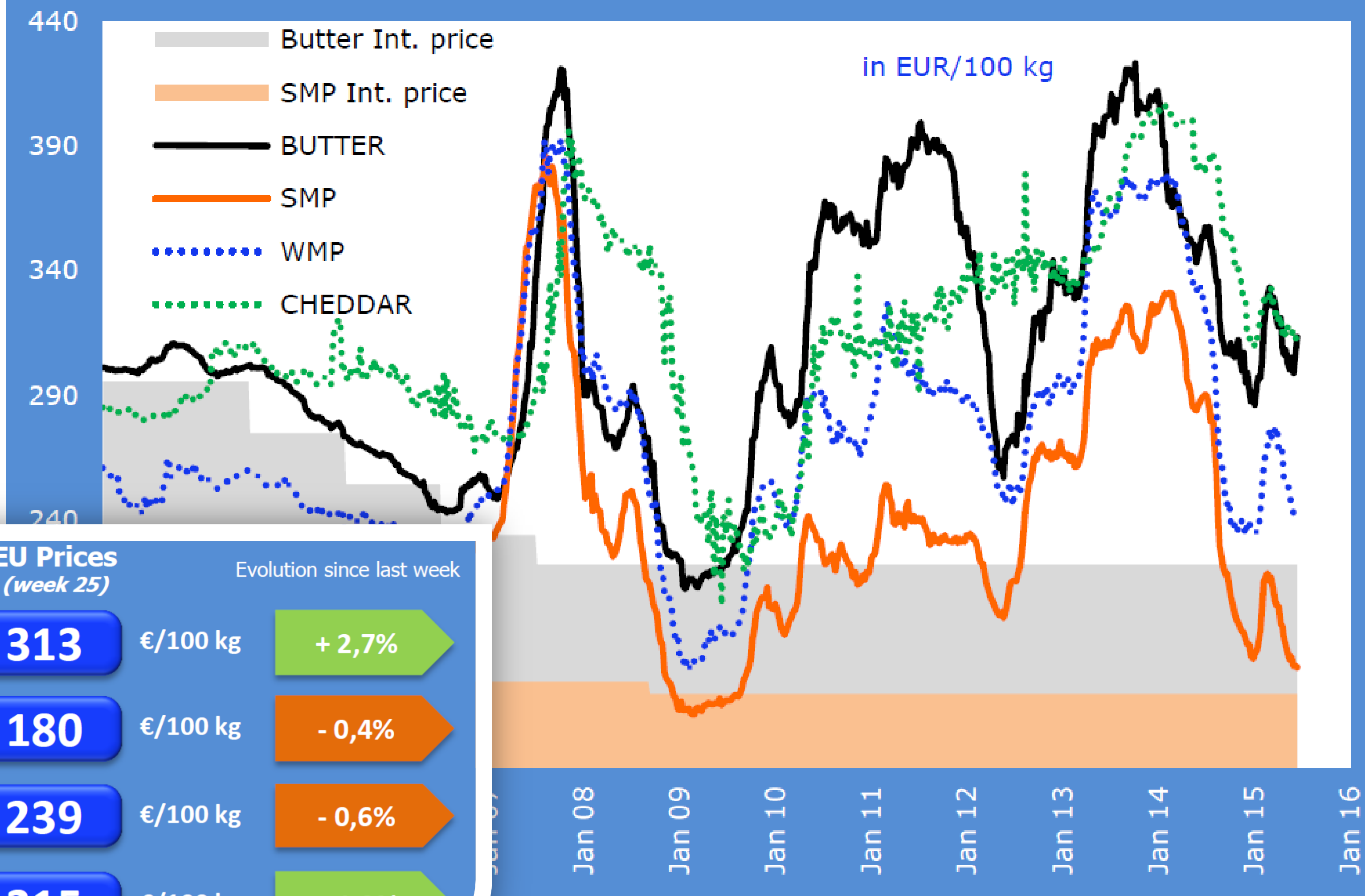


Source : FranceAgriMer / sondage hebdomadaire

EU Raw Milk Prices Evolution (up to May 2015*)

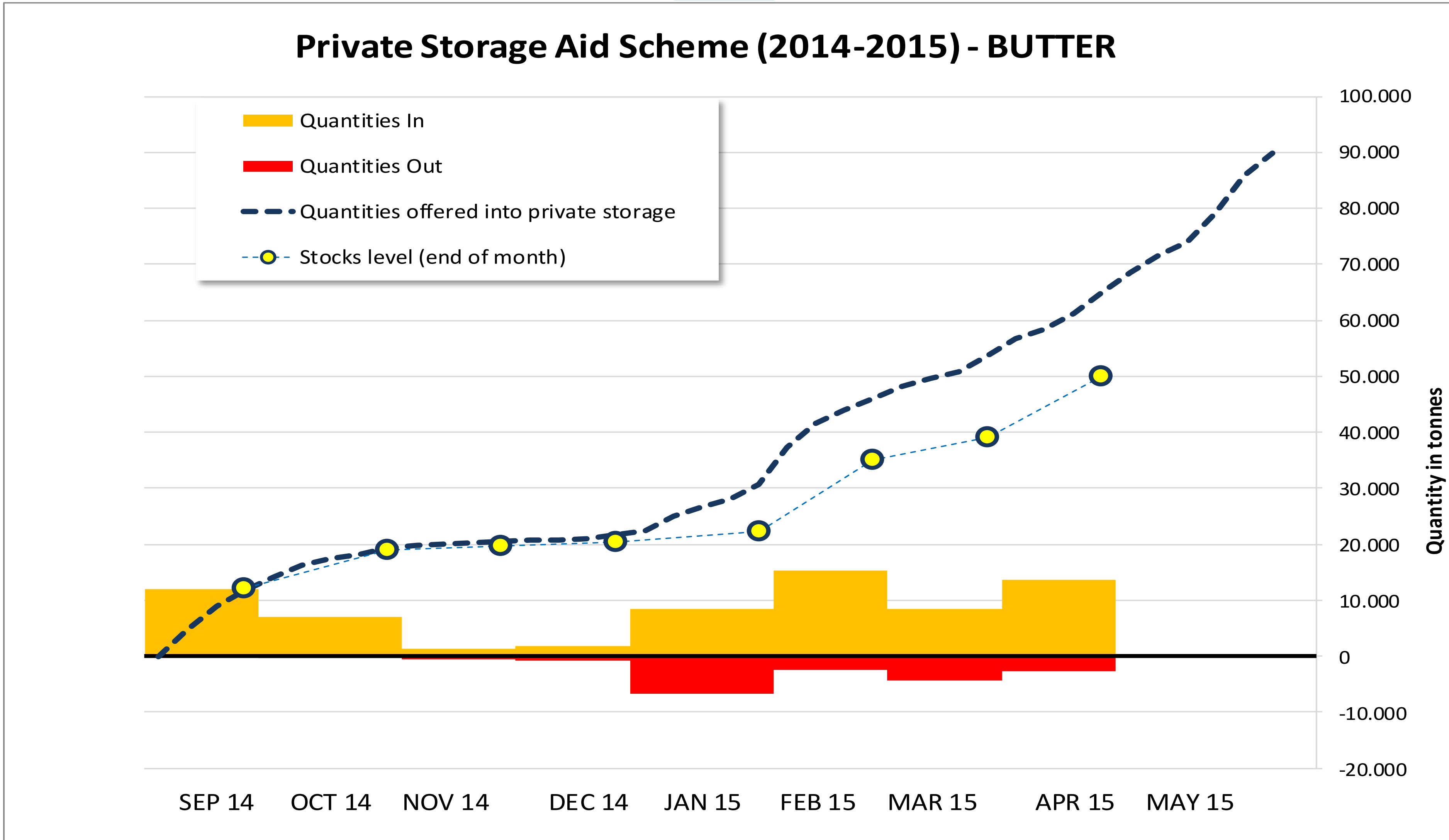


EU average quotations of main commodities

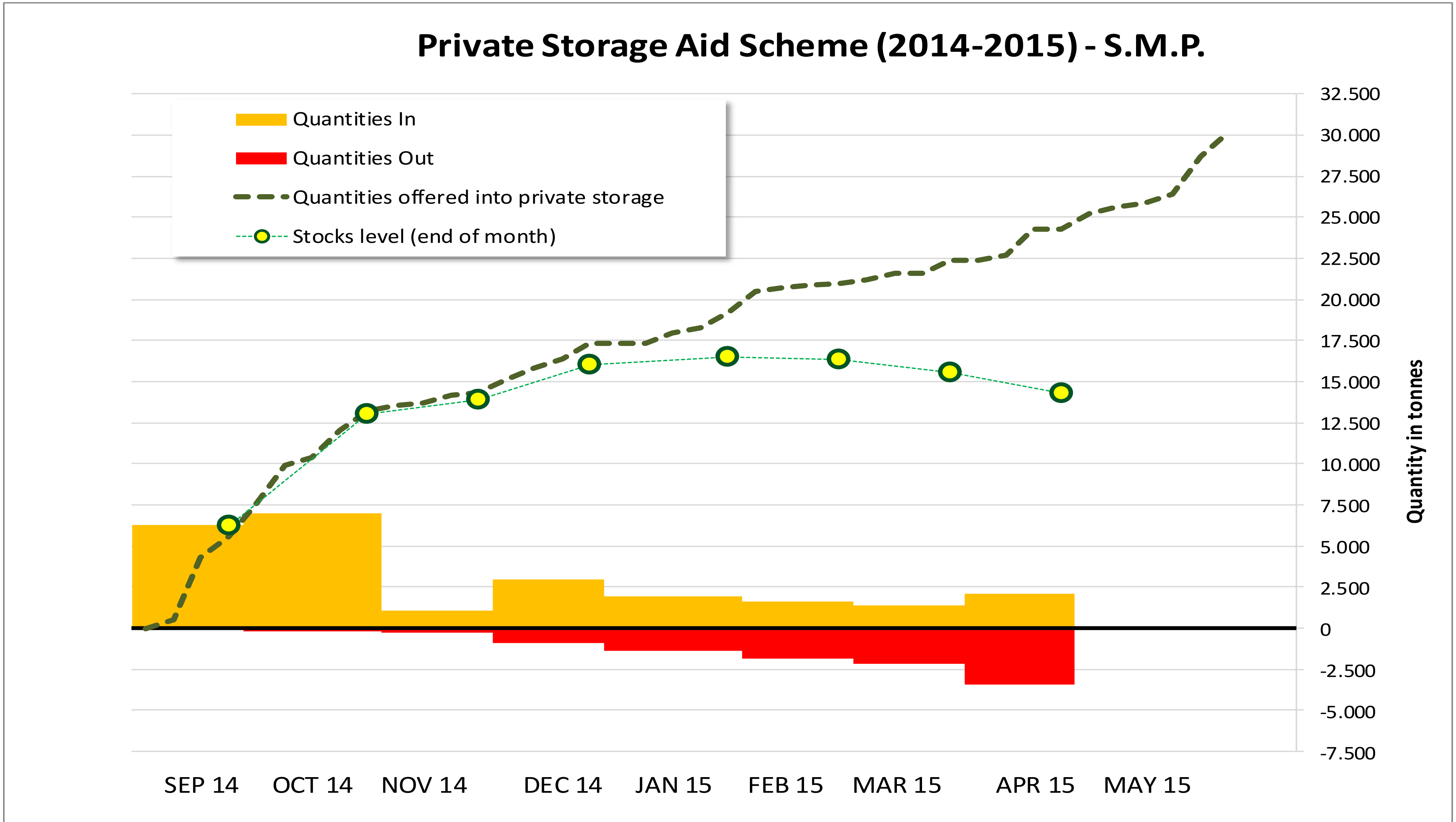


EU Prices
(week 25)

			Evolution since last week
BUTTER	313	€/100 kg	+ 2,7%
S.M.P.	180	€/100 kg	- 0,4%
W.M.P.	239	€/100 kg	- 0,6%
CHEDDAR	315	€/100 kg	+ 1,2%

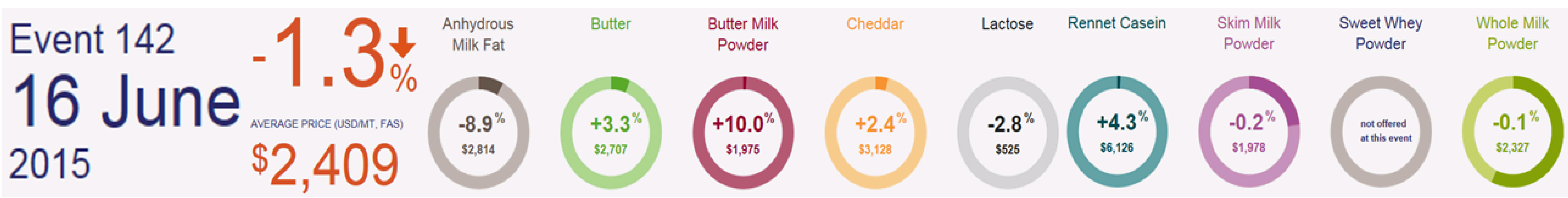


Private Storage Aid Scheme (2014-2015) - BUTTER
Quantities In
Quantities Out
Quantities offered into private storage
Stocks level (end of month)
100.000
90.000
80.000
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0
-10.000
-20.000
Quantity in tonnes
SEP 14
OCT 14
NOV 14
DEC 14
JAN 15
FEB 15
MAR 15
APR 15
MAY 15


Private Storage Aid Scheme (2014-2015) - S.M.P.
Quantities In
Quantities Out
Quantities offered into private storage
Stocks level (end of month)
32.500
30.000
27.500
25.000
22.500
20.000
17.500
15.000
12.500
10.000
7.500
5.000
2.500
0
-2.500
-5.000
-7.500
Quantity in tonnes
SEP 14
OCT 14
NOV 14
DEC 14
JAN 15
FEB 15
MAR 15
APR 15
MAY 15

LATEST WORLD QUOTATIONS

	Price in USD/Tonne on 28.06.2015			% change (15 days ago)		
	EU	Oceania	USA	EU	Oceania	USA
BUTTER	3 541	2 975	4 206	+ 3%	+ 2%	+ 1%
SMP	2 039	2 050	1 845	+ 0%	-	- 5%
WMP	2 704	2 325	2 745	+ 0%	+ 2%	+ 3%
CHEDDAR	3 563	3 375	3 673	+ 2%	- 2%	- 2%



ANNEX 2

Milk margin monitoring tool

EUROPEAN COMMISSION

Milk margin monitoring tool
based on EU FADN data
2012 update and methodology changes

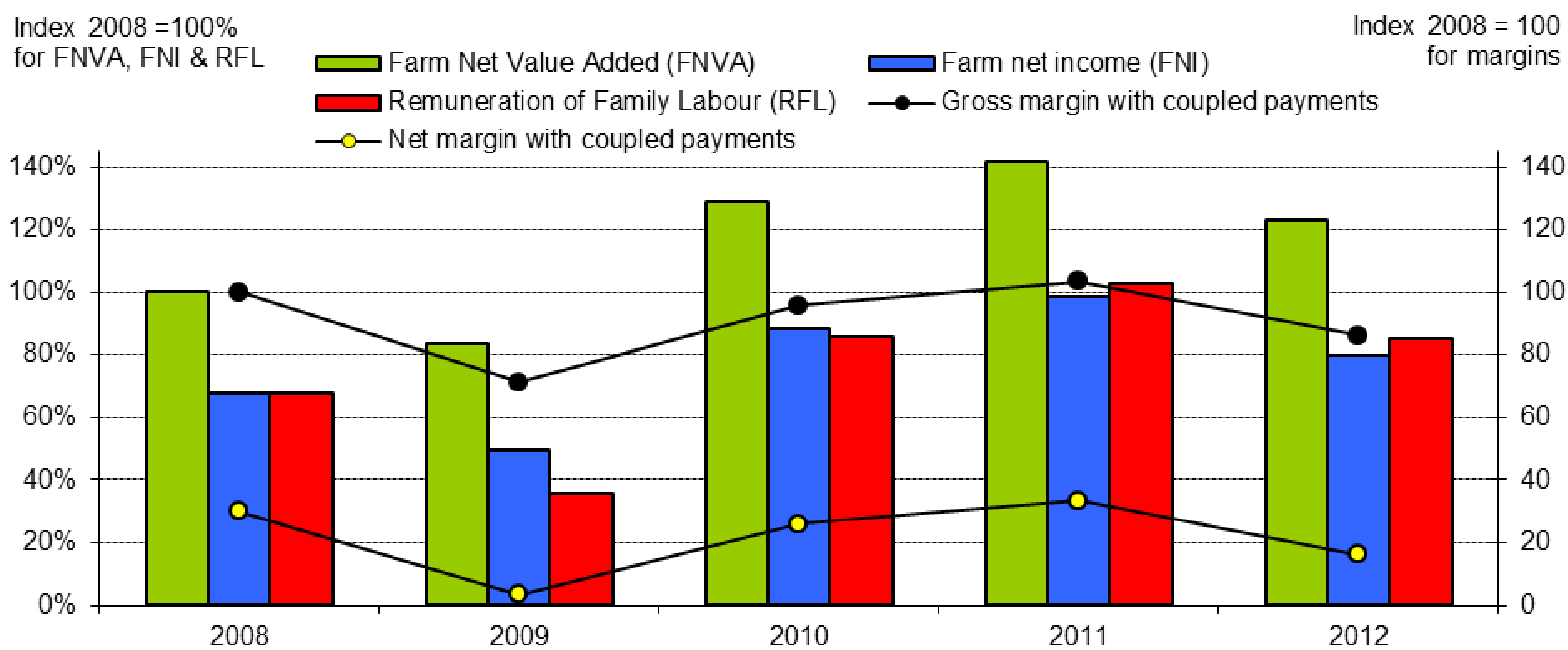
Milk Market Observatory – 30 June 2015

AGRI/E3 - Economic analysis of EU agriculture

Methodology

- ***Margin Monitoring Tool:***
  - *Based on Farm Accountancy Data Network data, using the model of allocation of costs for milk*
  - *Price and yield indices from **AGRI/C3 (Animal products)**, AGRI/C4 (Arable crops) & ESTAT (Eurostat)*
- ***Farm Accountancy Data Network**: harmonised micro-economic farm data*
- ***Current sample**: Farms above a minimum economic size*
  - *Around 80 000 holdings representing nearly 5 000 000 farms in the 27 Member States, up to 90 % of EU agricultural area and production*
- ***2 drawbacks to overcome**:*
  - *Costs for the farms as a whole, not by product / enterprise*
  - *Last year available = 2012 => need to estimate 2013, 2014, 2015*

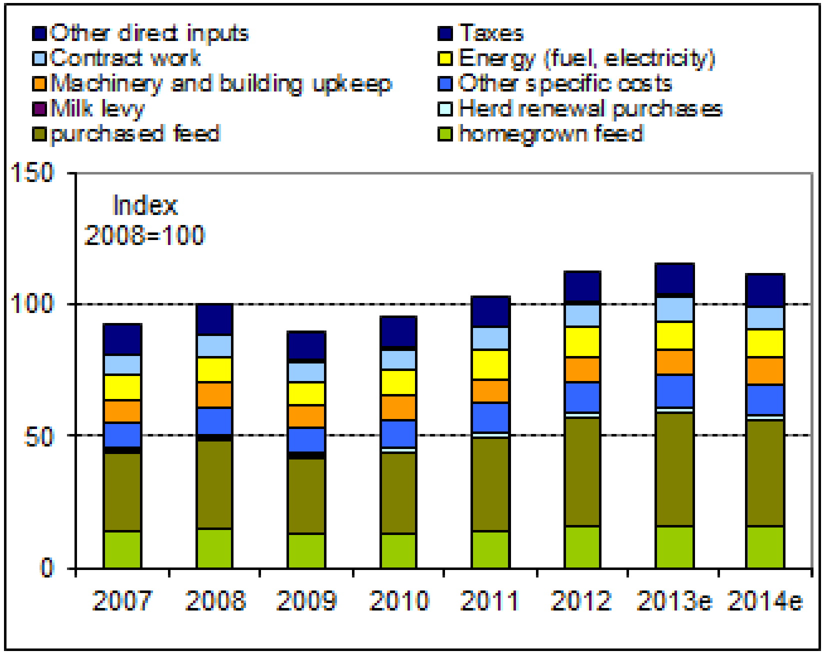
2012: Margins and Income



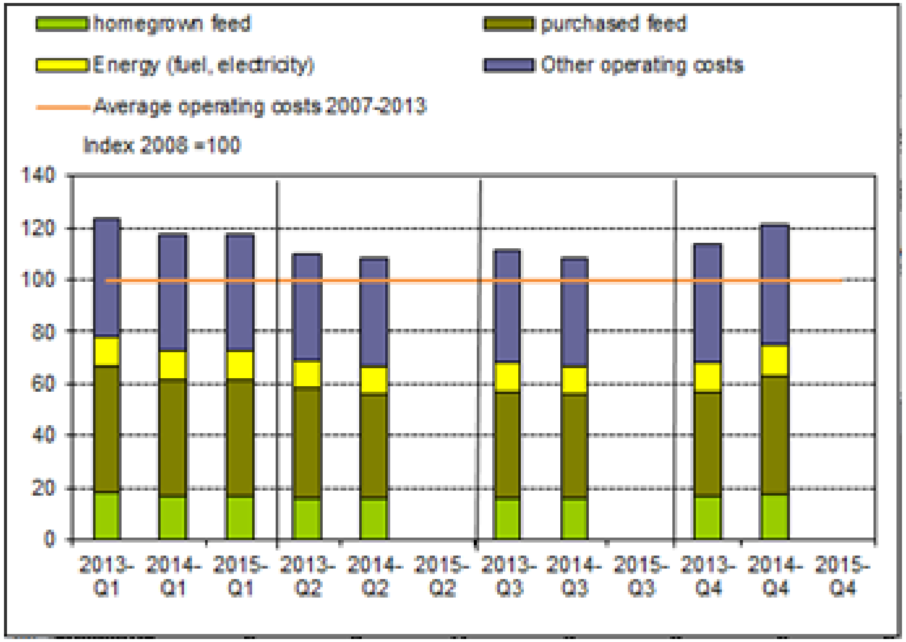
Source: Farm economy preview: Dairy sector (Eu Agricultural and Farm Economics Briefs, no 4, March 2015)

Operating costs

Annual data: Rise from 2007

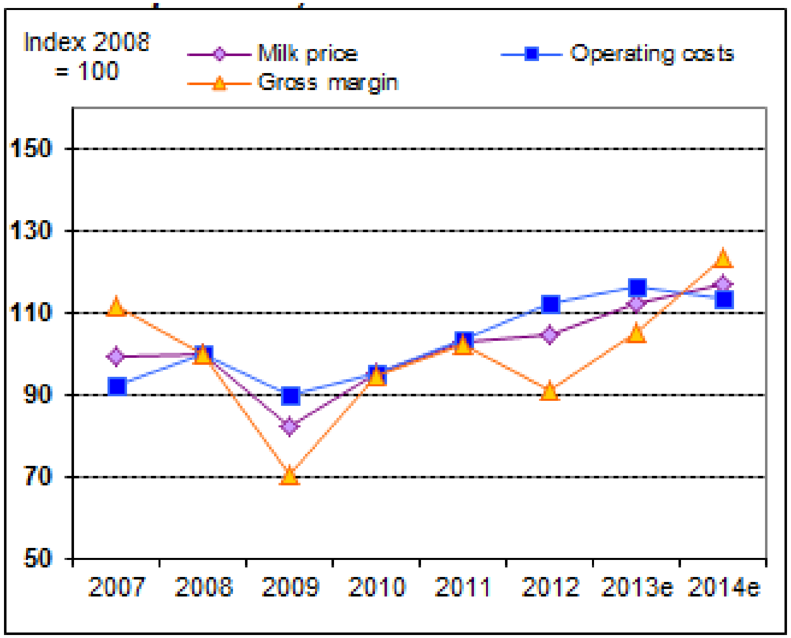


Quaterly data: Fluctuations

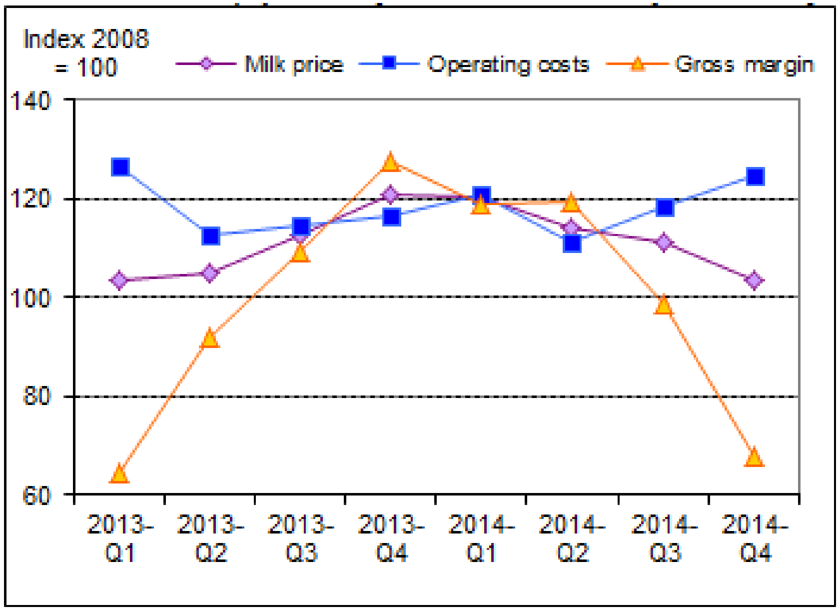


EU Milk price, operating costs and margin per tonne

Annual data: Margin variations in 2007-2014



Quaterly data: Margin increase in 2013 and decrease in 2014



European Commission

Thank you for your attention

ANNEX 3

International comparison of producer prices for milk

LTO

Klaas Johan OSINGA
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@KJOsinga

Project

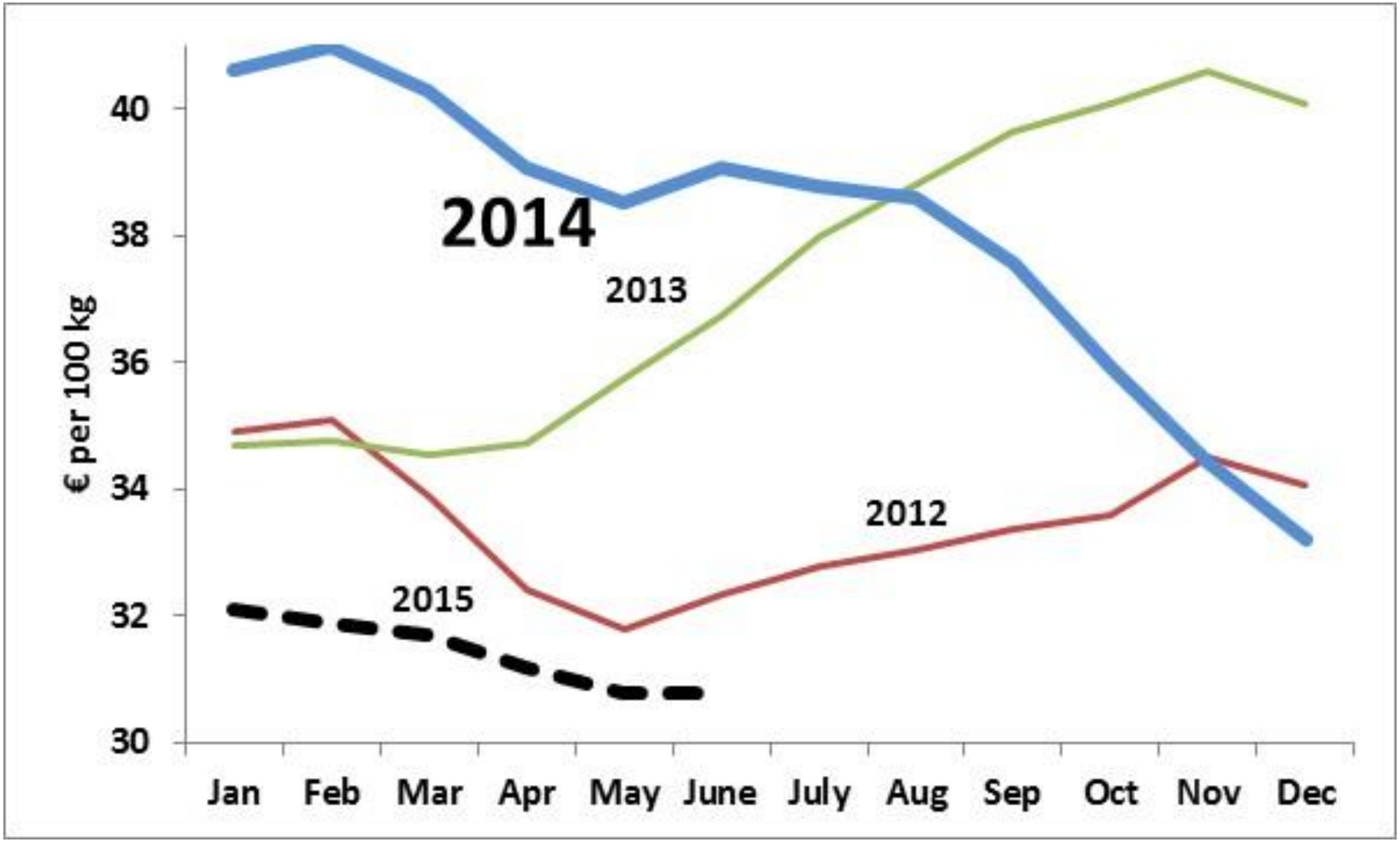
- Initiated by the dairy farmers of LTO Nederland, since 2000
- Realised by ZuivelNL (calculations) in co-operation with EDF (copies of monthly milk statements)
- Financed by the Dutch dairy farmers
- Objective: Market transparency
- Result: Comparison of producer prices paid by 16 EU dairies
  - MONTHLY at www.milkprices.nl
  - ANNUAL Milk prices 2014 released June 22 2015
- Additional prices of Emmi (CH), Fonterra (NZ) and USA
- For standard milk, NOT an average milk price
  (4.2% fat, 3.4% protein,500,000 kg/yr, tbc 24,999/ml, scc 249,999/ml)

ZuivelNL
KETENORGANISATIE VAN DE ZUIVELSECTOR

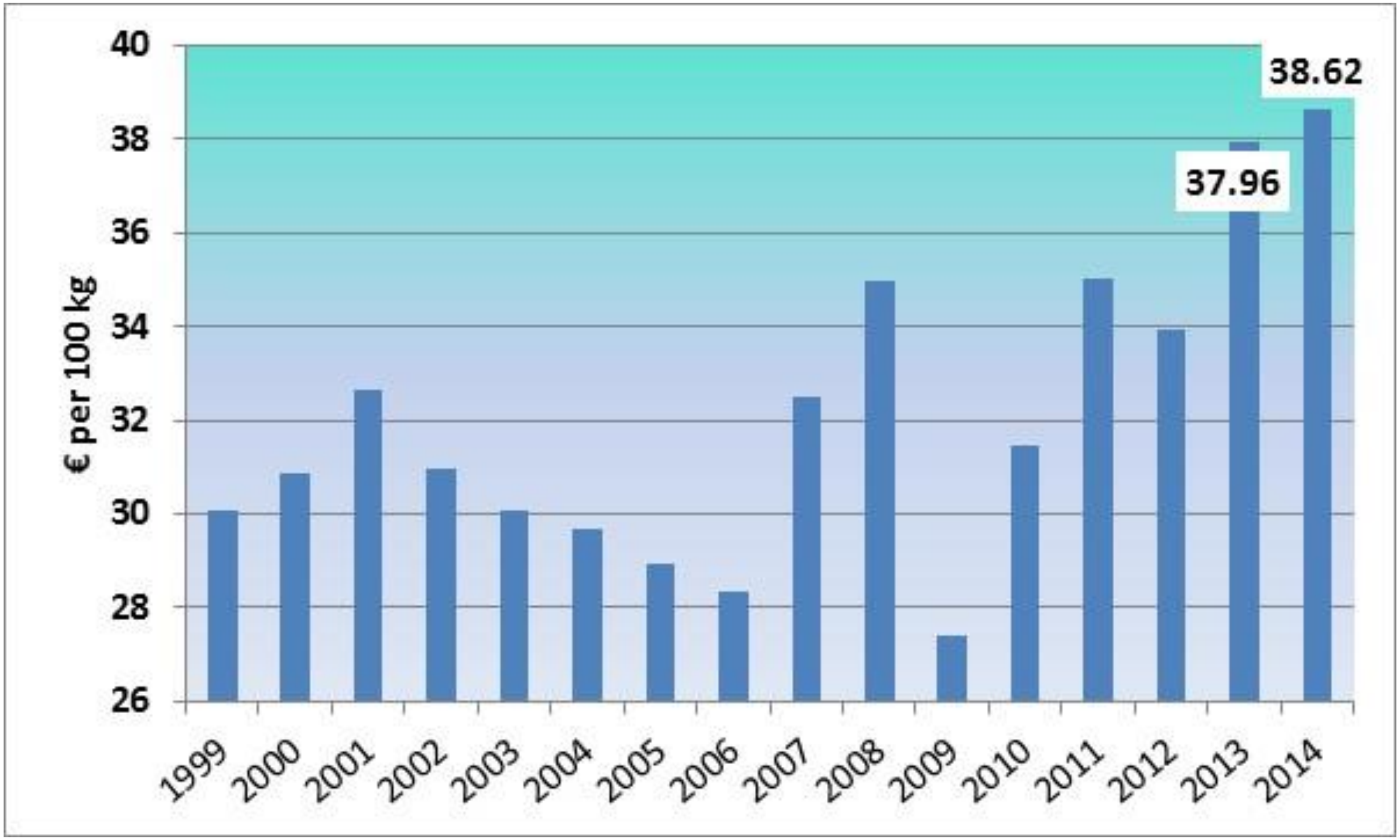
EUROPEAN DAIRY FARMERS

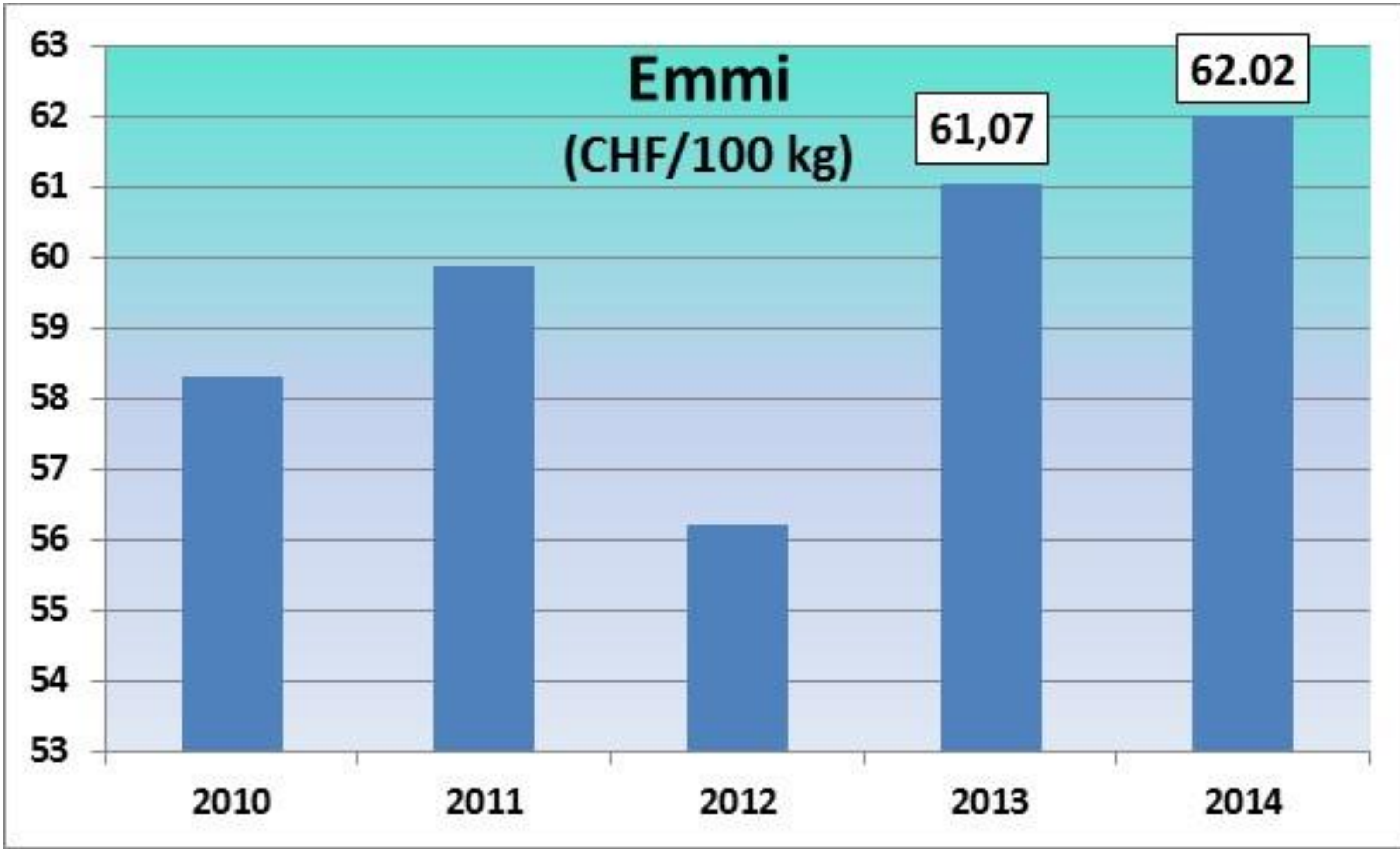
LTO Nederland

Average monthly milkprices EU dairies Jan 2012 – June 2015

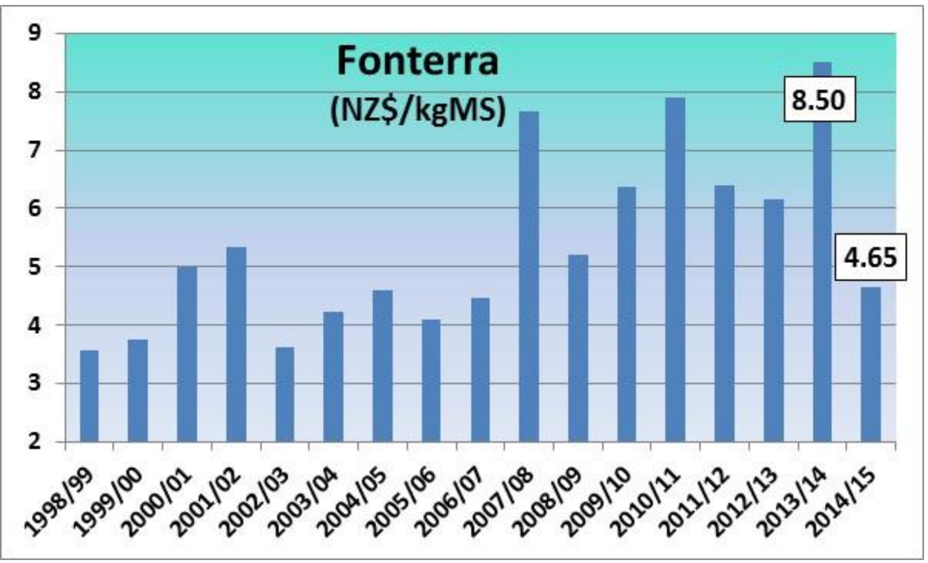


Average annual milkprices EU dairies 1999 - 2014

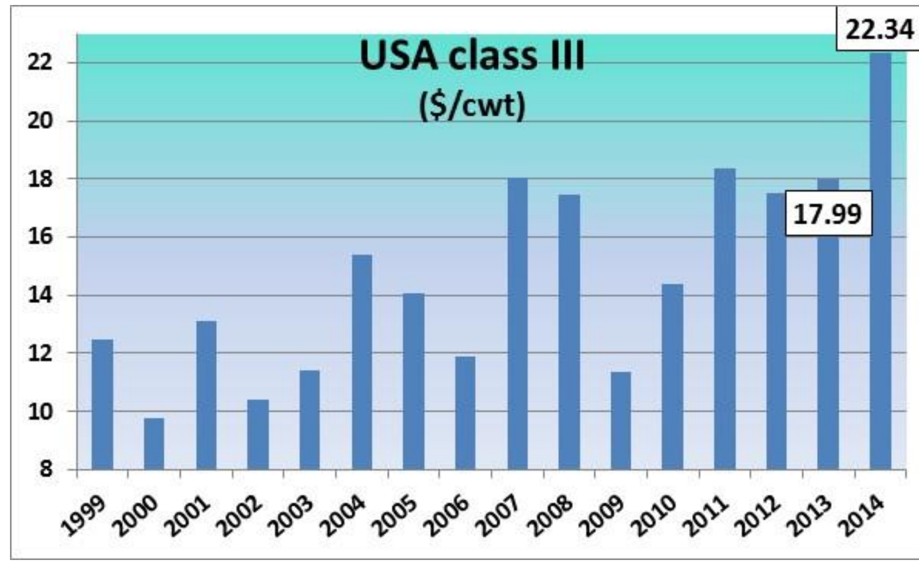




Emmi
(CHF/100 kg)
63
62
61
60
59
58
57
56
55
54
53
61,07
62.02
2010
2011
2012
2013
2014



Fonterra
(NZ$/kgMS)
8.50
4.65
9
8
7
6
5
4
3
2
1998/99
1999/00
2000/01
2001/02
2002/03
2003/04
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15



USA class III
($/cwt)
22.34
17.99
22
20
18
16
14
12
10
8
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014

Milkprices 2014 and 2013 (€/100 kg standard milk)

		2014		2013		2014-2013	2014/2013	national currency
Hämeenlinnan O.	FI	45.91	1	45.18	1	0.73	1.6%	
Granarolo (North)	IT	44.67	2	41.88	2	2.80	6.7%	
FrieslandCampina	NL	41.17	3	40.95	3	0.22	0.5%	
Dairy Crest (Davidstow)	UK	39.45	4	36.51	11	2.94	8.0%	3.1%
Arla Foods DK	DK	39.44	5	38.60	6	0.84	2.2%	2.1%
Bongrain (Basse Normandie)	FR	38.31	6	35.93	14	2.38	6.6%	
Sodiaal (Pas de Calais)	FR	38.21	7	36.12	12	2.09	5.8%	
Danone (Pas de Calais)	FR	37.94	8	35.98	13	1.97	5.5%	
Lactalis (Pays de la Loire)	FR	37.88	9	35.34	15	2.54	7.2%	
DMK	DE	36.73	10	36.97	10	-0.24	-0.6%	
DOC Cheese	NL	36.56	11	38.97	4	-2.41	-6.2%	
First Milk (compositional)	UK	36.52	12	34.00	16	2.52	7.4%	2.4%
Müller(Leppersdorf)	DE	36.46	13	37.37	8	-0.90	-2.4%	
Glanbia	IE	36.24	14	37.63	7	-1.39	-3.7%	
Milcobel	BE	36.23	15	38.68	5	-2.46	-6.3%	
Kerry Agribusiness	IE	36.15	16	37.30	9	-1.15	-3.1%	
Average milk price		**38.62**		**37.96**		**0.65**	**1.7%**	
Emmi	CH	51.07		49.64		1.43	2.9%	1.6%
Fonterra	NZ	28.76		35.50		-6.73	-19.0%	-20.2%
United States class III	US	41.46		33.28		8.18	24.6%	24.7%

Thank you for your attention

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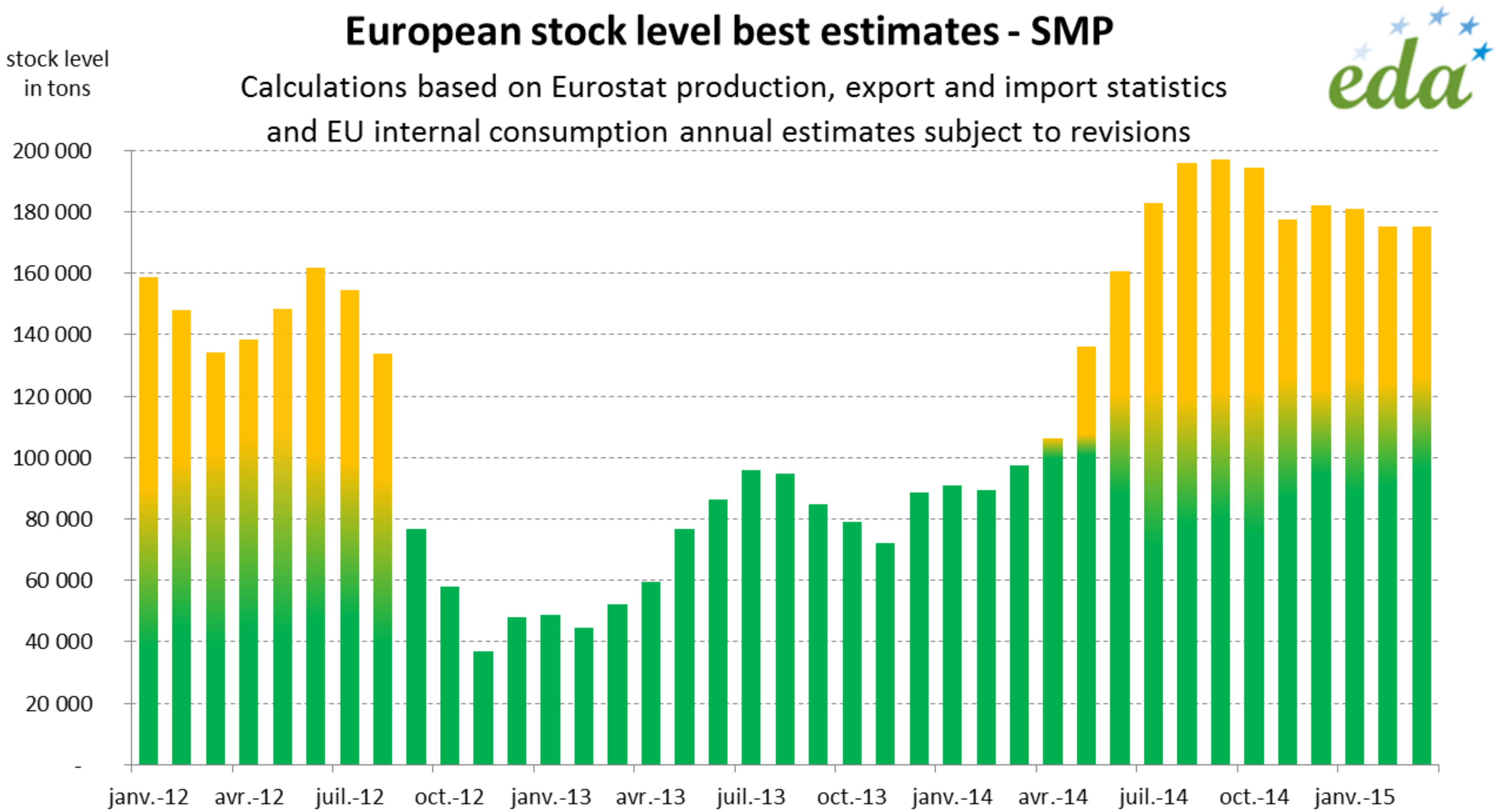
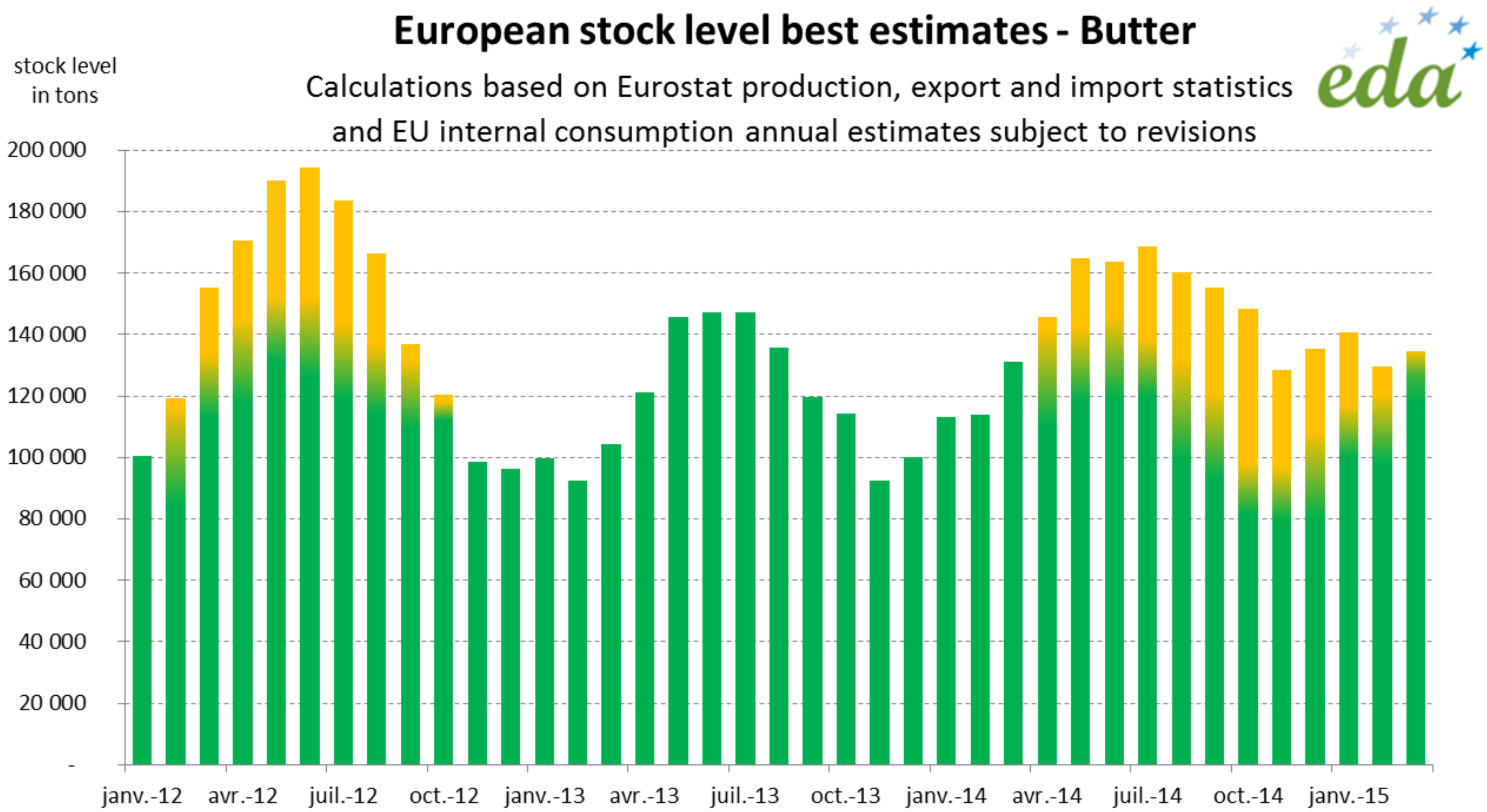
ANNEX 4

EU dairy products monthly stock situation

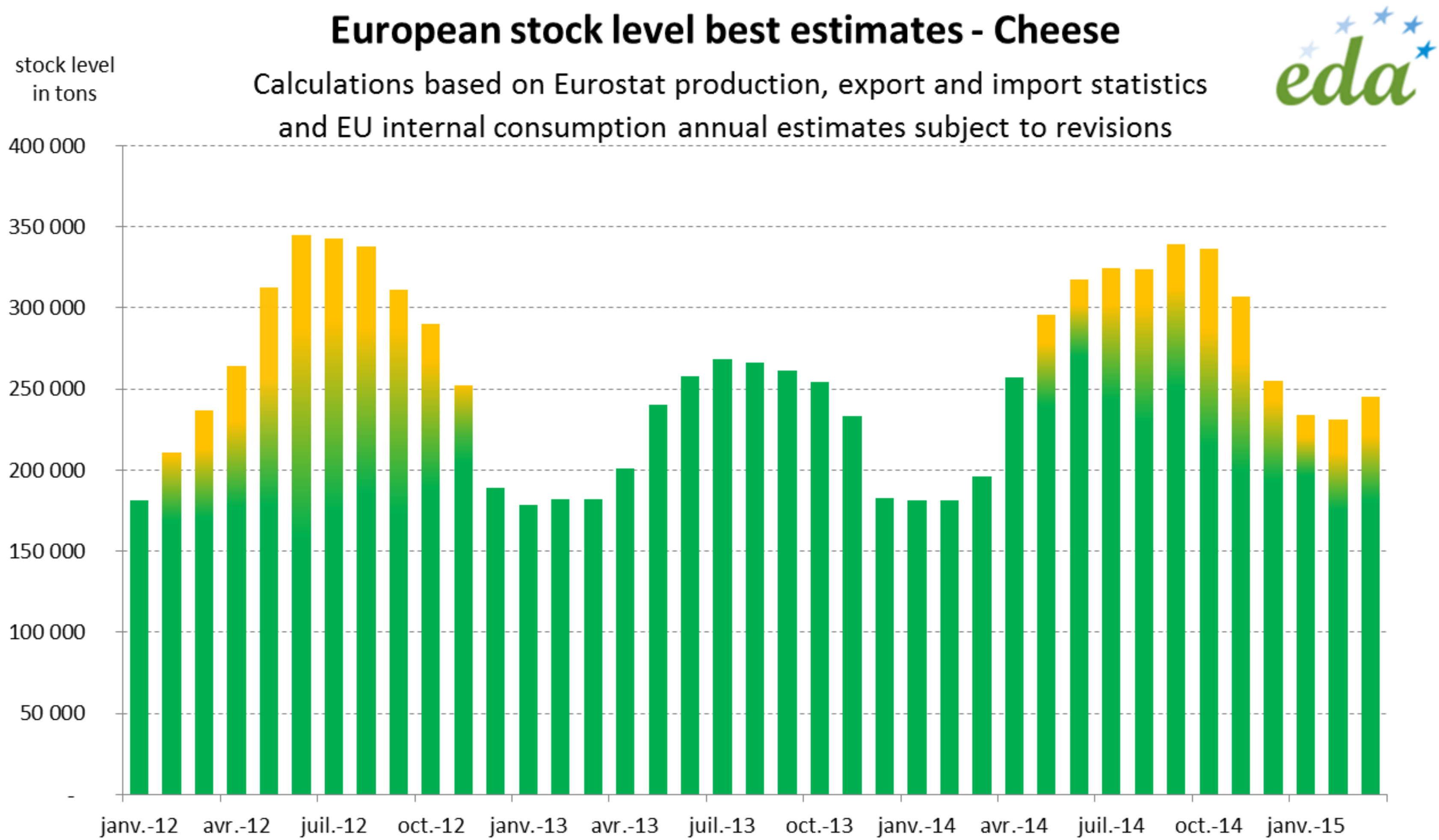
EDA



European stock level best estimates - SMP
stock level in tons
Calculations based on Eurostat production, export and import statistics and EU internal consumption annual estimates subject to revisions
eda
200 000
180 000
160 000
140 000
120 000
100 000
80 000
60 000
40 000
20 000
-
janv.-12
avr.-12
juil.-12
oct.-12
janv.-13
avr.-13
juil.-13
oct.-13
janv.-14
avr.-14
juil.-14
oct.-14
janv.-15



European stock level best estimates - Butter
Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions
stock level
in tons
200 000
180 000
160 000
140 000
120 000
100 000
80 000
60 000
40 000
20 000
-
janv.-12
avr.-12
juil.-12
oct.-12
janv.-13
avr.-13
juil.-13
oct.-13
janv.-14
avr.-14
juil.-14
oct.-14
janv.-15
eda



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
400 000
350 000
300 000
250 000
200 000
150 000
100 000
50 000
-
janv.-12
avr.-12
juil.-12
oct.-12
janv.-13
avr.-13
juil.-13
oct.-13
janv.-14
avr.-14
juil.-14
oct.-14
janv.-15
eda

ANNEX 5

Perspectives from the Dairy Trade

Eucolait

Perspectives from the Dairy Trade

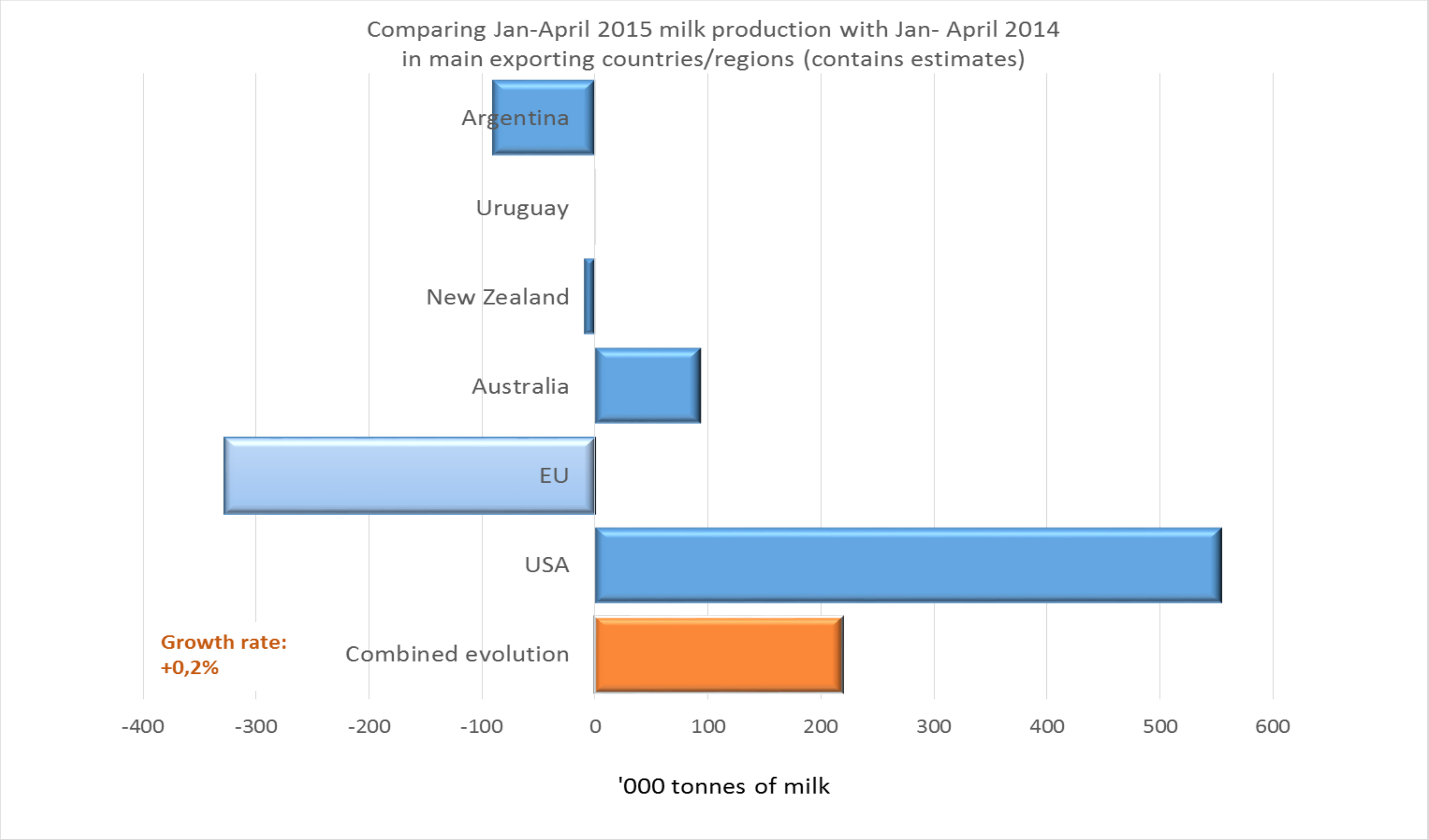
Milk Market Observatory Meeting

30 June 2015

Outline

- Global Supply
- Global Exports
- Global Demand
- Conclusions

Jan – April 2015 milk production in key export regions

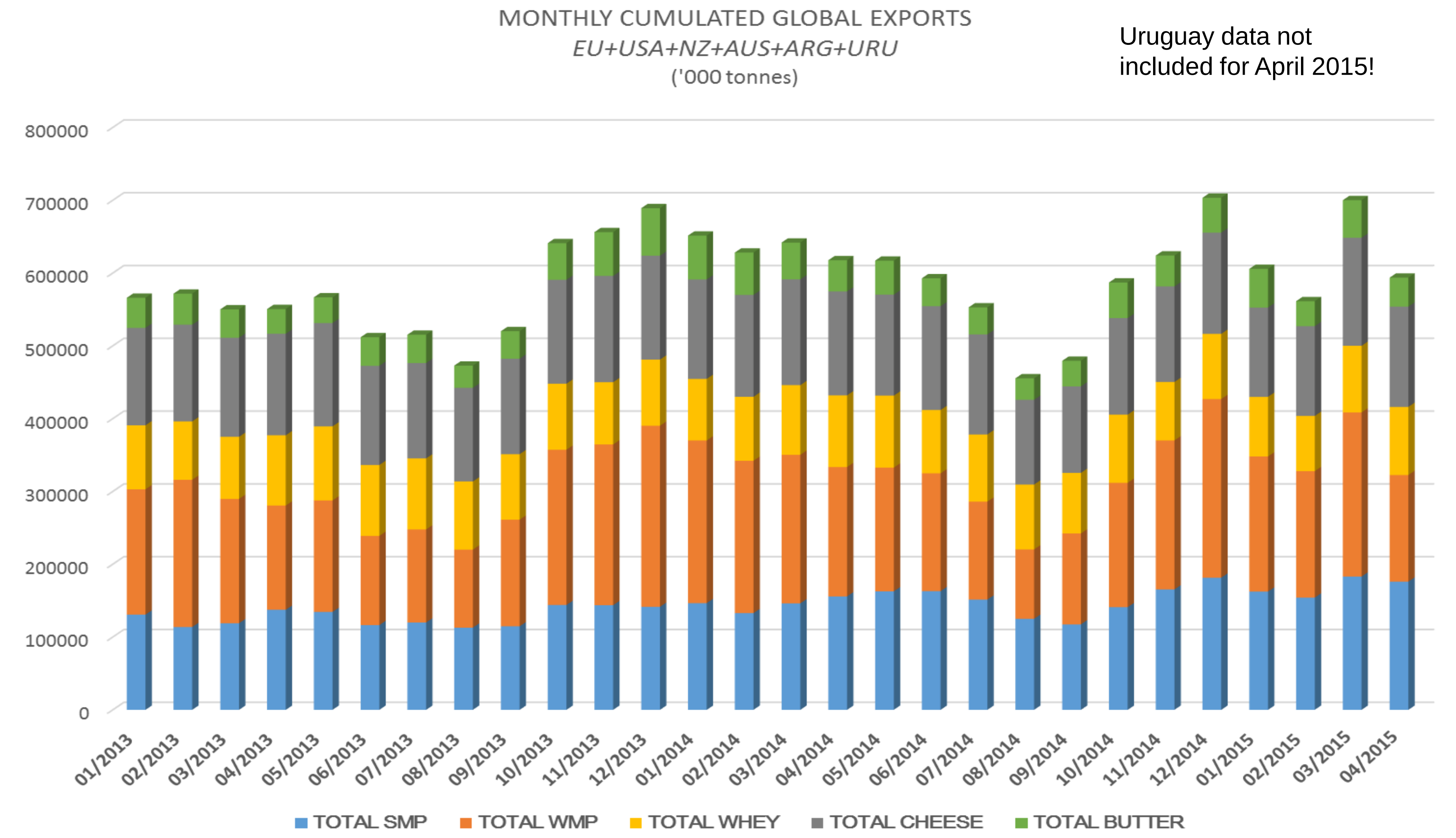


Global Supply - Outlook

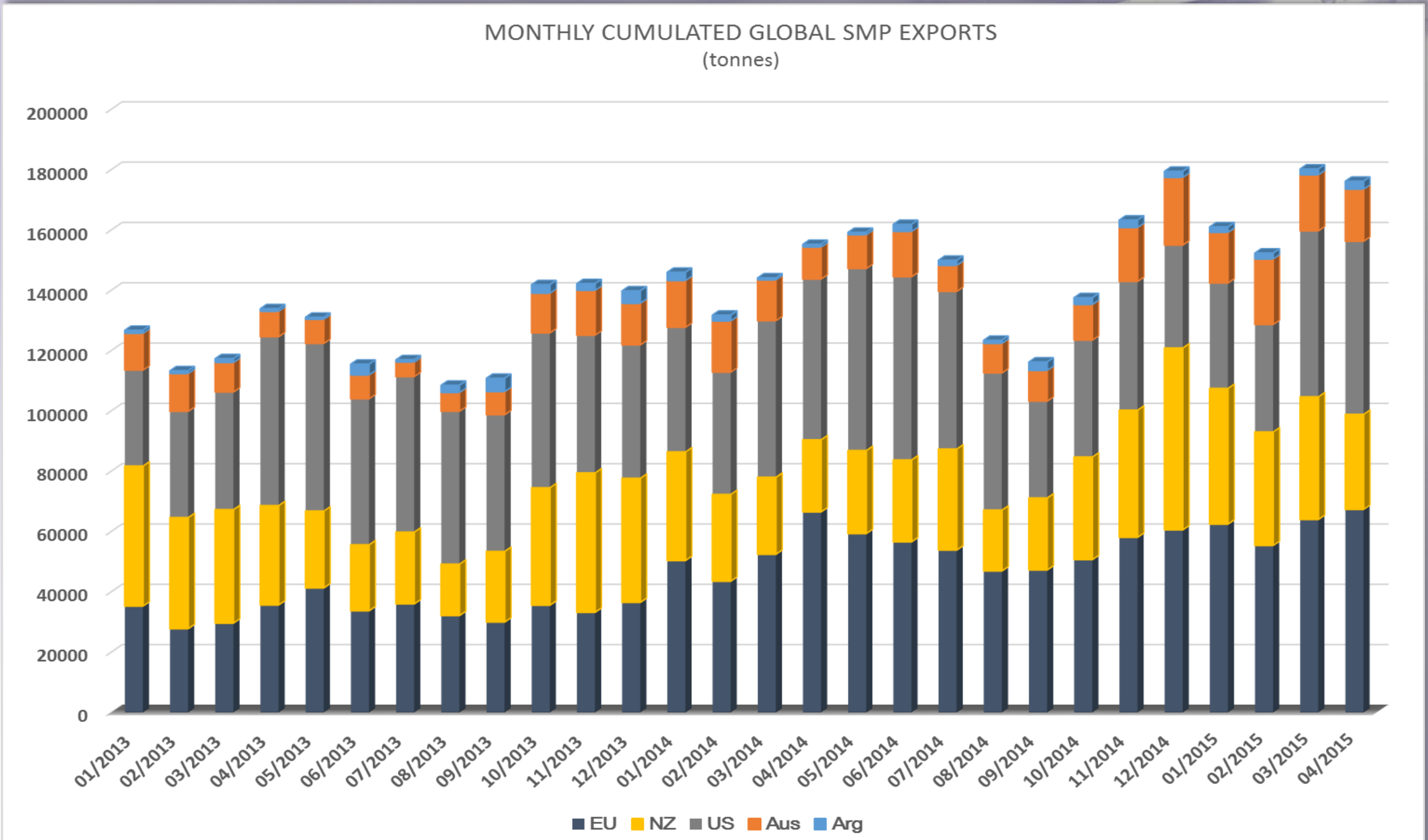
- **Global supply** growth in 2015 + 2% according to FAO (most increases in Asia)
- **EU** milk production in April already above 2014 levels; expectation for the whole year at approx. +1,5%
- **US**: May production up 1,4%; milk production forecast for 2015 revised slightly upwards to 94,6 M tonnes (+1,3%)
- **NZ**: After strong month of April, expected to finish season at more than +2%.
- **Australia**: +2,5% for the whole season expected, forecast 2015/16 season + 2% (9,6-9,7 billion liters)
- **Russia** +1,1 % Jan – April, **China** +4%?

Global Exports

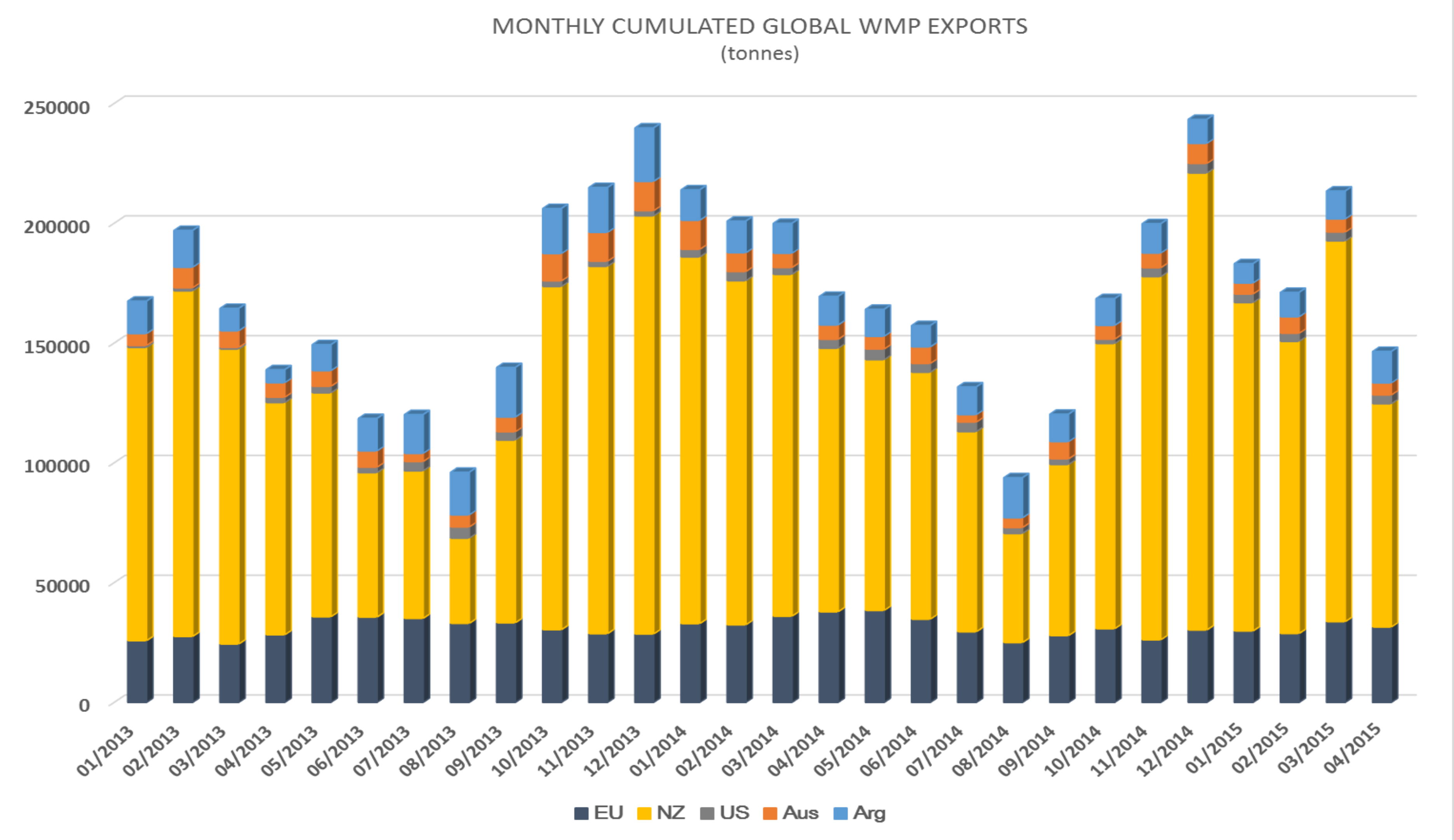
Uruguay data not included for April 2015!



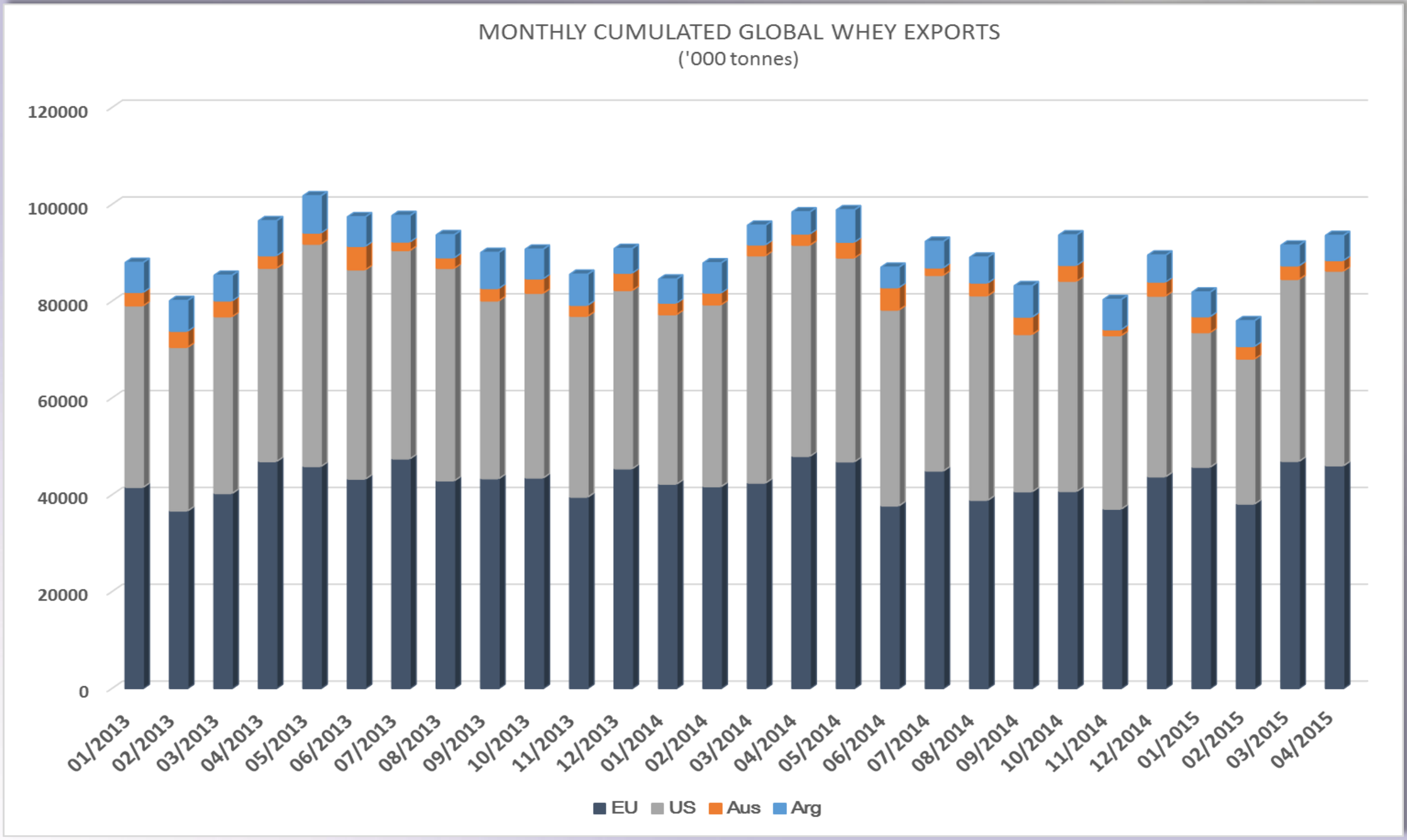
Global SMP Exports



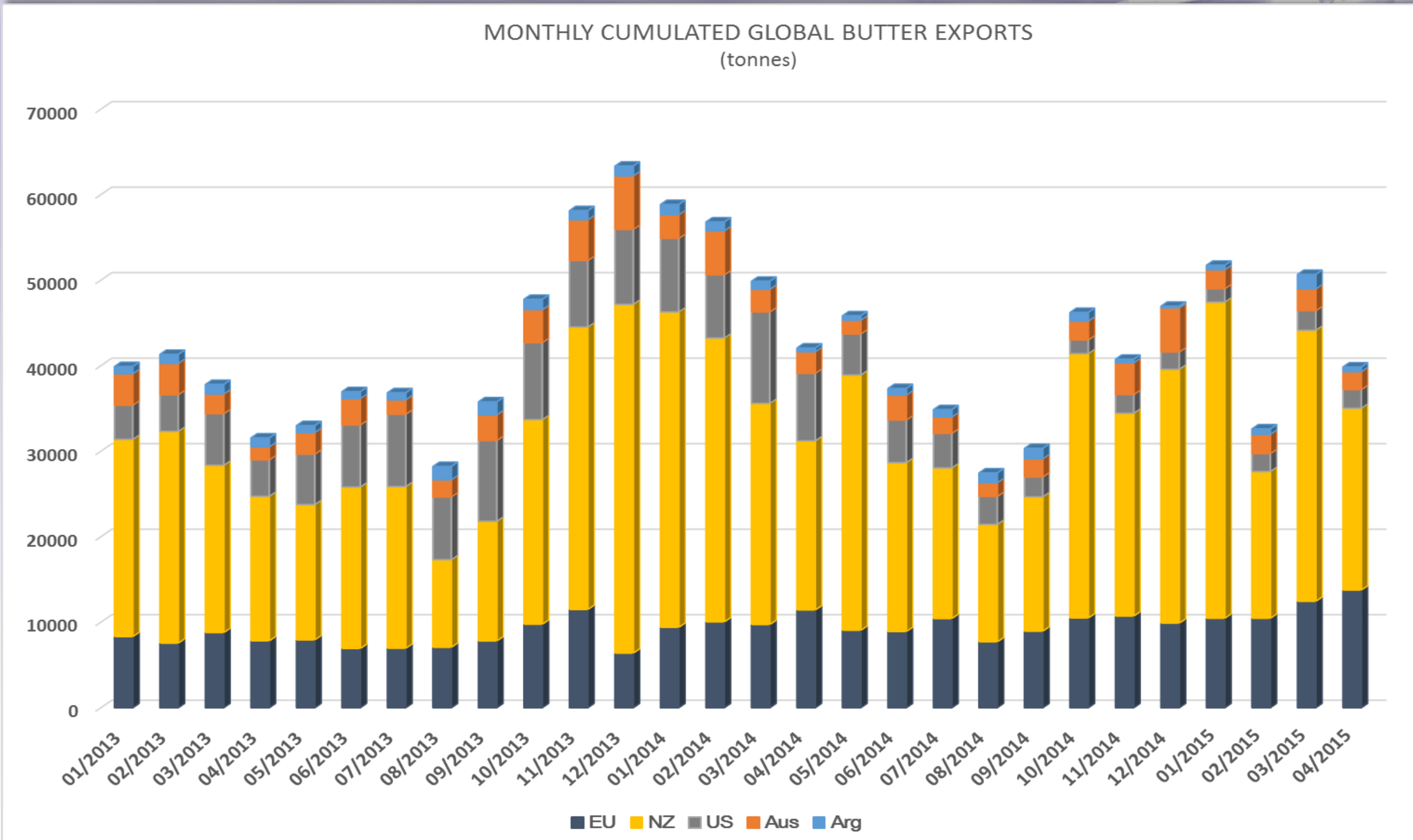
Global WMP Exports



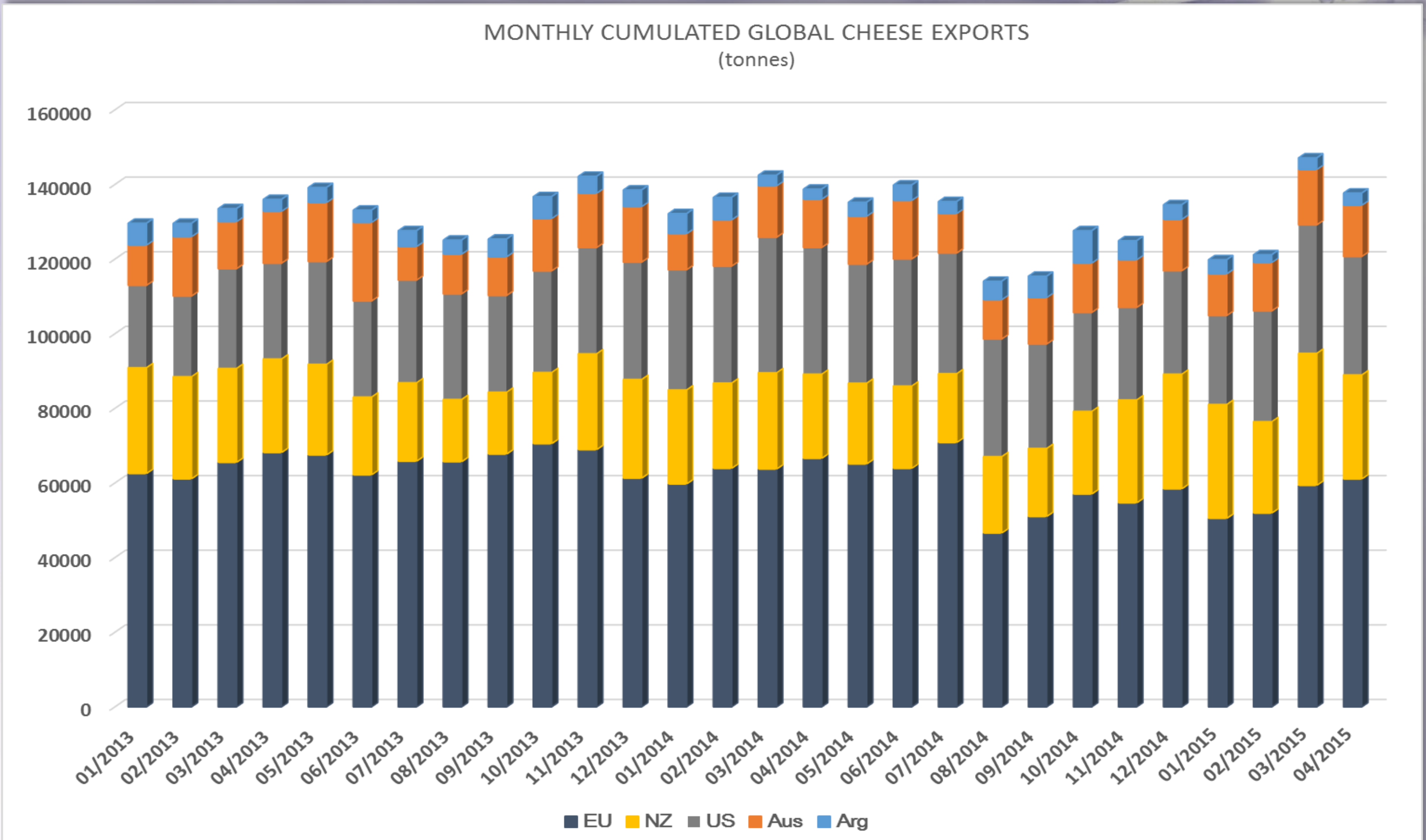
Global Whey Exports



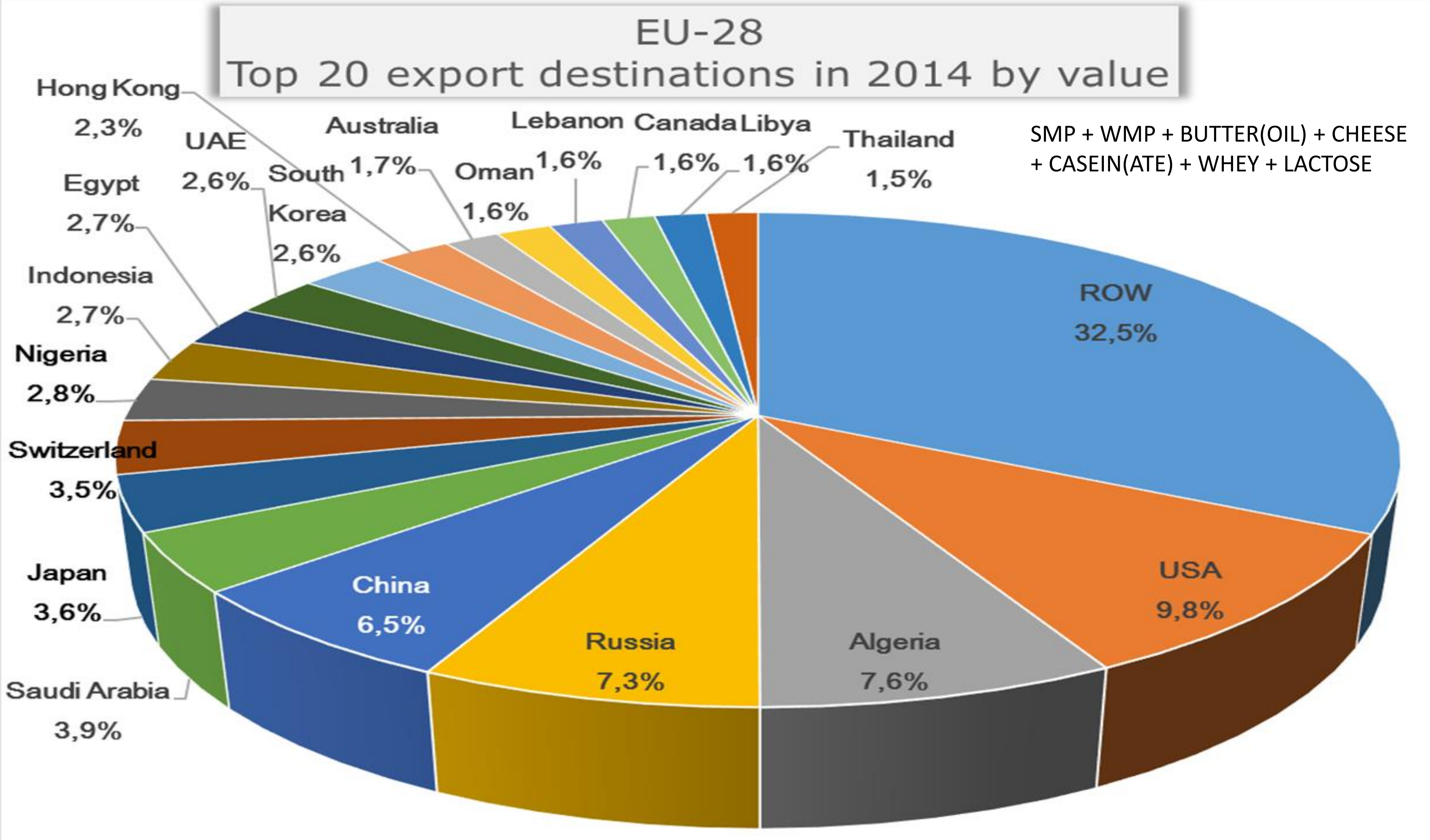
Global Butter Exports



Cheese Exports

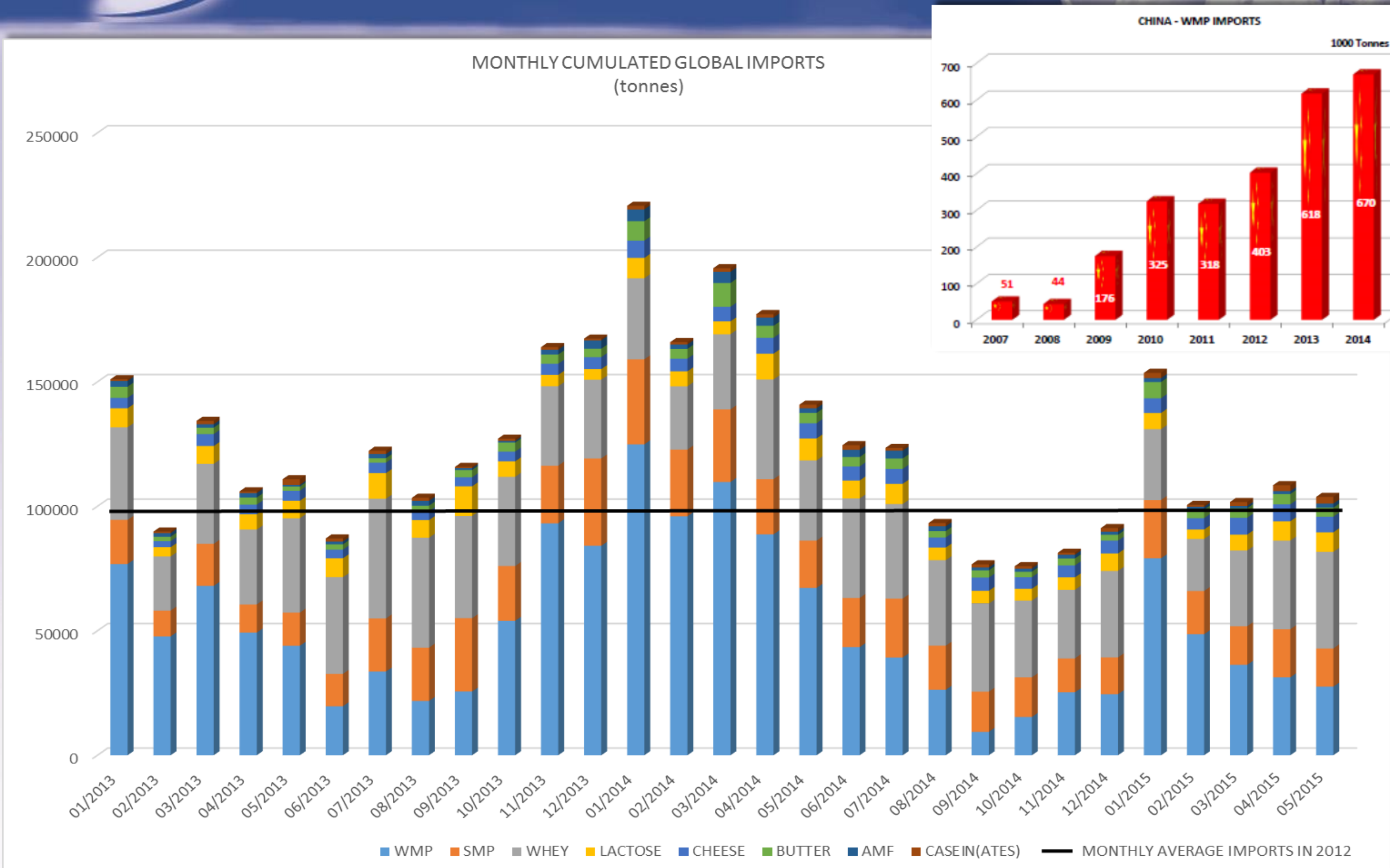


Main markets for EU dairy products

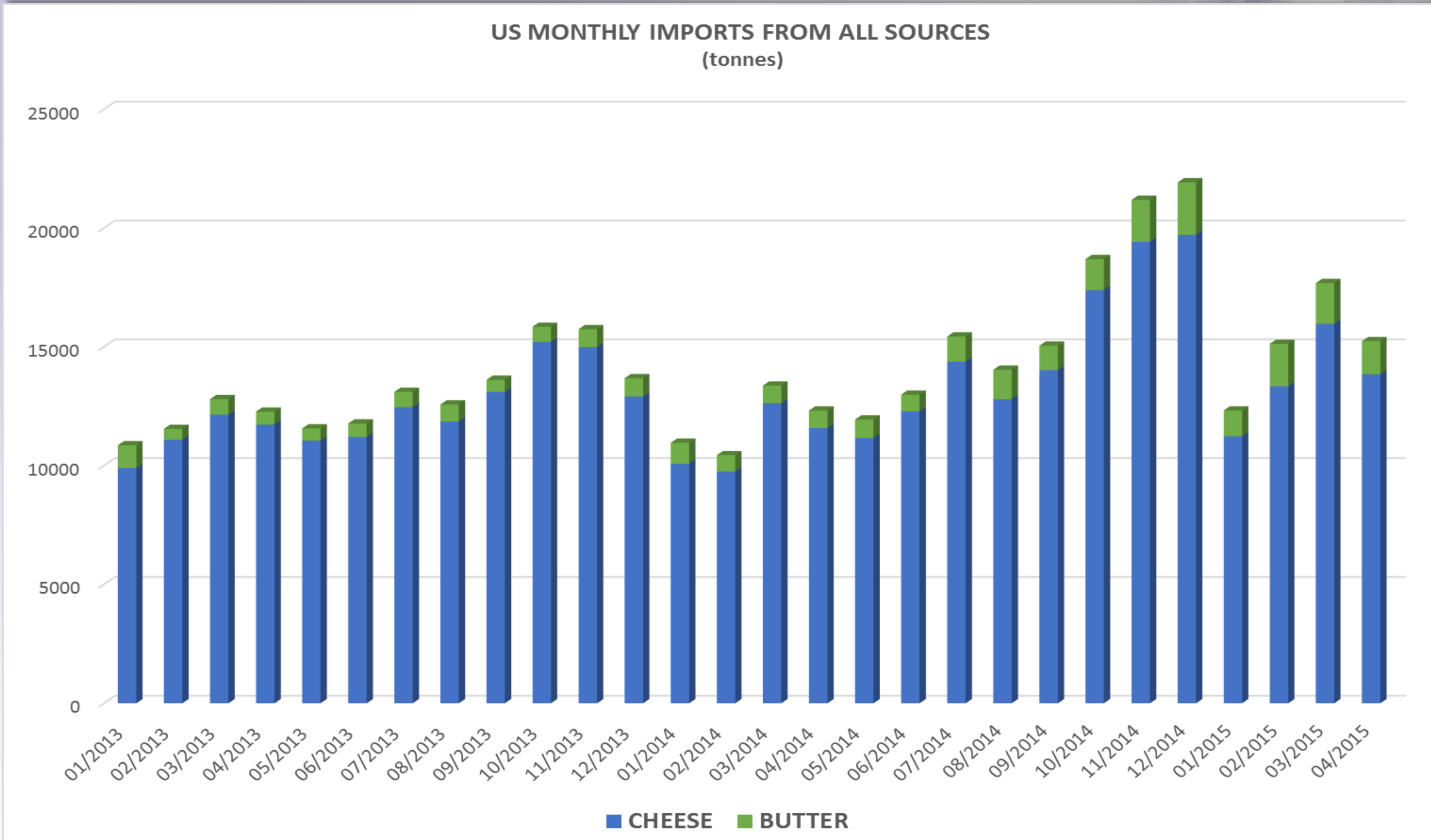


SMP + WMP + BUTTER(OIL) + CHEESE + CASEIN(ATE) + WHEY + LACTOSE

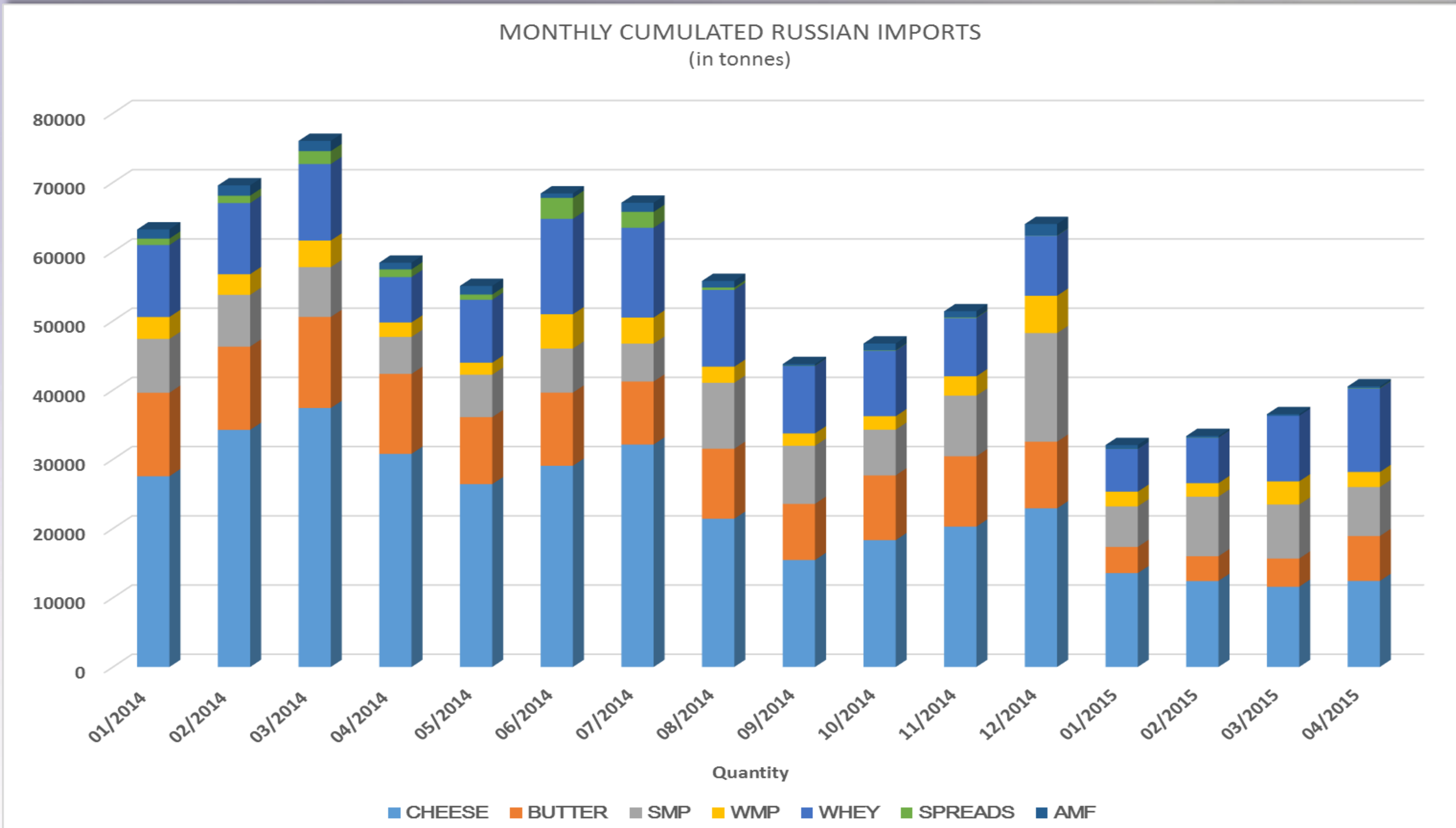
China Imports



US Imports


US MONTHLY IMPORTS FROM ALL SOURCES
(tonnes)
25000
20000
15000
10000
5000
0
01/2013
02/2013
03/2013
04/2013
05/2013
06/2013
07/2013
08/2013
09/2013
10/2013
11/2013
12/2013
01/2014
02/2014
03/2014
04/2014
05/2014
06/2014
07/2014
08/2014
09/2014
10/2014
11/2014
12/2014
01/2015
02/2015
03/2015
04/2015
CHEESE
BUTTER

Russia imports



Conclusions

- Milk production has been strong across the globe
- Global demand is still affected by the relatively weak demand in China and the Russian embargo
- Buyers in other import regions (S-E Asia, Middle East, Africa) are trying to cover their needs for as long as possible at current prices and so far have been able to absorb the increasing EU exports.
- Strong domestic demand in the US has reduced export availability and helped EU cheese and butter exports.
- A supply-side correction is required to improve sentiment

Thank You

Sources used in presentation: GTIS, EU Commission, USDA, Dairy Australia, DCANZ, Fonterra, Clal, Inale

Eucolait
www.eucolait.eu
info@eucolait.eu

ANNEX 6

Milk and Dairy products retail sales in EU countries

EuroCommerce

MILK AND DAIRY PRODUCTS RETAIL SALES IN EU COUNTRIES

29 June 2015

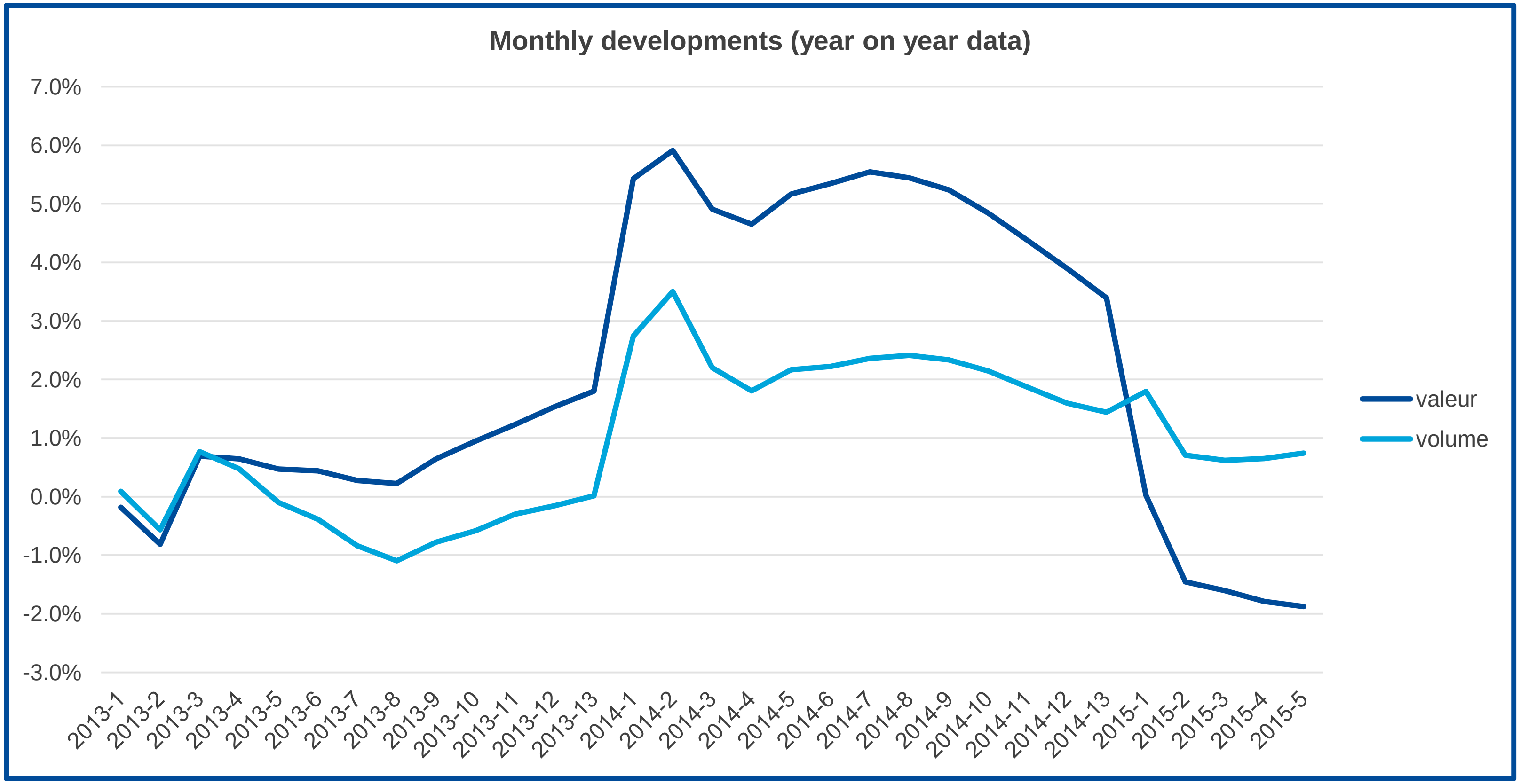
EuroCommerce
THE RETAIL, WHOLESALE AND INTERNATIONAL TRADE REPRESENTATION TO THE EU

Milk and dairy products retail sales

- Key highlights
  - Consumer confidence is improving in most European countries (Q1-2015)
  - Encouraging signs of economic recovery across Europe with some exceptions (2014)
  - Deflationary trends in food categories, including fresh & chilled (2014)

Milk and dairy products retail sales

Country: Belgium
Period: 2013-2015



Source: Nielsen, GfK, VLAM

Milk and dairy products exports

Country: Italy

Esportazioni italiane di formaggi e latticini (tonnellate)

Paesi	2013	2014	gen-feb 2015	var % 14/13	var % 15/13
Export tot.	**320.527**	**331.032**	**49.214**	**↑ 3,3%**	**↑ 4,1%**
- Francia	66.844	69.728	8.564	↑ 4,3%	↑ 1,7%
- Germania	43.311	46.136	7.126	↑ 6,5%	↑ 9,2%
- Regno Unito	28.945	29.482	5.474	↑ 1,9%	↑ 31,0%
- Stati Uniti	29.617	27.936	4.636	↓ -5,7%	↑ 2,4%
- altri paesi	151.810	157.749	23.414	↑ 3,9%	↓ -0,8%

Fonte: elaborazioni Ismea su dati Istat

Milk and dairy products retail sales

Country: Poland
Period: Febr 17 2014/ 19 Jan 2014 ; Dec. 21 12 2014/Dec 22 2013

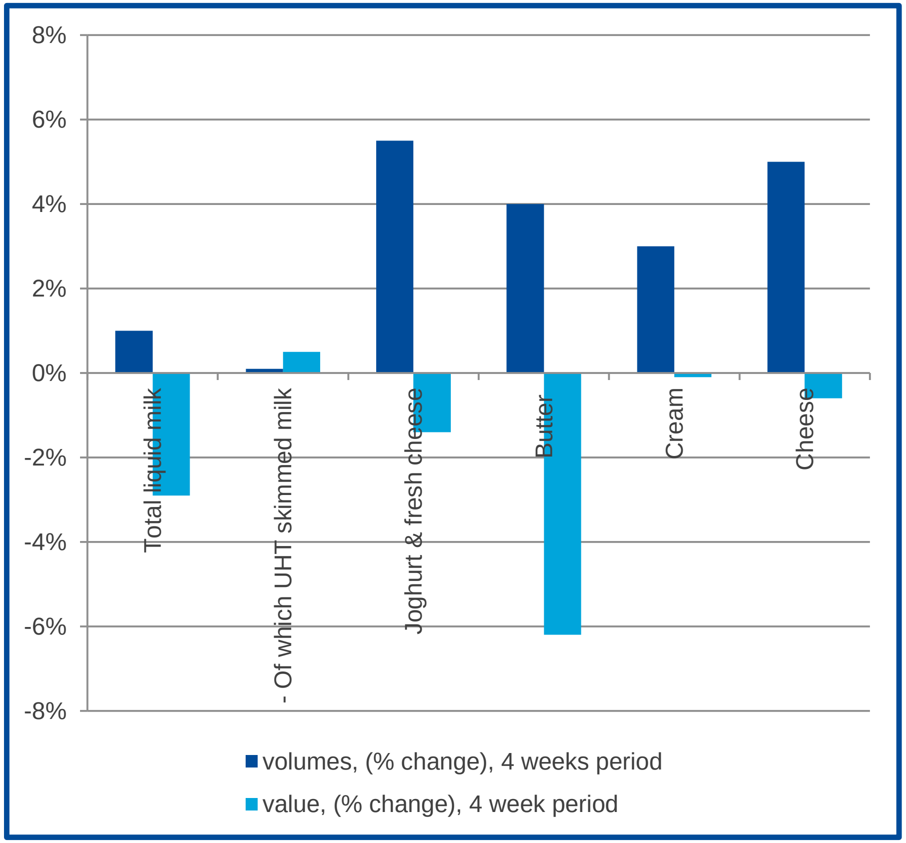
Product category	volumes (% change) 4 weeks period (Febr 17 2014/ 19 Jan 2014	volumes (% change) Year on year Dec. 21 12 2014/Dec 22 2013	value (% change) 4 week period (Febr 17 2014/ 19 Jan 2014)	Value (% change) Year on year Dec. 21 12 2014/Dec 22 2013
Total liquid milk	1%	6%	-2,9%	- 6,5%
- Of which UHT skimmed milk	0,1%	7%	0,5%	-10,8%
Joghurt & fresh cheese	5,5%	3,4%	- 1,4%	2,7%
Butter	4%	11%	- 6,2%	- 21,5%
Cream	3%	5,4%	- 0,1%	- 0,01
Cheese	5%	9%	- 0,6%	- 24,3%

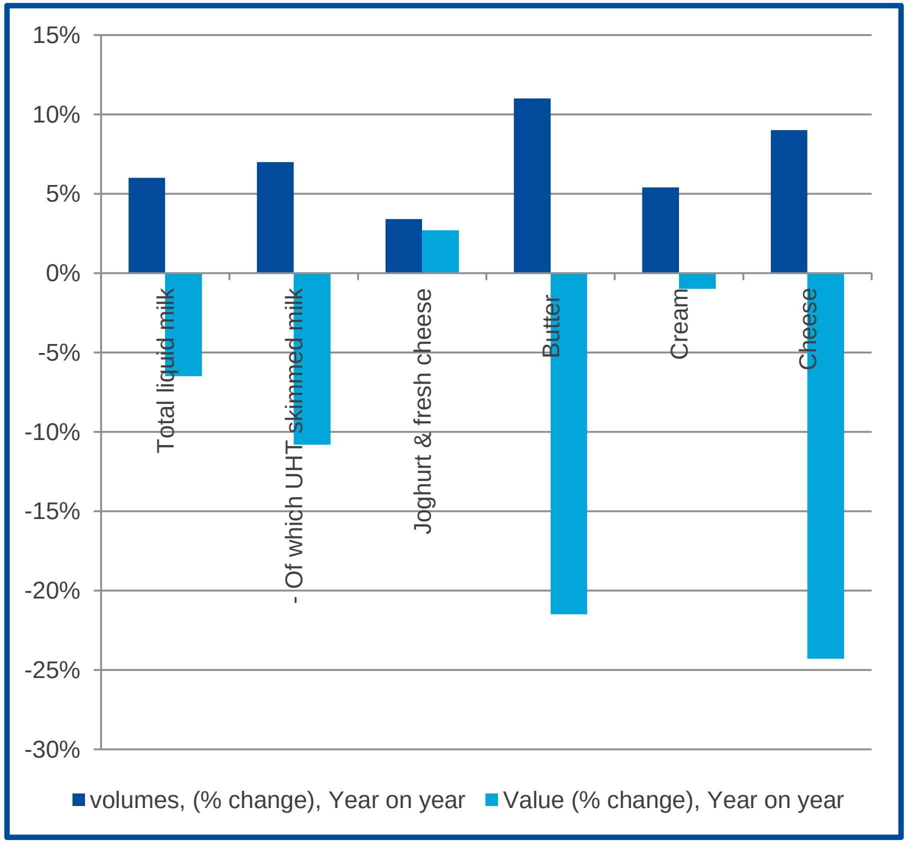
Source: pos. 1 and 2 est. from media; pos. 3 and 4 POHiD own calculation based on data published by the Min. of Agriculture

EuroCommerce

Milk and dairy products retail sales

Country: Poland
Period: Febr 17 2014/ 19 Jan 2014 ; Dec. 21 12 2014/Dec 22 2013





Source: media; POHiD own calculation based on data published by the Min. of Agriculture

EuroCommerce

Milk and dairy products retail sales

Country: Portugal
Period: reference period May 2015

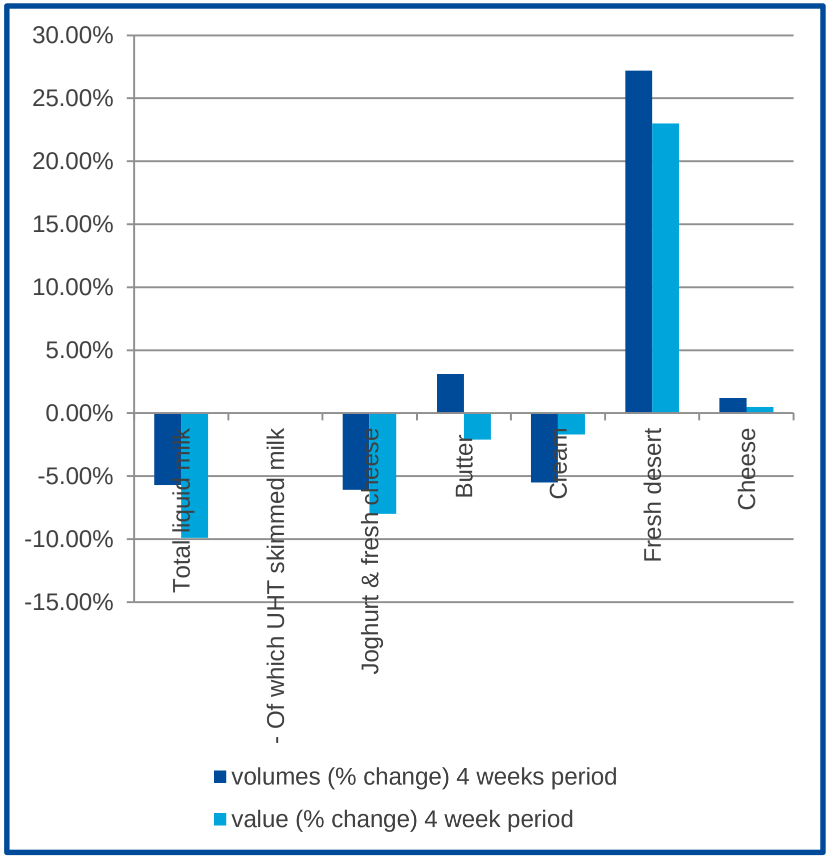
Product category (reference period May 2015)	volumes (% change) 4 weeks period	volumes (% change) Year on year	value (% change) 4 week period	Value (% change) Year on year
Total liquid milk	-5,70%	-6,20%	-9,90%	-5,50%
Joghurt & fresh cheese	-6,10%	-6,50%	-8,00%	-5,90%
Butter	3,10%	-0,20%	-2,10%	-2,10%
Cream	-5,50%	-3,70%	-1,70%	1,40%
Fresh desert	27,20%	12,40%	23,00%	11,30%
Cheese	1,20%	0,80%	0,50%	1,90%

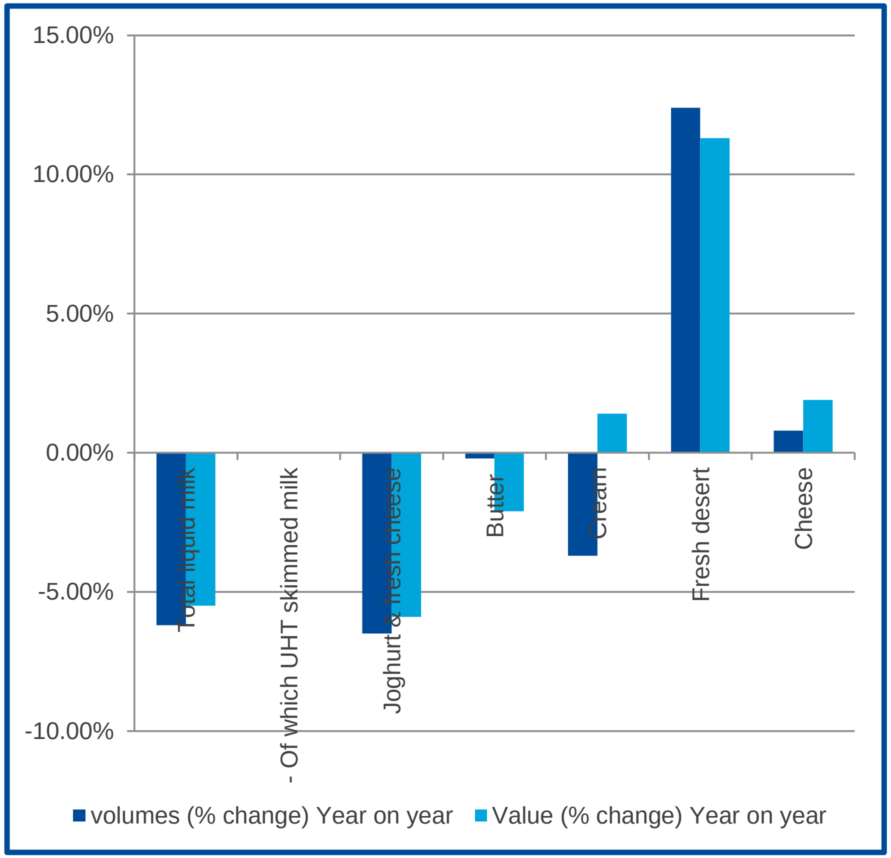
Source: Nielsen

EuroCommerce

Milk and dairy products retail sales

Country: Portugal
Period: reference period May 2015





Source: Total Portugal* (Nielsen Market Track)

Milk and dairy products retail sales

Country: Spain
Period: Apr-15/Mar-15; May-Apr14/May-Apr13

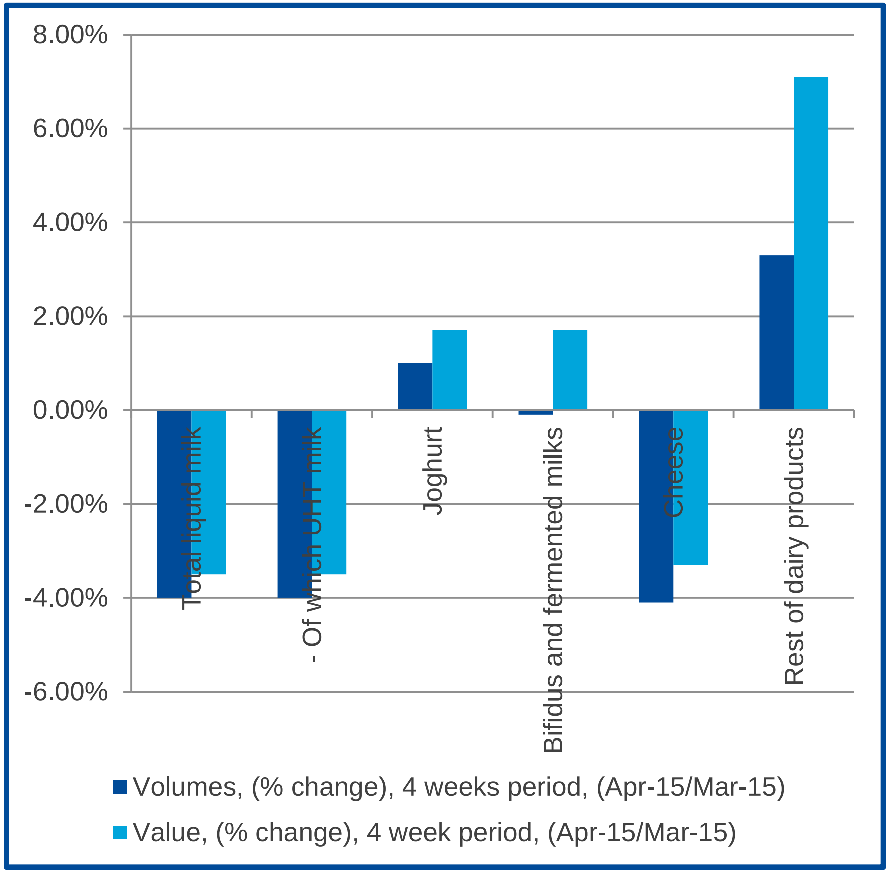
Product category	Volumes (% change) 4 weeks period (Apr-15/Mar-15)	Volumes (% change) Year on year (May-Apr14/May-Apr13)	Value (% change) 4 week period (Apr-15/Mar-15)	Value (% change) Year on year (May-Apr14/May-Apr13)
Total liquid milk	-4,00%	-0,80%	-3,50%	0,00%
- Of which UHT milk	-4,00%	-0,60%	-3,50%	0,20%
Joghurt	1,00%	-0,70%	1,70%	-2,10%
Bifidus and fermented milks	-0,10%	-2,00%	1,70%	-2,70%
Cheese	-4,10%	-3,50%	-3,30%	-1,30%
Rest of dairy products	3,30%	2,20%	7,10%	3,10%

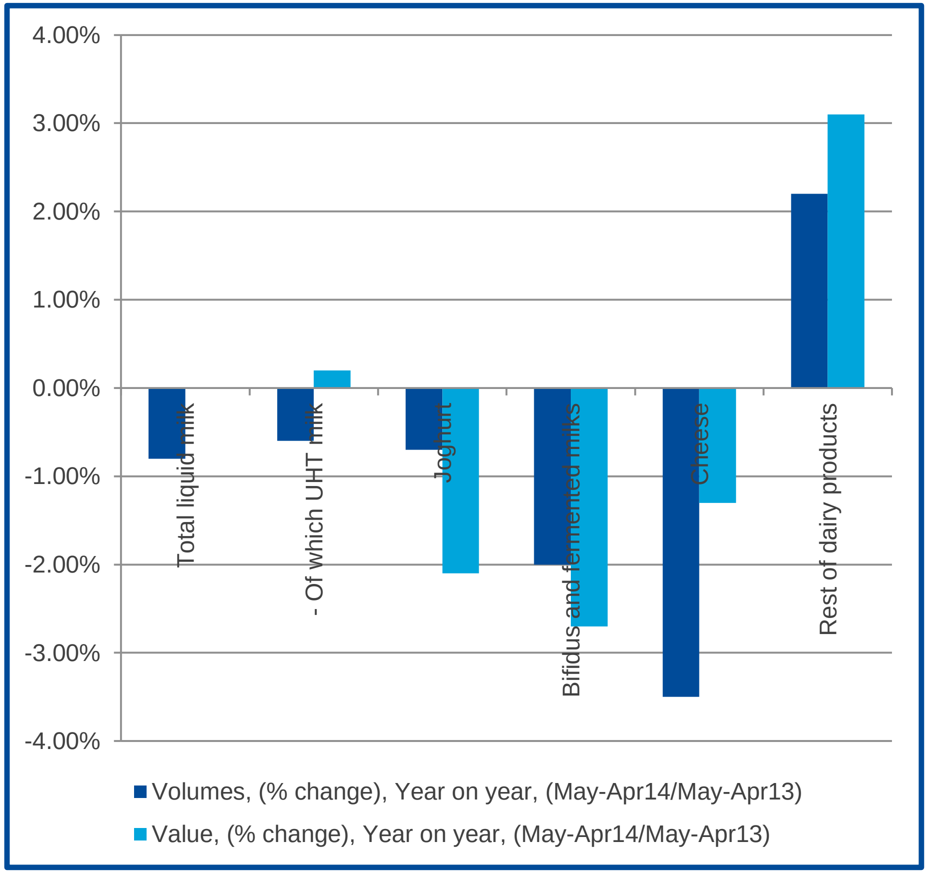
Source: Spanish Ministry of Agriculture (Last official data available: November 2014)

EuroCommerce

Milk and dairy products retail sales

Country: Spain
Period: Apr-15/Mar-15; May-Apr14/May-Apr13

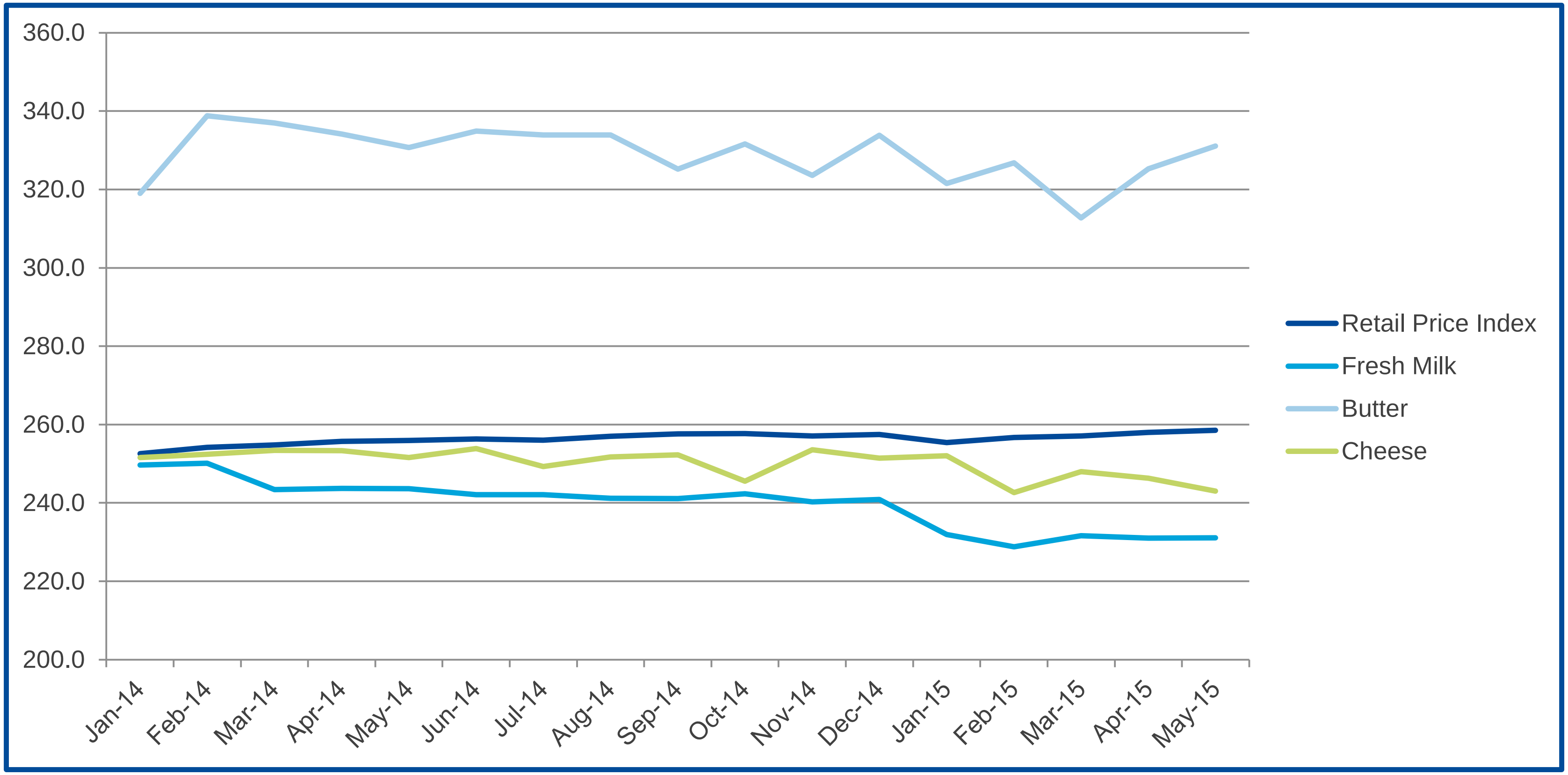




Source: Spanish Ministry of Agriculture

Milk and dairy products retail sales

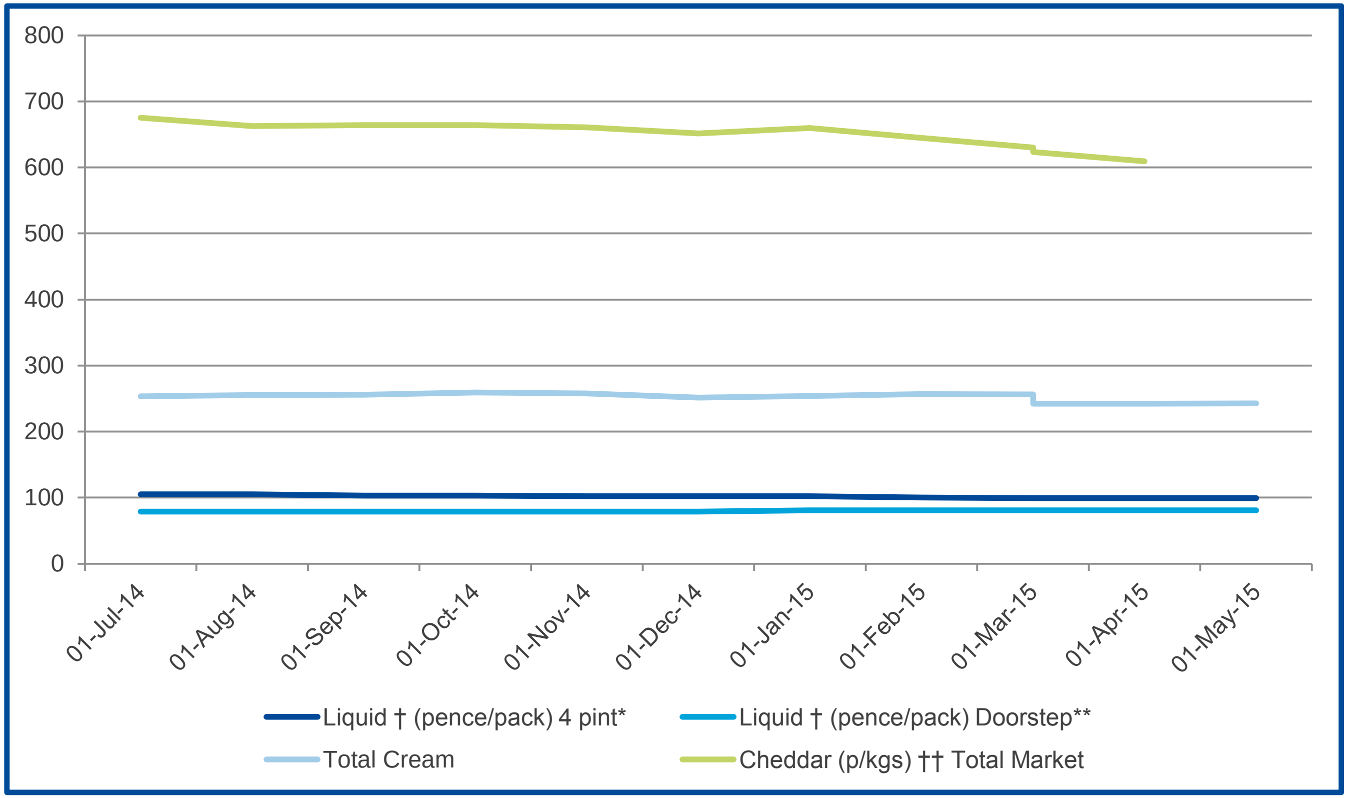
Country: UK
Period: Jan 2014-may 2015



Source: ons

Milk and dairy products retail sales

Country: UK
Period: July 2014-may 2015



Source: Kantar Worldpanel Online

EuroCommerce

ANNEX 7

Milk and Dairy products consumption in Spain

EuroCommerce

ASEDAS

Asociación Española de Distribuidores, Autoservicios y Supermercados

EuroCommerce

Milk and dairy products consumption in Spain

Brussels - 30/6/15

Felipe Medina Martín - @felipemedmar

felipemm@asedas.org

Milk and dairy products consumption 2014

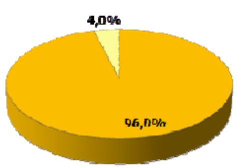
	TOTAL LECHE Doméstico	% Variación Vs. Año 2013
VOLUMEN (Miles Lts.)	3.286.776,76	-2,3%
VALOR (Miles Euros)	2.365.710,46	0,5%
CONSUMO X CAPITA	73,33	-1,1%
GASTO X CAPITA	52,78	1,6%
PARTE MERCADO VOLUMEN Lts.	11,07	0,01
PARTE MERCADO VALOR	3,56	0,14
PRECIO MEDIO Lts.	0,72	2,8%

Consumo por persona

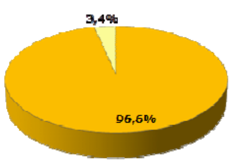
	TOTAL LECHE LIQUIDA	LECHE LARGA DURACION	LECHE CORTA DURACION	LECHE ENVASADA	LECHE ENTERA	LECHE DESNATADA	LECHE SEMI-DESNATADA
CONSUMO PER CÁPITA (Lts.)	73,33	70,83	2,49	72,64	19,32	20,48	32,85

Consumo de los tipos de leche. Leche de larga y corta duración

% Valor (Euros)



% Volumen (Lts.)



% Variación sobre el año 2013	Valor	Volumen
LECHE LARGA DURACION	0,8%	-2,1%
LECHE CORTA DURACION	-6,1%	-7,6%

Source: MAGRAMA

Milk and dairy products consumption 2014

Consumo de los tipos de leche. Leche entera, semidesnatada y desnatada

% Variación sobre el año 2013	Valor	Volumen
LECHE ENTERA	-2,4%	-5,1%
LECHE DESNATADA	0,6%	-1,6%
LECHE SEMIDESNATAD	2,8%	-0,4%

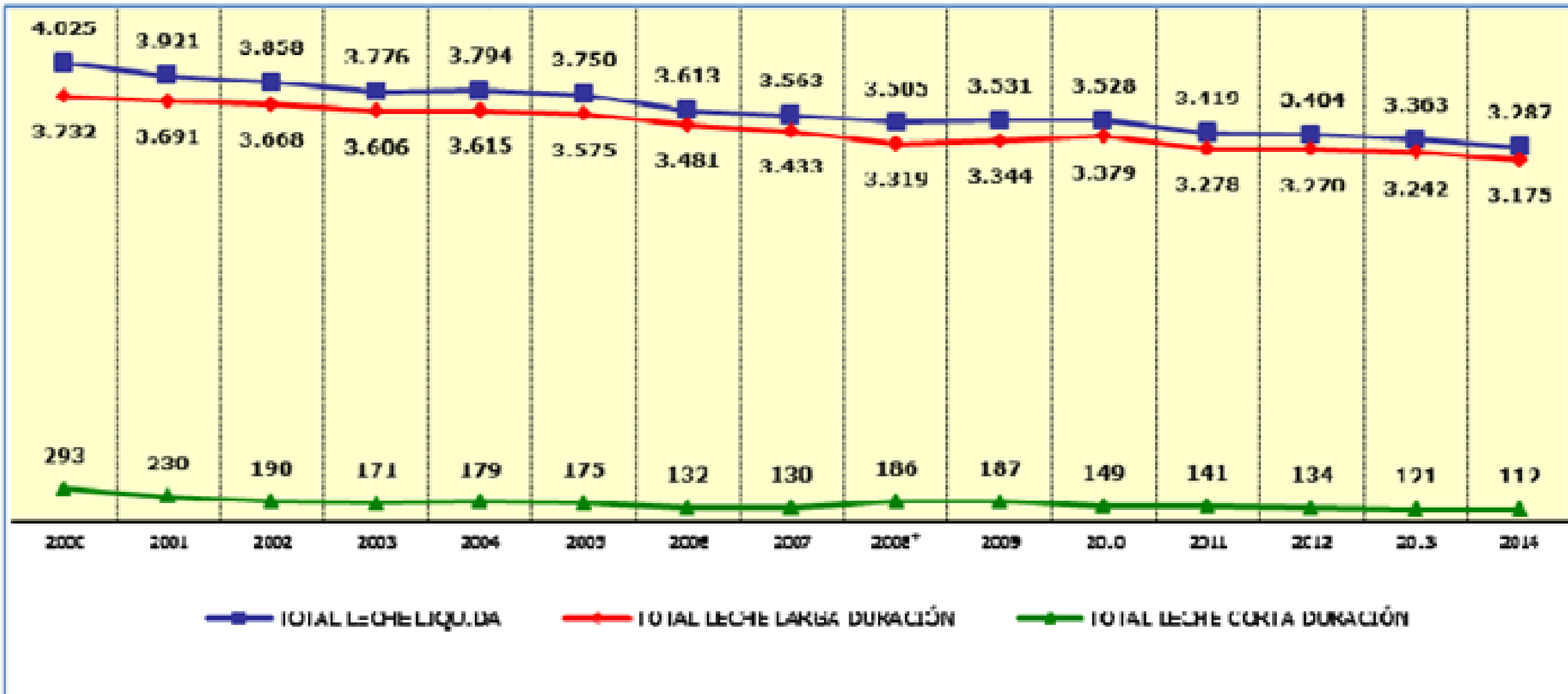
Evolución consumo por persona

Consumo por Persona	2000	2001	2002	2003	2004	2005	2006	2007	2008*	2009	2010	2011	2012	2013	AÑO 2014
TOTAL LECHE LIQUIDA	99,93	96,86	94,81	91,30	90,36	87,27	82,46	79,83	79,96	78,42	76,79	74,50	73,89	75,77	73,33
LECHE LARGA DURACIÓN	92,65	91,18	90,15	87,18	86,10	83,19	79,45	76,93	75,72	74,25	73,55	71,44	70,98	72,97	70,83
LECHE CORTA DURACIÓN	7,28	5,67	4,66	4,12	4,26	4,08	3,01	2,90	4,24	4,16	3,24	3,24	2,91	2,81	2,49
LECHE ENVASADA	95,89	93,62	92,20	88,82	87,60	84,67	80,94	78,33	78,76	77,20	75,88	73,54	72,95	74,84	72,64
ENTERA	49,33	45,12	40,96	37,65	35,29	32,75	29,08	26,66	27,17	26,07	24,16	22,35	21,22	21,40	19,32
DESNATADA	20,02	20,39	21,13	20,54	21,06	21,30	20,58	20,83	21,16	20,24	19,49	19,94	20,71	20,66	20,48
SEMIDESNATADA	26,53	28,10	30,12	30,64	31,25	30,62	31,28	30,85	30,43	30,89	32,23	31,25	31,02	32,78	32,85

Source: MAGRAMA

Milk and dairy products consumption 2014

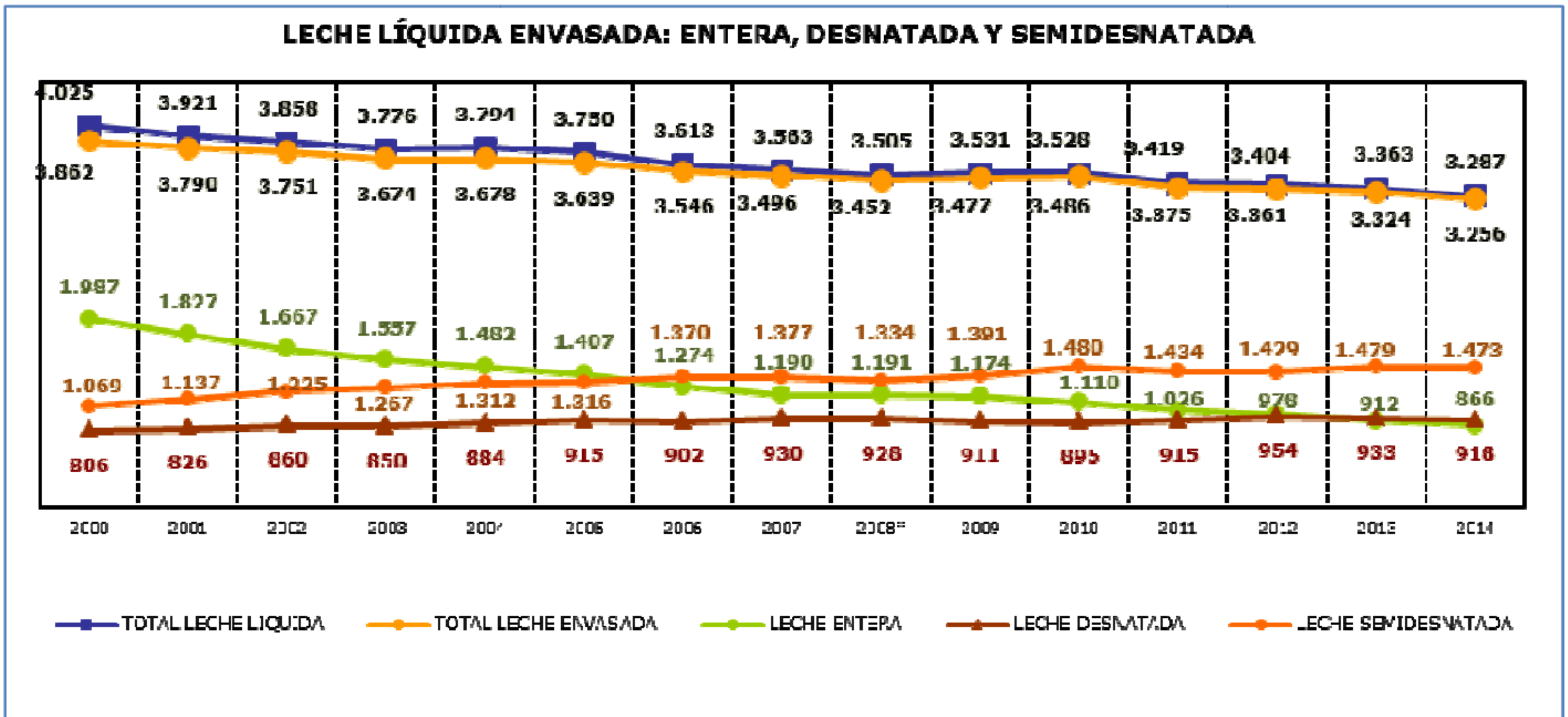
Volumen anual total de leche (millones de litros)



Source: MAGRAMA

Milk and dairy products consumption 2014

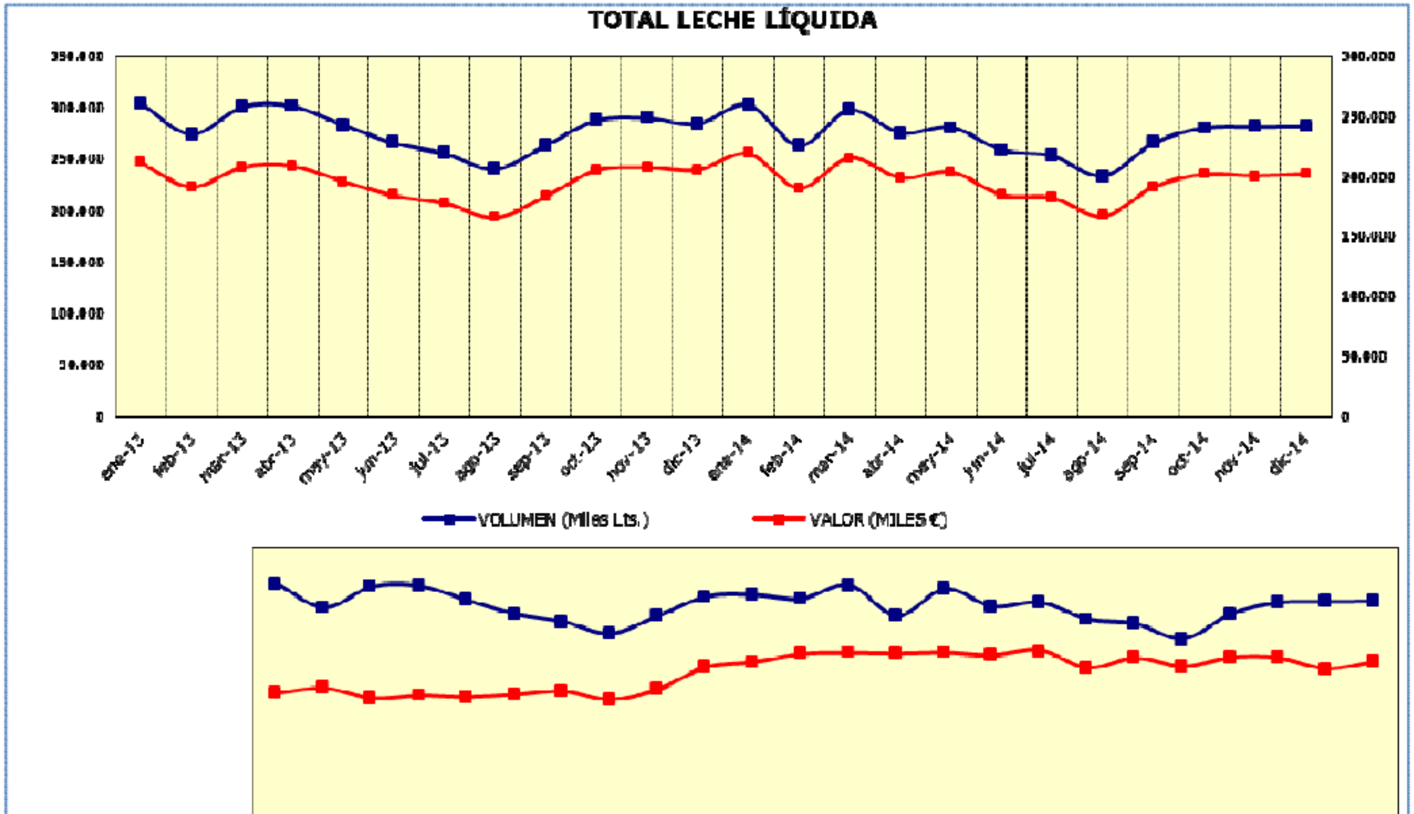
Volumen anual total de leche (millones de litros)



Source: MAGRAMA

Milk and dairy products consumption 2014

Evolución mensual (enero 2013- diciembre 2014)



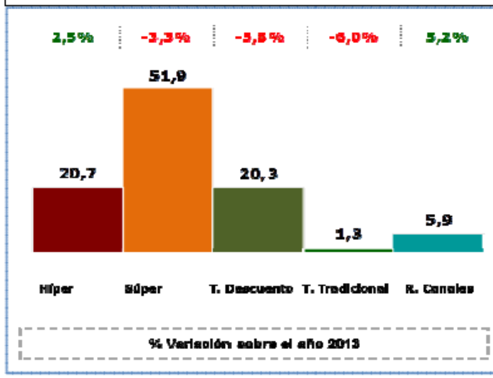
	ene 13	feb 13	mar-13	abr 13	may-13	jun 13	jul 13	ago-13	sep 13	oct 13	nov-13	dic 13	ene 14	feb 14	mar-14	abr 14	may-14	jun 14	jul 14	ago-14	sep 14	oct 14	nov-14	dic 14
VOLUMEN (Millones Lts)	306	275	302	302	284	267	257	242	264	289	291	286	304	264	299	276	282	260	254	235	267	281	282	283
PRECIO MEDIO Lts	0,69	0,70	0,69	0,69	0,69	0,69	0,70	0,69	0,70	0,71	0,72	0,72	0,72	0,72	0,72	0,72	0,73	0,71	0,72	0,71	0,72	0,72	0,71	0,72

Source: MAGRAMA

Milk and dairy products consumption 2014

Distribución por canales

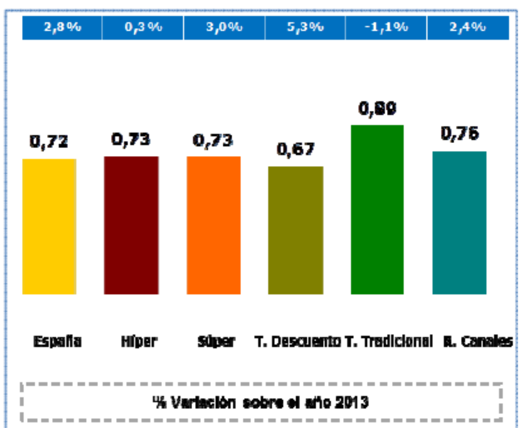
% PESO EN VOLUMEN DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL LECHE LÍQUIDA



- El canal dinámico (Híper + Súper+ Tienda de Descuento) es responsable del 92,9% de las ventas de leche líquida en total España.
- El Súper es el canal que mayor cuota de Leche Líquida distribuye con el 51,9% de los litros que se adquieren para el consumo en el hogar; sin embargo este canal pierden intensidad de compra en este periodo -3,3%. Mayor es el retroceso que tiene canales como la Tienda de Descuento -5,8% y la Tienda Tradicional -6,0%.
- Sin embargo canales como el Híper y Resto Canales, en comparación al año 2013, presentan evoluciones positivas. Híper incrementa sus compras un +2,5% y R. Canales un +5,2%.

PRECIO MEDIO (euros/litro) DE LOS CANALES DE DISTRIBUCIÓN.

Año 2014 vs Año 2013. TOTAL LECHE LÍQUIDA

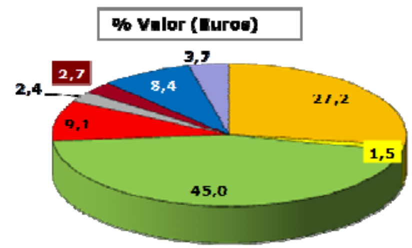


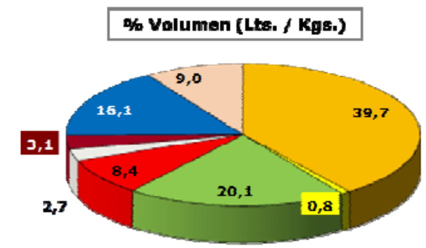
- Subida generalizada del precio de la Leche Líquida en casi todos canales durante el año 2014, con un incremento medio del +2,8%, cerrando el precio en 0,72€/litro.
- Es en la Tienda Descuento donde encontramos el precio más bajo de Leche Líquida 0,67€/litro, pese a presentar el mayor incremento de precio +5,3%, aún así es un 6,3% más barata que la media. Por el contrario, el precio menos competitivo lo encontramos en la Tienda Tradicional 0,89€/litro, pese a haberlo reducido a lo largo de 2014 un -1,1%.
- Híper y Súper mantienen el mismo precio a cierre de 2014 0,73€/litro, pese a que uno incrementa el precio de forma considerable +3,0% y el otro lo mantiene estable +0,3%.

Source: MAGRAMA

Milk and dairy products consumption 2014

Consumo de los tipos de derivados lácteos





% Variación sobre el año 2013	Valor	Volumen
LECHES FERMENTADAS	-3,9%	-2,3%
MANTEQUILLA	4,1%	-0,2%
QUESO	-1,0%	-4,7%
HELADOS Y TARTAS	8,9%	6,2%
NATA	-1,8%	-2,3%
OT.DERIVADOS LACTEOS	7,6%	5,4%
POSTRES LACTEOS	-6,8%	-8,0%
BATIDOS	6,6%	10,1%

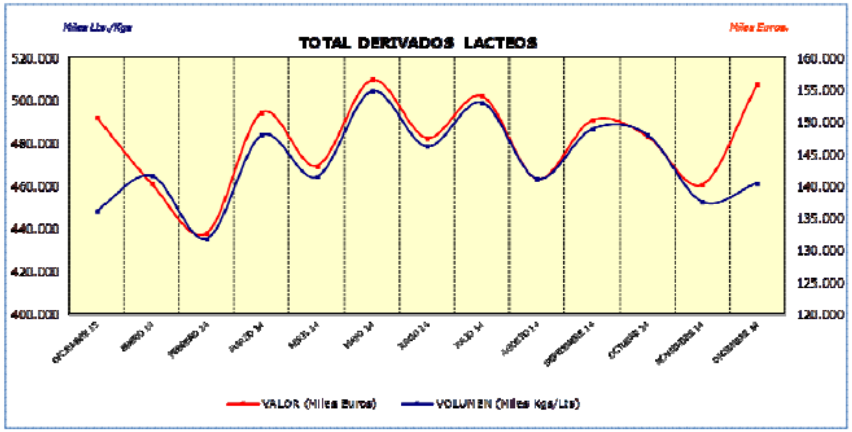
	DERIVADOS LACTEOS	Batidos	Postres Lácteos	Helados y Tartas	Mantequilla	Queso	Yogurt	Nata	Resto Derivados Lácteos
Consumo per Cápita	38,64	3,49	6,24	3,25	0,31	7,76	15,35	1,03	1,21

	TOTAL DERIVADOS LÁCTEOS Doméstico	% Variación Vs. Año 2013
VOLUMEN (Miles Lts/ Kgs)	1.732.100,18	-1,9%
VALOR (Miles Euros)	5.760.577,58	-1,0%
CONSUMO X CAPITA	38,64	-0,9%
GASTO X CAPITA	128,51	0,1%
MERCADO VOLUMEN Kgs/Lts	5,83	0,03
PARTE MERCADO VALOR	8,67	0,22
PRECIO MEDIO Kgs/Lts	3,33	0,9%

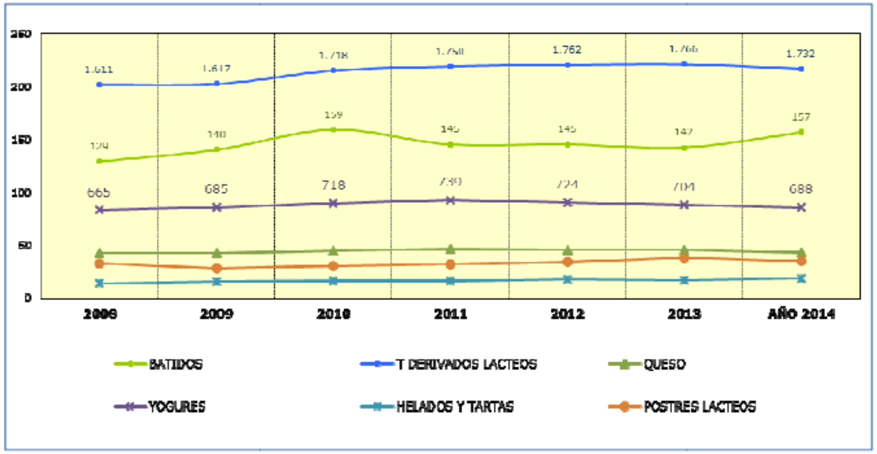
Source: MAGRAMA

Milk and dairy products consumption 2014

Evolución mensual del total gasto y total compras. Años 2013 – 2014



Evolución anual del total compras. Años 2008-2014

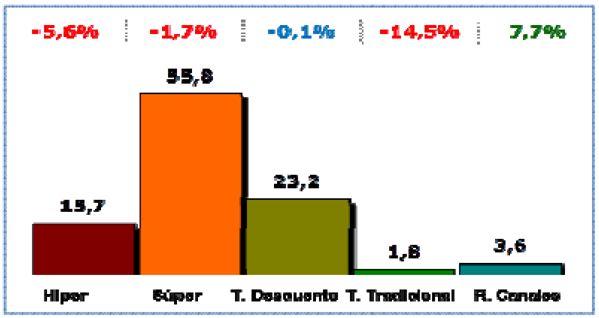


Source: MAGRAMA

Milk and dairy products consumption 2014

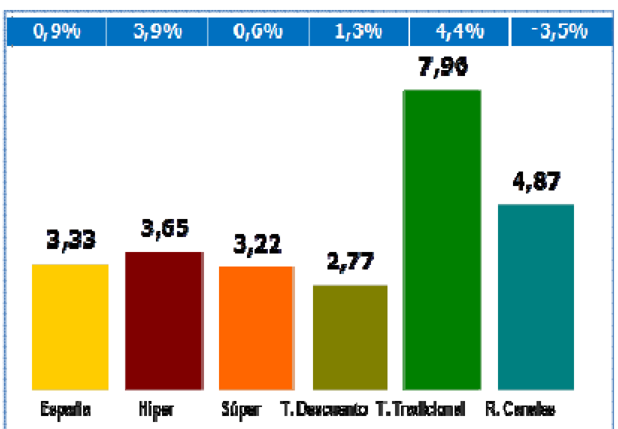
Distribución por canales

% PESO EN VOLUMEN DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL DERIVADOS LÁCTEOS. % Variación sobre el Año 2013



- El canal Dinámico es el responsable del 94,6% de los kilos/litros de Derivados Lácteos que se han compraron durante el 2014 (Híper + Súper + Tienda Descuento). Sin embargo su volumen merma un -2,0% debido a la caída del Súper e Híper.
- El mayor descenso en la compra de esta categoría en este periodo se produjo en la Tienda Tradicional (-14,5%) pese a que tan solo representa el 1,8% de la categoría. Es en R. Canales donde se incrementa el volumen un +7,7% vs año 2013.

PRECIO MEDIO (euros/litro) DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL DERIVADOS LÁCTEOS. % Variación sobre el Año 2013



- Es en la Tienda Descuento donde encontramos el precio mas bajo, (2,77€/litro), seguido del Súper (3,22€/litro), manteniéndose en ambos casos por debajo del precio medio Total España, (3,33€/litro), aun teniendo un incremento del precio en estos meses (+1,3% y +0,6% respectivamente). El pvp menos competitivo lo encontramos en la T. Tradicional 7,96€/litro, muy superior al precio medio.
- El canal Híper incrementa de forma significativa el precio medio con respecto al año 2013 (+3,9%) lo que le lleva a tener un precio de 3,65€/litro (un 9,8% más alto que la media).

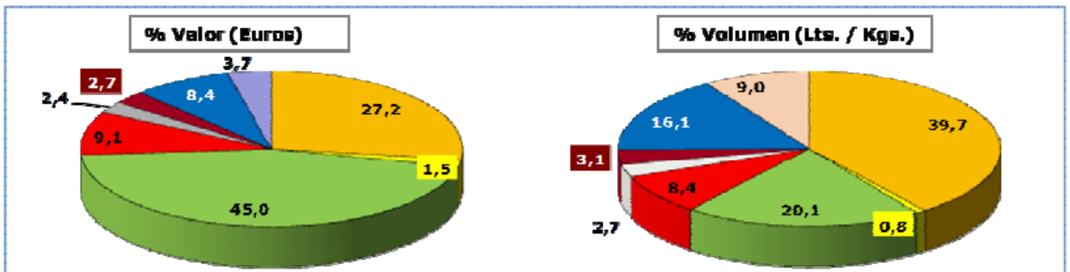
Source: MAGRAMA

Milk and dairy products consumption 2014

	TOTAL LECHE FERMENTADA Y YOGURES Doméstico	% Variación Vs. Año 2013
VOLUMEN (Miles Kgs/Lts.)	687.973,23	-2,3%
VALOR (Miles Euros)	1.567.867,90	-3,9%
CONSUMO X CAPITA	15,35	-1,2%
GASTO X CAPITA	34,98	-2,8%
MERCADO VOLUMEN Kgs/Lts	2,32	0,00
PARTE MERCADO VALOR	2,36	-0,01
PRECIO MEDIO Kgs/Lts	2,28	-1,6%

(*) Incluye Yogurt, Bífidus y Otras Leches Fermentadas

Consumo del total de leche fermentada y yogures dentro del total de derivados lácteos

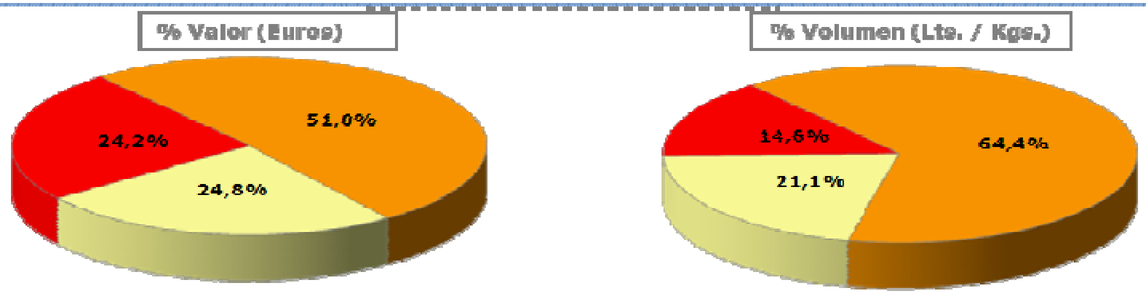


% Variación sobre el año 2013	Valor	Volumen
LECHES FERMENTADAS	-3,9%	-2,3%
MANTEQUILLA	4,1%	-0,2%
QUESO	-1,0%	-4,7%
HELADOS Y TARTAS	8,9%	6,2%
NATA	-1,8%	-2,3%
OT.DERIVADOS LACTEOS	7,6%	5,4%
POSTRES LACTEOS	-6,8%	-8,0%
BATIDOS	6,6%	10,1%

Source: MAGRAMA

Milk and dairy products consumption 2014

Mercado del total de leche fermentada y yogures (% sobre leche fermentada y yogures)



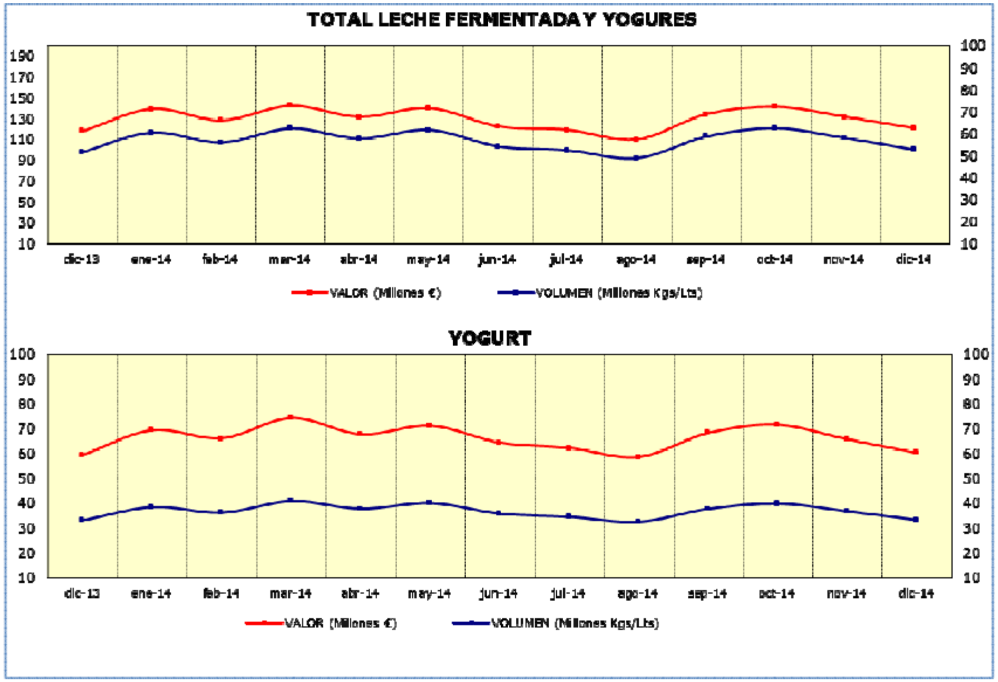
% Variación sobre el año 2013	Valor	Volumen
YOGURT	-1,1%	-0,3%
YOGURT CON BIFIDUS	-6,7%	-5,9%
O.LECHES FERMENTADAS	-6,4%	-5,7%

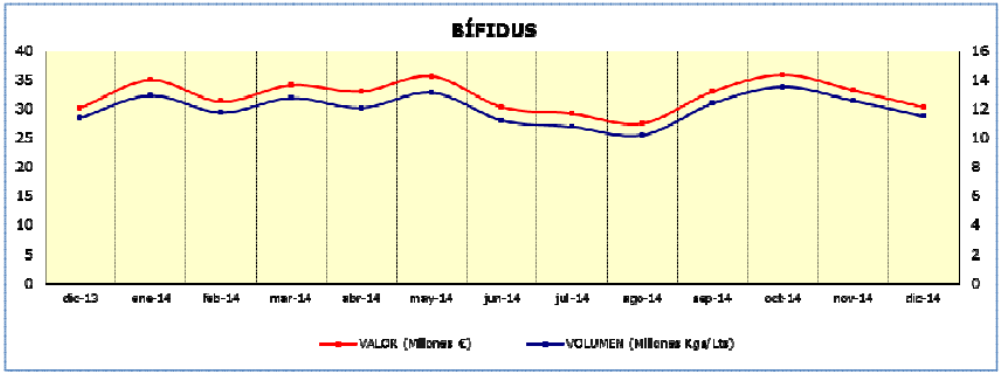
Consumo por persona

	T DERIVADOS LACTEOS		TOTAL LECHE FERMENTADA Y YOGURES		YOGURT		BIFIDUS		O.LECHES FERMENTADAS	
	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014
CONSUMO PER CÁPITA (Kg-lts./persona/año)	38,95	38,29	15,54	15,35	9,80	9,88	3,40	3,23	2,34	2,24

Source: MAGRAMA

Milk and dairy products consumption 2014



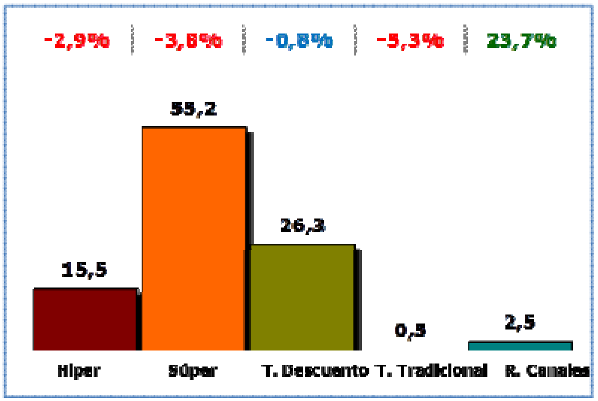


Source: MAGRAMA

Milk and dairy products consumption 2014

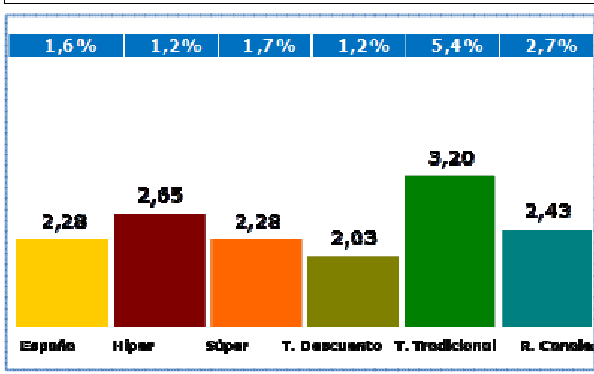
Distribución por canales

% PESO EN VOLUMEN DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL LECHE FERMENTADA Y YOGURES. % Variación sobre el Año 2013



- El 97,0% de los kilos/litros de Total Leche Fermentada Y Yogures son adquiridos dentro del canal Dinámico (Hiper + Súper + Tienda Descuento). Sin embargo a cierre de año 2014, su volumen de compras disminuyo un -2,8%, debido principalmente al Súper.
- El mayor descenso en la compra de esta categoría se produjo en la Tienda Tradicional (-5,3%). Sin embargo se produce un incremento en el volumen de Resto Canales de un +23,7%, pese a que únicamente representa el 2,5% del volumen de la categoría.

PRECIO MEDIO (euros/litro) DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL LECHE FERMENTADA Y YOGURES. % Variación sobre el Año 2013



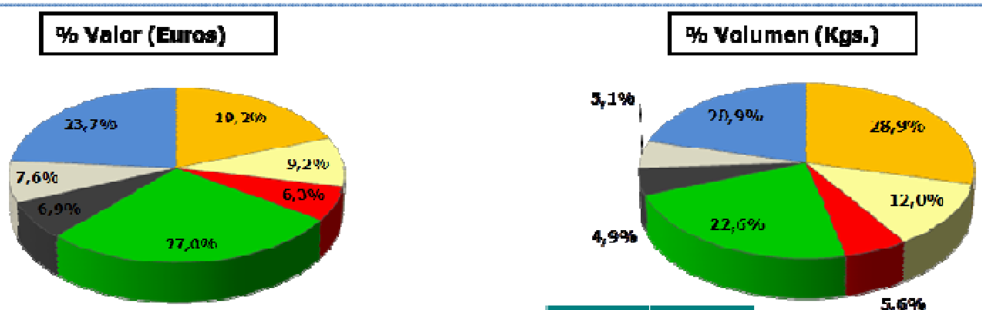
- Bajada generalizada de los precios medios en el Año 2014 en todos los canales de distribución.
- El precio mas económico de la categoría lo encontramos en la Tienda de Descuento 2,03€/litro (es decir 0,25 céntimos de euro más barato que la media del mercado).
- La Tienda Tradicional es el canal con el precio medio mas caro, pese a que hace un esfuerzo y lo contrae un -5,4% durante este periodo, cerrando en 3,20 €/litro es decir un 40% mas caro que la media.

Source: MAGRAMA

Milk and dairy products consumption 2014

	TOTAL QUESO Doméstico	% Variación Vs. Año 2013
VOLUMEN (Miles Kgs)	347.764,43	-4,7%
VALOR (Miles Euros)	2.592.940,83	-1,0%
CONSUMO X CAPITA	7,76	-3,6%
GASTO X CAPITA	57,85	0,1%
RTE MERCADO VOLUMEN Kgs	1,17	-0,03
PARTE MERCADO VALOR	3,90	0,10
PRECIO MEDIO Kgs	7,46	3,9%

Consumo de los tipos de quesos



% Variación sobre el año 2013	Valor	Volumen
QUESO FRESCO	-5,9%	-7,9%
QUESO FUNDIDO	-1,2%	-4,5%
QUESO TIERNO	-6,8%	-11,5%
QUESO SEMICURADO	4,0%	0,8%
QUESO CURADO	-0,4%	-3,0%
QUESO OVEJA	-1,3%	-4,7%
RESTO QUESO	-0,8%	-4,1%

Source: MAGRAMA

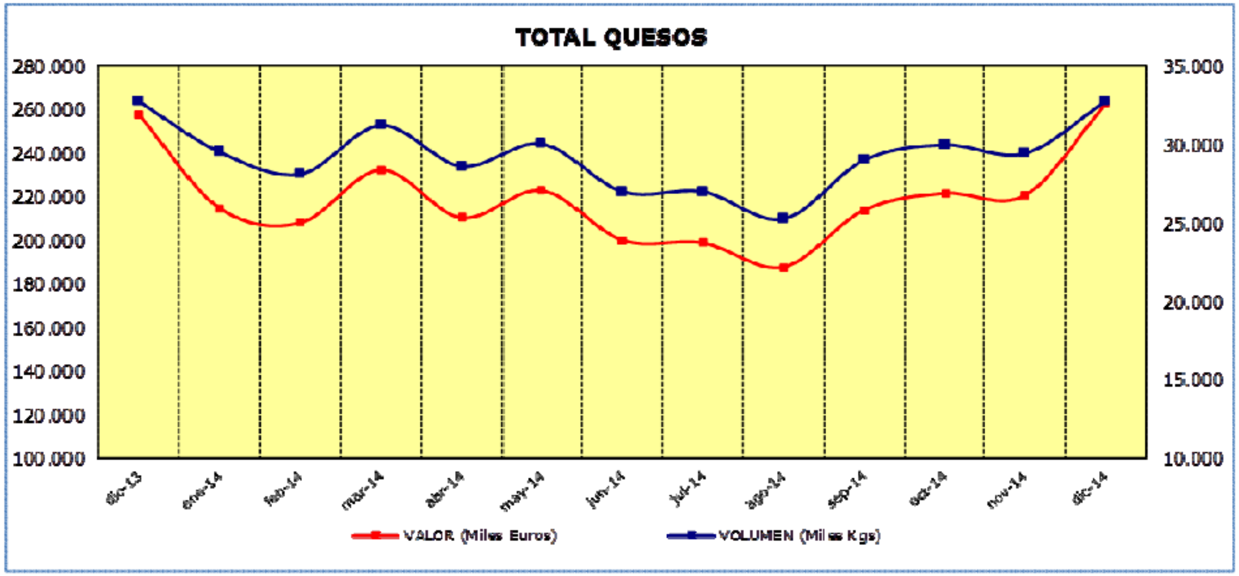
Milk and dairy products consumption 2014

Consumo por persona

	TOTAL QUESO		QUESO FRESCO		QUESO FUNDIDO		QUESO TIERNO		QUESO SEMICURADO		QUESO CURADO		QUESO OVEJA	
	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014	AÑO 2013	AÑO 2014
CONSUMO PER CÁPITA (Kg.)	8,05	7,75	2,41	2,24	0,97	0,93	0,49	0,44	1,72	1,75	0,39	0,38	0,41	0,39

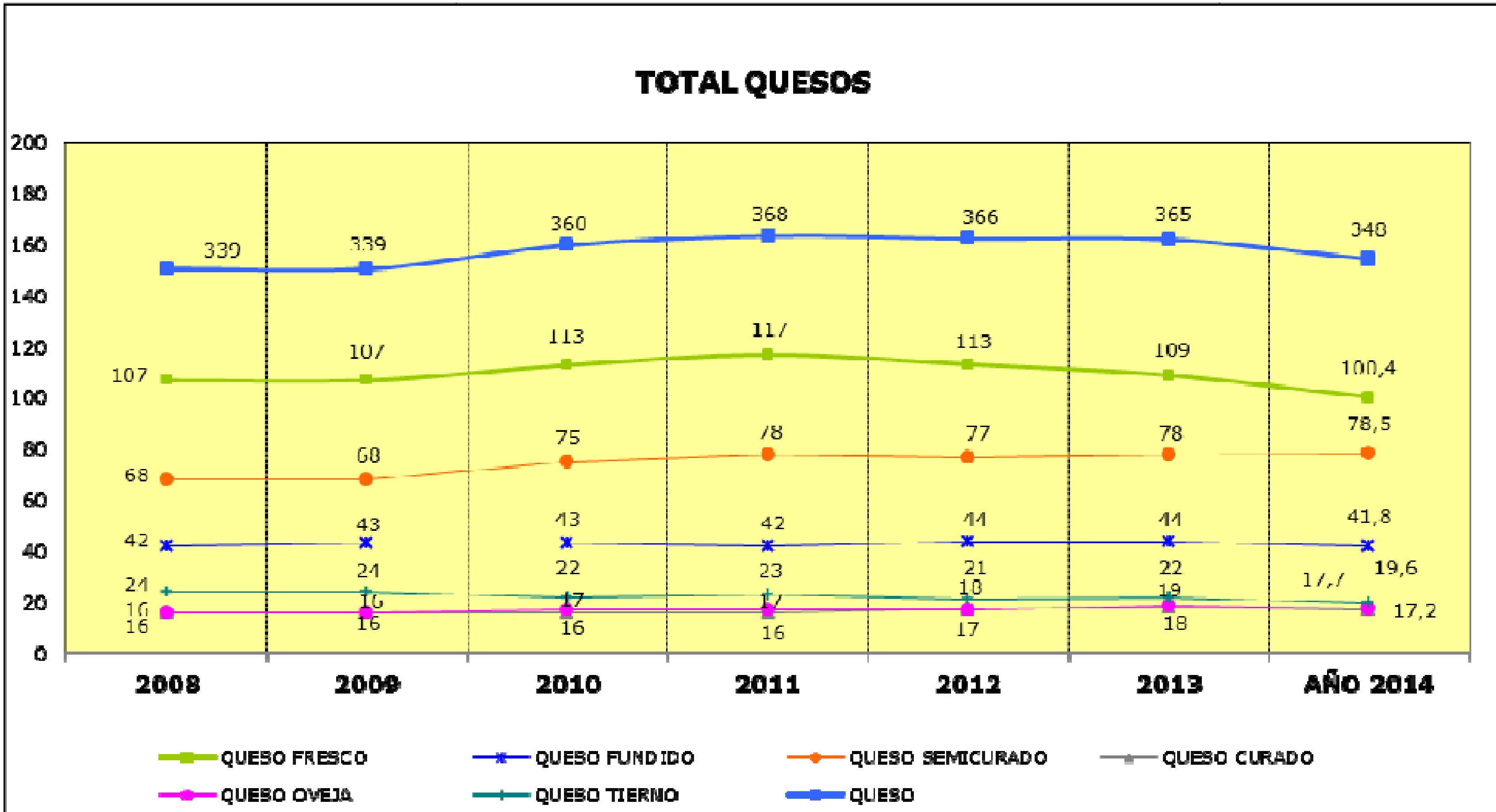
* RESTO VARIEDADES QUESOS incluyen Queso de Bola, Queso Emmental+Gruyere, Queso Tipo Azul y Otros tipos de Quesos

Evolución mensual de total gasto y total compras



Source: MAGRAMA

Milk and dairy products consumption 2014

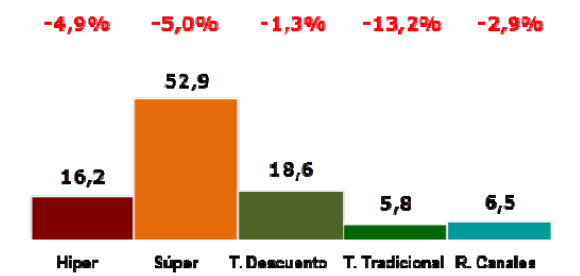


Source: MAGRAMA

Milk and dairy products consumption 2014

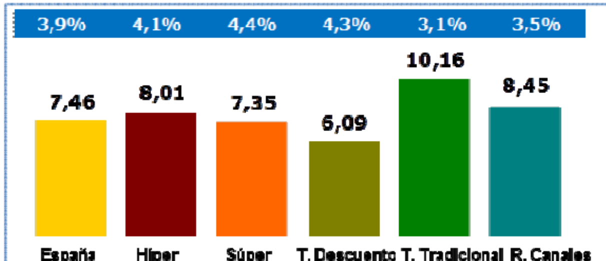
Distribución por canales

% PESO EN VOLUMEN DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL QUESOS. % de Variación sobre el Año 2013



- El 87,7% del Total Queso se distribuye en el Canal Dinámico (Híper + Súper + Tienda Descuento) pese a que reduce su volumen en un -4,2% al cierre de año 2014, principalmente por la tendencia negativa del Súper e Híper, (-5,0% y un -4,9% respectivamente).
- Tampoco evolucionan favorablemente otros canales como la T. Tradicional (-13,2%), ni el Resto Canales (-2,9%), ni tan siquiera la Tienda de Descuento, con una caída de las compras del -2,9%.

PRECIO MEDIO (euros/litro) DE LOS CANALES DE DISTRIBUCIÓN. Año 2014. TOTAL QUESOS. % Variación sobre el Año 2013



- El precio medio de la categoría se incrementó un +3,9% de media a cierre de año 2014, vs año 2013.
- Es en la Tienda Descuento donde se encuentra el precio más asequible de la categoría 6,09€/kilo, (un 18,3% más económico que la media), mientras que es en la Tienda Tradicional donde encontramos el precio medio más alto 10,16€/kilo, (es decir un 36,3% más caro que la media).

Source: MAGRAMA

Promotional campaign Vs Russian ban

MÁNDANOS UN
SELFIE
POR NUESTROS
ALIMENTOS

ASEDAS

Asociación Española de Distribuidores, Autoservicios y Supermercados

Thank you very much for your attention

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<u>ANNEX 8</u>

Short term Outlook
Draft forecasts
EU Dairy Markets

EUROPEAN COMMISSION

Short term Outlook Final draft forecasts EU Dairy Markets

MMO
30 June 2015

Sophie Hélaine

DG Agriculture and Rural Development
European Commission

Agriculture and Rural Development

Introduction

- Publication foreseen on 9th of July 2015
- Working assumption = the Russian import ban is maintained in 2015 and 2016

Outline:

- Milk collection forecast in 2015 and 2016?
- Dairy products in 2015 and 2016

EU milk collection forecast

- Jan-March 2015/2014: -1.2%
- April-May 2015^{e}/*2014*: +1.8%

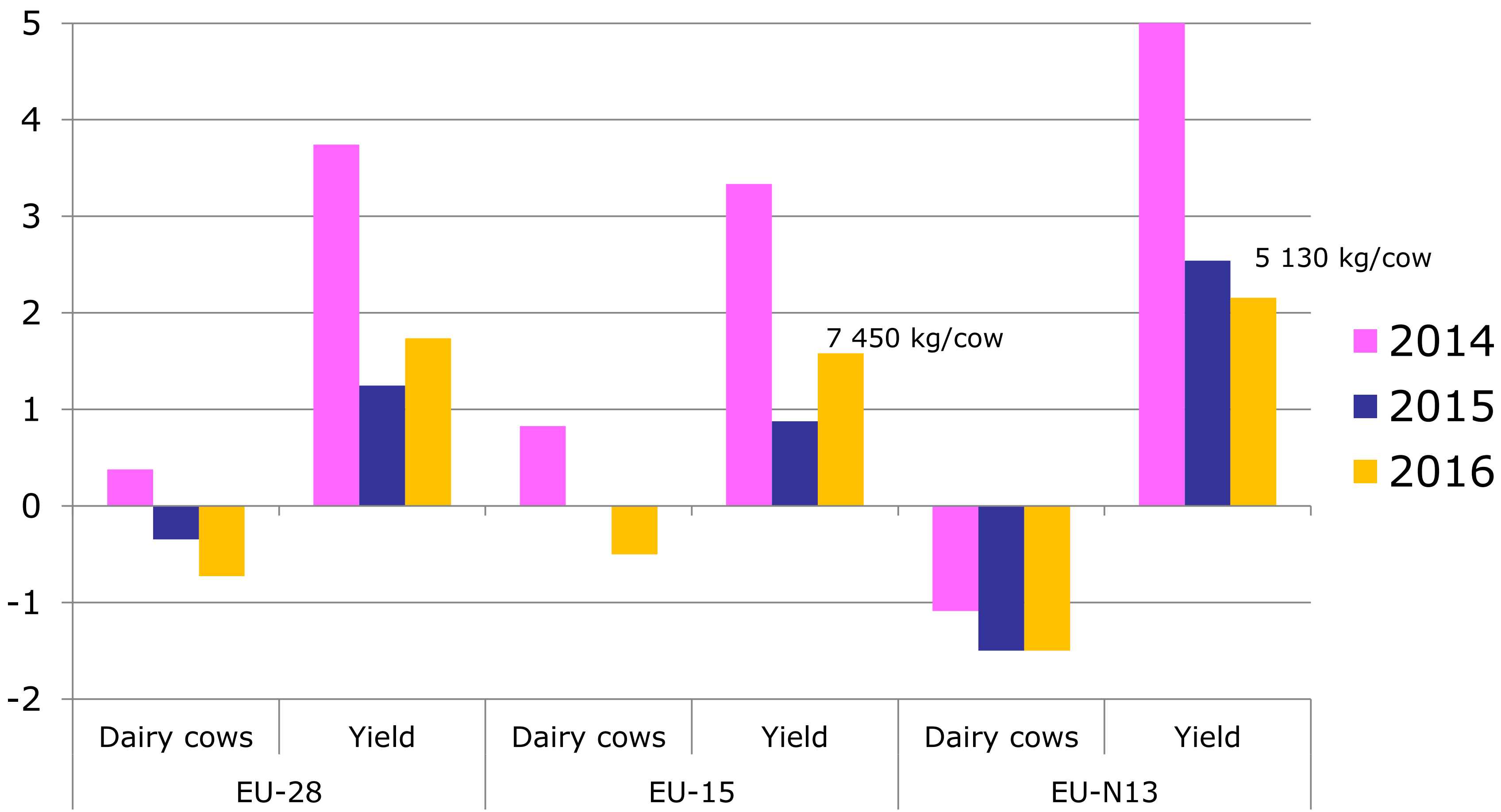
- 2015: +0.9% compared to 2014 (June-Dec: +1.6%)
  +1 Million tonnes (Mt) in the EU-15
  +0.3 Mt in the EU-N13

- 2016 +1% compared to 2013
  +1.5 Mt in the EU-28

- More dairy cows
- Good forage conditions
- Despite rather low milk prices

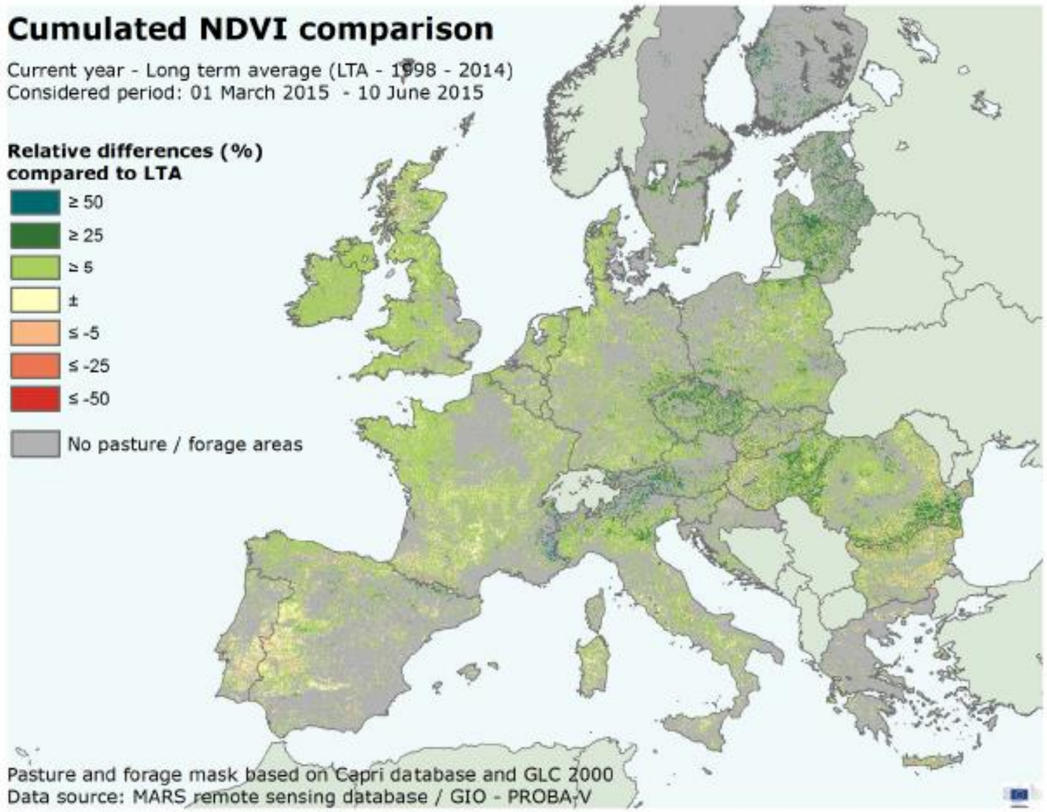
Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

Dairy cows number and yield (% change)



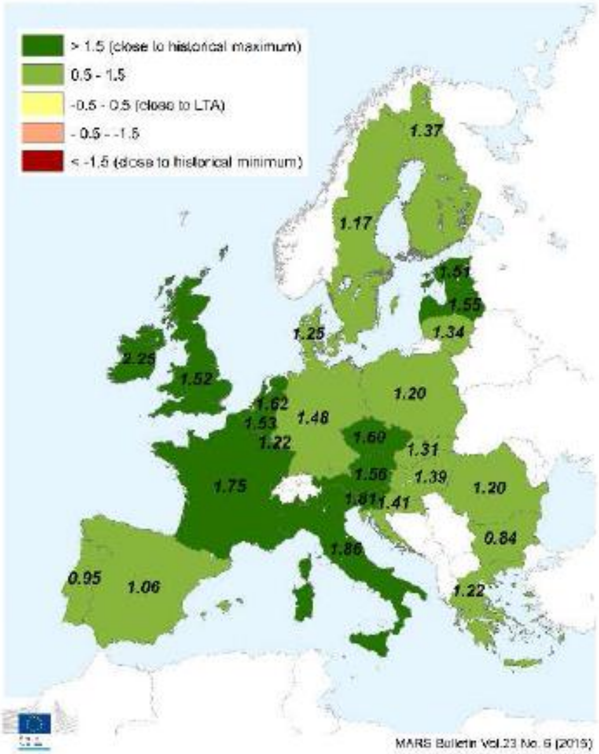
Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

Good forage conditions



Relative index of pasture productivity

Period of analysis: 1st March - 10 June 2015
Index based on GIO smoothed NDVI 10-day product
Historical archive from 1998 to2014



European Commission

2015: Different behaviour according to MS

Decrease in Q1 – Quota driven: CY, IE, EE, BE, AT, NL, LV, IT, DE, DK
Slow down: PL, ES

Decrease/slowdown in Q1 - no quota constraint: FR, UK, SE, RO, BG, EL, MT, HR

Steady increase in Q1: HU, CZ, SK, SI, PT, LT, FI

Quota expiry, 1st April 2015

Structural decrease RO, BG, EL, HR

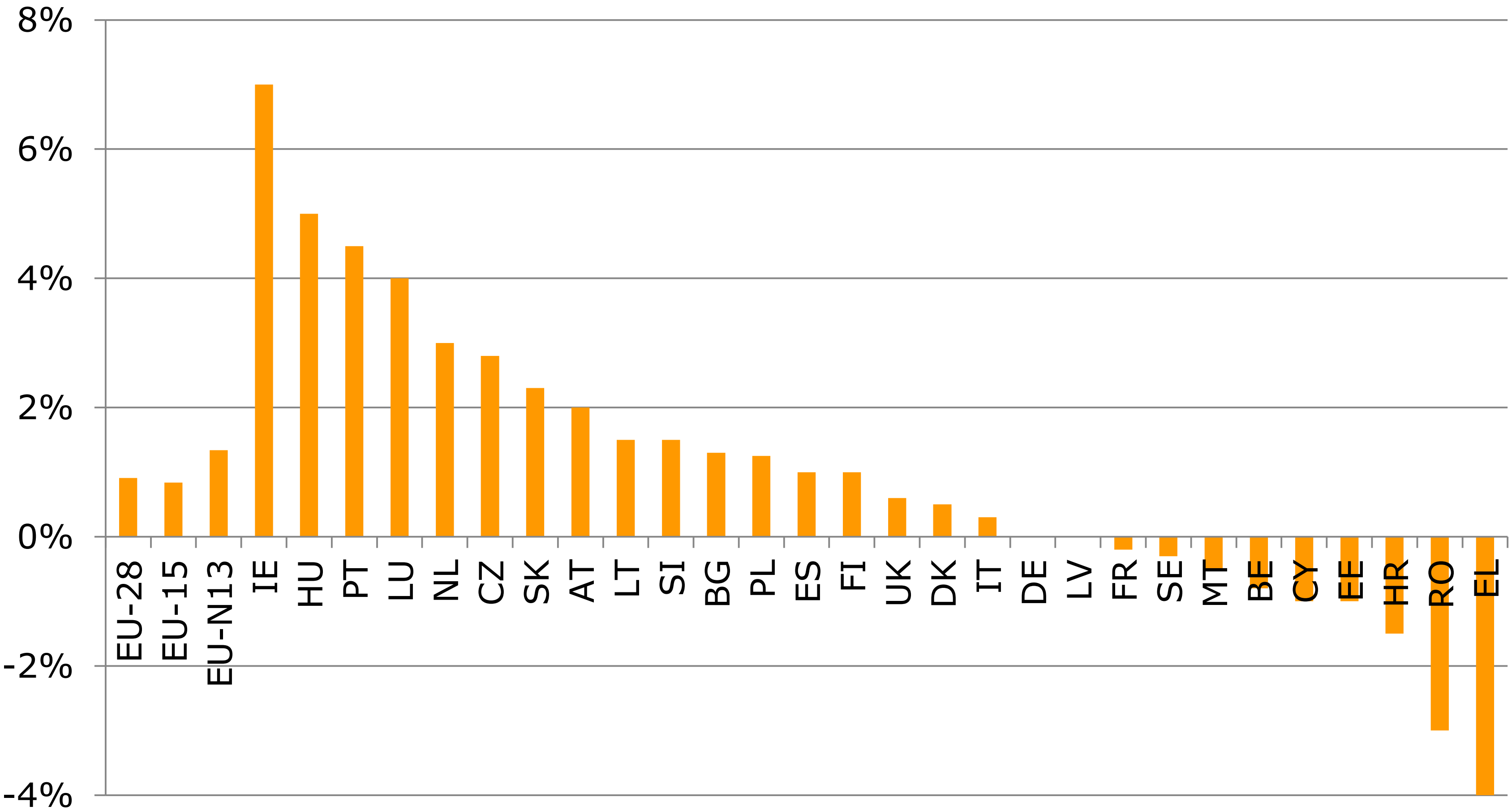
Towards a rather stable prod. or slight decrease: DK, DE, LV, FR, SE, MT, BE, EE, CY

Jump in milk prod in April / May: IE, AT, LU, PL, ES, NL, UK, BG (?)

Increase might not last in UK, ES

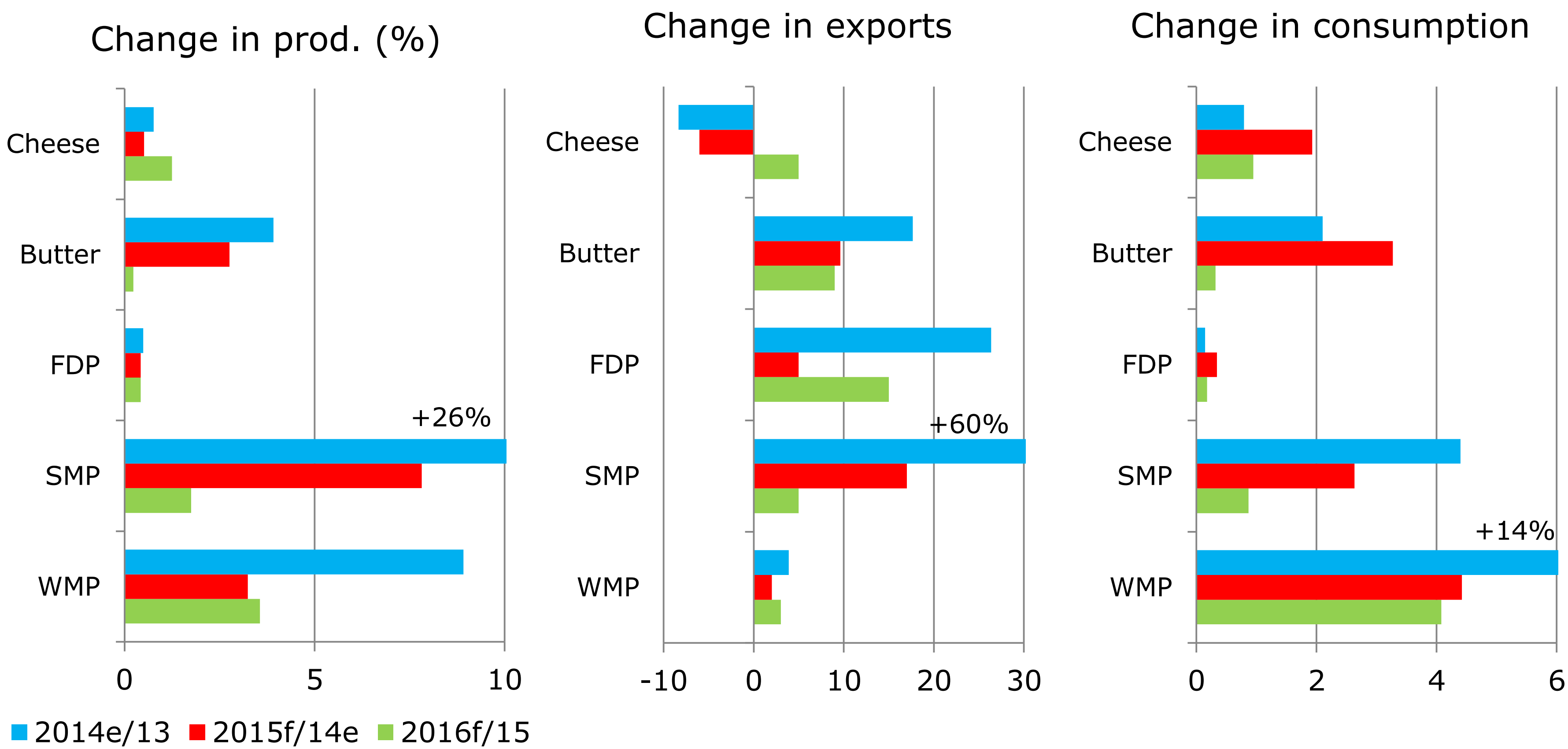
Steady increase in Q1: HU, CZ, SK, SI, PT, LT, FI

2015/14 change in milk collection - forecast



Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

2015 and 2016 forecast (with ban maintained)



Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

Cheese balance

	2013	2014e	2015f	2016f	*14/13*	*15/14*	*16/15*
Production (in dairies)	**9 308**	**9 373**	**9 418**	**9 534**	***0.7***	***0.5***	***1.2***
EU-15 (in dairies)	7 960	8 009	8 028	8 119	*0.6*	*0.2*	*1.1*
EU-N13 (in dairies)	1 348	1 364	1 390	1 415	*1.2*	*2.0*	*1.8*
Imports (extra EU)	**75**	**76**	**76**	**76**	***2.3***	***0.0***	***0.0***
Exports (extra EU)	**787**	**721**	**678**	**711**	***-8.4***	***-6.0***	***5.0***
Total domestic use	**8 953**	**9 095**	**9 188**	**9 277**	***1.6***	***1.0***	***1.0***
Stock changes	**0**	**60**	**- 20**	**- 20**			
Processing use	310	323	329	333	*4.2*	*1.7*	*1.2*
Human consumption	8 643	8 711	8 880	8 964	*0.8*	*1.9*	*0.9*
p.c. consumption (kg)	17.0	17.1	17.4	17.5	*0.6*	*1.7*	*0.7*

Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

SMP balance

	2013	2014e	2015f	2016f	*14/13*	*15/14*	*16/15*
Production	**1 101**	**1 392**	**1 501**	**1 527**	***26***	***7.8***	***1.8***
Imports (extra EU)	**5**	**2**	**5**	**5**			
Exports (extra EU)	**407**	**646**	**756**	**794**	***59***	***17***	***5***
Domestic use[1]	**699**	**730**	**749**	**756**	***4.4***	***2.6***	***0.9***
Ending stocks	**62**	**80**	**80**	**62**			
Private (industry)	62	80	80	62			
Public (intervention)	0	0	0	0			
Stock changes	0	18	0	- 18			

Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

Butter balance

	2013	2014e	2015f	2016f	*14/13*	*15/14*	*16/15*
Production	**2 137**	**2 220**	**2 282**	**2 287**	***3.9***	***2.8***	***0.2***
of which EU-15	1 891	1 963	2 014	2 018	*3.8*	*2.6*	*0.2*
of which EU-N13	246	258	268	269	*4.8*	*4.0*	*0.5*
Imports (extra EU)	**21**	**26**	**26**	**26**	***24.6***	***0.0***	***0.0***
Exports (extra EU)	**116**	**137**	**150**	**163**	***17.7***	***9.6***	***9.0***
Domestic use[1]	**2 041**	**2 084**	**2 153**	**2 160**	***2.1***	***3.3***	***0.3***
p.c. consumption (kg)	4.0	4.1	4.2	4.2	*1.9*	*3.0*	*0.1*
Ending stocks	100	125	130	120			
Private	100	125	130	120			
Public (intervention)	0	0	0	0			
Stock changes	0	25	5	- 10			

Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

WMP balance

	2013	2014e	2015f	2016f	*14/13*	*15/14*	*16/15*
Production	**728**	**793**	**818**	**847**	***8.9***	***3.2***	***3.6***
of which EU-15	664	697	718	743	*5.1*	*3.0*	*3.5*
of which EU-N13	64	95	100	104	*49*	*5.0*	*4.0*
Imports (extra EU)	**3**	**1**	**1**	**1**		***0.0***	***0.0***
Exports (extra EU)	**374**	**389**	**397**	**409**	***3.9***	***2.0***	***3.0***
Domestic Use[1]	**357**	**405**	**423**	**440**	***13.5***	***4.4***	***4.1***

Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

FDP balance

	2013	2014e	2015f	2016f	*14/13*	*15/14*	*16/15*
Production	**47 063**	**47 296**	**47 496**	**47 697**	***0.5***	***0.4***	***0.4***
of which Drinking Milk	31 994	32 122	32 186	32 218	*0.4*	*0.2*	*0.1*
of which Cream	2 584	2 714	2 877	2 963	*5.0*	*6.0*	*3.0*
of which Acidified Milk	8 144	8 063	8 047	8 127	*-1.0*	*-0.2*	*1.0*
of which Other Fresh Products	4 341	4 398	4 387	4 389	*1.3*	*-0.2*	*0.1*
of which EU-15	40 674	40 837	40 960	41 082	*0.4*	*0.3*	*0.3*
of which EU-N13	6 389	6 459	6 537	6 615	*1.1*	*1.2*	*1.2*
Imports (extra EU)	**28**	**16**	**12**	**10**	***-44.7***	***-20.0***	***-20.0***
Exports (extra EU)	**577**	**729**	**765**	**880**	***26.4***	***5.0***	***15.0***
Domestic use	**46 515**	**46 583**	**46 743**	**46 828**	***0.1***	***0.3***	***0.2***
p.c. consumption (kg)	91.4	91.4	91.5	91.4	*-0.1*	*0.1*	*-0.1*

Source: DG Agriculture and Rural Development, Short-term outlook, Summer 2015, to be published the 9th of July

Medium-term outlook report and data available at:
http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook/index_en.htm

Short term outlook at:
http://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook/index_en.htm

MMO at:
http://ec.europa.eu/agriculture/milk-market-observatory/index_en.htm

DISCLAIMER: While all efforts are made to reach robust market and income prospects, uncertainties remain. This publication does not necessarily reflect the official opinion of the European Commission.