



Milk market situation

CDG meeting

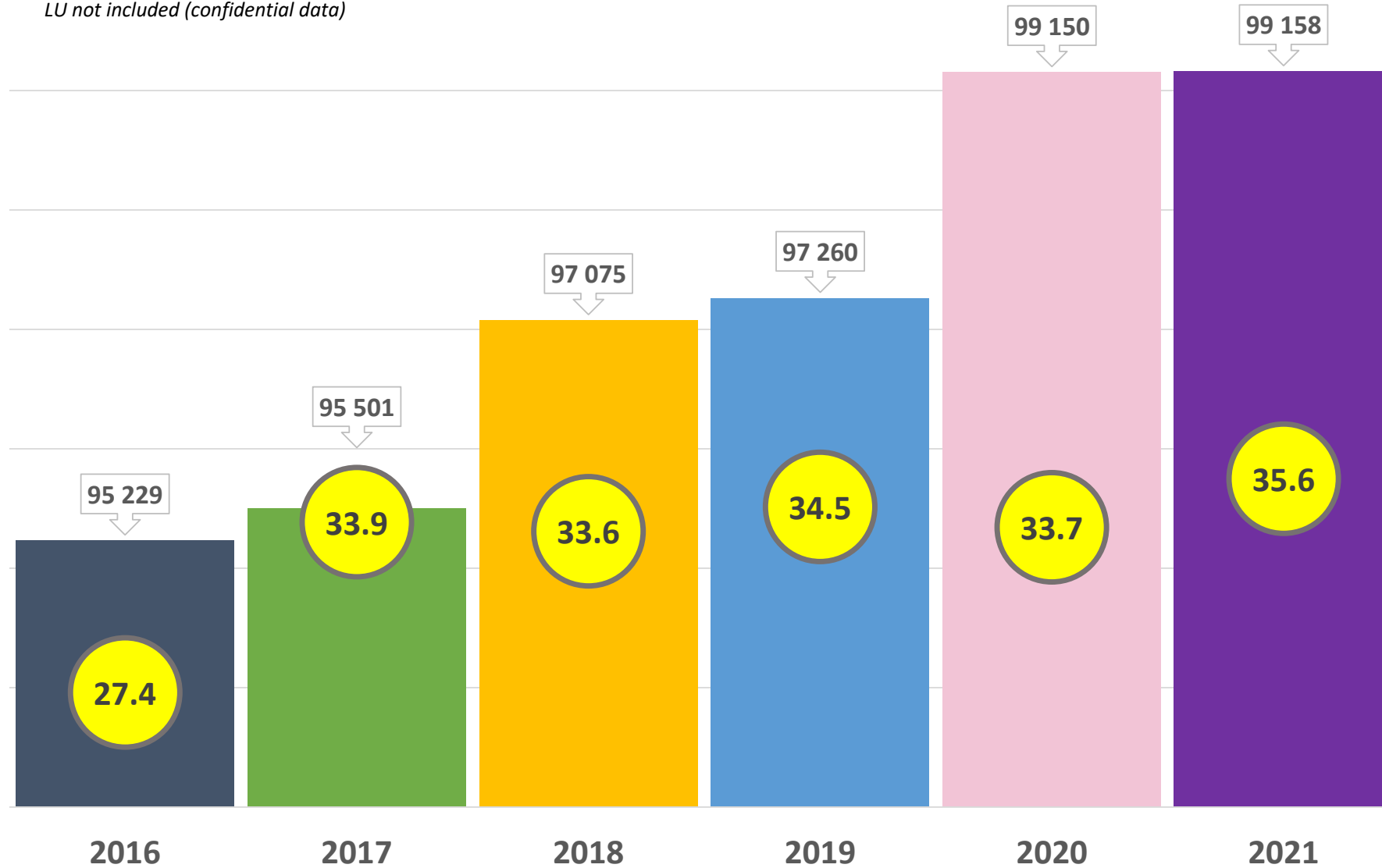
Brussels, 22 October 2021

Outline

- ❑ EU-27 milk deliveries and prices
- ❑ Milk production of main exporting countries
- ❑ EU dairy productions
- ❑ EU milk prices
- ❑ EU and world quotations
- ❑ Dairy trade
- ❑ STO

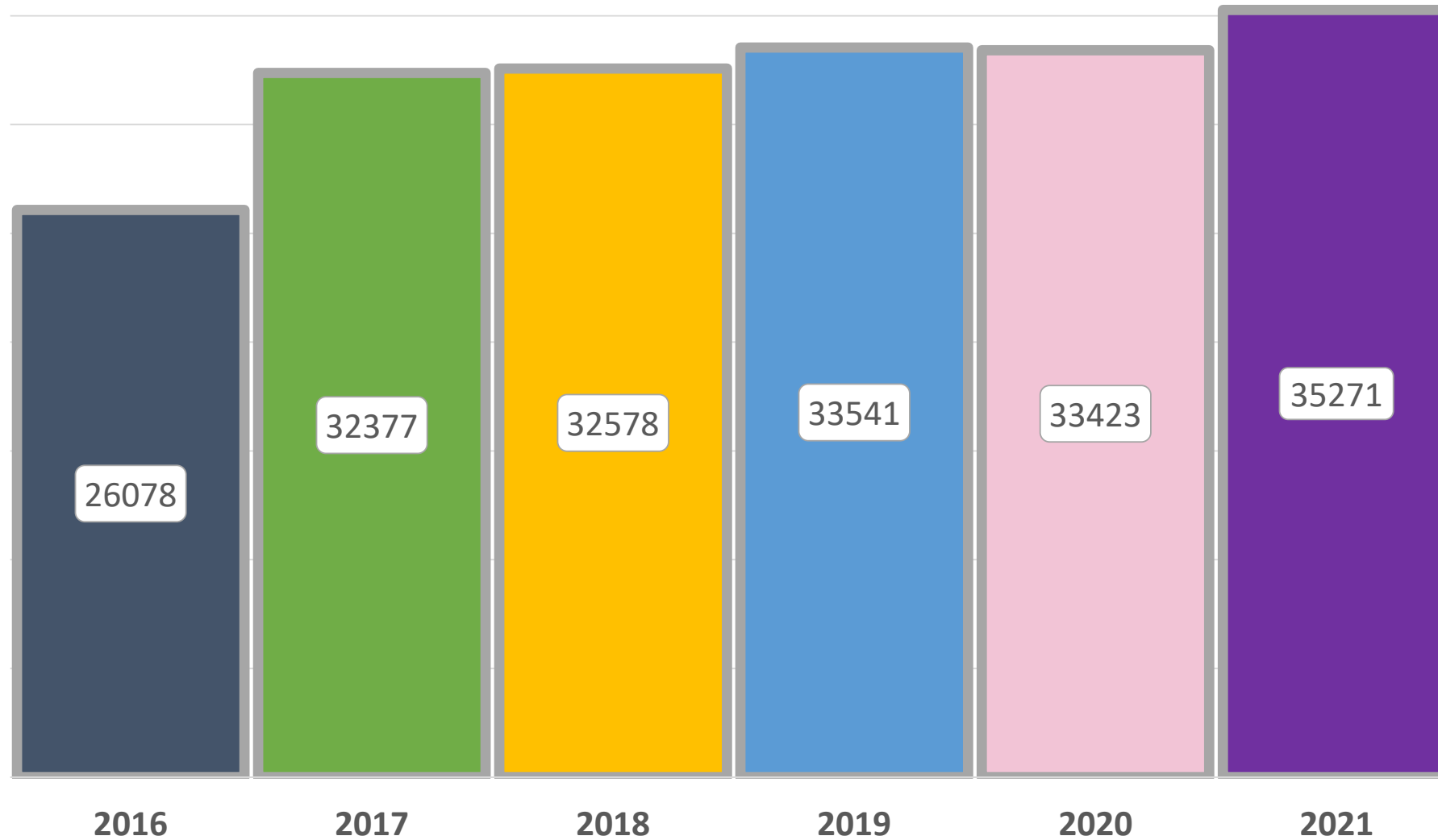
EU-27 milk deliveries and price Jan-Aug 2016-21 (x1000 t, c/kg)

LU not included (confidential data)



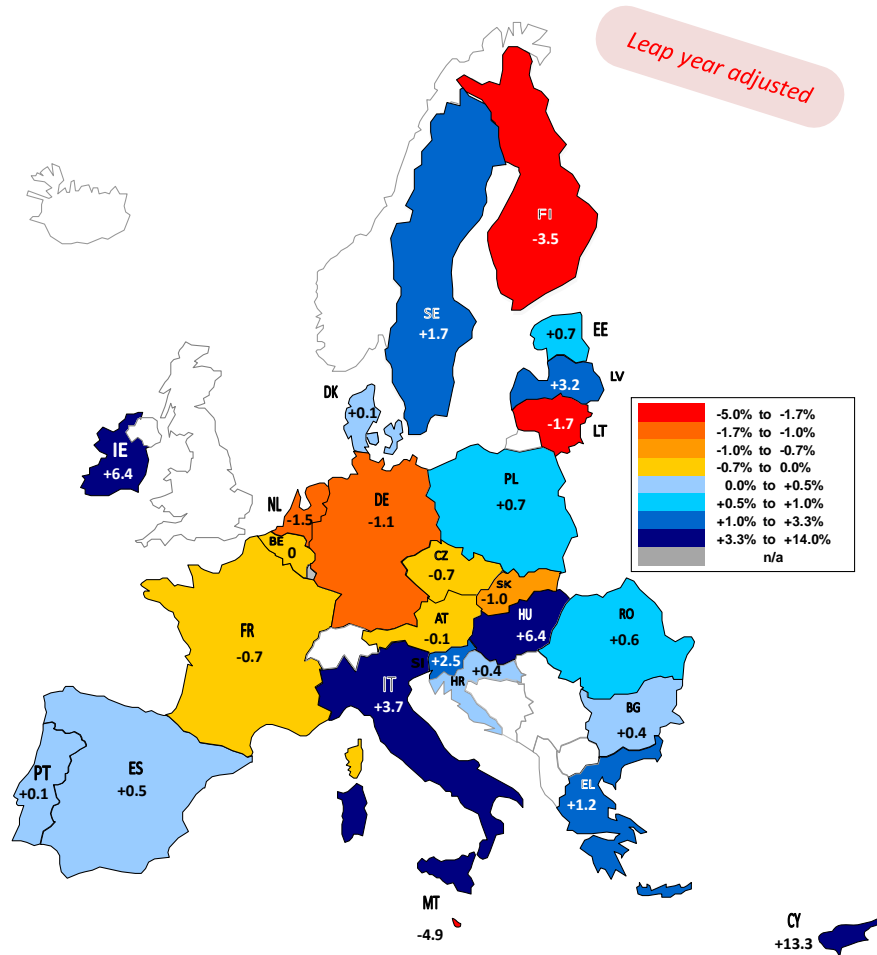
EU-27 value milk production Jan-Aug 2016-21 (x million €)

LU not included (confidential data)



EU Milk Deliveries compared to last period (in %)

(Jan - Aug 2021 / Jan - Aug 2020)



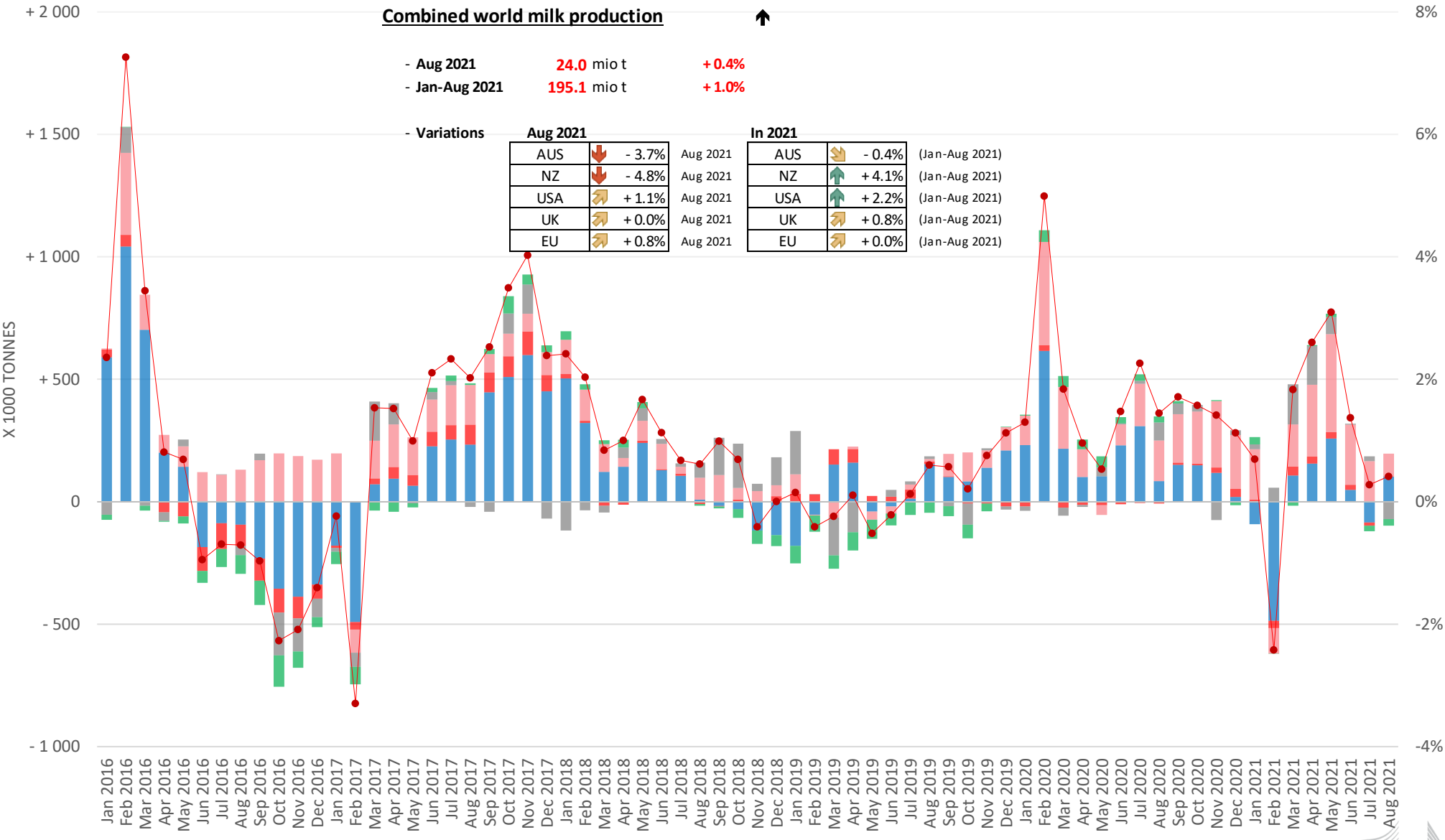
Source : MS' Communications to Eurostat, FEGA, AGEA, Reg.479/2010.1(a)1

The designations employed and the presentation of material on the map do not imply the expression of any opinion whatsoever on the part of the European Union concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Top 10 milk collection per MS (2020)



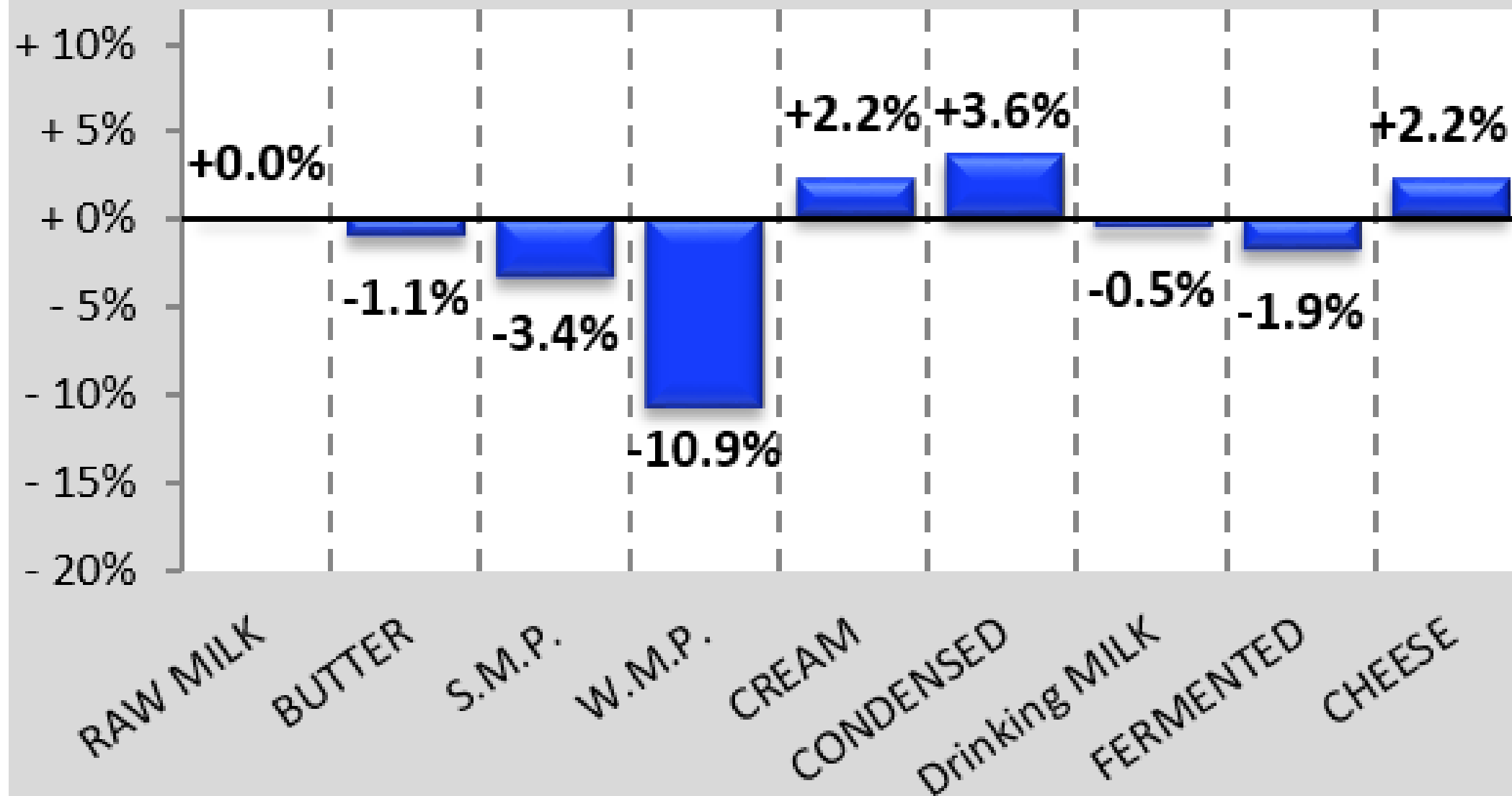
EU*+UK+US+NZ+AUS COMBINED MILK PRODUCTION GROWTH



* not including LU (confidential data)

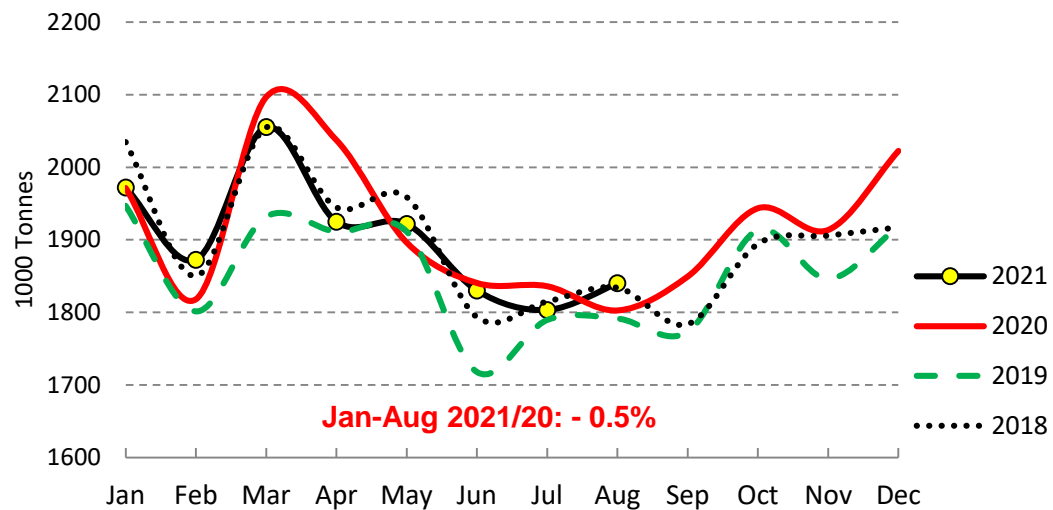
EU UK US NZ AUS Combined increase

EU Productions Jan-Aug 2021 compared to Jan-Aug 2020)



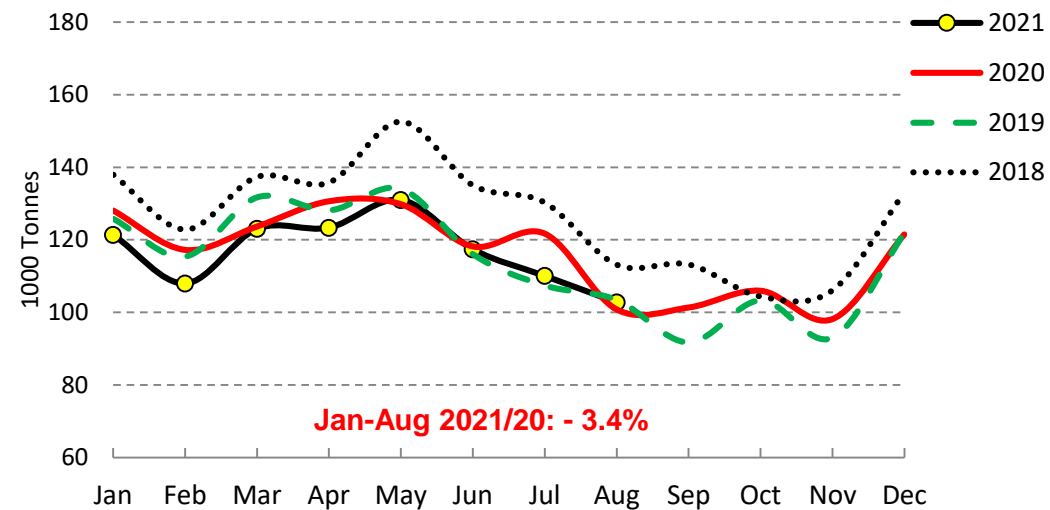
Data from some Member States are confidential and are not included in this table.

EU - Drinking milk



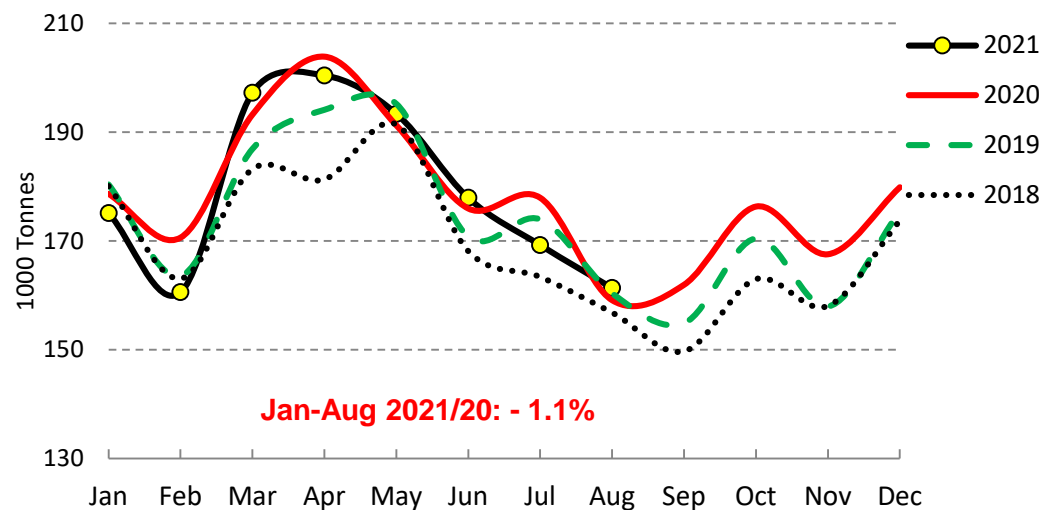
Source : Estat - Newcronos

EU - Skimmed-milk powder



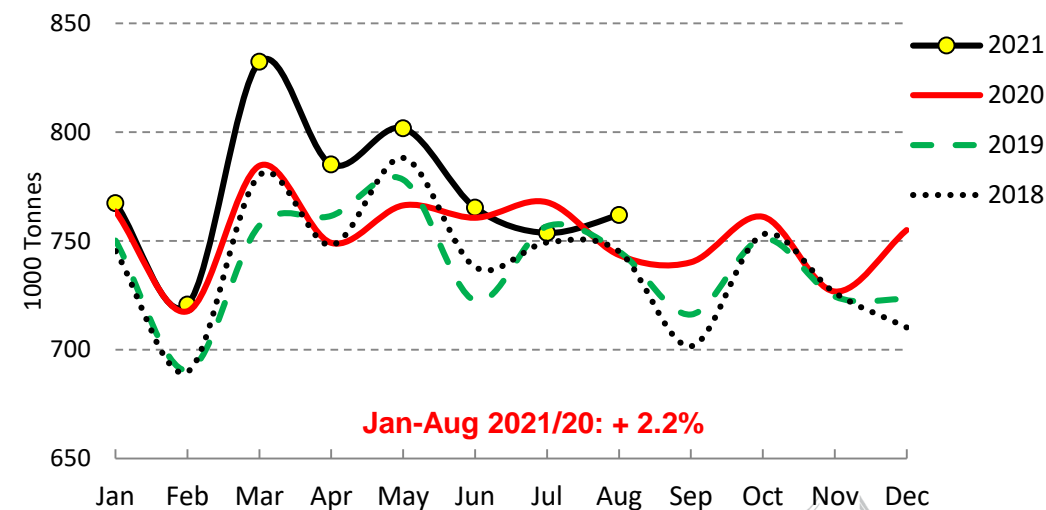
Source : Estat - Newcronos

EU - Total Butter



Source : Estat - Newcronos

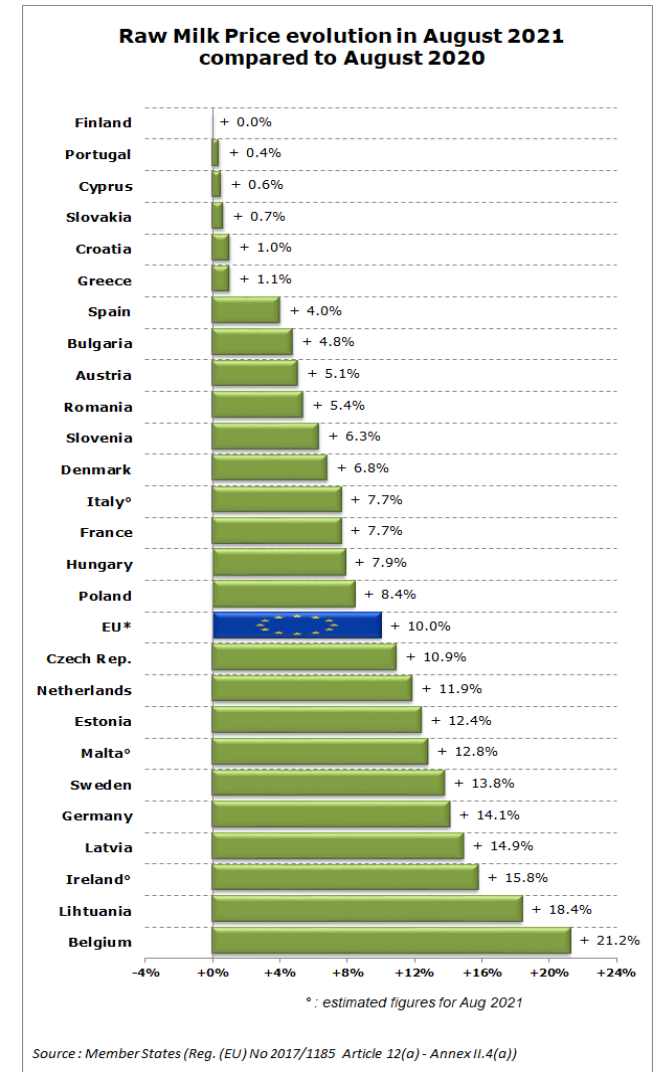
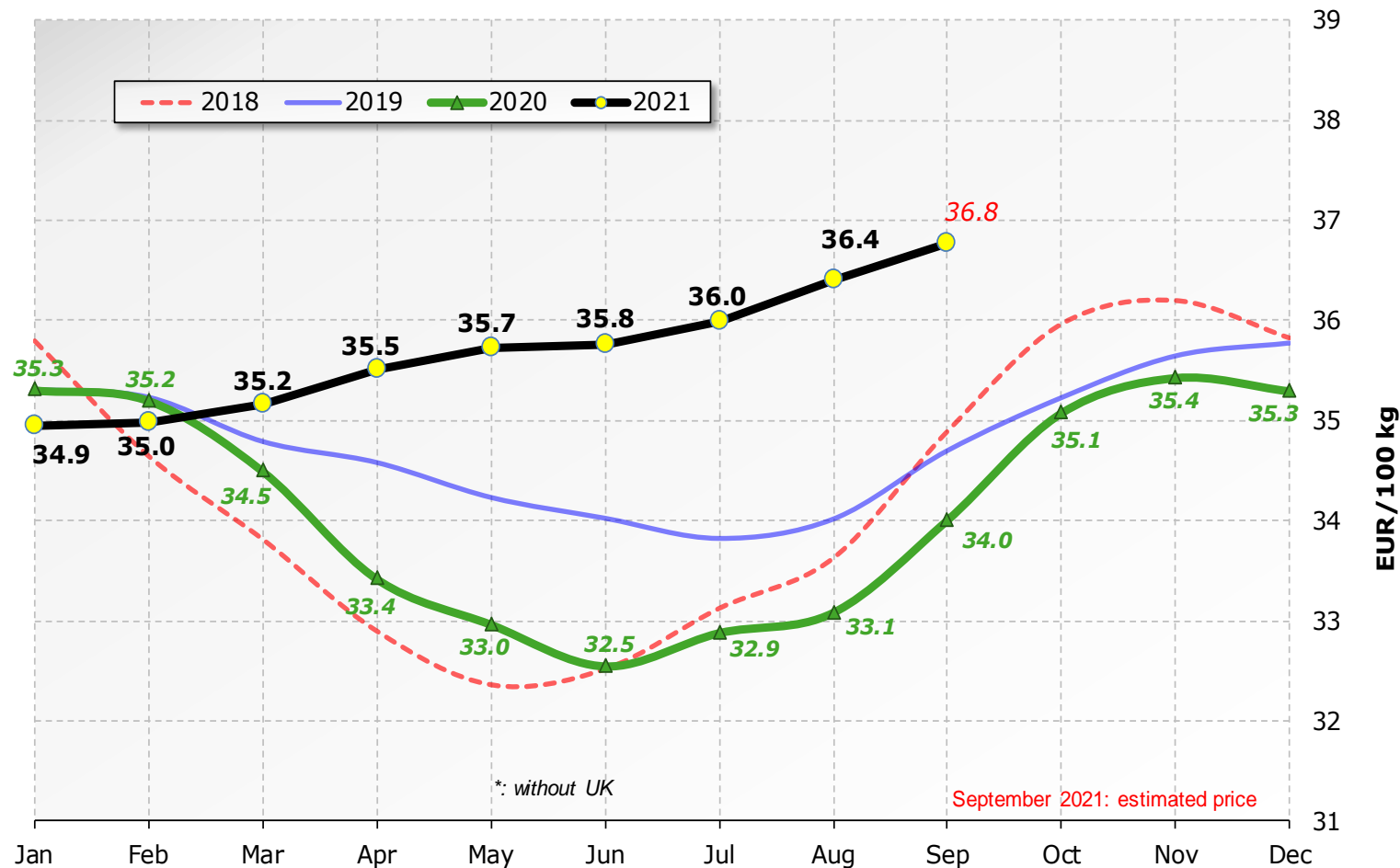
EU - Cheese



Source : Estat - Newcronos

EU milk prices paid to the producers

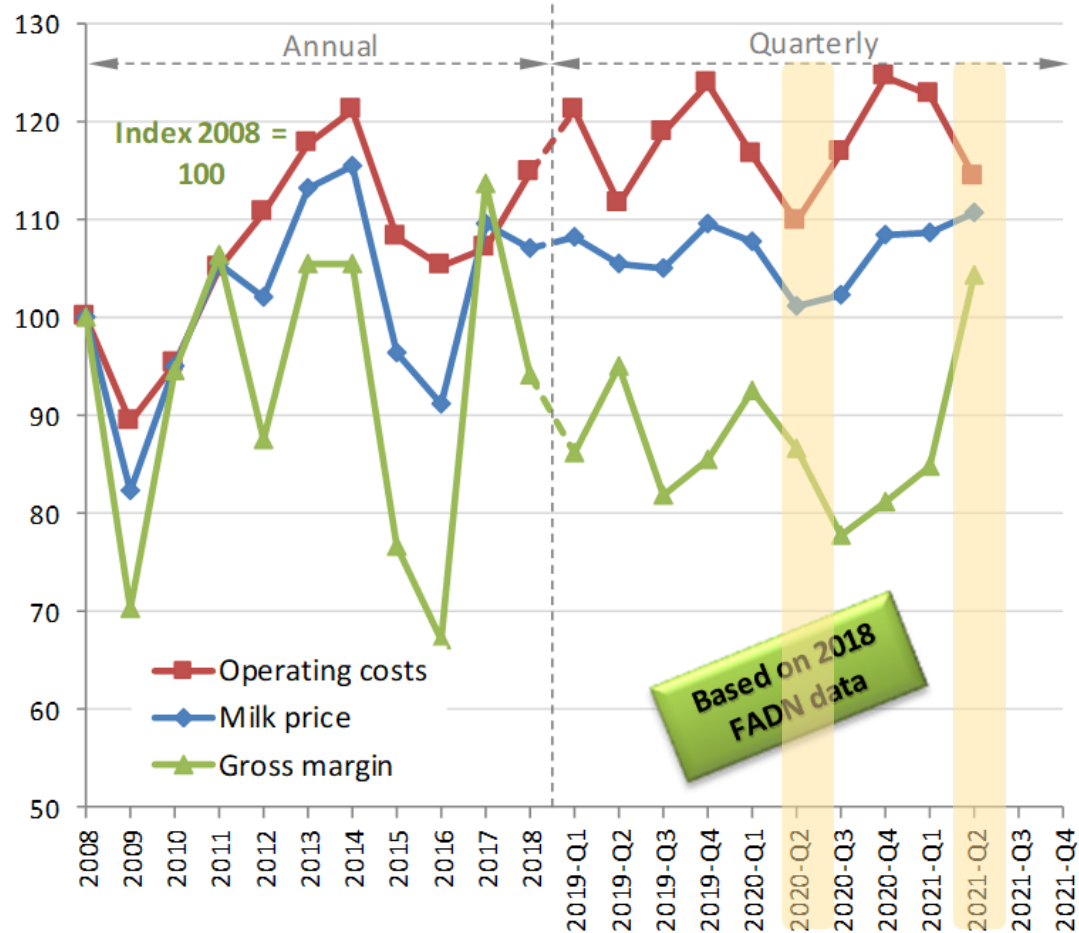
Milk Prices paid to the Producers EU* (weight. avg.)



Source : Member States Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a))

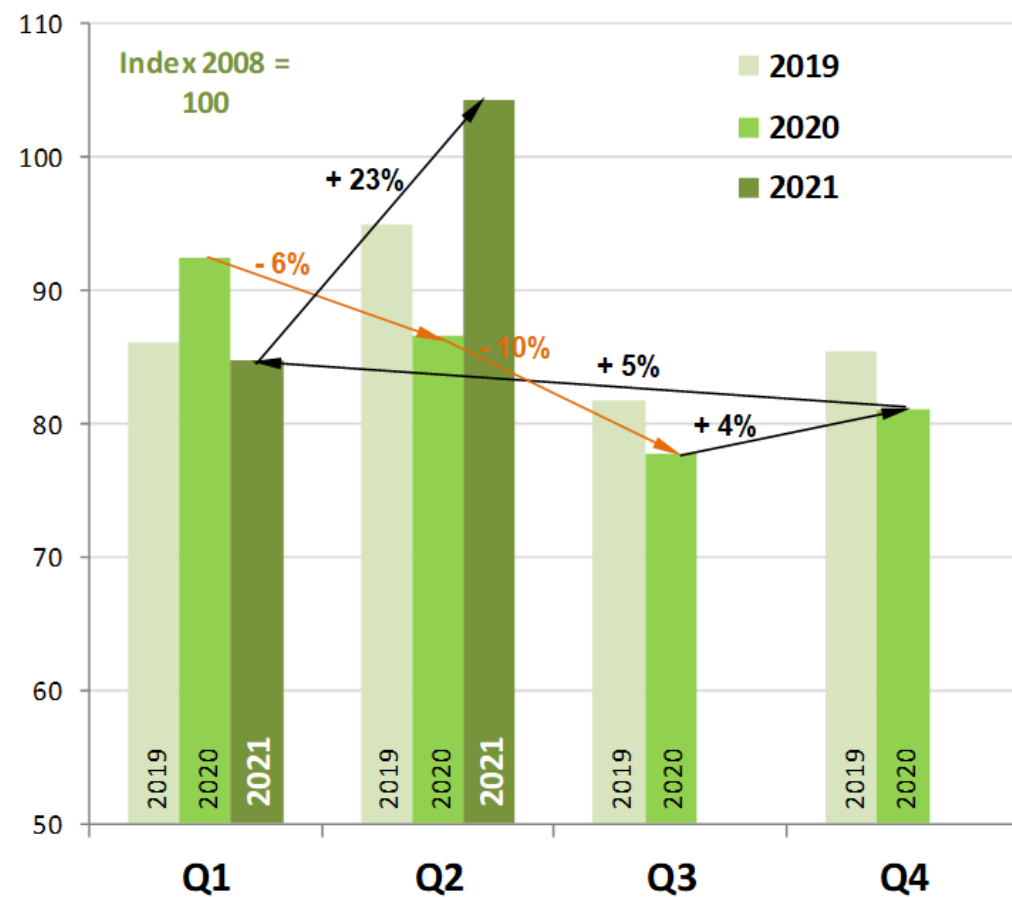
Margins

EU Milk price, operating costs and margin per tonne



Source : FADN (base year 2018) + indexes (Eurostat, DG AGRI)

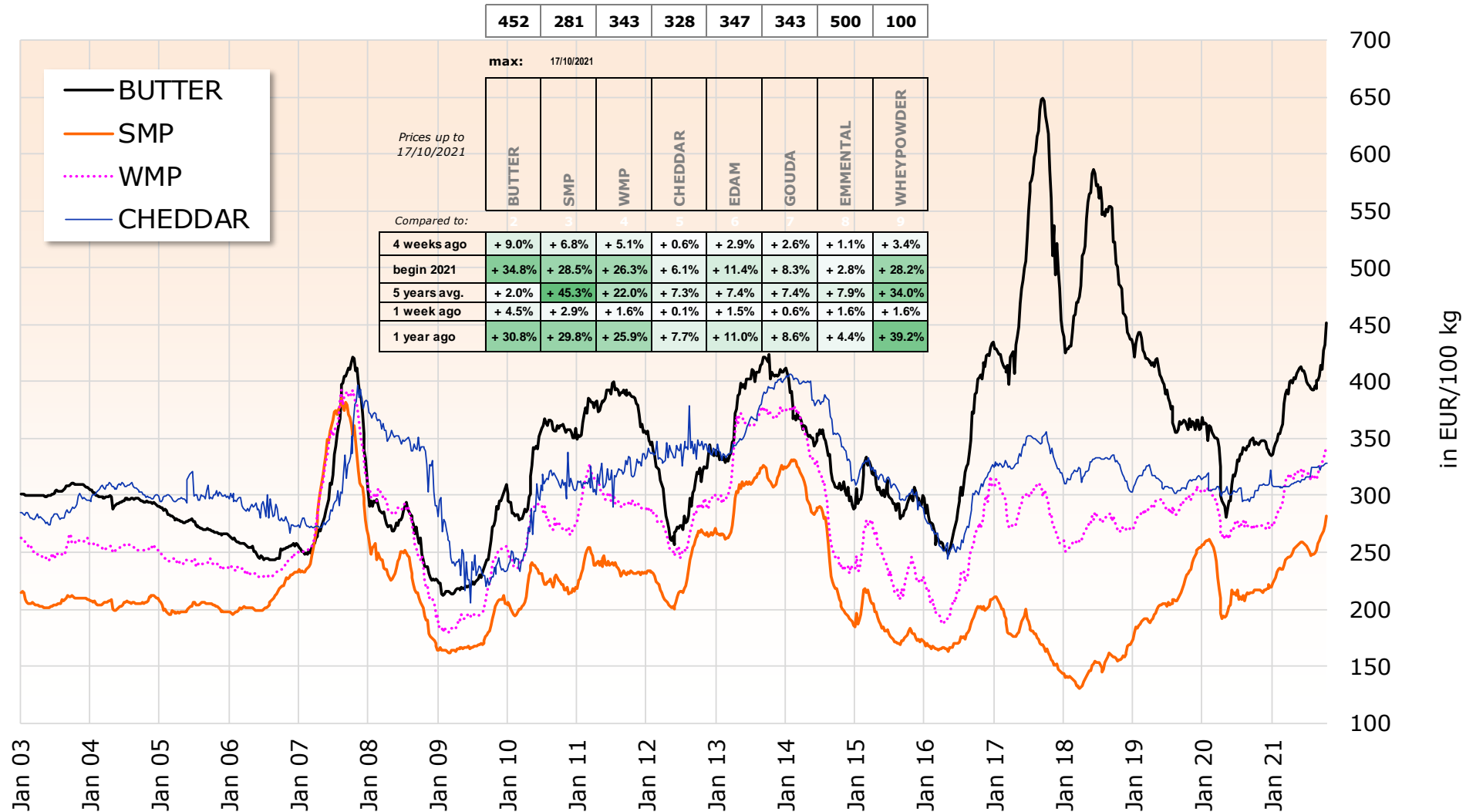
Estimation of EU Gross margin



Source : FADN (base year 2018) + indexes (Eurostat, DG AGRI)

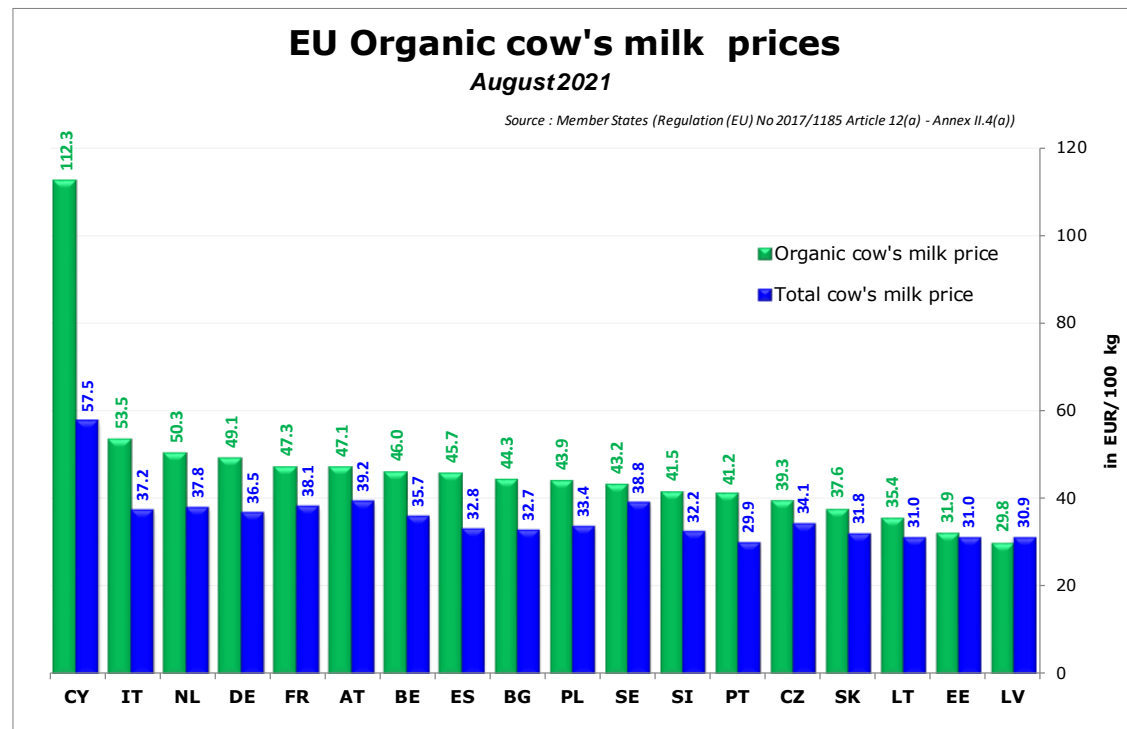
EU evolutive* dairy Quotations

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



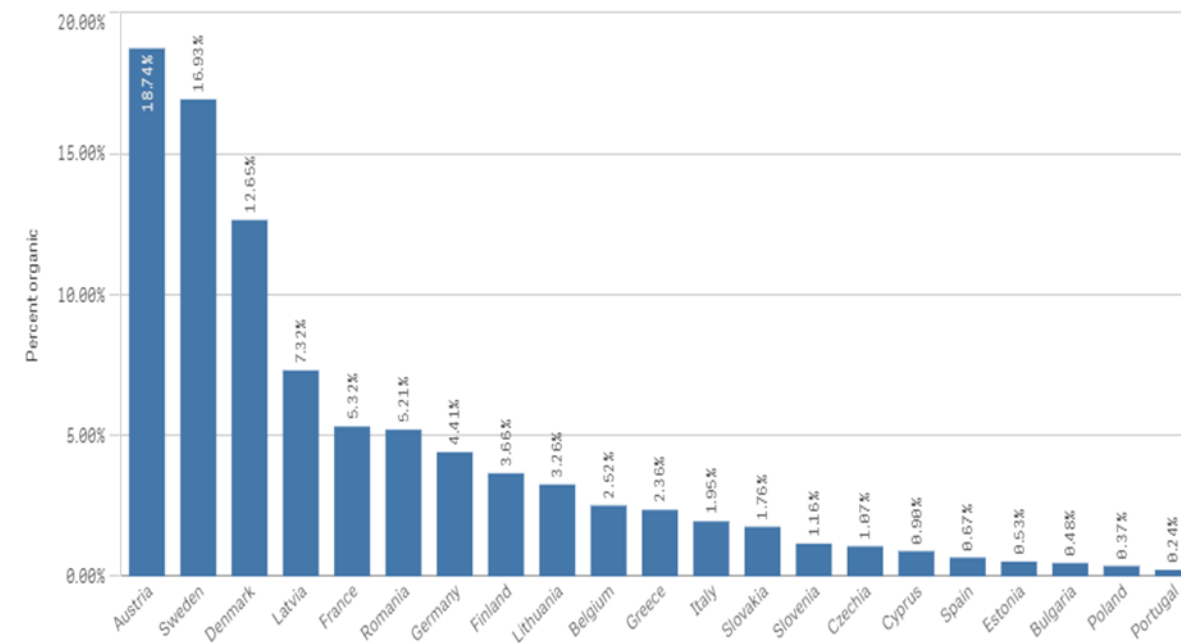
Source: Regulation (EU) No 2017/1185 Article 11 - Annex I.7

EU organic raw milk production & prices



Organic raw cow's milk delivered to dairies as a percentage of total raw cow's milk

For years: 2021 > Months: 08 > All Member States and UK



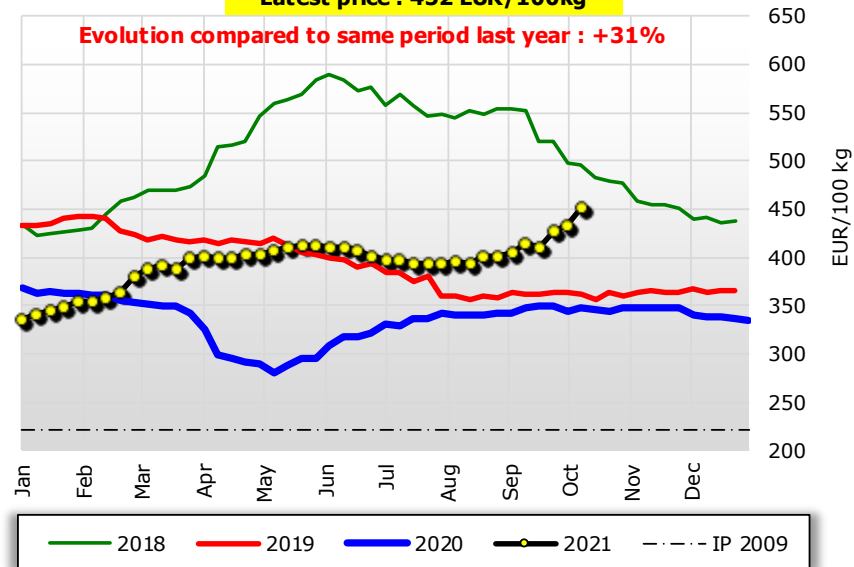
August 2021:

4.4% of total raw milk collected was organic (based on notifications from 21 MS)

Weekly EU BUTTER Prices

Latest price : 452 EUR/100kg

Evolution compared to same period last year : +31%



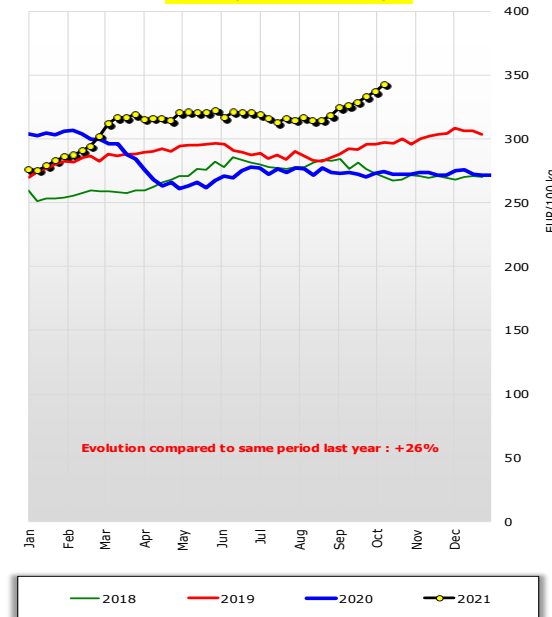
EU * averages of main dairy commodities

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

Weekly EU* WMP Prices

Latest price : 343 EUR/100kg

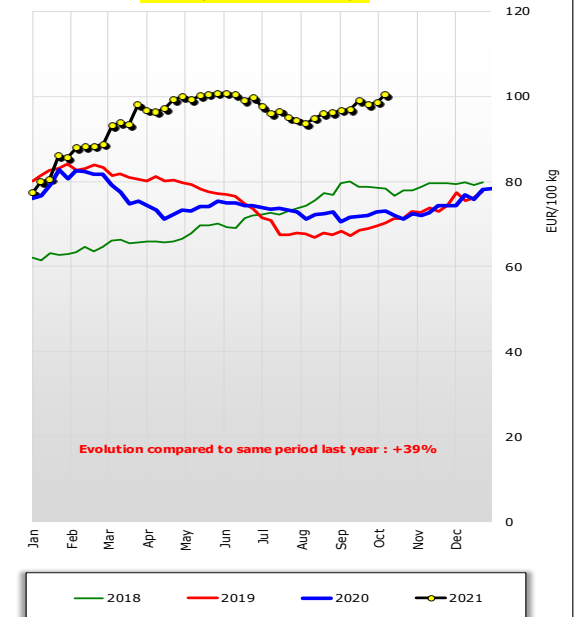
Evolution compared to same period last year : +26%



Weekly EU* WheyPowder Prices

Latest price : 100 EUR/100kg

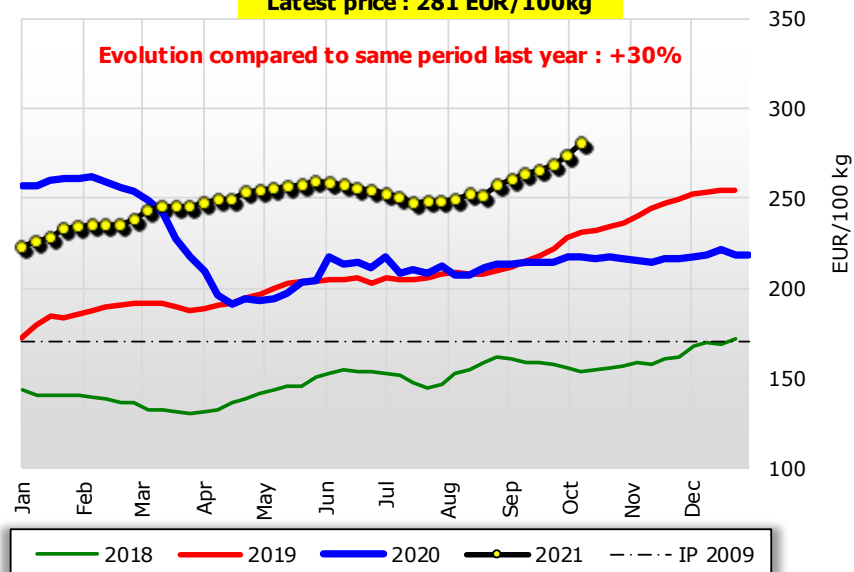
Evolution compared to same period last year : +39%



Weekly EU SMP Prices

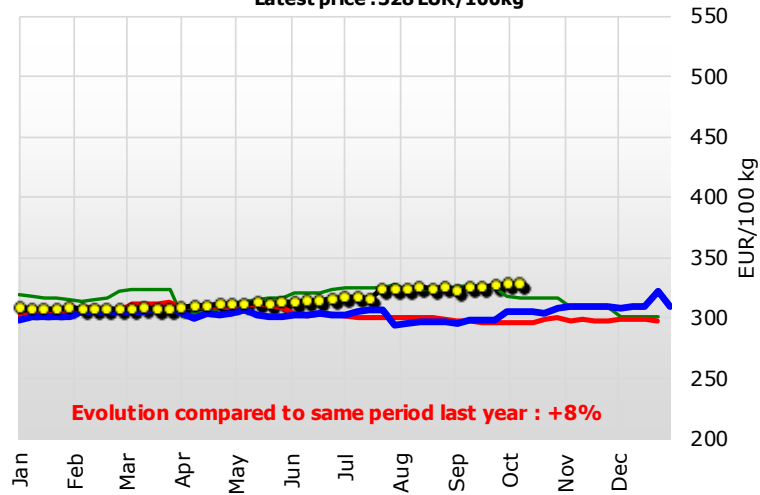
Latest price : 281 EUR/100kg

Evolution compared to same period last year : +30%



Weekly EU* CHEDDAR Prices

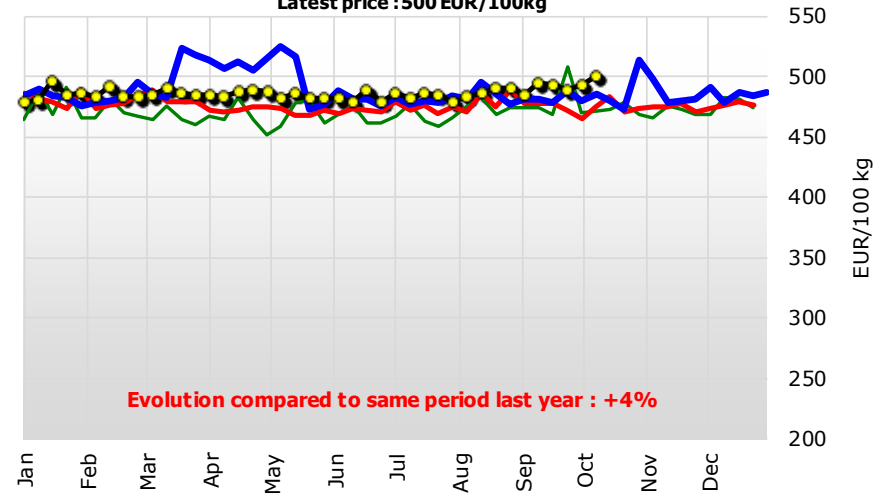
Latest price : 328 EUR/100kg



— 2018 — 2019 — 2020 —●— 2021

Weekly EU* EMMENTAL Prices

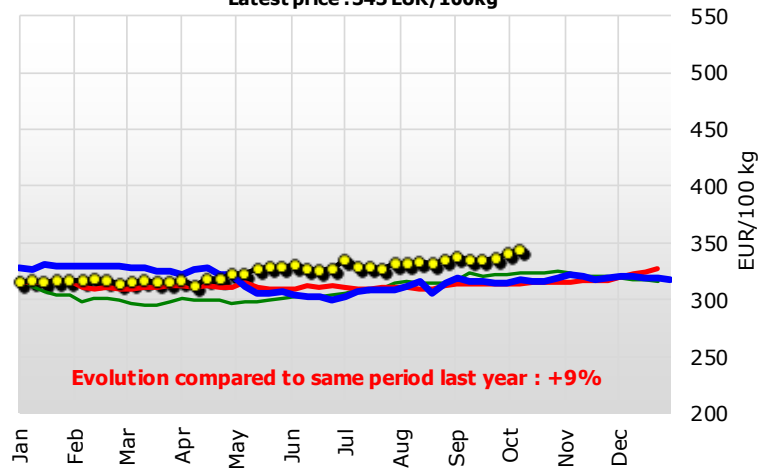
Latest price : 500 EUR/100kg



— 2018 — 2019 — 2020 —●— 2021

Weekly EU* GOUDA Prices

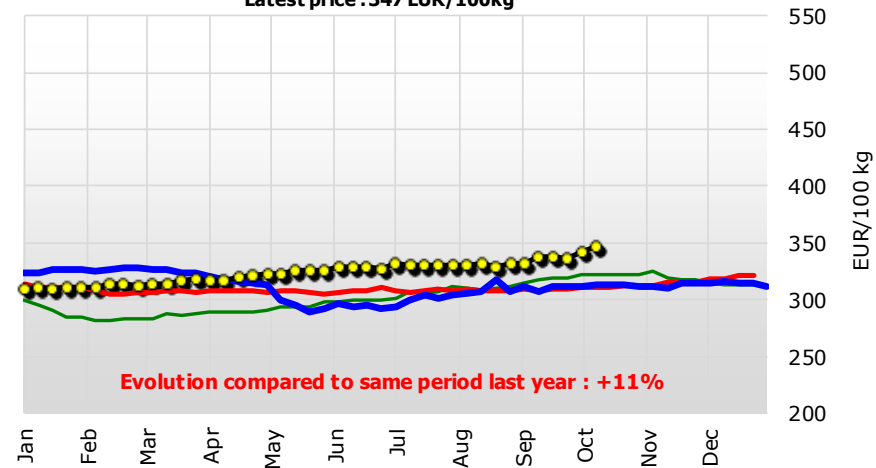
Latest price : 343 EUR/100kg



— 2018 — 2019 — 2020 —●— 2021

Weekly EU* EDAM Prices

Latest price : 347 EUR/100kg

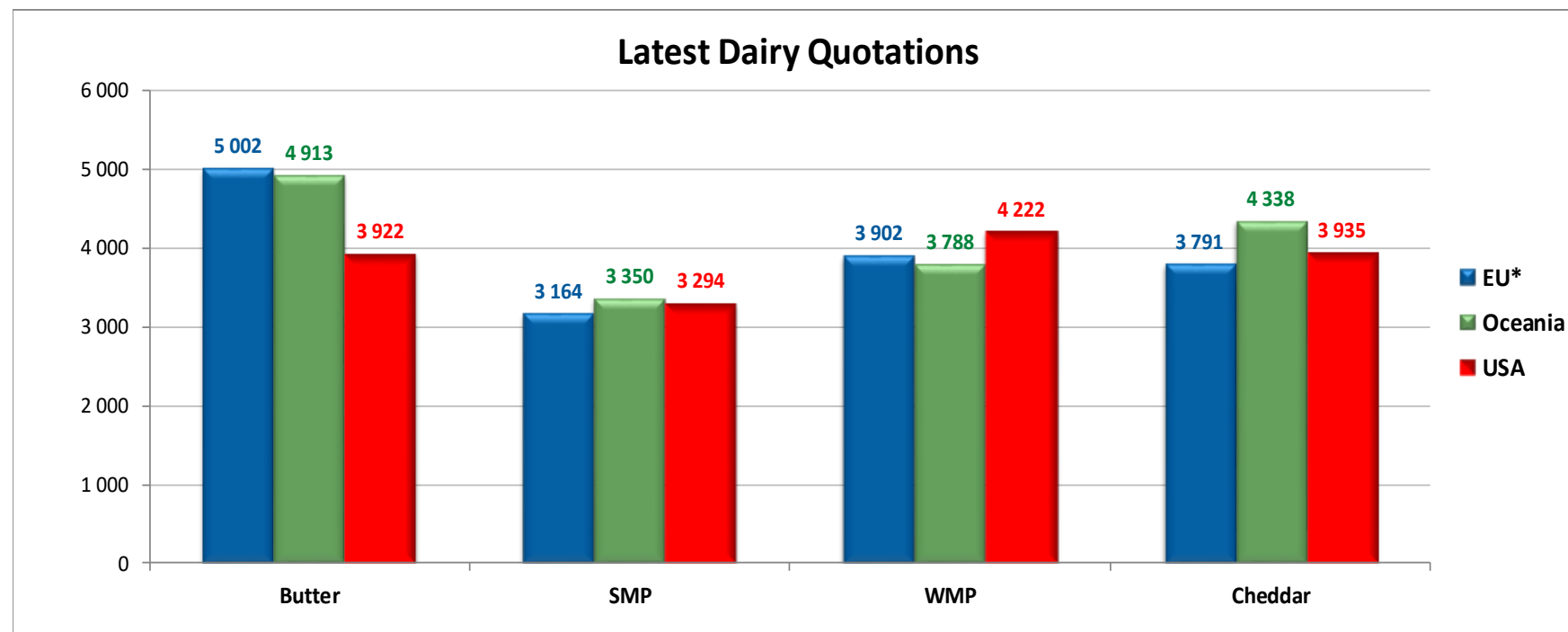
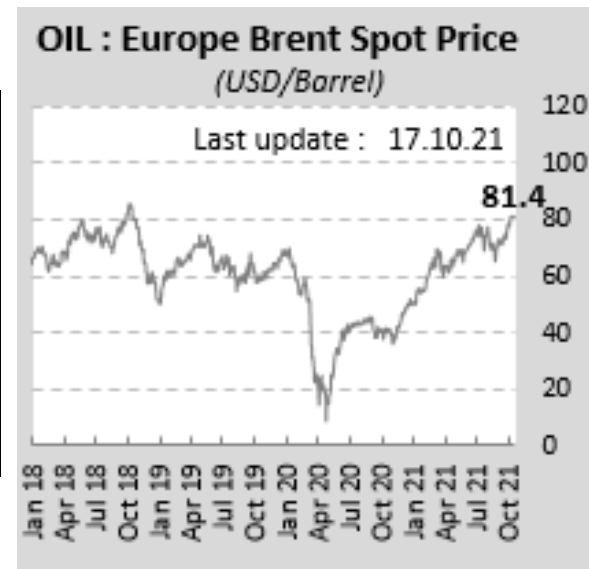


— 2018 — 2019 — 2020 —●— 2021

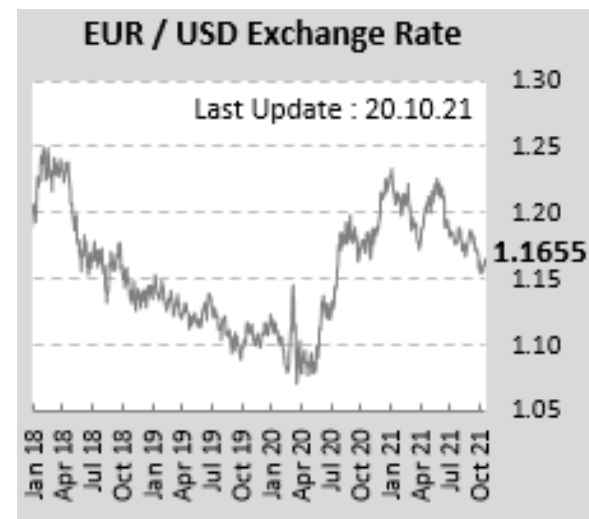
Latest world dairy quotations

In US\$/t	Latest Quotations			Week - 2						Year - 1					
	17/10/2021			03/10/2021			% change (previous quotation)			11 October 2020			% change (1 year)		
	EU*	Oceania	USA	EU*	Oceania	USA	EU*	Oceania	USA	EU*	Oceania	USA	EU*	Oceania	USA
Butter	5 002	4 913	3 922	4 817	4 875	3 866	↗ +3.9%	↗ +0.8%	↗ +1.5%	4 045	3 488	3 268	↗ +24%	↗ +41%	↗ +20%
SMP	3 164	3 350	3 294	3 114	3 313	3 042	↗ +1.6%	↗ +1.1%	↗ +8.3%	2 545	3 038	2 504	↗ +24%	↗ +10%	↗ +32%
WMP	3 902	3 788	4 222	3 854	3 775	4 167	↗ +1.2%	↗ +0.3%	↗ +1.3%	3 202	3 038	3 638	↗ +22%	↗ +25%	↗ +16%
Cheddar	3 791	4 338	3 935	3 815	4 288	3 962	↘ -0.6%	↗ +1.2%	↘ -0.7%	3 573	3 763	5 983	↗ +6%	↗ +15%	↘ -34%

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

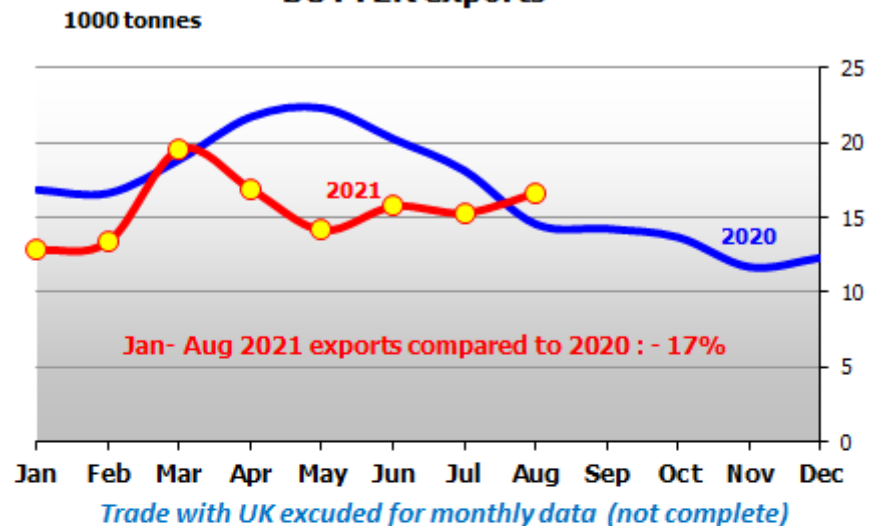


EU* = EU without UK

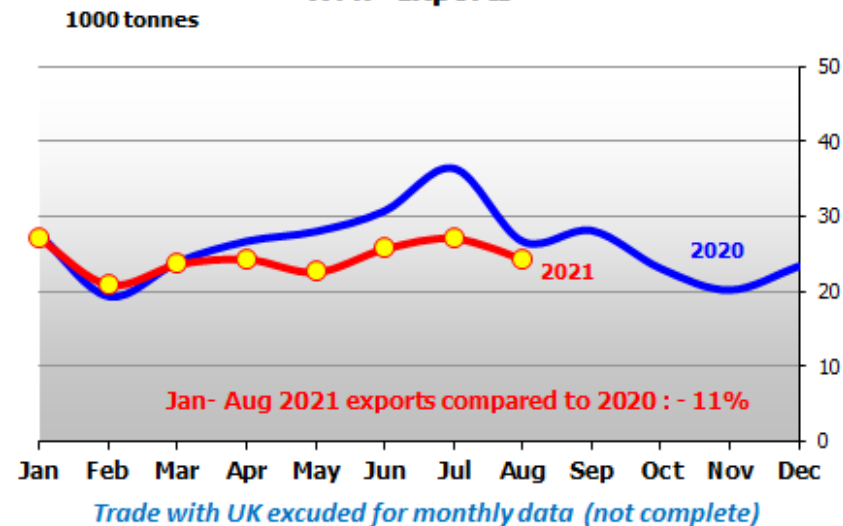


EU Dairy Exports to Third countries (January-August)

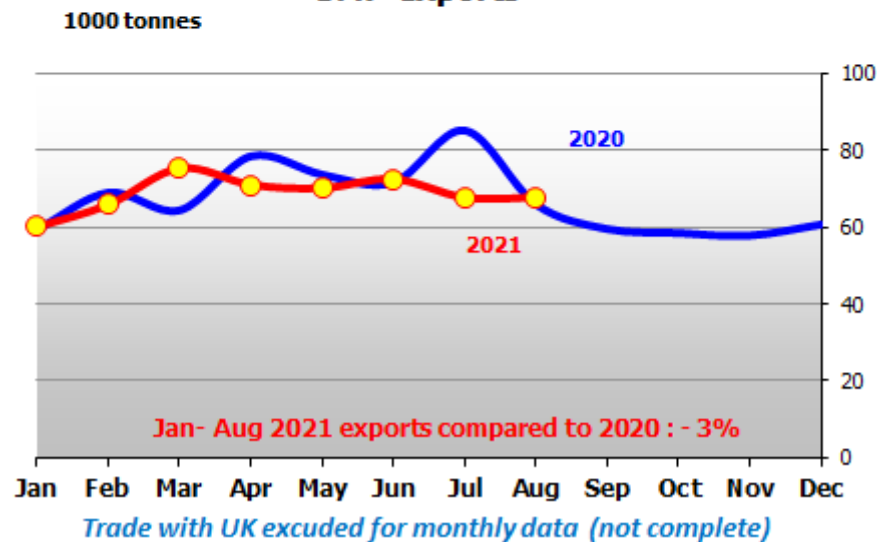
BUTTER exports



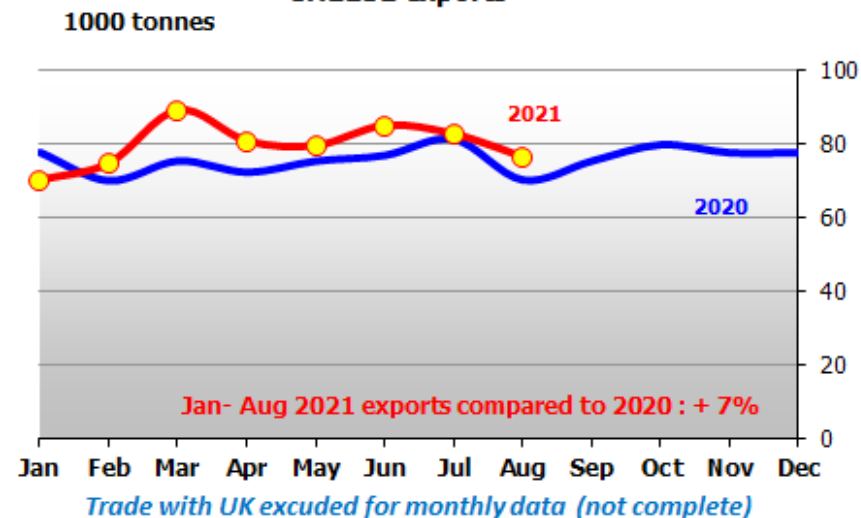
WMP exports



SMP exports



CHEESE exports



EU Exports of Dairy products - Main destinations

Source : COMEXT

Period : January-August

Quantity in Tonnes

EU EXPORTS of BUTTER - main destinations				
Period : January-August				
Qty Tons				
	2019	2020	2021	
USA	25 024	29 545	28 807	↓ - 2%
China	6 432	10 691	12 555	↑ + 17%
South Korea	3 548	5 324	7 285	↑ + 37%
Saudi Arabia	5 573	12 808	6 289	↓ - 51%
Morocco	3 039	8 580	4 807	↓ - 44%
Singapore	4 141	4 435	4 000	↓ - 10%
Taiwan	3 220	3 728	3 906	↑ + 5%
Israel	2 247	4 957	3 377	↓ - 32%
U.A.Emirates	3 982	4 872	3 140	↓ - 36%
Ukraine	502	6 937	3 038	↓ - 56%
Indonesia	3 761	2 245	2 659	↑ + 18%
Other	43 579	55 423	44 694	↓ - 19%
Total (without UK)	105 050	149 544	124 558	↓ - 17%
United Kingdom*	36 214	28 841	19 263	↓ - 33%

* Trade with U.K. only available up to July 2021

EU EXPORTS of CHEESES - main destinations				
Period : January-August				
Qty Tons				
	2019	2020	2021	
USA	87 706	73 825	86 264	↑ + 17%
Japan	76 747	86 357	82 397	↓ - 5%
Switzerland	41 896	46 995	49 854	↑ + 6%
South Korea	25 406	37 290	33 946	↓ - 9%
Ukraine	12 806	29 721	32 306	↑ + 9%
Saudi Arabia	24 770	27 464	28 599	↑ + 4%
China	11 619	16 314	28 061	↑ + 72%
Australia	15 983	16 696	17 334	↑ + 4%
Canada	11 935	14 219	16 724	↑ + 18%
Morocco	11 141	15 799	14 764	↓ - 7%
Egypt	10 803	13 710	14 763	↑ + 8%
Other	218 595	220 061	233 350	↑ + 6%
Total (without UK)	549 405	598 451	638 363	↑ + 7%
United Kingdom*	288 902	272 893	239 929	↓ - 12%

* Trade with U.K. only available up to July 2021

EU EXPORTS of SMP - main destinations				
Period : January-August				
Qty Tons				
	2019	2020	2021	
China	88 319	80 778	100 107	↑ + 24%
Algeria	69 496	95 882	69 722	↓ - 27%
Indonesia	61 068	29 084	47 131	↑ + 62%
Philippines	54 344	27 271	33 006	↑ + 21%
Nigeria	25 490	30 205	31 030	↑ + 3%
Malaysia	36 079	28 284	26 314	↓ - 7%
Egypt	37 412	31 672	26 012	↓ - 18%
Yemen	19 892	21 295	21 739	↑ + 2%
Thailand	22 620	13 245	18 170	↑ + 37%
Saudi Arabia	24 988	24 059	16 895	↓ - 30%
Vietnam	19 535	14 992	15 319	↑ + 2%
Other	199 809	170 451	144 822	↓ - 15%
Total (without UK)	659 051	567 217	550 266	↓ - 3%
United Kingdom*	11 542	16 278	7 478	↓ - 54%

* Trade with U.K. only available up to July 2021

EU EXPORTS of WMP - main destinations				
Period : January-August				
Qty Tons				
	2019	2020	2021	
Oman	32 990	33 744	32 632	↓ - 3%
Nigeria	10 082	15 464	16 911	↑ + 9%
China	10 405	10 575	15 334	↑ + 45%
Algeria	13 689	28 188	11 781	↓ - 58%
U.A.Emirates	4 950	6 965	6 869	↓ - 1%
Senegal	4 359	5 426	6 643	↑ + 22%
Singapore	5 618	5 702	5 697	↓ - 0%
Bangladesh	3 225	3 445	5 432	↑ + 58%
Kuwait	9 727	9 782	5 206	↓ - 47%
Saudi Arabia	5 553	6 140	4 563	↓ - 26%
Dominican R.	5 104	6 937	4 075	↓ - 41%
Other	86 568	87 179	80 751	↓ - 7%
Total (without UK)	192 270	219 549	195 893	↓ - 11%
United Kingdom*	19 101	17 232	10 488	↓ - 39%

* Trade with U.K. only available up to July 2021

EU dairy trade with UK

EU EXPORTS of main dairy products to U.K. up to July 2021

In Tons

	2019			2020			2021			% 2021/2020	
	U.K.	Extra-EU	%	U.K.	Extra-EU	%	U.K.	Extra-EU	%	U.K.	Extra-EU
BUTTER	36 214	126 388	29%	28 841	163 814	18%	19 263	127 174	15%	-33%	-22%
BUTTEROIL	11 230	27 097	41%	9 816	33 128	30%	5 008	20 400	25%	-49%	-38%
CHEESES	288 902	764 460	38%	272 893	801 318	34%	239 929	801 888	30%	-12%	+0%
SMP	11 542	592 700	2%	16 278	517 664	3%	7 478	489 937	2%	-54%	-5%
WMP	19 101	183 167	10%	17 232	210 094	8%	10 488	182 045	6%	-39%	-13%
WHEYPOWDER	30 421	360 445	8%	28 846	410 172	7%	20 259	432 558	5%	-30%	+5%
FRESH	212 499	893 259	24%	206 190	948 643	22%	95 672	968 426	10%	-54%	+2%
CONDENSED	33 569	204 671	16%	34 277	193 565	18%	27 669	197 234	14%	-19%	+2%
CASEINES	2 035	49 064	4%	1 884	47 802	4%	1 871	51 098	4%	-1%	+7%
LACTOSE	3 507	139 948	3%	2 780	176 338	2%	5 312	155 141	3%	+91%	-12%

EU IMPORTS of main dairy products from U.K. up to July 2021

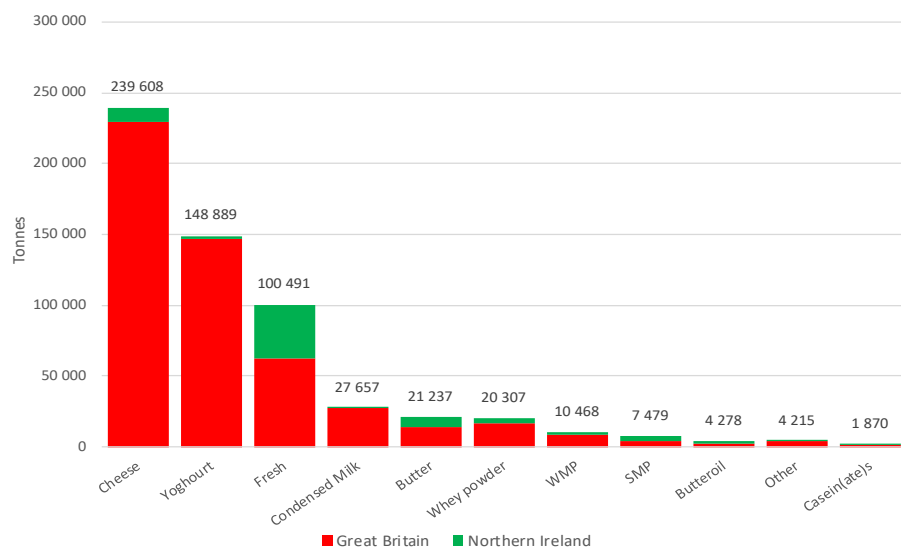
In Tons

	2019			2020			2021			% 2021/2020	
	U.K.	Extra-EU	%	U.K.	Extra-EU	%	U.K.	Extra-EU	%	U.K.	Extra-EU
BUTTER	28 479	33 080	86%	16 659	17 640	94%	15 010	17 006	88%	-10%	-4%
BUTTEROIL	12 633	17 660	72%	11 436	12 466	92%	8 043	11 896	68%	-30%	-5%
CHEESES	83 818	117 842	71%	86 470	119 225	73%	67 191	104 499	64%	-22%	-12%
SMP	29 875	34 006	88%	25 621	27 228	94%	10 555	14 022	75%	-59%	-49%
WMP	21 472	25 959	83%	16 771	17 164	98%	3 686	4 807	77%	-78%	-72%
WHEYPOWDER	29 854	42 236	71%	19 708	28 933	68%	16 157	24 289	67%	-18%	-16%
FRESH	476 034	484 201	98%	410 288	421 855	97%	352 456	363 347	97%	-14%	-14%
CONDENSED	25 154	26 034	97%	26 766	27 243	98%	24 231	24 717	98%	-9%	-9%
CASEINES	338	12 212	3%	818	12 241	7%	14	9 431	0%	-98%	-23%
LACTOSE	9 668	15 305	63%	13 356	17 132	78%	6 385	8 886	72%	-52%	-48%

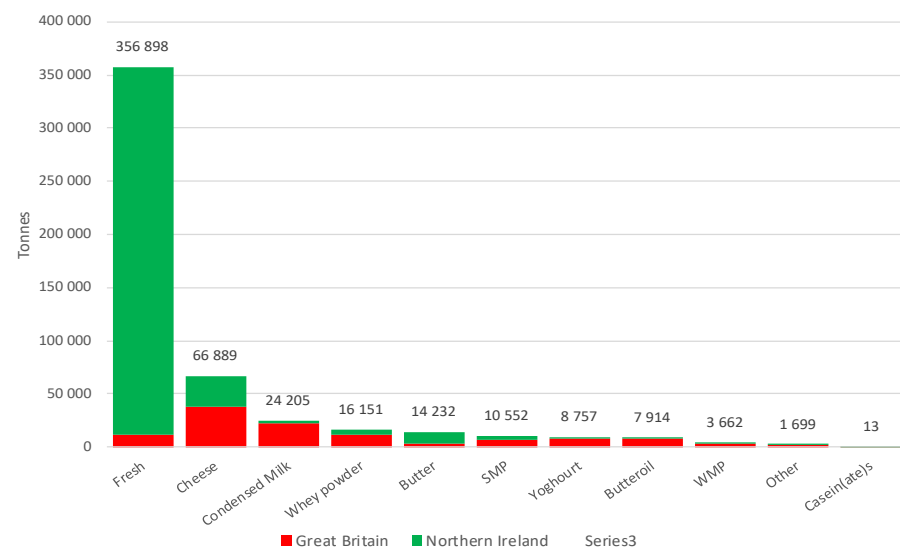
Source : Comext

EU dairy trade with UK

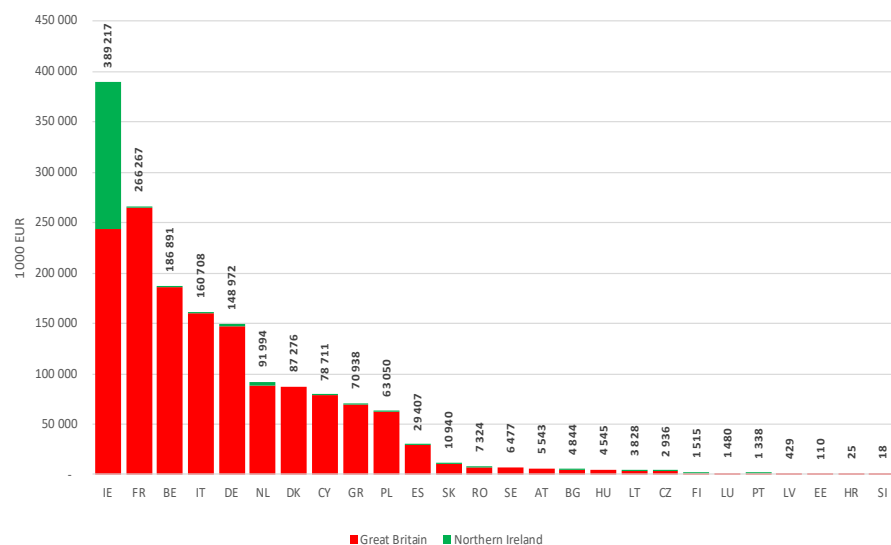
EU Exports of Dairy products to U.K. from January to July 2021



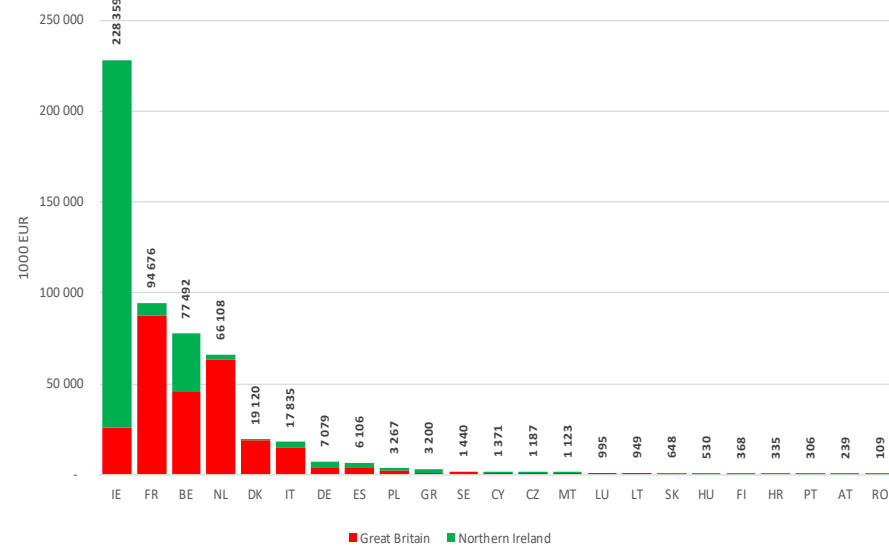
EU Imports of Dairy products from U.K. from January to July 2021



EU Exports of Dairy products to U.K. from January to July 2021



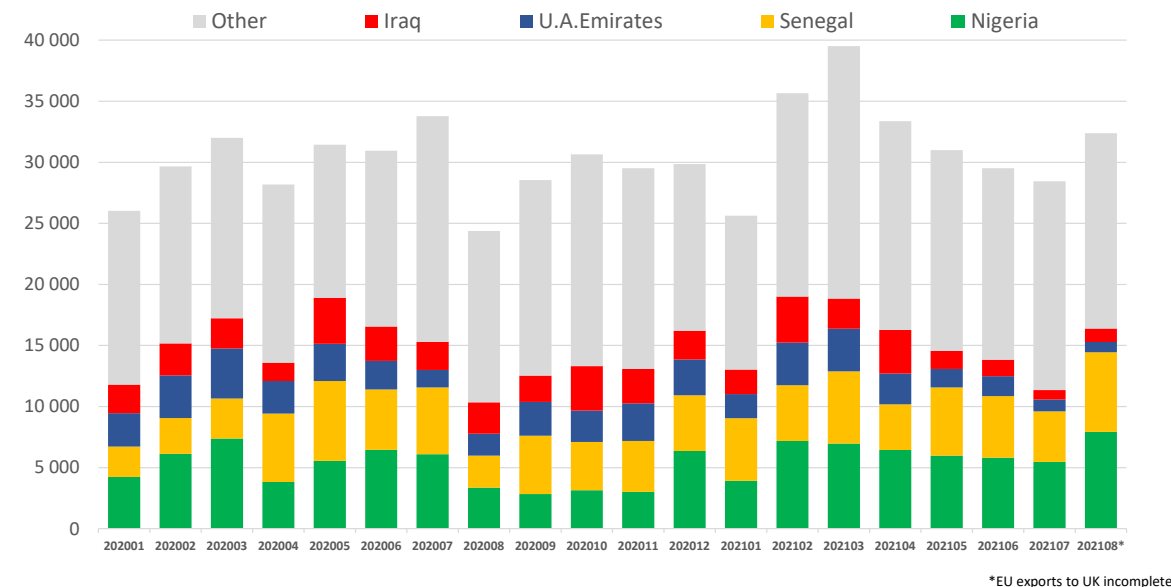
EU Imports of Dairy products from U.K. from January to July 2021



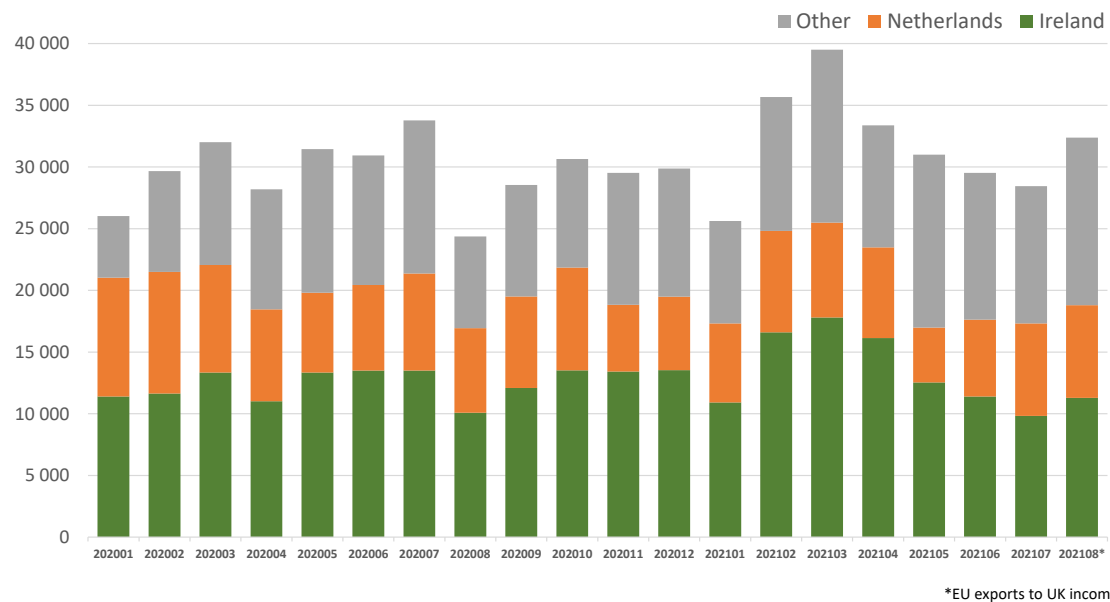
Top 5 EU FFP exports destinations:

Nigeria, Senegal, U.A.Emirates, Iraq, Bangladesh

EU exports of Fat Filled Powders (1901 90 95)



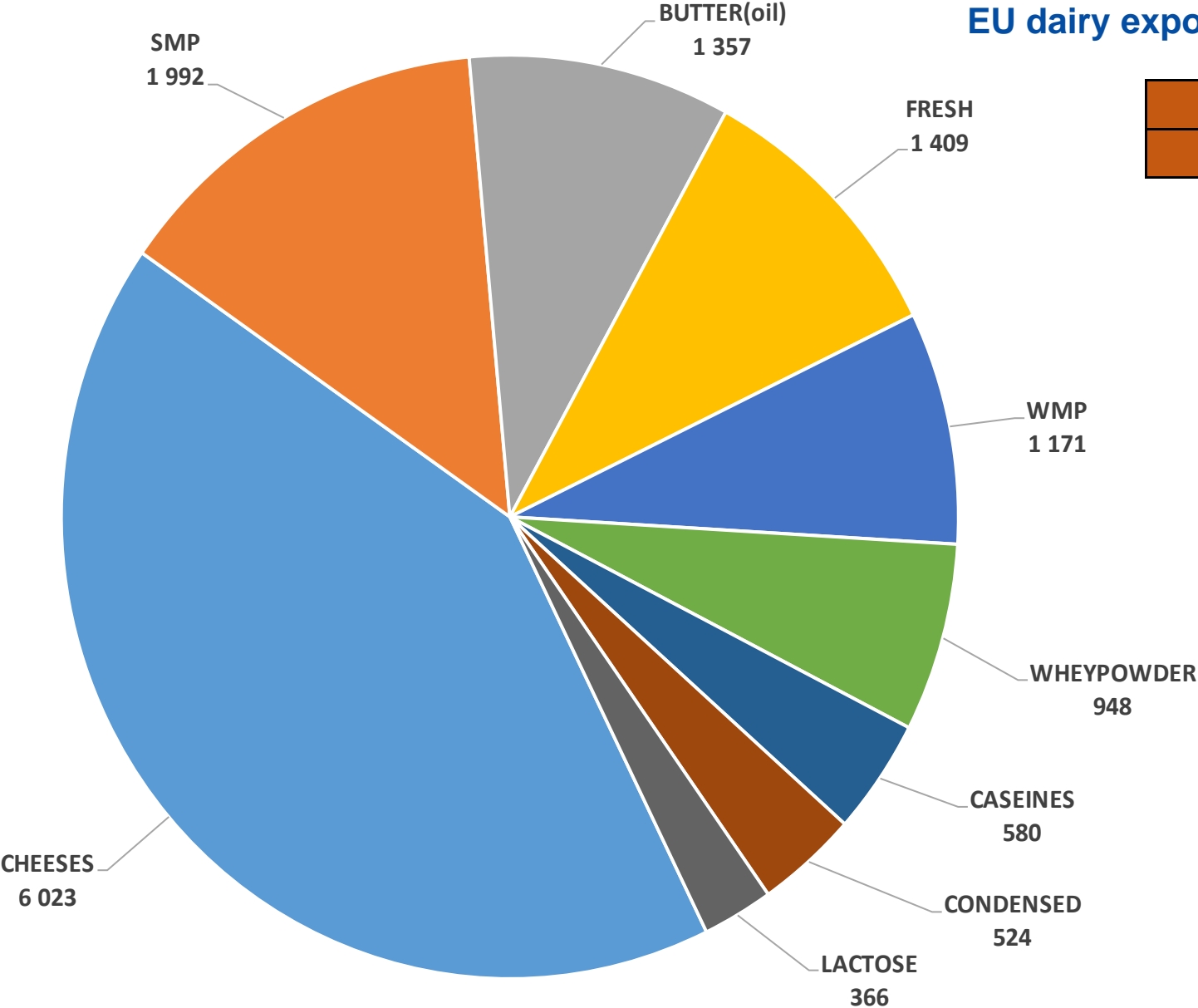
EU exports of Fat Filled Powders (1901 90 95)



Top 10 EU exporters of FFP:

IE, NL, DE, PL, DK, BE, FR, SE, IT, ES

EU dairy exports Jan-Dec 2020 (x mio €)



2019	2020	Δ
13 928	14 370	+ 3%

MAIN IMPORTING THIRD COUNTRIES

Jan-Aug 2021 compared to 2020	BUTTER(OIL)		CHEESE		S.M.P.		W.M.P.	
	Qty in ktons	% 2021 /20	Qty in ktons	% 2021 /20	Qty in ktons	% 2021 /20	Qty in ktons	% 2021 /20
China	104	↑ +23%	129	↑ +45%	311	↑ +42%	684	↑ +41%
United Kingdom up to Jul	27	↓ -33%	222	↓ -20%	8	↓ -19%	12	↓ -9%
Russia up to Jul	74	→ +1%	191	↑ +14%	28	↓ -17%	16	↓ -19%
Japan	9	↓ -37%	192	→ -1%	14	↓ -49%	1	↓ -9%
United States	40	↓ -16%	119	↑ +17%	0	↓ -56%	8	↓ -54%
Indonesia up to Jun	9	→ -3%	14	↓ -12%	103	→ -5%	34	↑ +34%

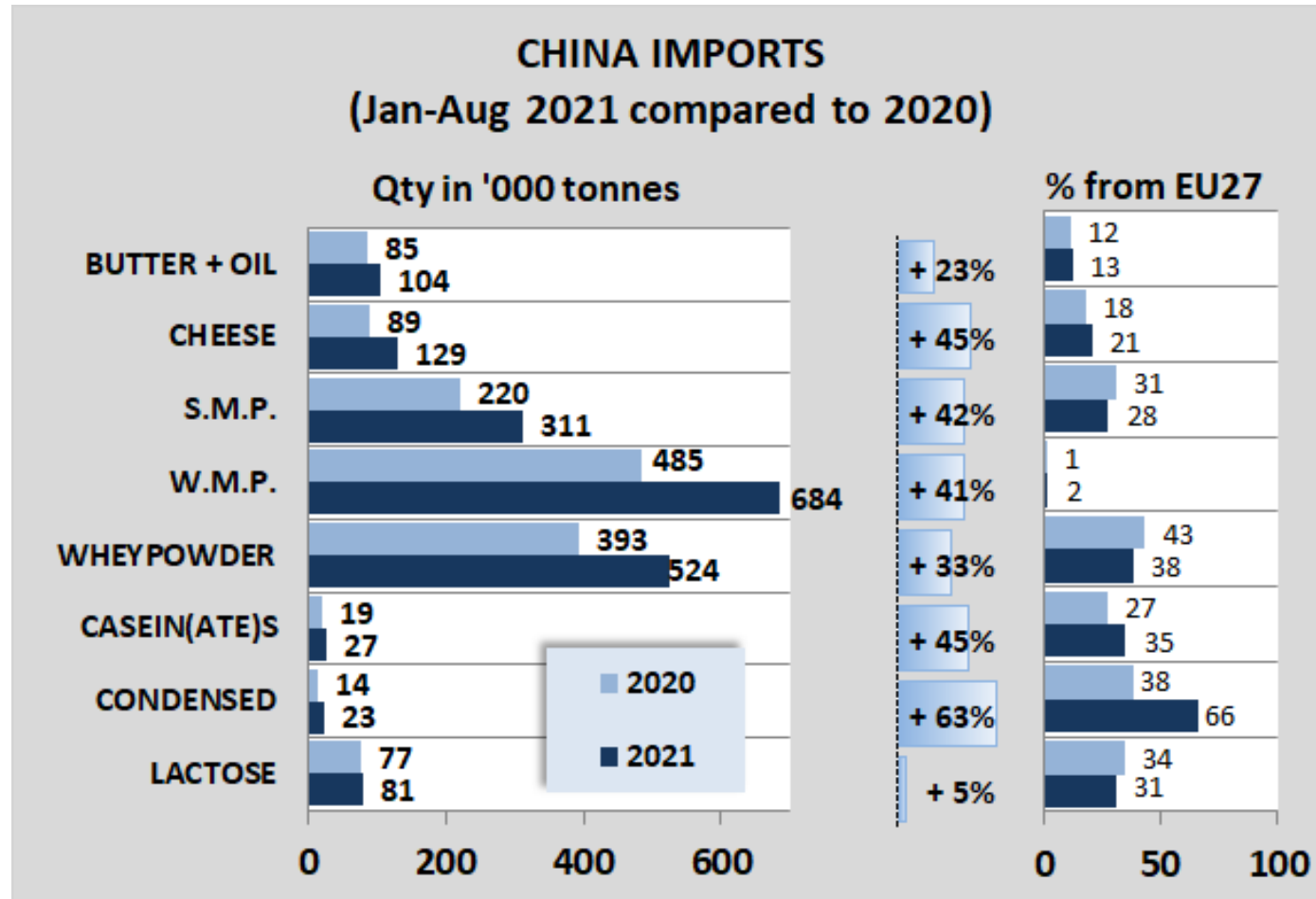
MAIN EXPORTING THIRD COUNTRIES

Jan-Aug 2021 compared to 2020	BUTTER(OIL)		CHEESE		S.M.P.		W.M.P.	
	Qty in ktons	% 2021 /20	Qty in ktons	% 2021 /20	Qty in ktons	% 2021 /20	Qty in ktons	% 2021 /20
New Zealand	268	→ -3%	248	↑ +17%	205	↓ -10%	1 039	↑ +12%
EU*	146	↓ -19%	638	→ +7%	550	→ -3%	196	↓ -11%
United States	37	↑ +11%	272	→ +7%	623	↑ +12%	28	→ +10%
Belarus	52	↑ +12%	192	↑ +11%	78	→ -8%	27	↑ +44%
Australia	15	↑ +72%	103	→ +3%	103	↑ +23%	36	↑ +59%
United Kingdom up to Jul	15	↓ -63%	57	↓ -46%	22	↓ -56%	17	↓ -57%

*: UK not included as destination

Source : IHS Markit/GTA

China dairy imports



Source : IHS Markit/GTA



EU SHORT-TERM DAIRY MARKET OUTLOOK

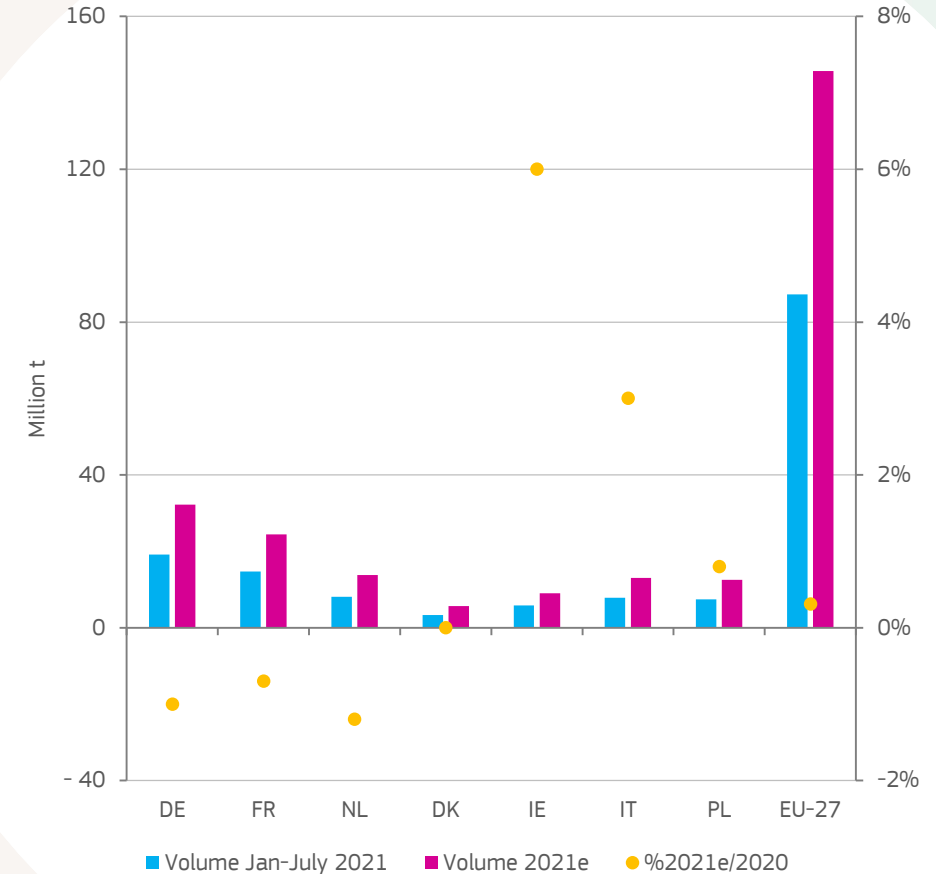
Contribution of Unit of Analysis and Outlook
DG Agriculture and Rural Development

Civil Dialogue Group – Milk
22 October 2021

EU milk production outlook

- EU milk collection is expected to **grow marginally (+0.3%)** with a relatively stable Q3 and higher Q4 compared to 2020.
- The expected **decline in DE, FR and NL** could be compensated by a production **increase in IE, IT and PL** among others.
- **Higher cow slaughtering** resulting in a smaller dairy herd (-0.9%) could be compensated by **yields growth (+1.3%)**, but this is slower than anticipated due to **lower affordability of purchased feed**.

Milk deliveries by selected EU countries

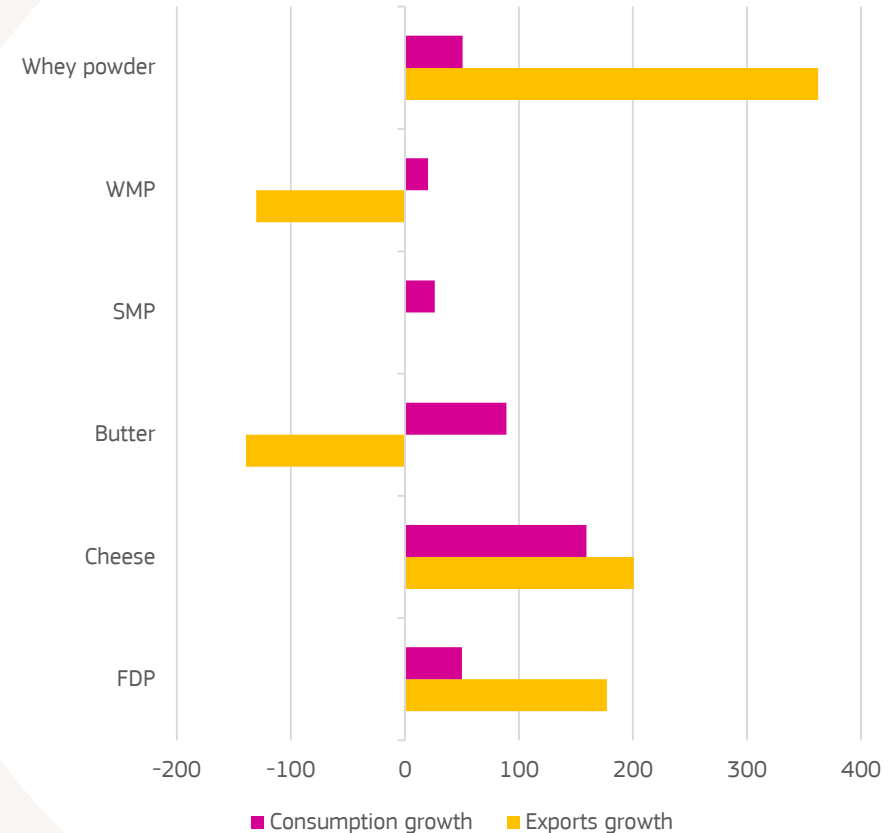


Source: DG Agriculture and Rural Development, based on Eurostat and MS notifications.

EU dairy price and products' outlook

- **Chinese demand** in particular, continues supporting a positive market sentiment, resulting in robust dairy prices.
- An expected **slowdown of Chinese demand**, potentially lower demand in some more price-sensitive markets, and more EU milk supply in upcoming months, might moderate the seasonal winter increase in the EU milk price.
- **More butter and SMP** are expected to be produced in the coming months, likely to cover domestic demand, as EU prices are currently less competitive in the world markets.
- **Drinking milk** production is expected to **get back to the pre-COVID-19** declining trend but exports of fresh dairy products should increase.

EU export and consumption growth in 2021
(1 000 t of milk eq.)



Source: DG Agriculture and Rural Development,
based on Eurostat.

Short-term outlook report available here:

- Short-term outlook: https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term_en



SAVE THE DATE FOR 2021 EU Agricultural Outlook conference:

- 9-10 December
- https://ec.europa.eu/info/events/sustainable-development-goals/2021-eu-agricultural-outlook-conference-2021-dec-09_en



Keep in touch and thank you!



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