MMO Economic Board

Meeting of 22 November 2016

- The 18th meeting of the MMO Economic Board took place on 22 November 2016, 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 collection was up by 1.5% in the first 9 months of 2016. Milk deliveries were 3% lower in September 2016 (-375 000 t) – the 4th consecutive month with a reduction. Significant decreases have been reported in major producing MS such as the UK, FR or DE. These figures relate to milk collection, i.e. milk collected by dairies and reported by the latter to their national authorities, irrespective of whether milk comes from producers located in the same MS or in another one.
- Average farm gate milk prices increased by 5.2% in September to 27.8 c/kg. Based on estimates, a further increase would have taken place in October, for an overall +10% since July.
- Dairy product prices keep the upward trend initiated in May, with butter reaching 190% of the intervention price (and only 2% below the historical record price) and SMP at 120%. Cheese prices (notably gouda and edam) have also improved significantly since May. Dairy quotations expressed in US$ confirm a positive trend for the main exporting regions, with a remarkable surge of butter and cheese prices in the US ahead of Christmas.
- Offers for sale of SMP into public intervention ceased on 11 September. Public stocks amounted to 355 000 t by the end of September. Diminished appetite has been observed for SMP PSA in recent weeks. PSA schemes for butter and cheese expired in September, destocking is taking place.
- The Commission presented an analysis of the SMP market, supporting the proposal for making a small quantity of intervention stocks available for tender in a context where booming prices for butter and cheese are driving milk price recovery.
- The assessment of EU stock levels based on a residual approach (production + imports – consumption - exports) reveals no current excess of SMP stocks aside from public intervention, as production is descending more rapidly than expected. Butter stocks evolution – applicable to a lesser extent for cheese - reflects a shortage in the market, which will sustain high prices at least through early 2017.
- At world level, milk production increased by some 0.8% in Jan-Sep 2016. While a contraction has been observed in the EU and Oceania, US production keeps on increasing steadily. The USDA forecast for 2016 is + 1.9%. Weather conditions keep on limiting milk production in Oceania but recent price recovery might encourage further expansion in NZ.
- Global demand is somewhat stagnating but above 2013/14 levels since June. SMP trade is overall bearish, with only NZ improving year-on-year volumes. On the contrary, markets for butter, cheese, whey powder, infant formula and liquid milk/cream show remarkable dynamism, with the EU showing the highest growth rates among the main exporters. China keeps on standing as the main world importer of dairy products, with an increased demand for all products except for SMP. Cheese is the most imported product in Japan and South Korea, where the EU preserves a substantial market share.
- With regard to EU retail sales, liquid milk consumption shows divergent trends across MS. Demand for cheese, butter and dairy desserts is overall positive. In FR, sales of organic dairy products show a much better performance.
- The Commission presented the recent evolution and projections for retail sales and foodservices consumption. The decrease in liquid milk consumption, driven by a change in lifestyle, is not compensated by the rise in alternative drinks sales. By contrast, the increasing trend in butter and cheese consumption is expected to continue.
- The Commission gave an overview of promotion campaigns funded by the EU in 2016. More than 21 million € have been mobilised for programmes earmarked for dairy products, in addition to other cross-sectorial initiatives.
- While experts acknowledged the recovery in market conditions, a butter-protein demand imbalance was spotted. The opening of sales of SMP from intervention creates some uncertainty in the market. A reasonable reaction to price increases on the producer side is required.

<u>ANNEX 1</u>

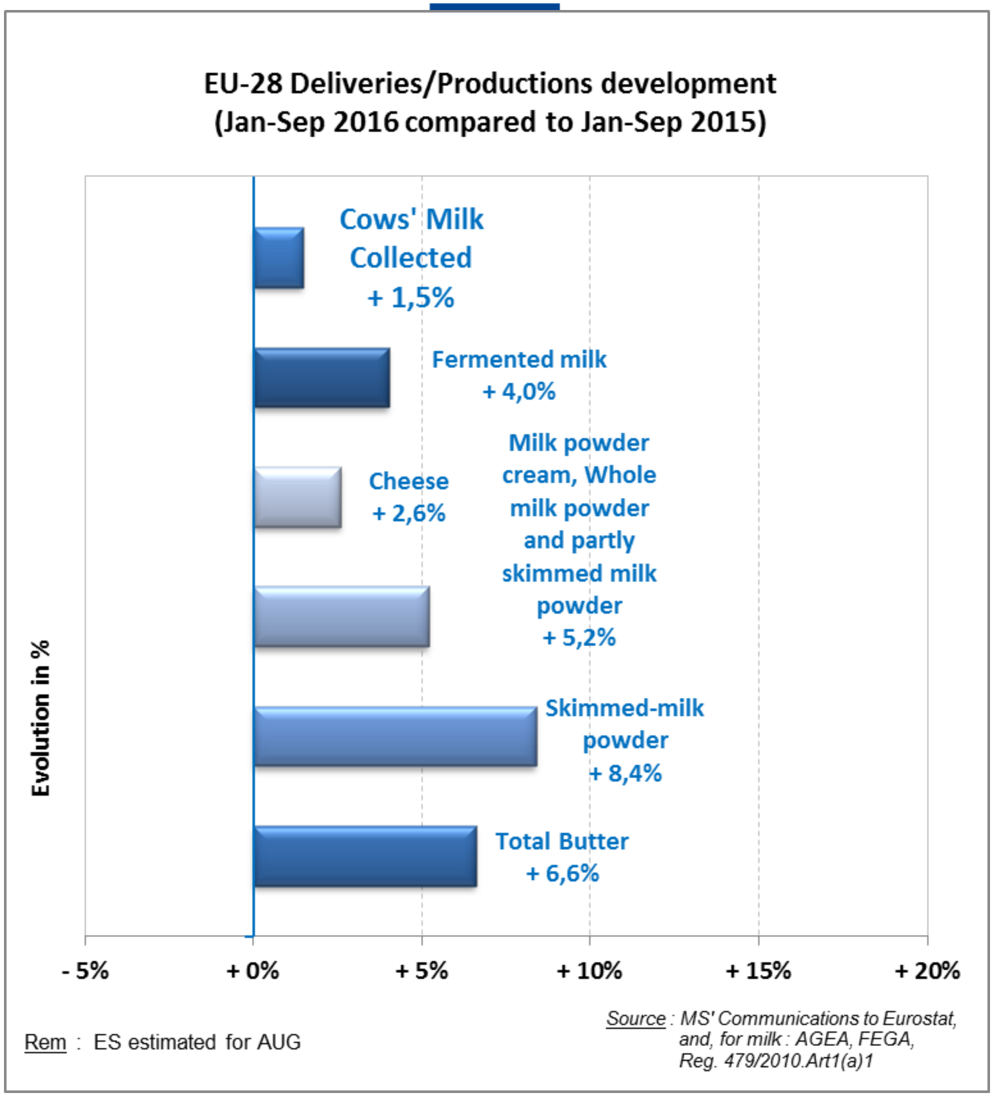
Milk Market Situation

European Commission

Milk Market Situation

Brussels, 22 November 2016

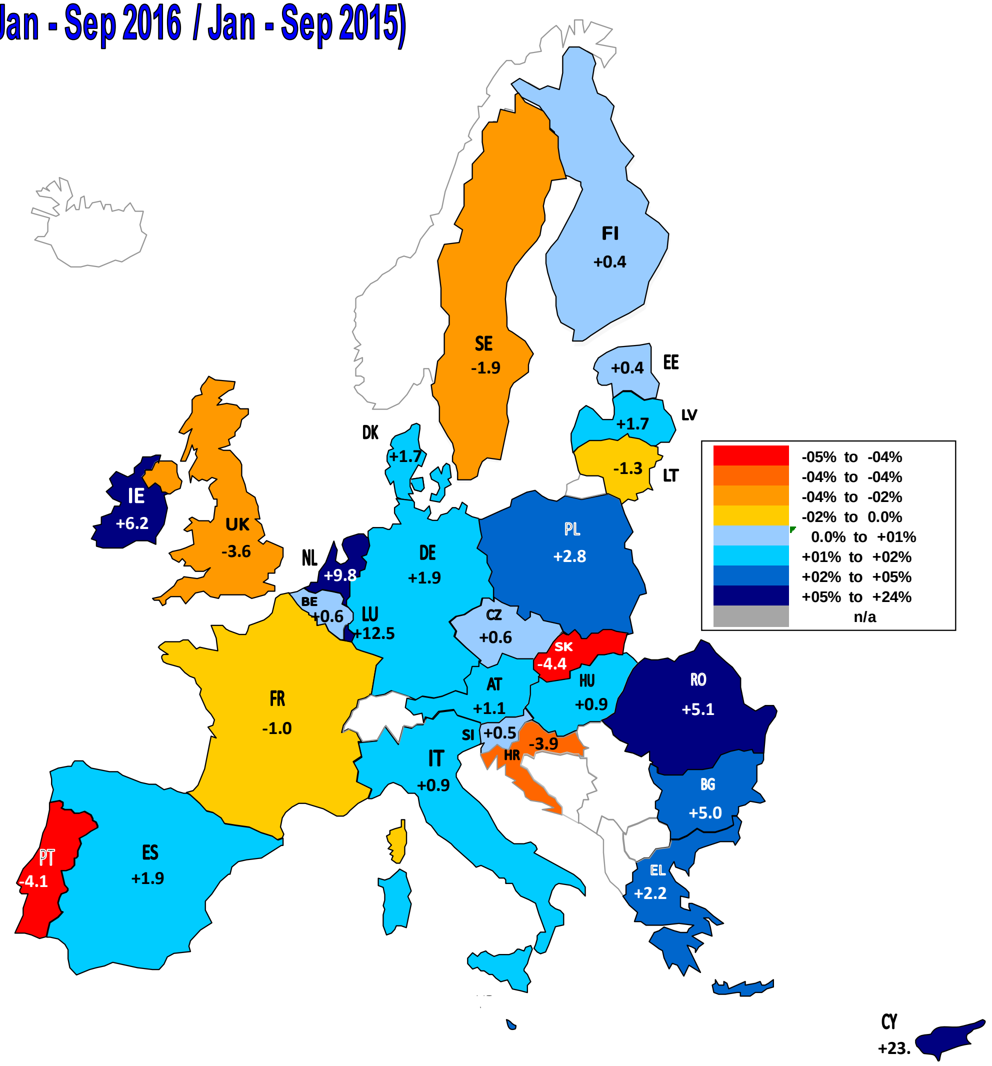
EU Productions



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

EU Milk Deliveries compared to last period (in %)

(Jan - Sep 2016 / Jan - Sep 2015)



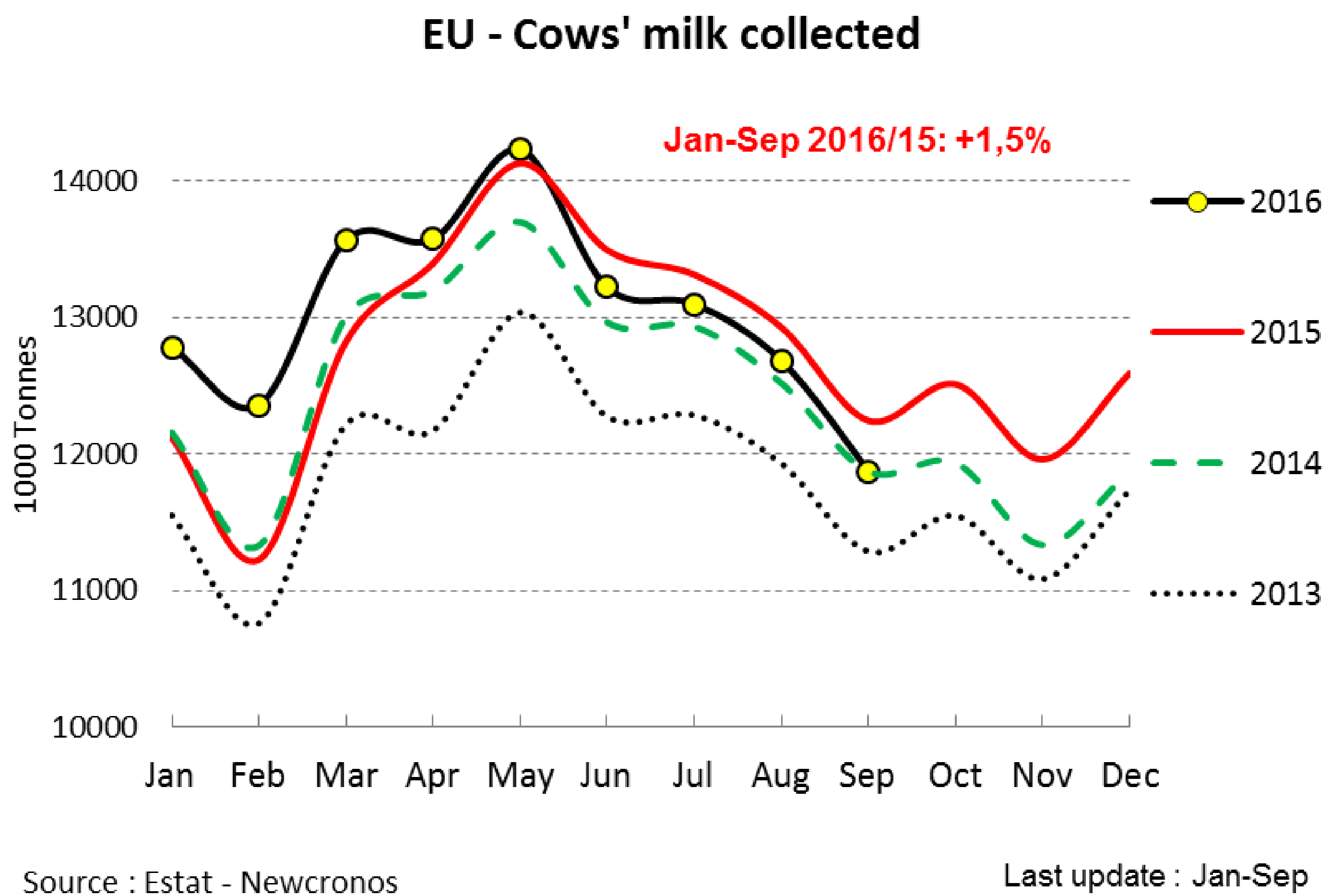
Source : MS' Communications to Eurostat, FEGA, AGEA, Reg.479/2010.1(a)1

Evolution of Raw milk deliveries

Sep 16 compared to Sep 15

	evolution in %		evolution in 1000 Tons	
Rank	**MS**	**%**	**MS**	**Tons**
1.	CY	+ 16,9%	NL	+ 43
2.	MT	+ 8,5%	ES	+ 15
3.	BG	+ 6,1%	BG	+ 2
4.	NL	+ 3,9%	CY	+ 2
5.	EL	+ 3,8%	HU	+ 2
6.	ES	+ 2,8%	EL	+ 2
7.	HU	+ 1,9%	SI	+ 1
8.	LU	+ 1,5%	RO	+ 1
9.	SI	+ 1,4%	LV	+ 0
10.	RO	+ 0,7%	LU	+ 0
11.	LV	+ 0,6%	MT	+ 0
12.	PL	- 0,1%	LT	- 1
13.	IT	- 0,4%	PL	- 1
14.	LT	- 0,5%	EE	- 2
15.	CZ	- 1,7%	HR	- 3
16.	FI	- 1,9%	IT	- 3
17.	DE	- 3,0%	FI	- 4
18.	IE	- 3,5%	CZ	- 4
19.	EE	- 3,5%	SK	- 6
20.	AT	- 4,1%	PT	- 7
21.	SE	- 4,2%	SE	- 10
22.	PT	- 4,6%	AT	- 10
23.	DK	- 6,2%	IE	- 22
24.	HR	- 7,0%	DK	- 27
25.	FR	- 7,3%	BE	- 28
26.	UK	- 8,2%	DE	- 78
27.	SK	- 8,3%	UK	- 98
28.	BE	- 8,4%	FR	- 142
	EU28	**- 3,1%**	**EU28**	**- 375**

EU Productions

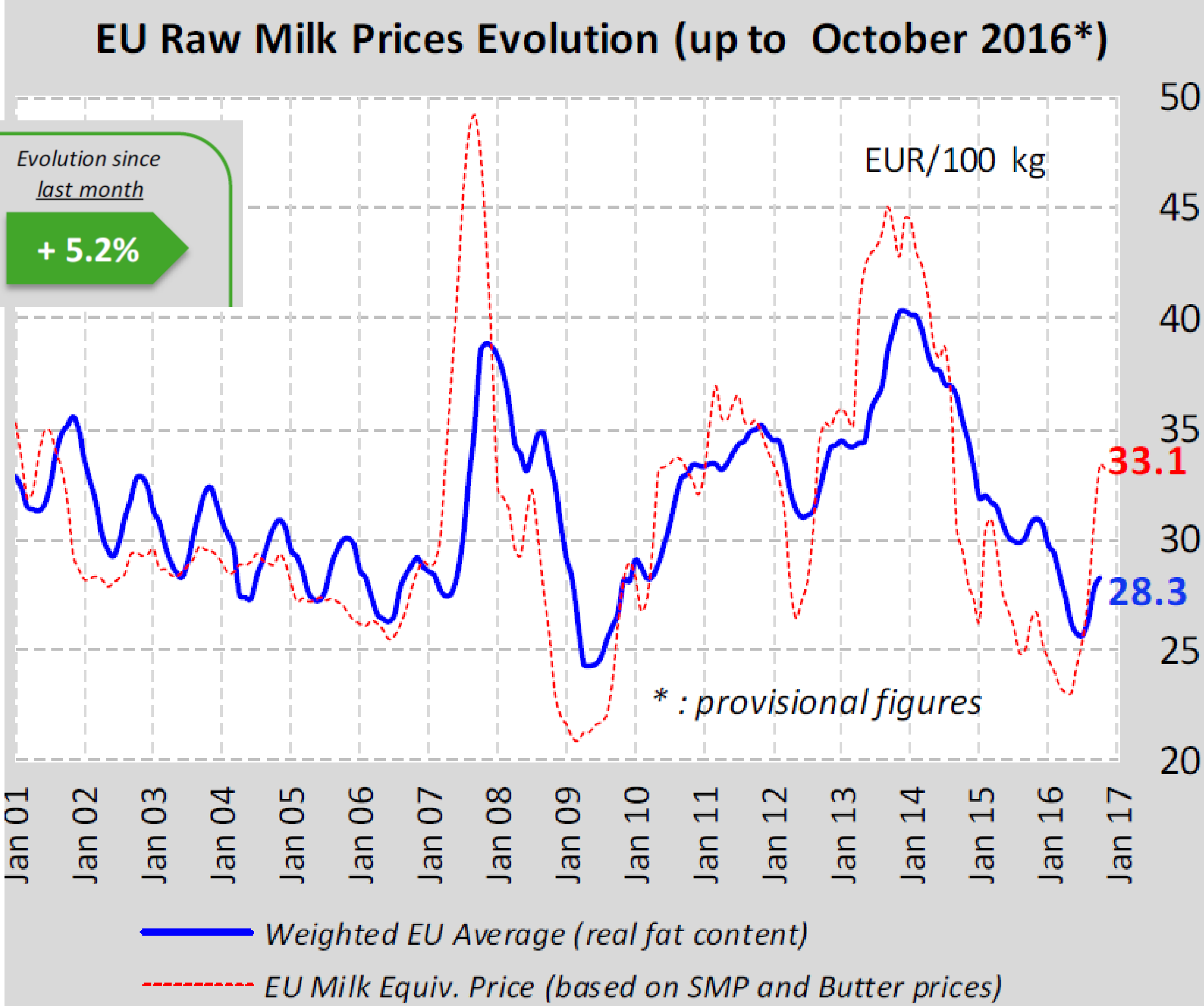


!!! Data from some Member States are confidential and are NOT included in this table !!!

22/11/2016

European Commission

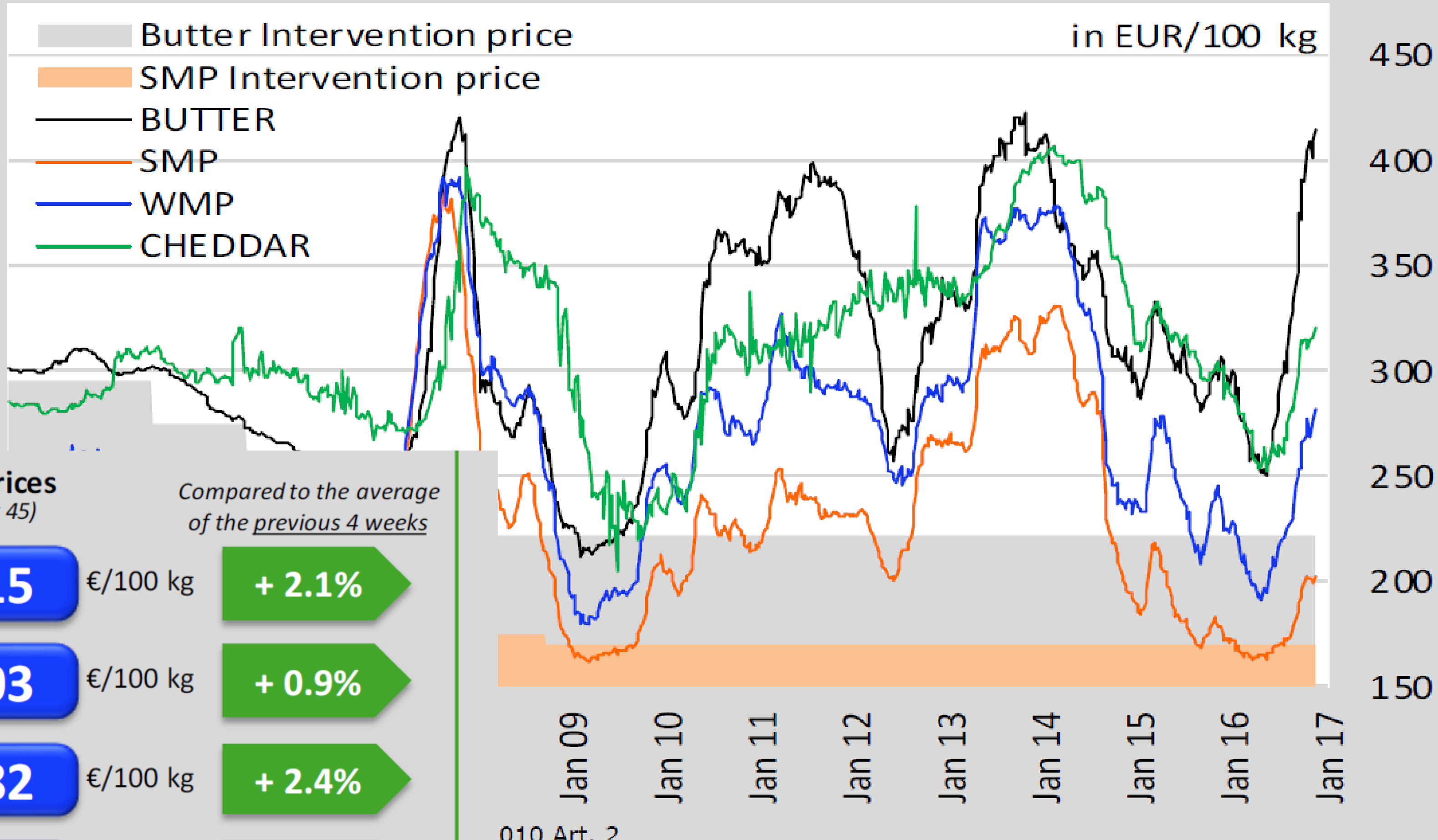
EU Price Sep-2016			Evolution since last month
Raw Milk	27.8	€/100 kg	+ 5.2%



Source : DG AGRI – Reg. 479/2010 Art. 2

European Commission

EU average quotations of main commodities

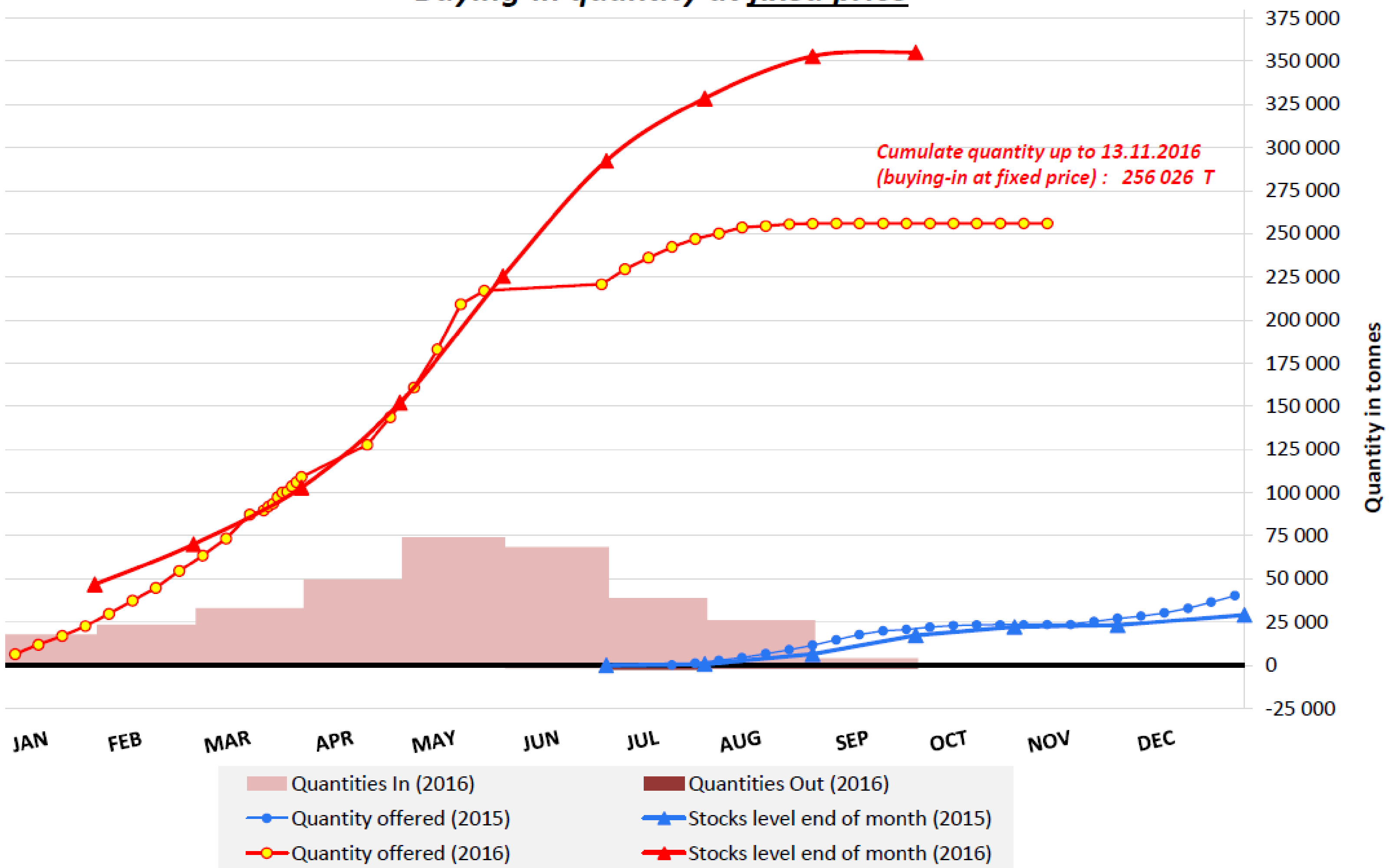


	EU Prices *(week 45)*		*Compared to the average of the previous 4 weeks*
BUTTER	**415**	€/100 kg	**+ 2.1%**
S.M.P.	**203**	€/100 kg	**+ 0.9%**
W.M.P.	**282**	€/100 kg	**+ 2.4%**
CHEDDAR	**320**	€/100 kg	**+ 1.8%**

22/11/2016

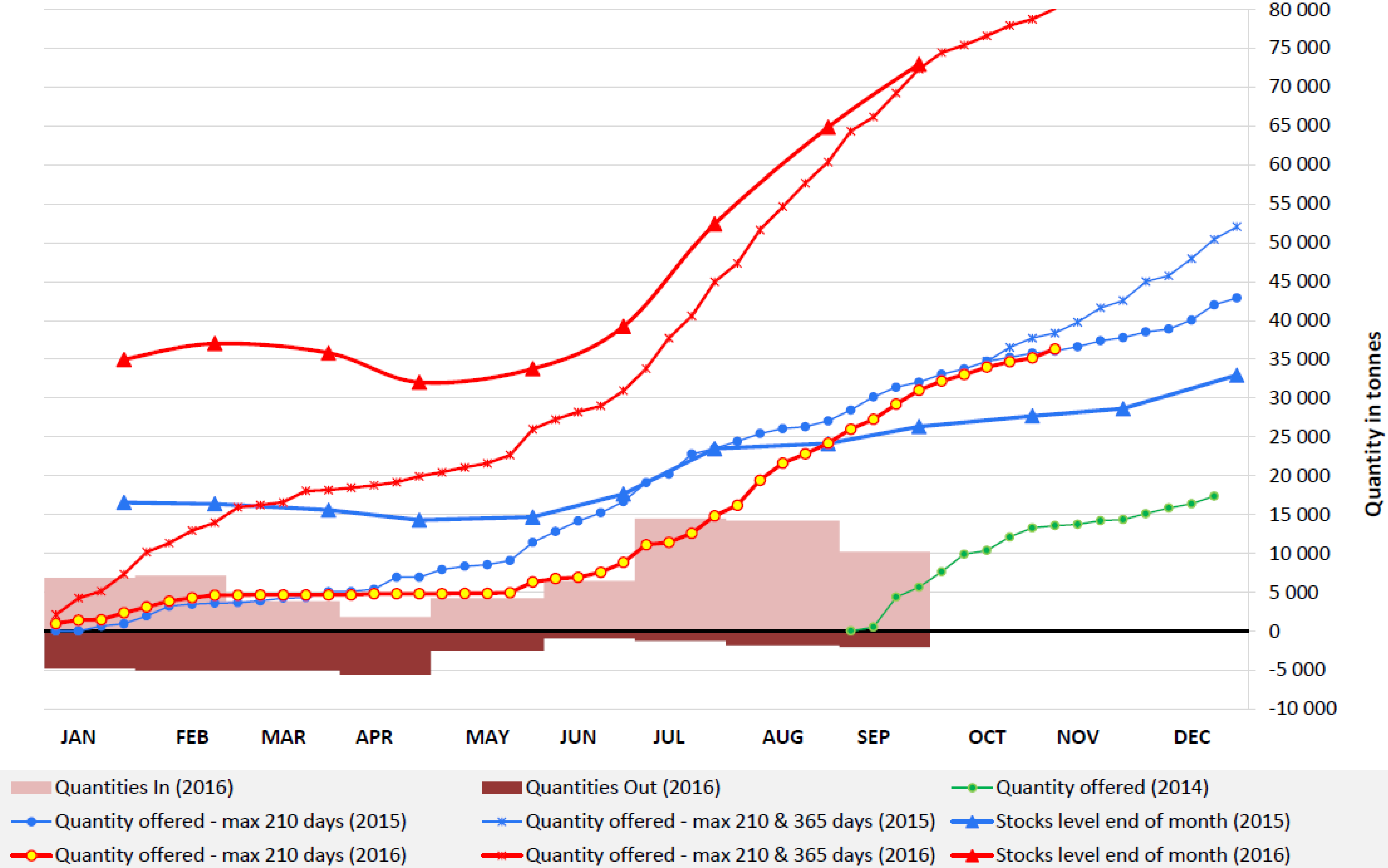
Public SMP Intervention scheme (2015-2016)

Buying-in quantity at <u>fixed price</u>

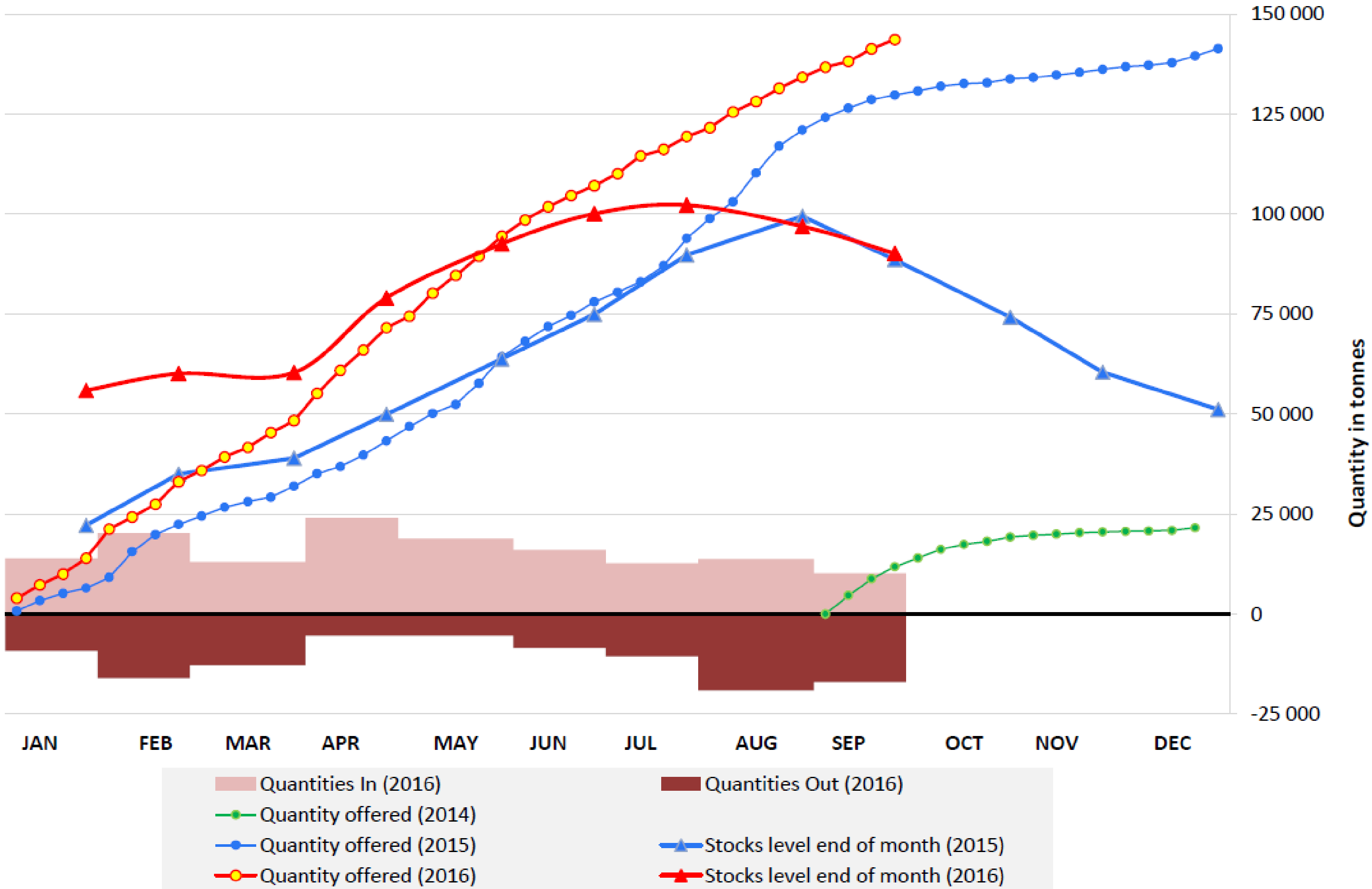


European Commission

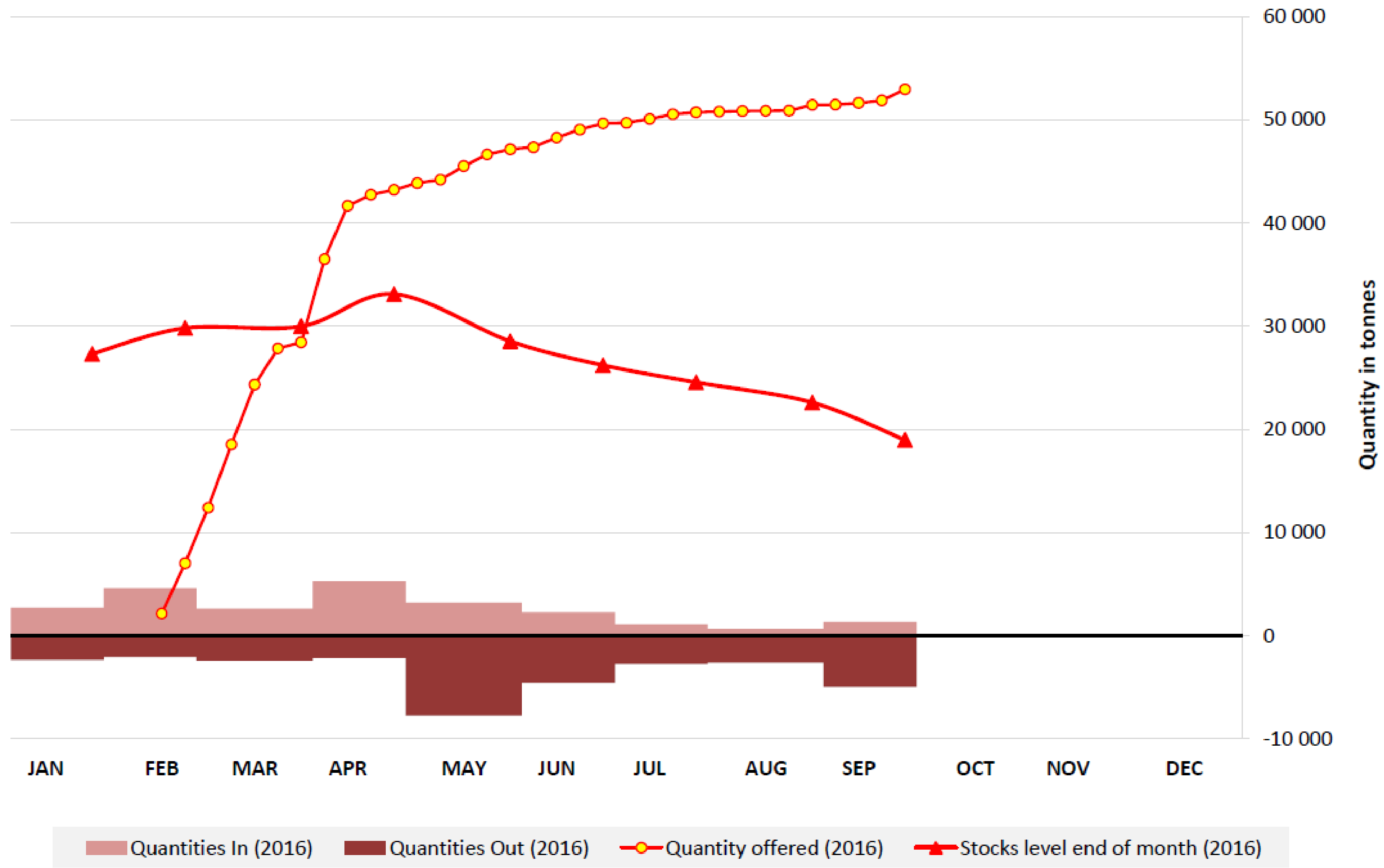
Private Storage Aid Scheme (2014-2016) - S.M.P.



Private Storage Aid Scheme (2014-2016) - BUTTER



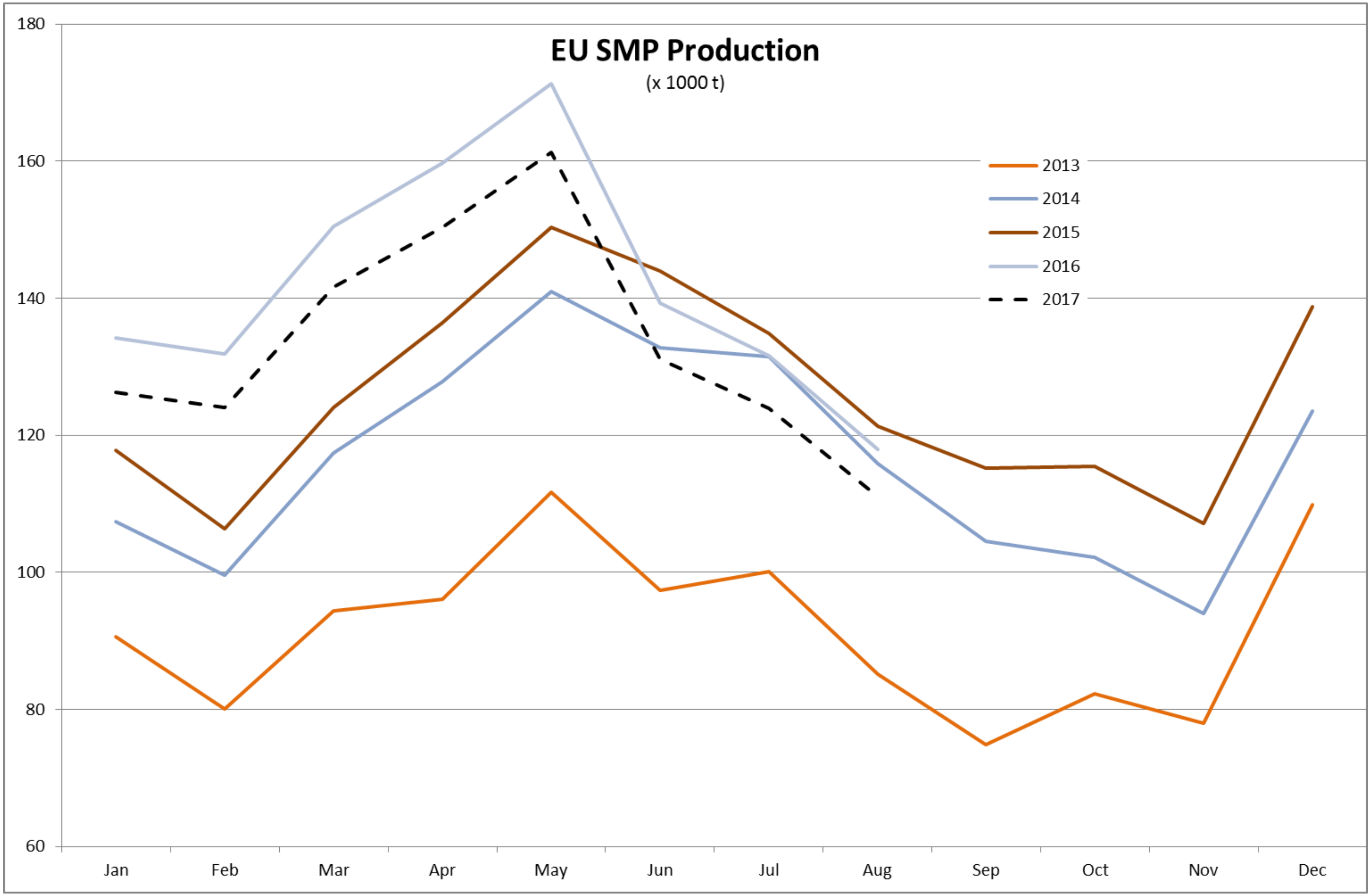
Private Storage Aid Scheme (2016) - CHEESE



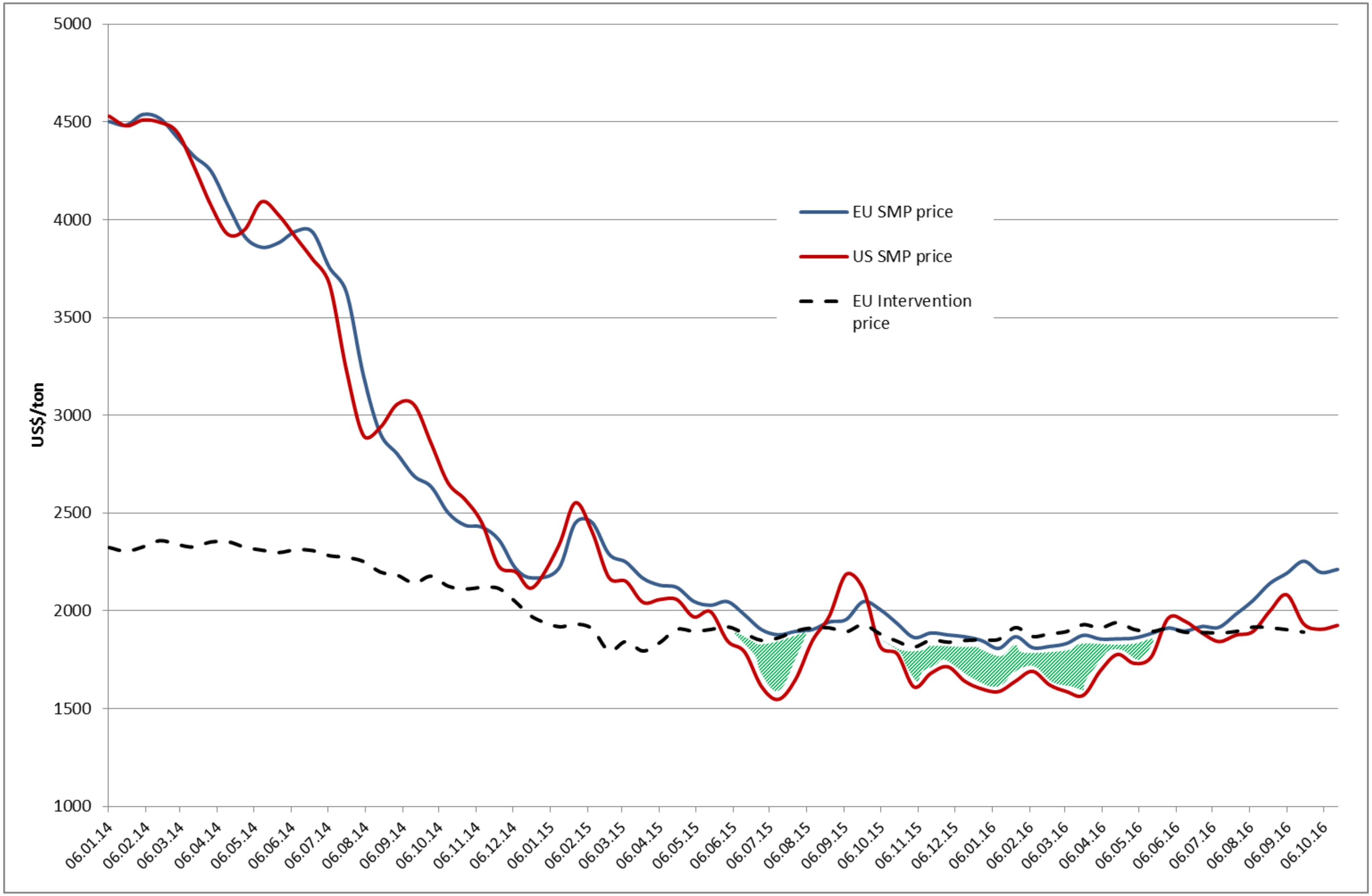
Latest World Quotations of Dairy Products

In US$/t	Latest Quotations			Week - 2						Year - 1					
	13/11/2016			30/10/2016			% change (previous quotation)			November 2015			% change (1 year)		
	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA
Butter	4 545	4 100	4 267	4 455	4 000	4 112	+ 2.0%	+ 2.5%	+ 3.8%	3 214	2 850	6 360	+ 41%	+ 44%	- 33%
SMP	2 212	2 338	1 926	2 197	2 263	1 906	+ 0.7%	+ 3.3%	+ 1.0%	1 936	2 050	1 781	+ 14%	+ 14%	+ 8%
WMP	3 072	3 100	2 921	2 922	2 825	2 921	+ 5.1%	+ 9.7%	-	2 616	2 500	2 866	+ 17%	+ 24%	+ 2%
Cheddar	3 510	3 613	4 247	3 429	3 613	3 667	+ 2.4%	-	+ 15.8%	3 260	3 150	3 673	+ 8%	+ 15%	+ 16%

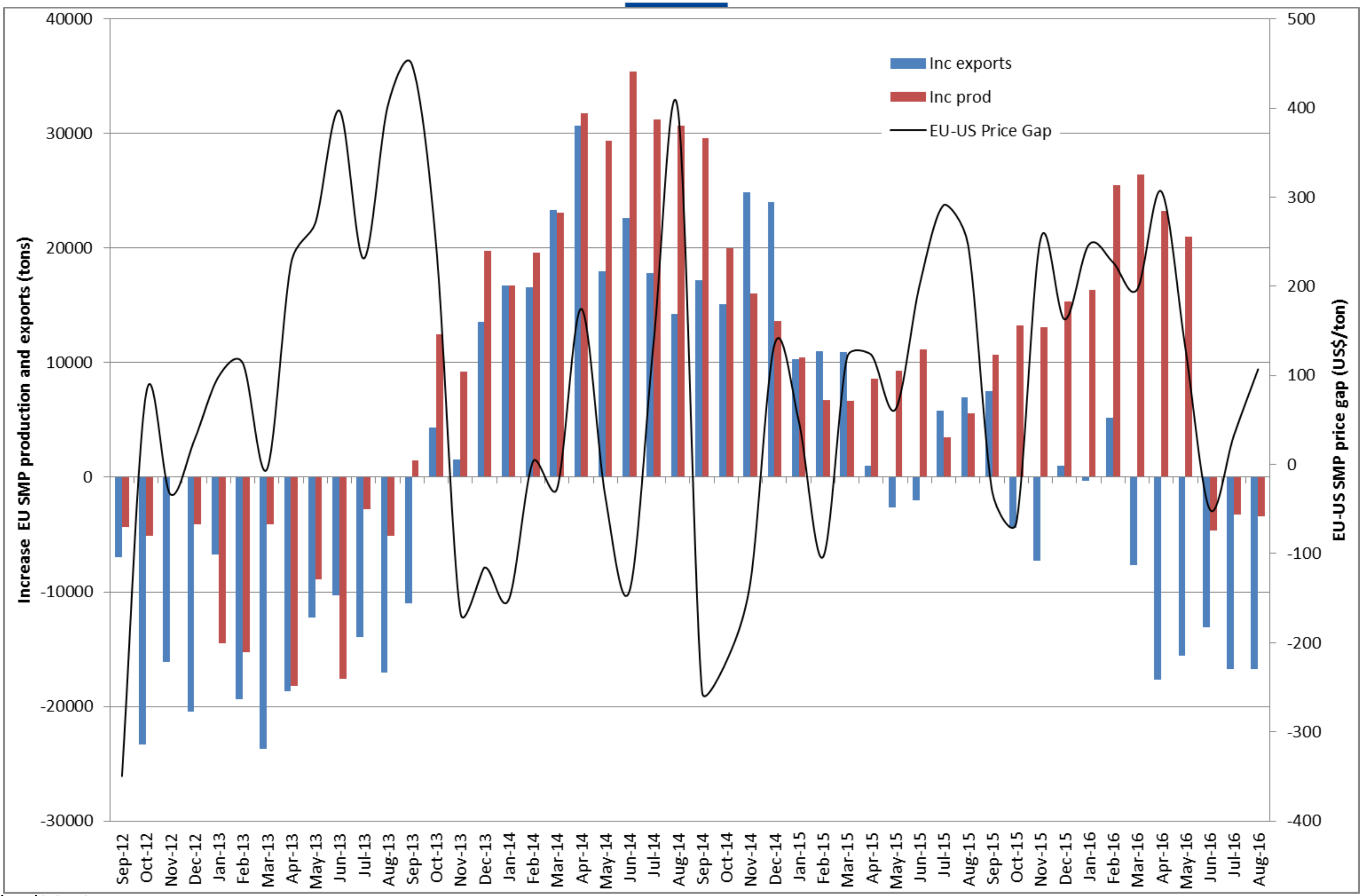
Source : Member States Notifications, USDA



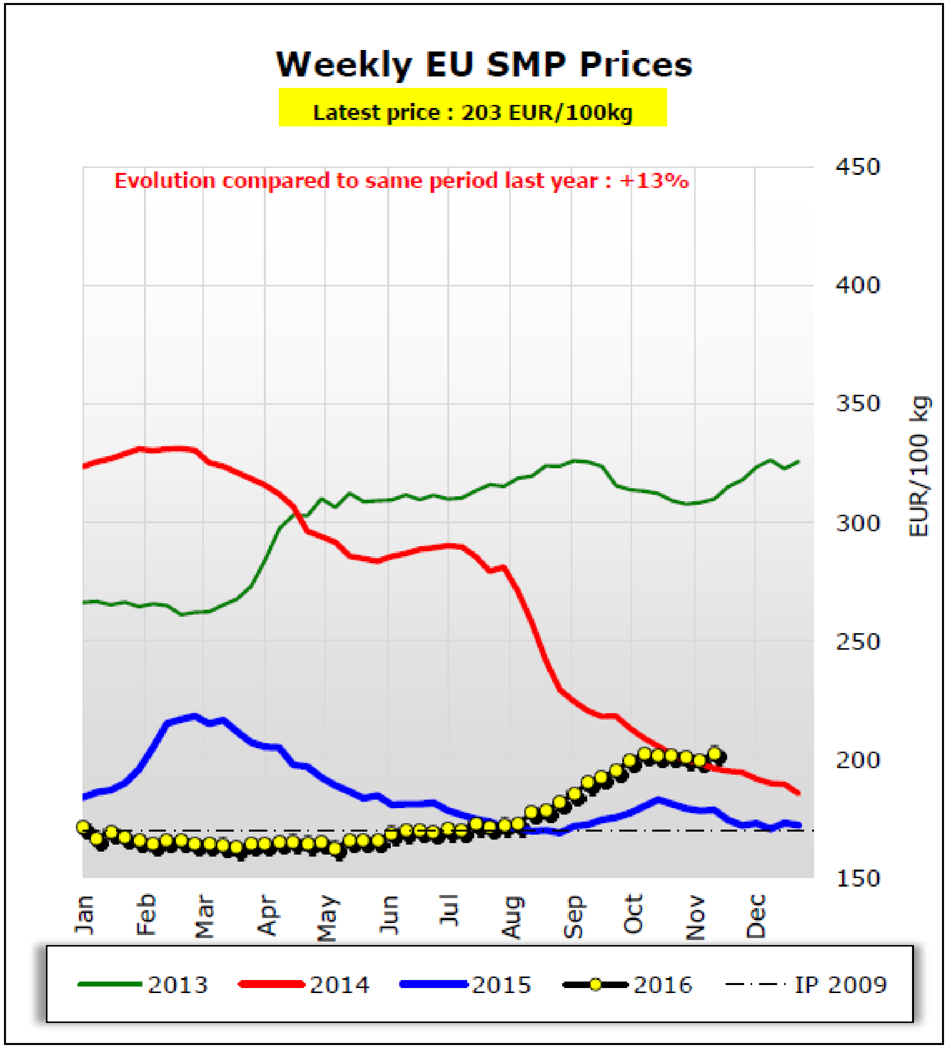
EU SMP Production
(x 1000 t)
2013
2014
2015
2016
2017
180
160
140
120
100
80
60
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

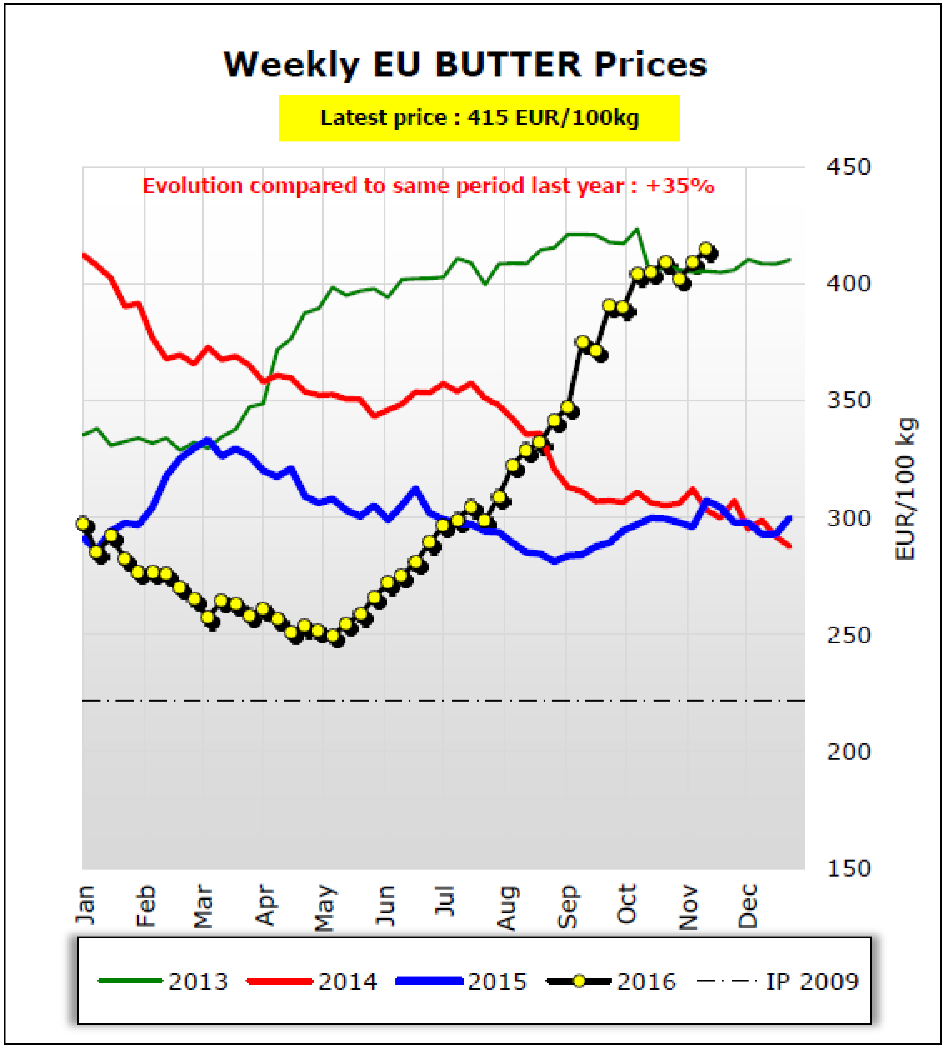


5000
4500
4000
3500
3000
2500
2000
1500
1000
US$/ton
EU SMP price
US SMP price
EU Intervention price
06.01.14
06.02.14
06.03.14
06.04.14
06.05.14
06.06.14
06.07.14
06.08.14
06.09.14
06.10.14
06.11.14
06.12.14
06.01.15
06.02.15
06.03.15
06.04.15
06.05.15
06.06.15
06.07.15
06.08.15
06.09.15
06.10.15
06.11.15
06.12.15
06.01.16
06.02.16
06.03.16
06.04.16
06.05.16
06.06.16
06.07.16
06.08.16
06.09.16
06.10.16


Inc exports
Inc prod
EU-US Price Gap
Increase EU SMP production and exports (tons)
EU-US SMP price gap (US$/ton)
40000
30000
20000
10000
0
-10000
-20000
-30000
500
400
300
200
100
0
-100
-200
-300
-400
Sep-12
Oct-12
Nov-12
Dec-12
Jan-13
Feb-13
Mar-13
Apr-13
May-13
Jun-13
Jul-13
Aug-13
Sep-13
Oct-13
Nov-13
Dec-13
Jan-14
Feb-14
Mar-14
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Jul-15
Aug-15
Sep-15
Oct-15
Nov-15
Dec-15
Jan-16
Feb-16
Mar-16
Apr-16
May-16
Jun-16
Jul-16
Aug-16

Prices of EU Dairy commodities *(Source : Reg. (EC) No 479/2010 Art. 2)*





ANNEX 2

EU dairy products monthly stock estimates at the end of August 2016

EDA

EU dairy products monthly stock estimations at the end of August 2016

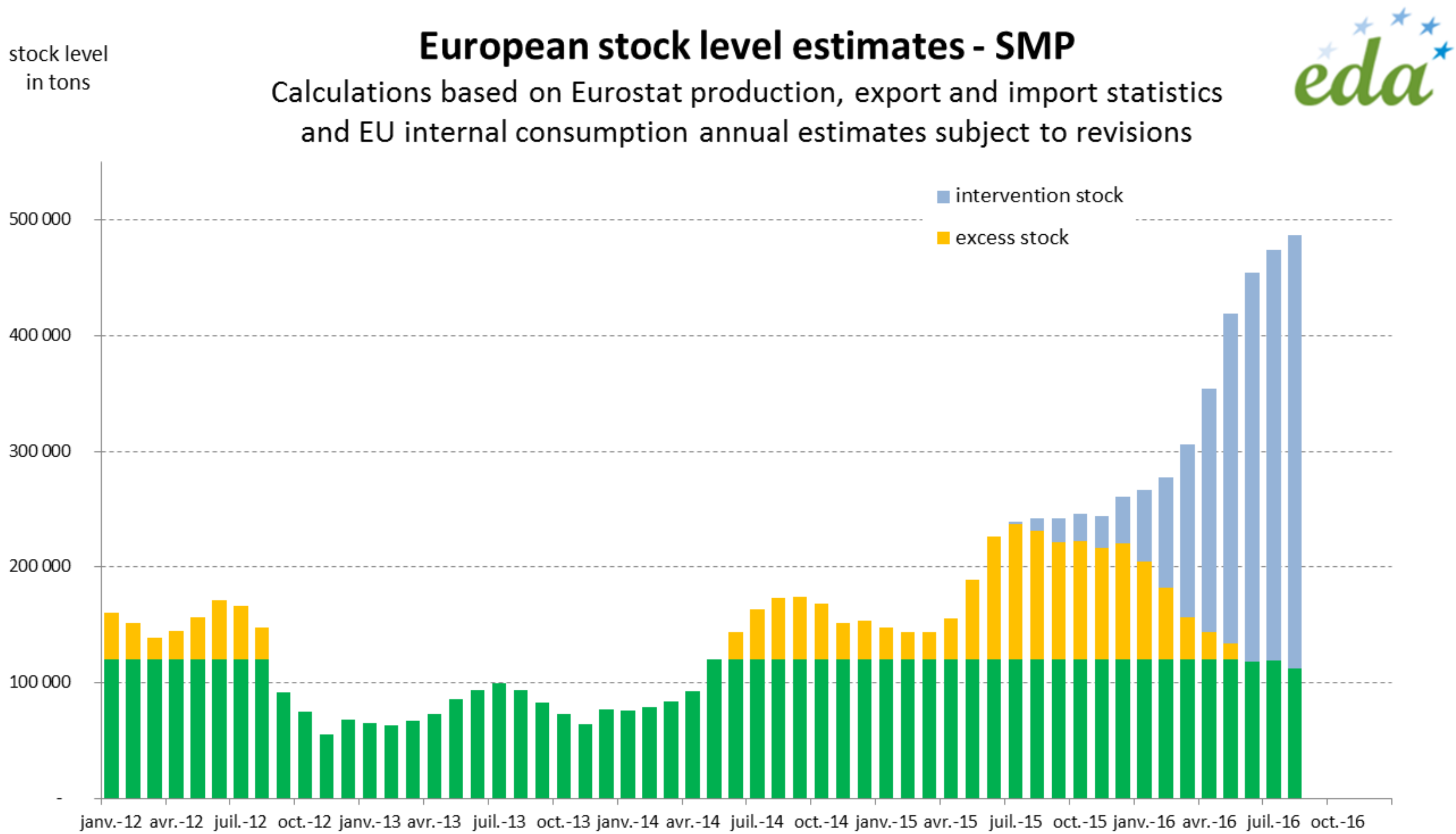
Milk Market Observatory

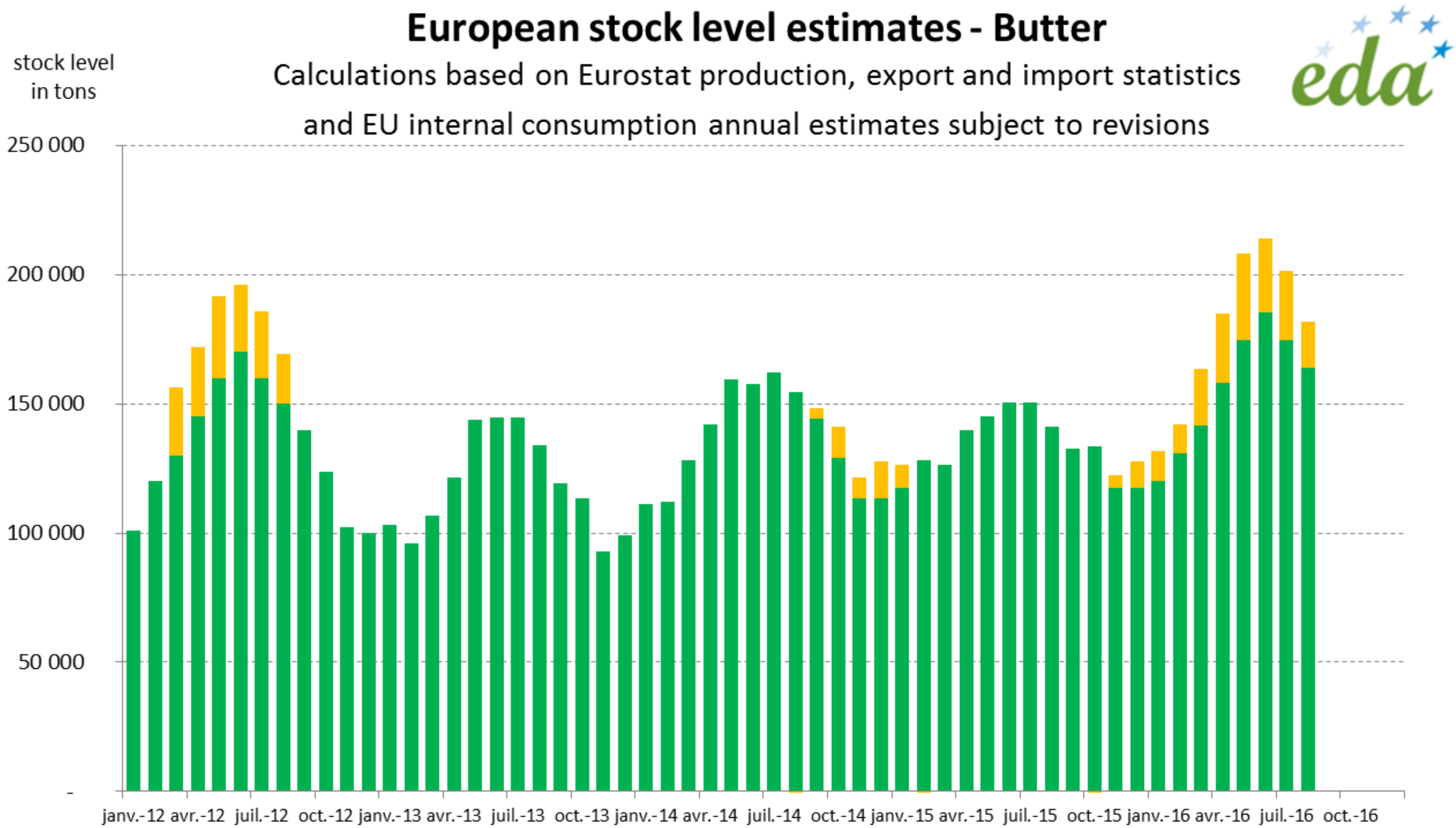
Economic Board

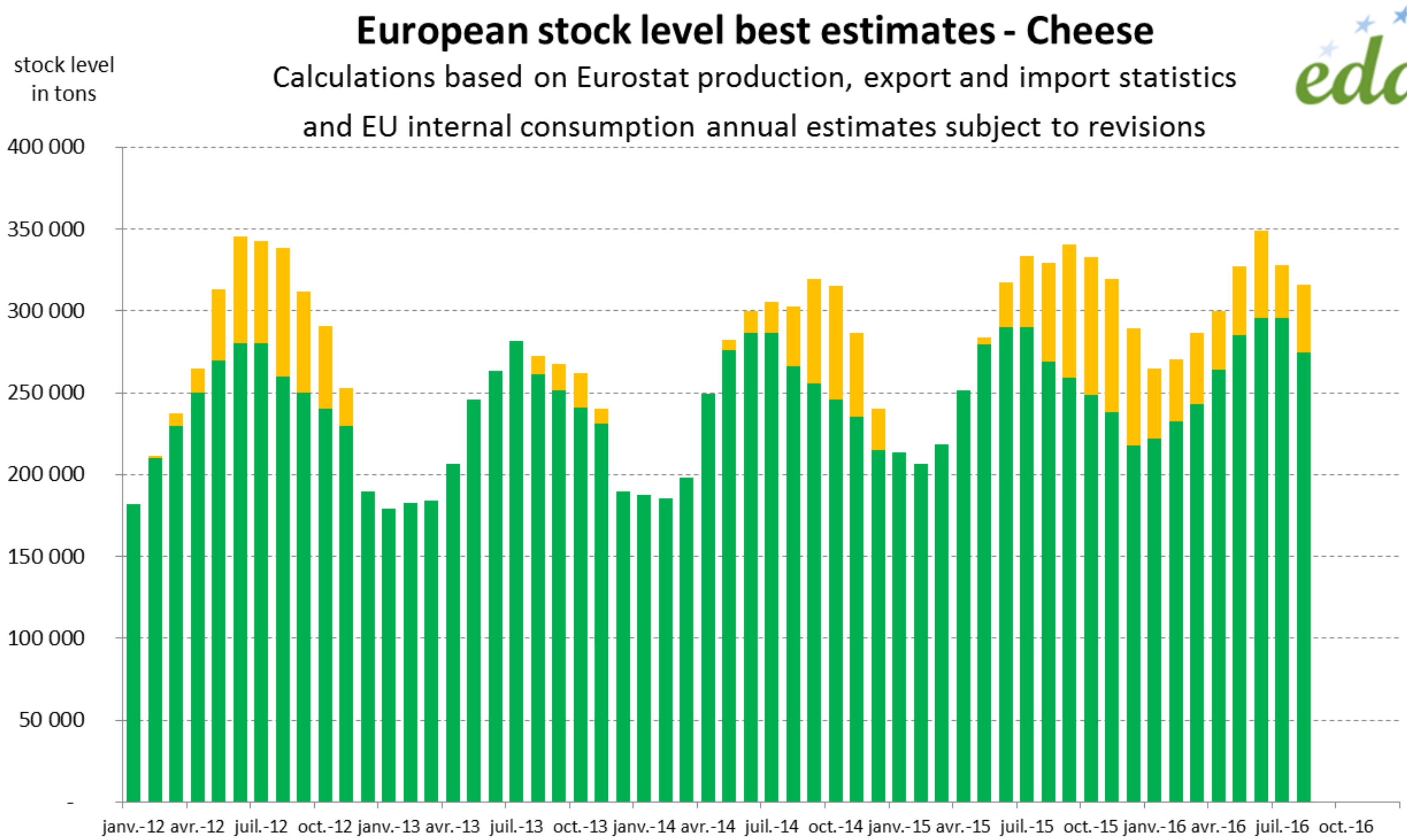
November 22th, 2016

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 stocks levels in 2012 and 2013
  - Yearly consumption levels in 2012, 2013, 2014 and forecast for 2015
- 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 observation.


European stock level estimates - SMP
Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions
stock level
in tons
eda
intervention stock
excess stock
500 000
400 000
300 000
200 000
100 000
-
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 avr.-15 juil.-15 oct.-15 janv.-16 avr.-16 juil.-16 oct.-16


European stock level estimates - Butter
Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions
stock level
in tons
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
avr.-15
juil.-15
oct.-15
janv.-16
avr.-16
juil.-16
oct.-16
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
avr.-15
juil.-15
oct.-15
janv.-16
avr.-16
juil.-16
oct.-16

ANNEX 3

Perspectives from the Dairy Trade

Eucolait

Perspectives from the Dairy Trade

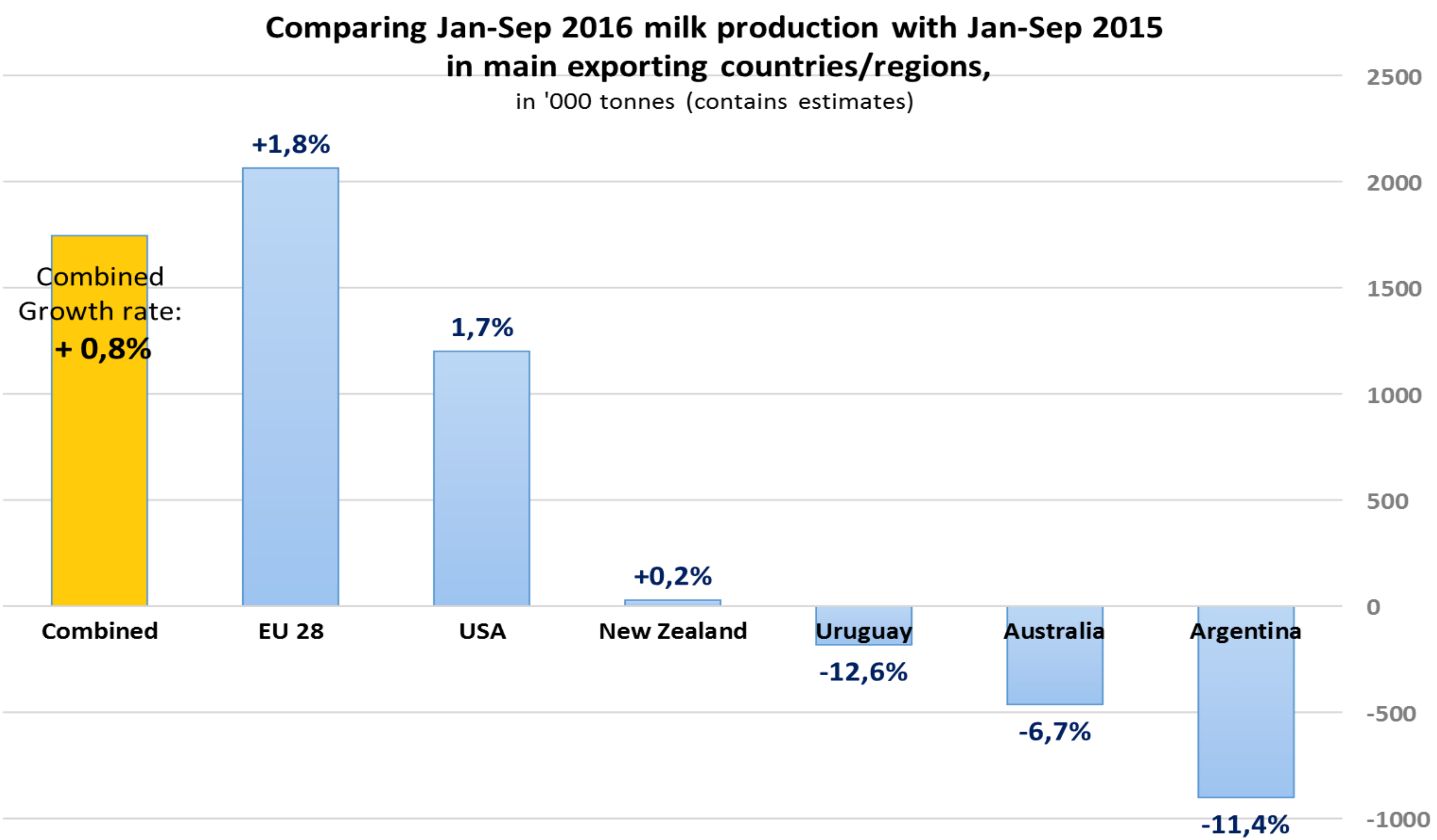
MMO Economic Board

22 November 2016

Outline

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

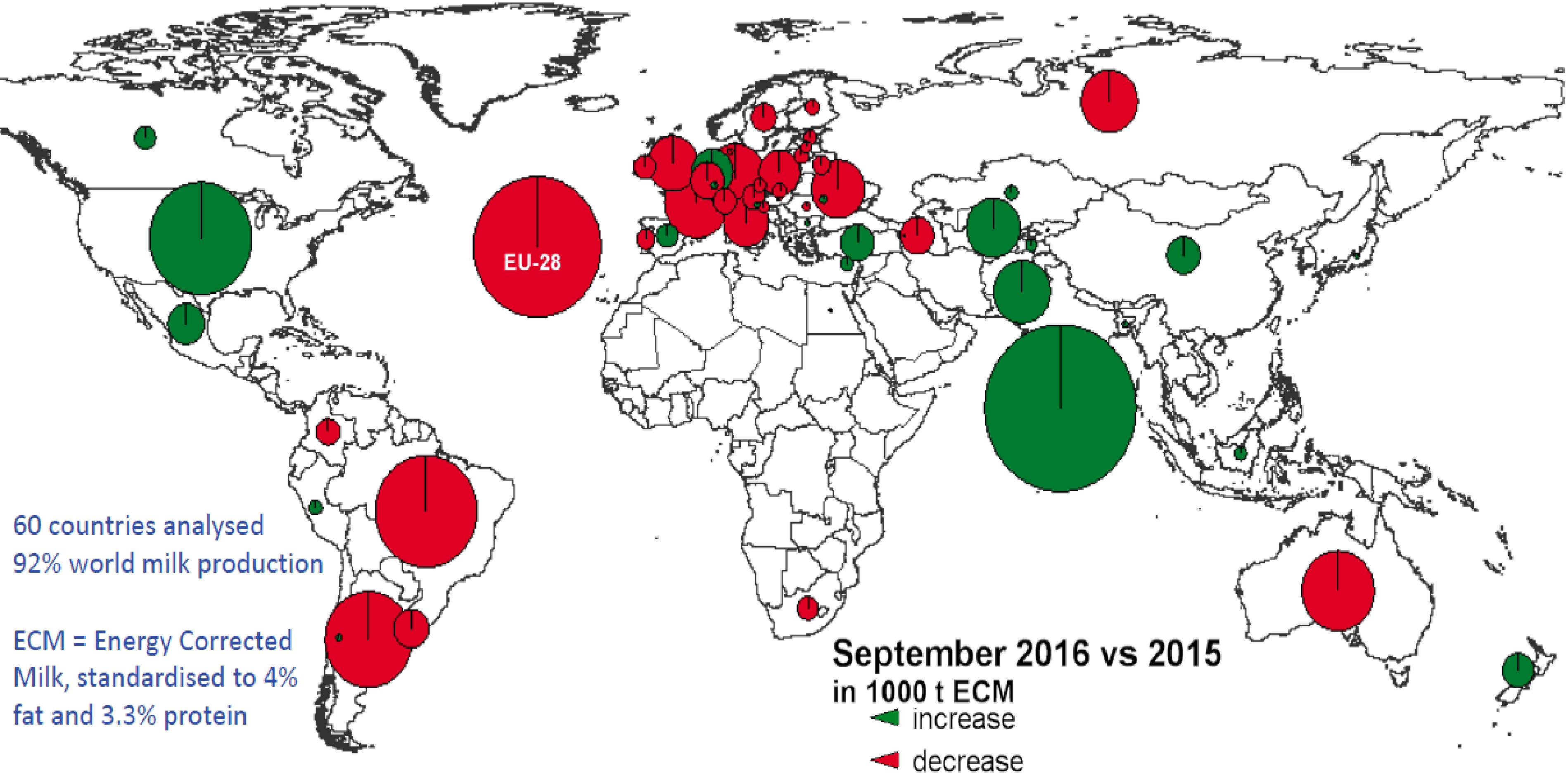
Milk production in key export regions



Absolute changes in milk volumes in 1000 t ECM September 2016 vs. 2015 (estimation)

IFCN
Dairy Data · Knowledge · Inspiration

Milk produced or delivered in countries analysed. See country list below.



60 countries analysed
92% world milk production

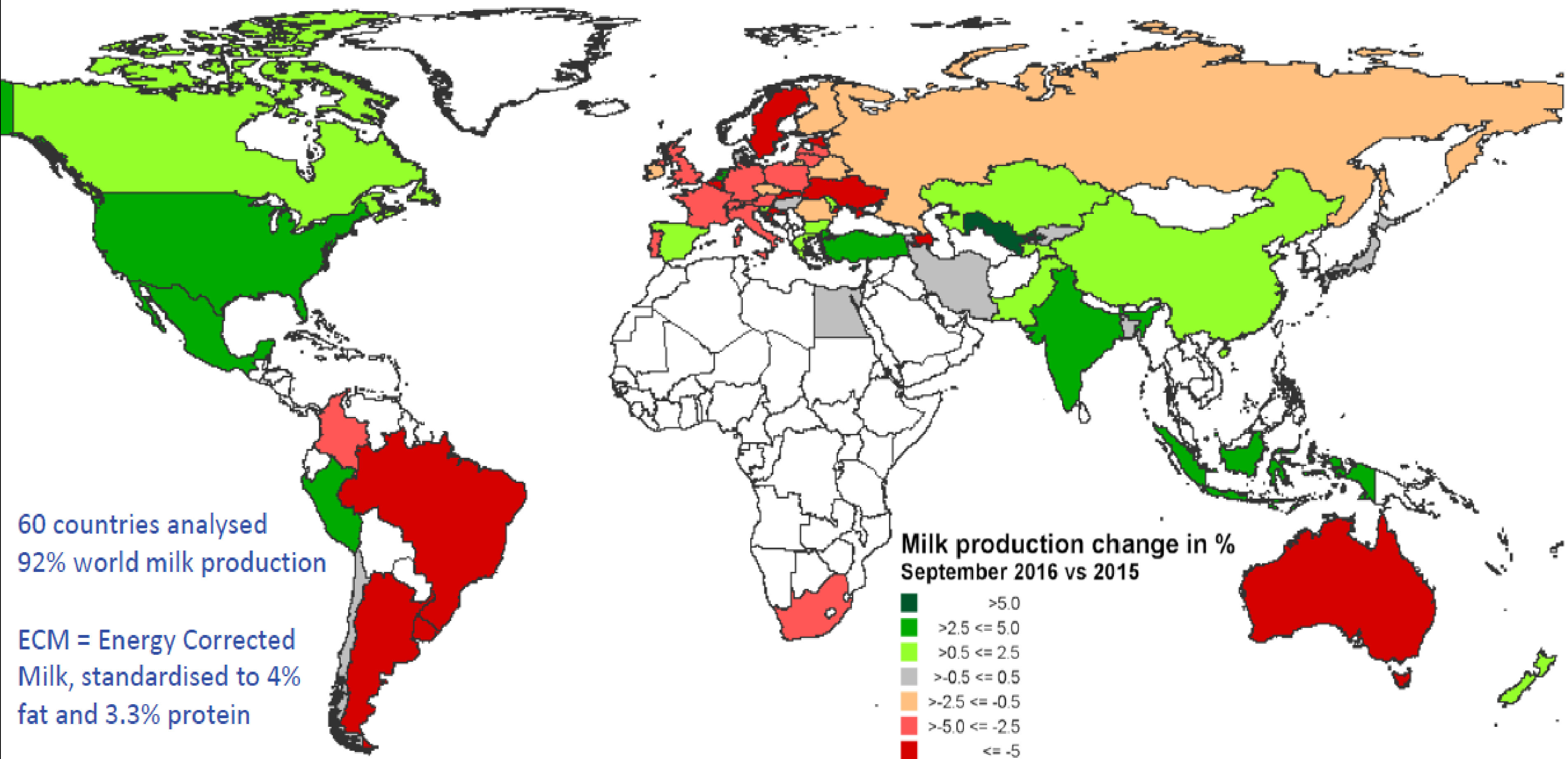
ECM = Energy Corrected Milk, standardised to 4% fat and 3.3% protein

60 countries analysed: (p = milk production, d = milk delivery): **EU-28:**(d), **CIS:** Armenia (p), Azerbaijan (p), Belarus (p), Kazakhstan (p), Kyrgyzstan (p), Moldova(p), Russia (p), Tajikistan (p), Ukraine (p), Uzbekistan (p),
North America: Canada (d), USA (p), **Latin America:** Argentina (p), Brazil (d), Chile (d), Colombia (d), Mexico (p), Peru (p), Uruguay (d), **Oceania:** Australia (d), New Zealand (p), **Asia:** Bangladesh (p), China (p), India (p), Japan (p), Pakistan (p), **Africa:** Egypt (p), South Africa (p). **Other:** Switzerland (d), Turkey (d), Iran (p). Countries included represent 92% of world milk production. Data is preliminary or estimated.

Percent changes in milk volumes September 2016 vs. 2015 (estimation)

IFCN
Dairy Data · Knowledge · Inspiration

Milk produced or delivered in countries analysed. See country list below.



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North America: Canada (d), USA (p), **Latin America:** Argentina (p), Brazil (d), Chile (d), Colombia (d), Mexico (p), Peru (p), Uruguay (d), **Oceania:** Australia (d), New Zealand (p), **Asia:** Bangladesh (p), China (p), India (p), Japan (p), Pakistan (p), **Africa:** Egypt (p), South Africa (p). **Other:** Switzerland (d), Turkey (d), Iran (p). Countries included represent 92% of world milk production. Data is preliminary or estimated.

Production outlook

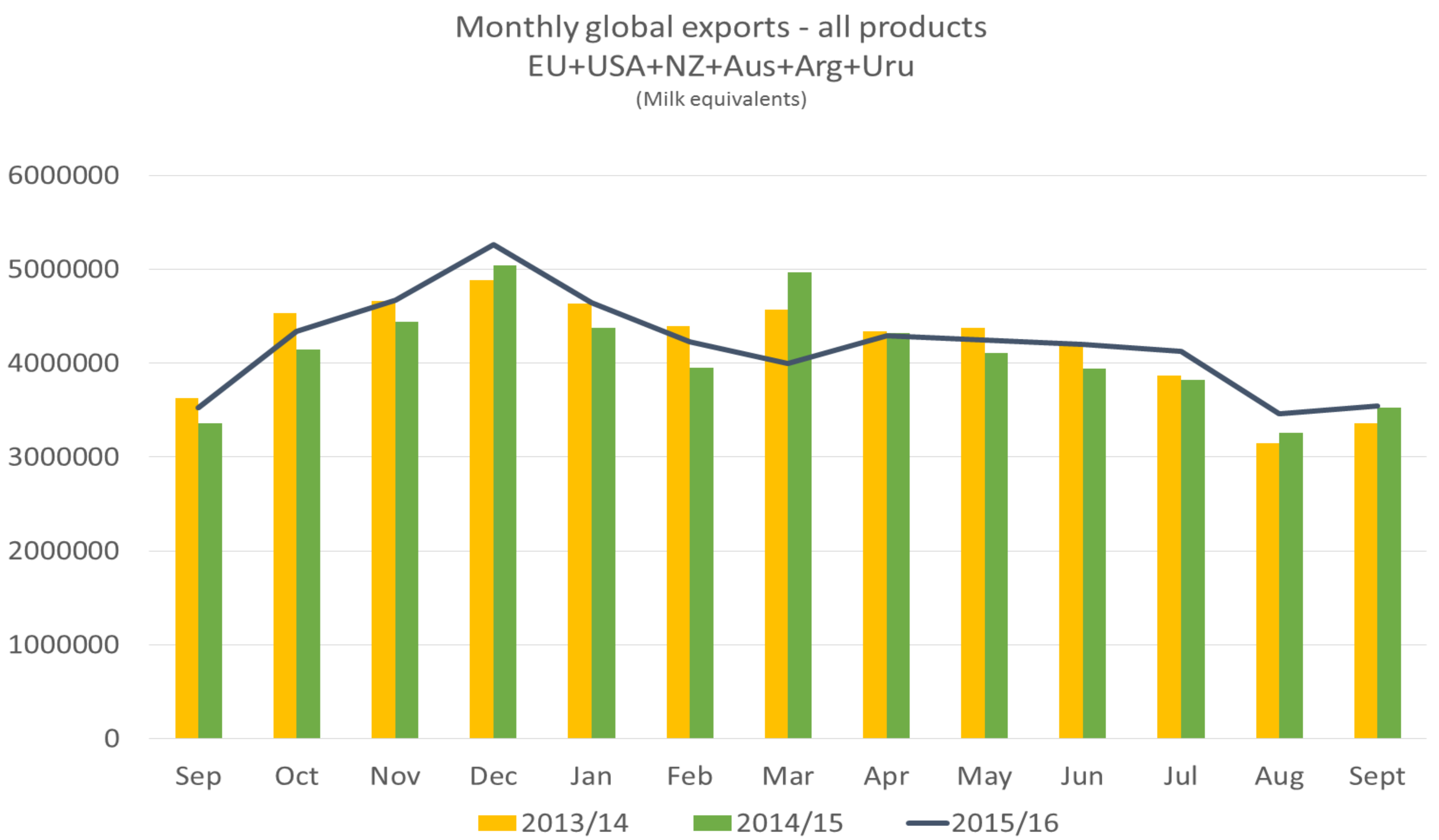
- **EU milk production in September is the 4th month behind 2015 levels (-2,8%)** but remain positive +1,8% for the year to September (biggest decline in volume in UK, DE, FR), **further production slowdown expected for the rest of 2016** (milk production reduction scheme in Q4)

- **NZ**: **increase in September milk production +1,1% yoy** (-0,19% Jun-Sep 2016 vs Jun-Sep 2015), wet/cold weather could reduce flows in Oct, a slight decrease has been forecasted for the whole 2016/17 season but the increased farm gate milk price may boost farmer confidence and change the picture

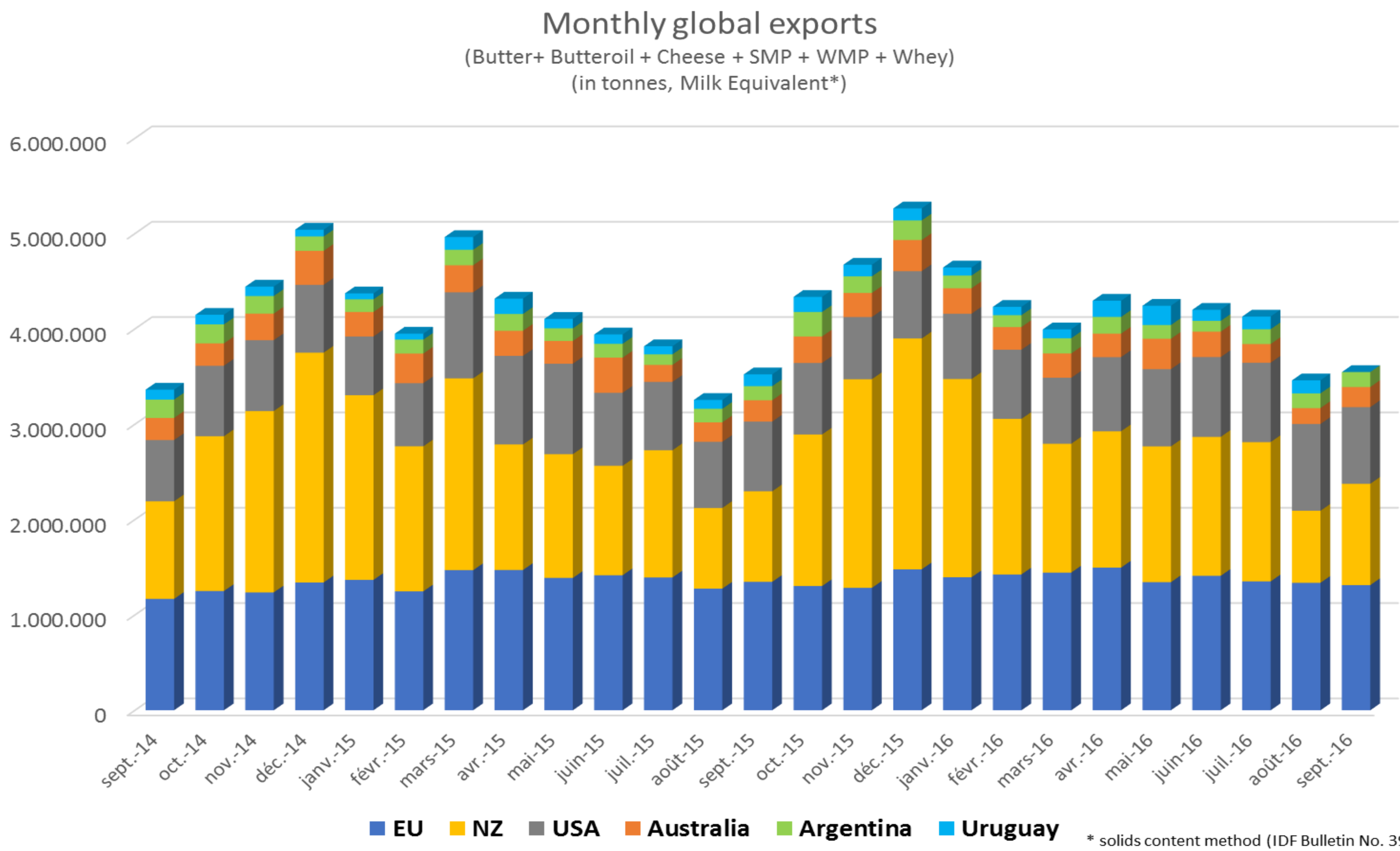
- **Australia milk production down by 10,2% in Sept compared to Sept. 2015** (897,1 kt in Sept) represents lowest volume of milk collected in Sept in over 10 years (Jul-Sept 2016 vs Jul-Sept 2016 -9,9%), decrease of -5% for 2016/17 expected

- **US production for September continued ahead of last year with +2,1%** (7.696 mio tonnes), expansion in all regions except California, driven by increased productivity and expanded milk herd, **USDA raised its forecast for 2016 to +1,6% and for 2017 to 1,8%**

Dairy exports of main market players in ME

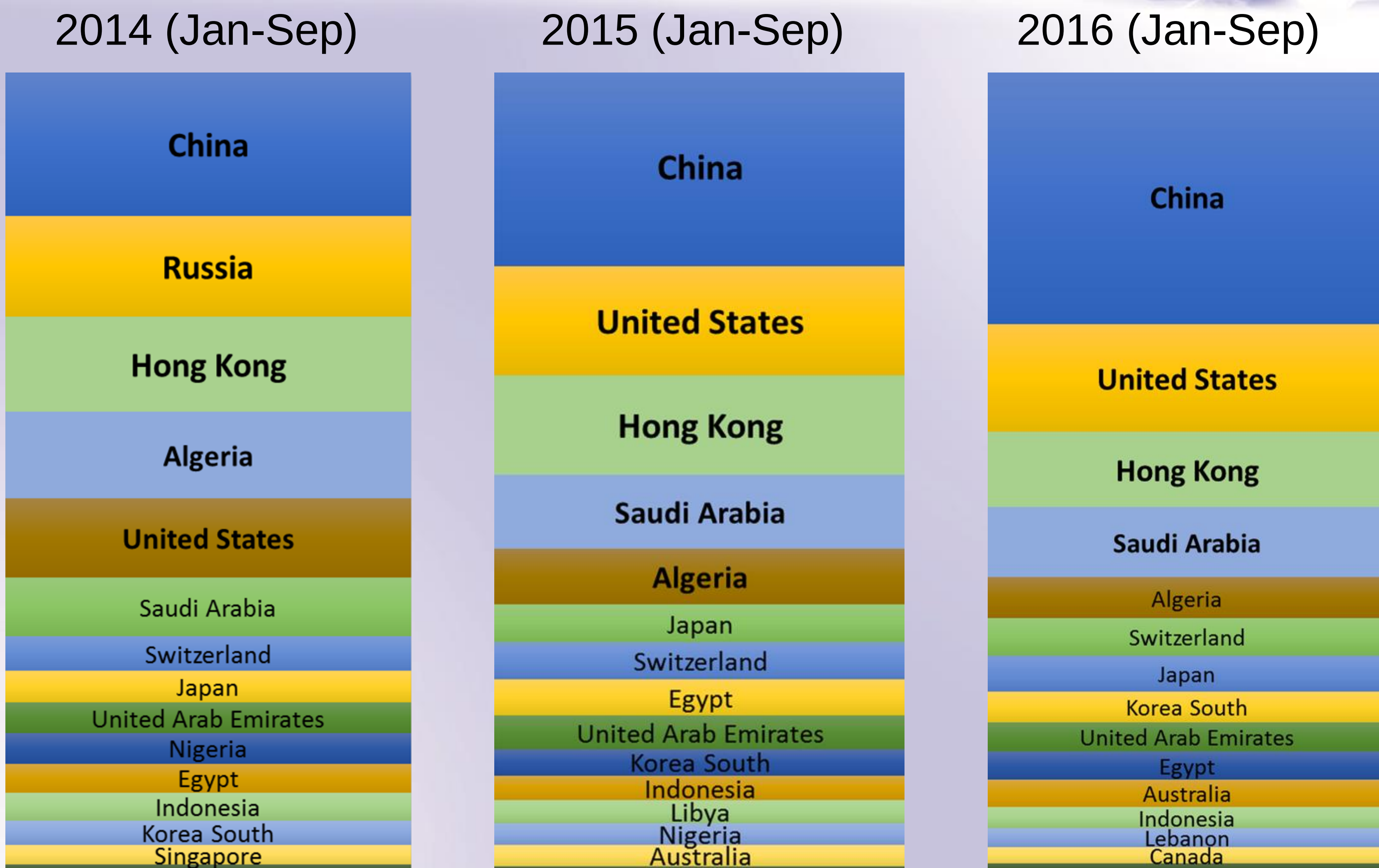


Dairy exports of main market players in ME



* solids content method (IDF Bulletin No. 390)

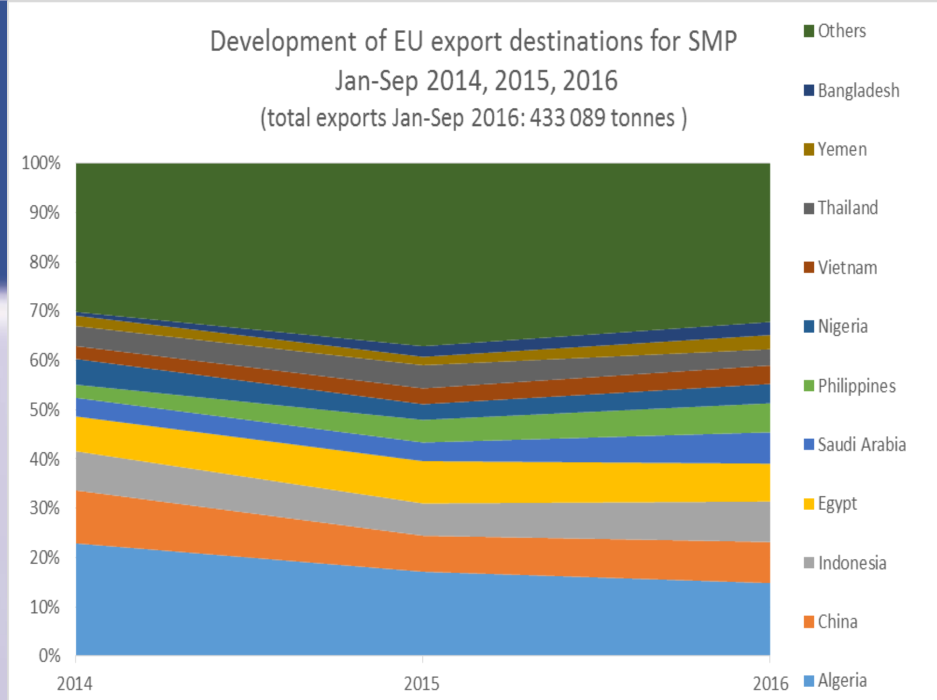
Main EU export markets for all dairy products **(in value - €)**

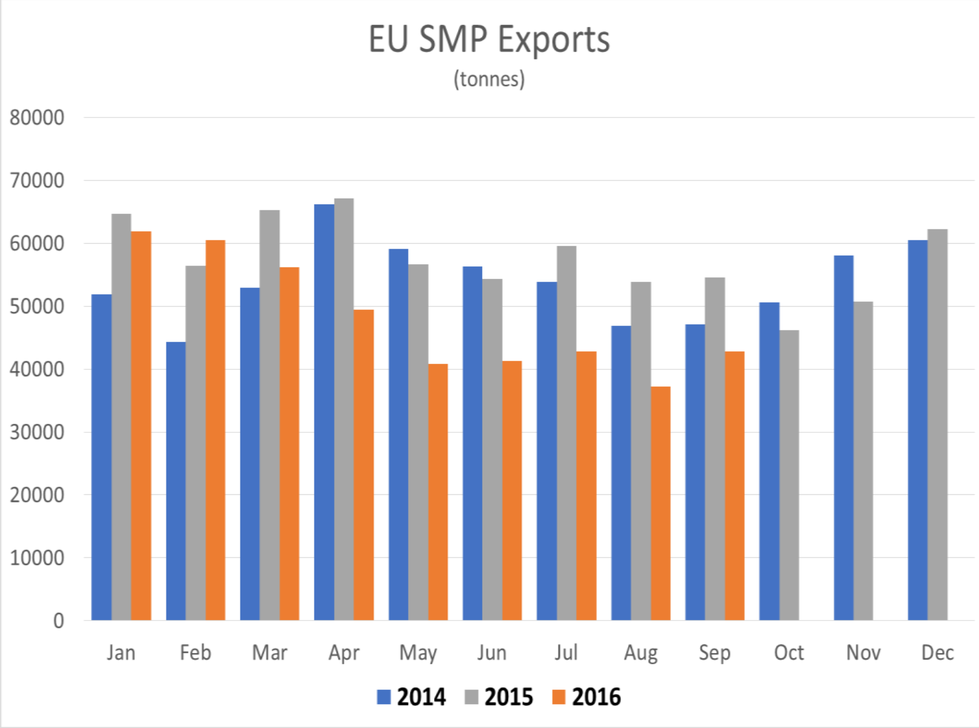


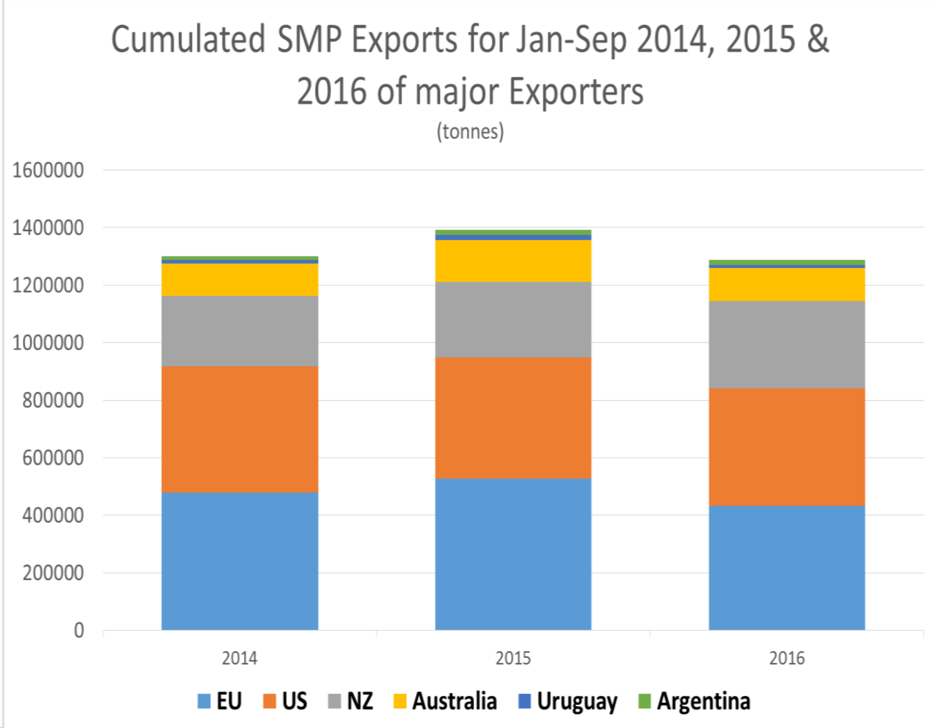
SMP trade

EU SMP exports:
- Growth rate Jan-Sep 15/16: -17,9%

Combined SMP exports:
- Growth rate Jan-Sep 15/16: -7,7%



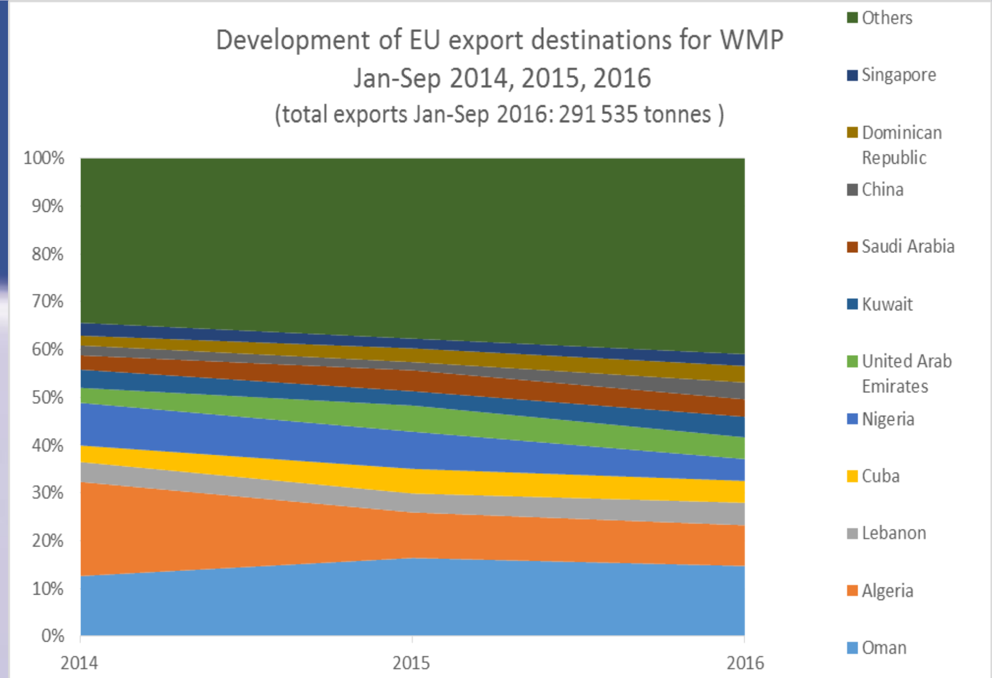


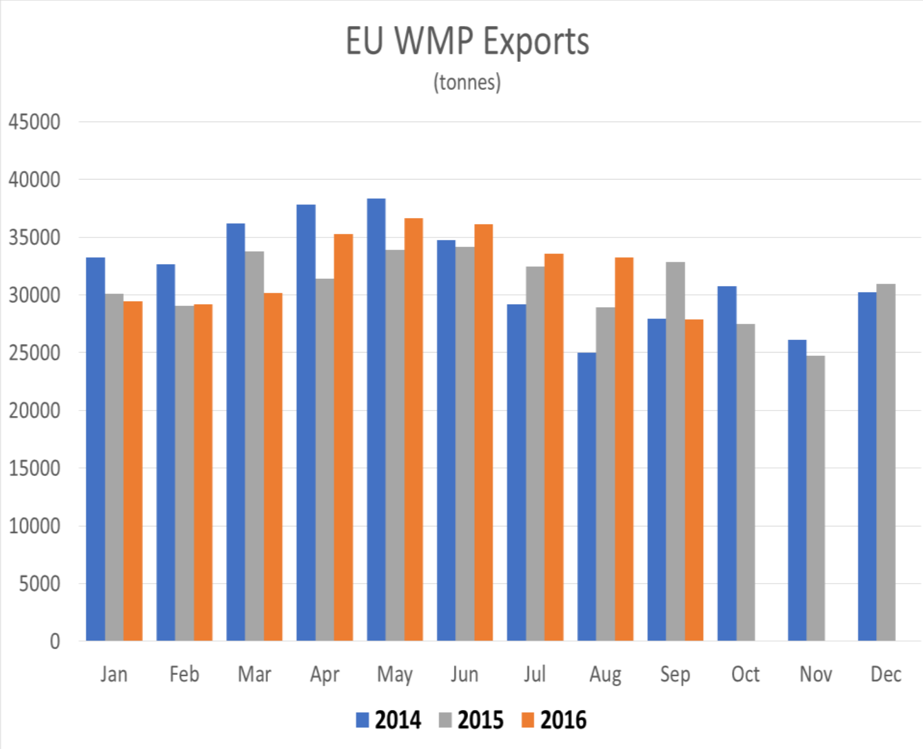


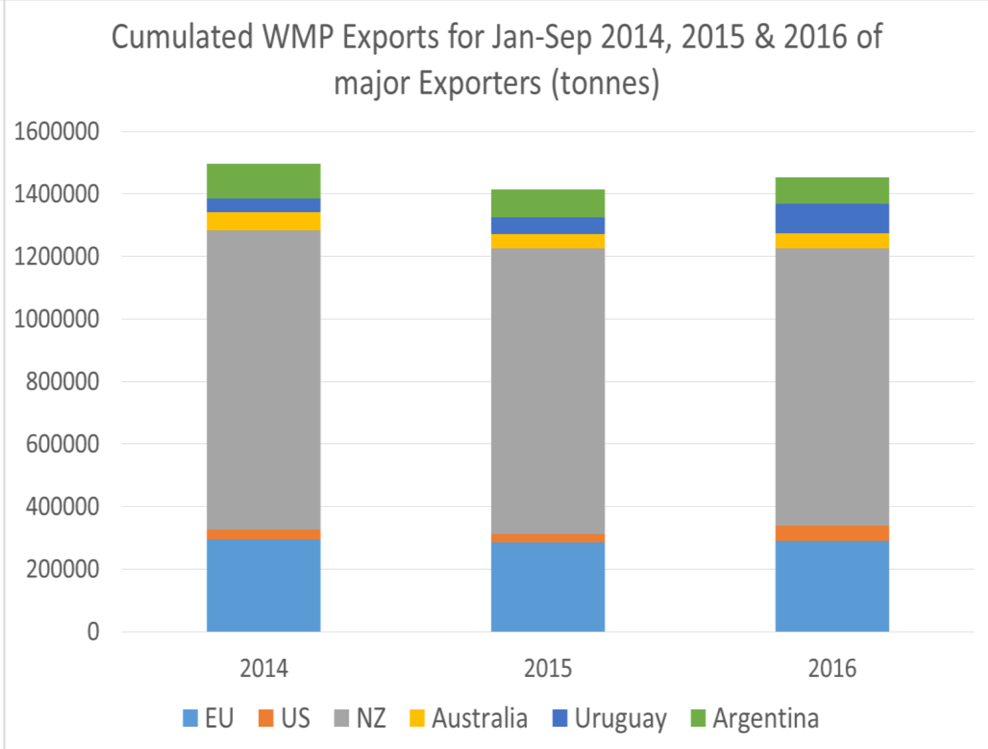
WMP trade

EU WMP exports:
- Growth rate Jan-Sep 15/16: +1,8%

Combined WMP exports:
- Growth rate Jan-Sep 15/16: +2,7%



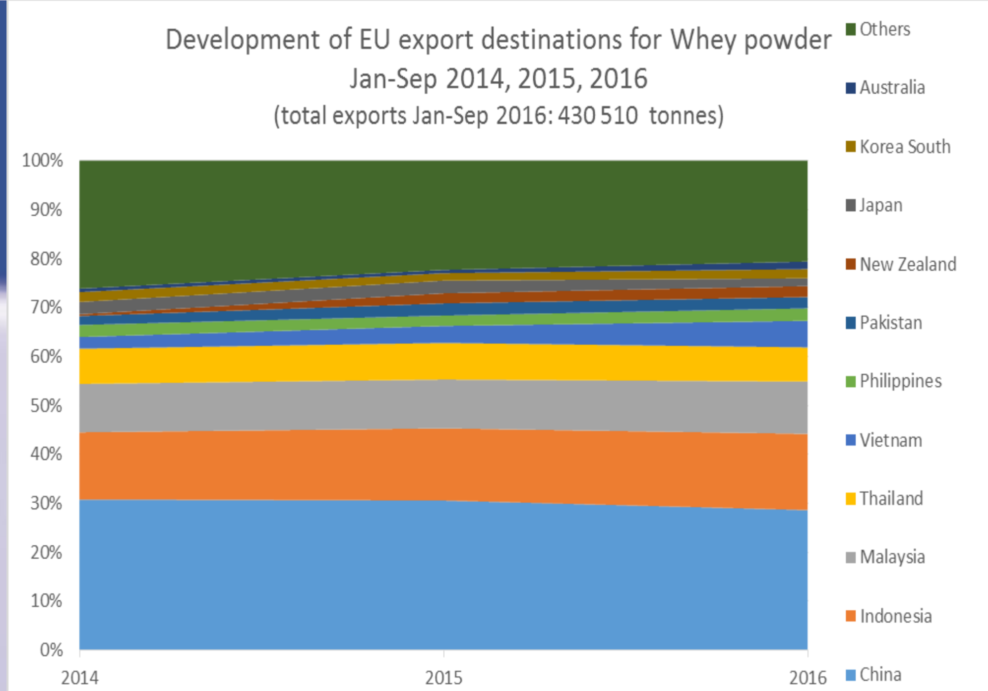


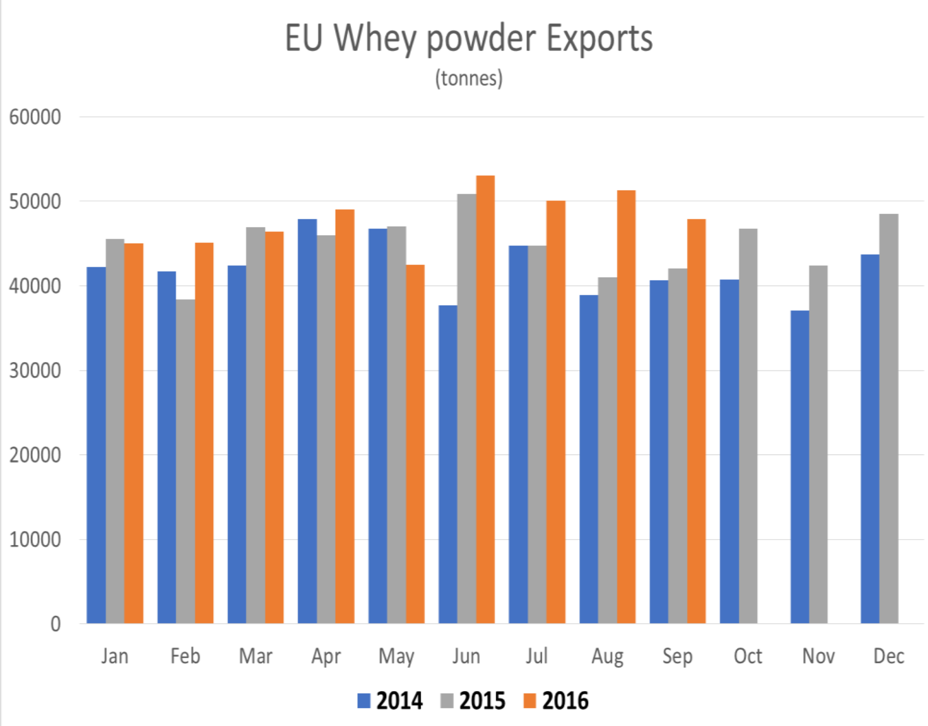


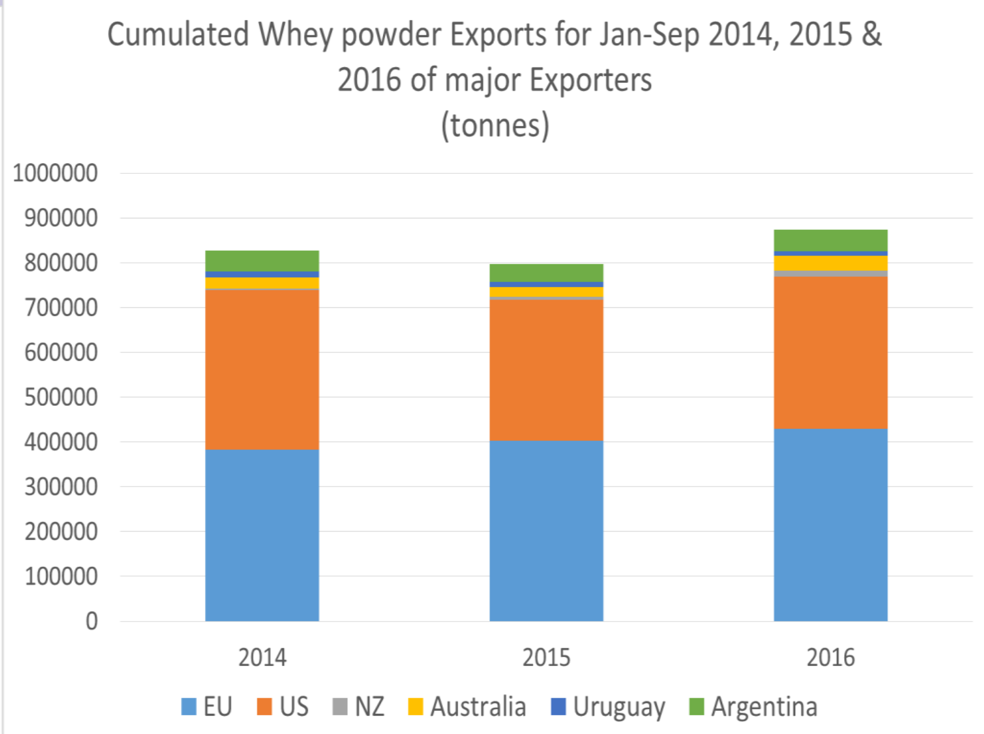
Whey powder trade

EU whey powder exports:
- Growth rate Jan-Sep 15/16: +6,8%

Combined whey powder exports:
- Growth rate Jan-Sep 15/16: +9,5%



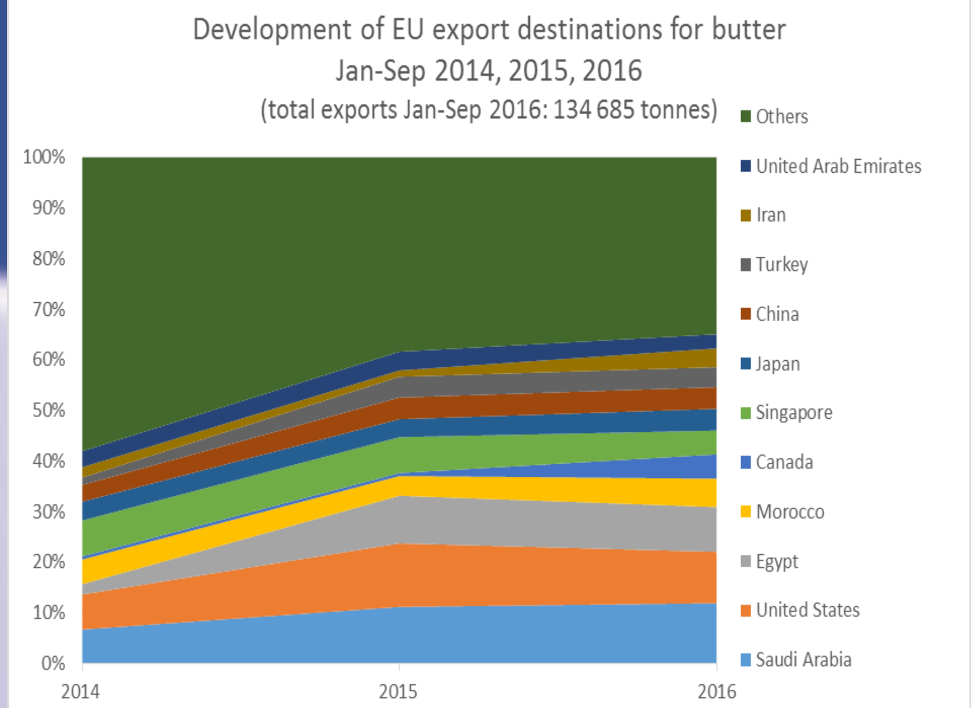


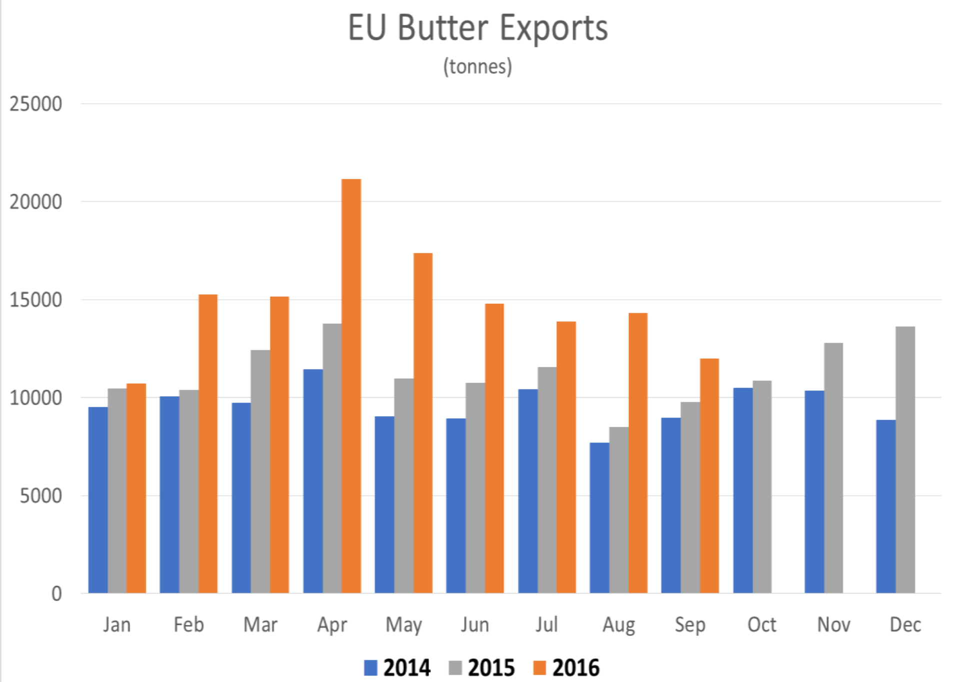


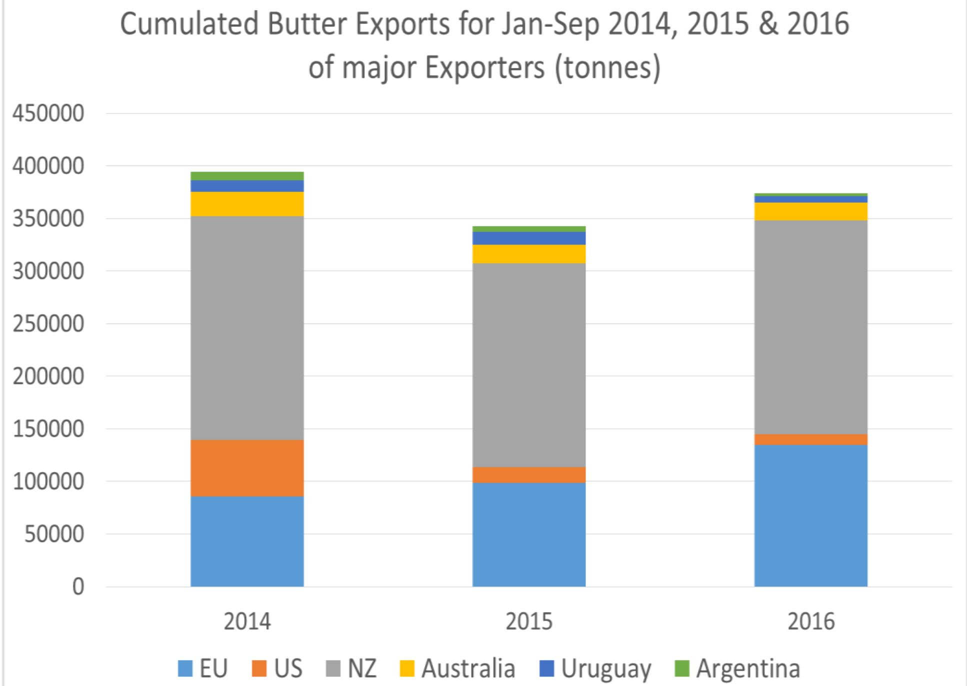
Butter trade

EU butter exports:
- Growth rate Jan-Sep 15/16: +36,4%

Combined butter exports:
- Growth rate Jan-Sep 15/16: +9,1%



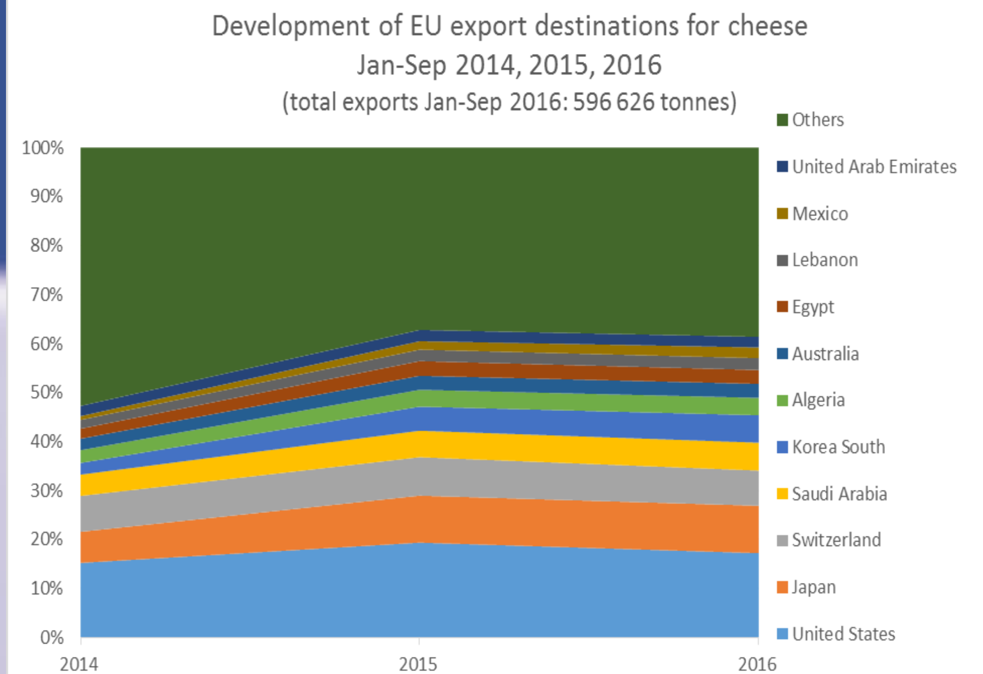


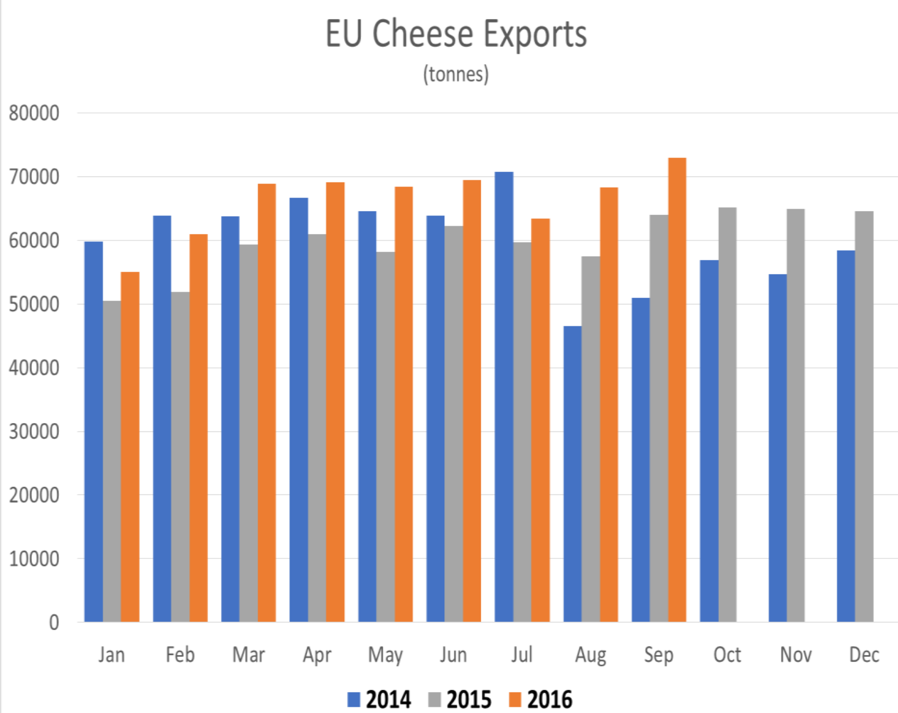


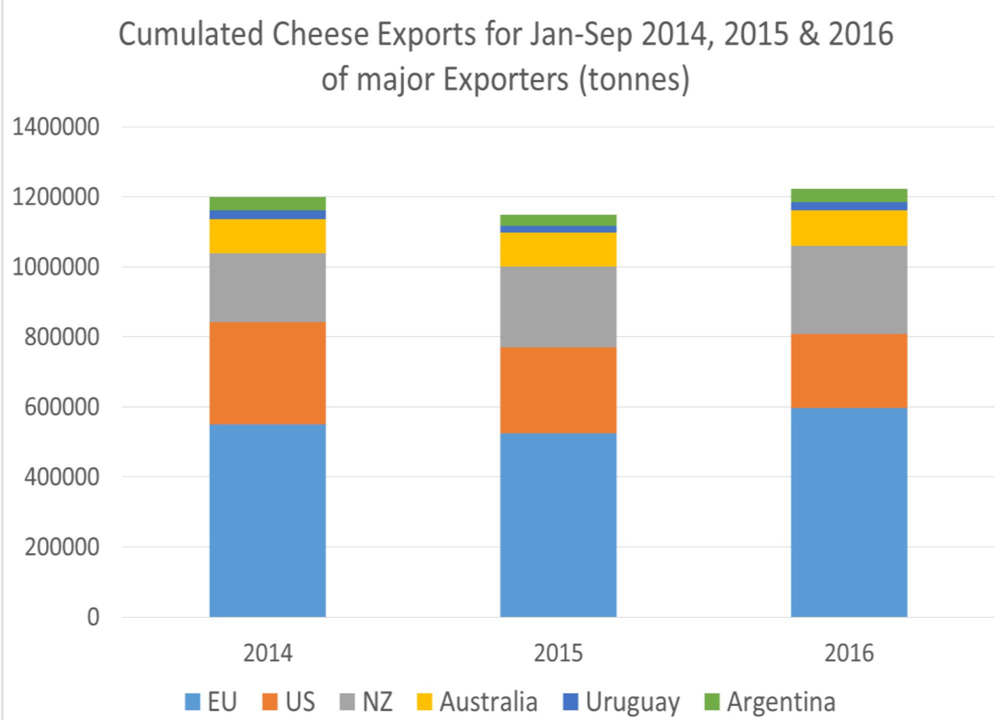
Cheese trade

EU cheese exports:
- Growth rate Jan-Sep 15/16: +13,9%

Combined cheese exports:
- Growth rate Jan-Sep 15/16: +6,4%



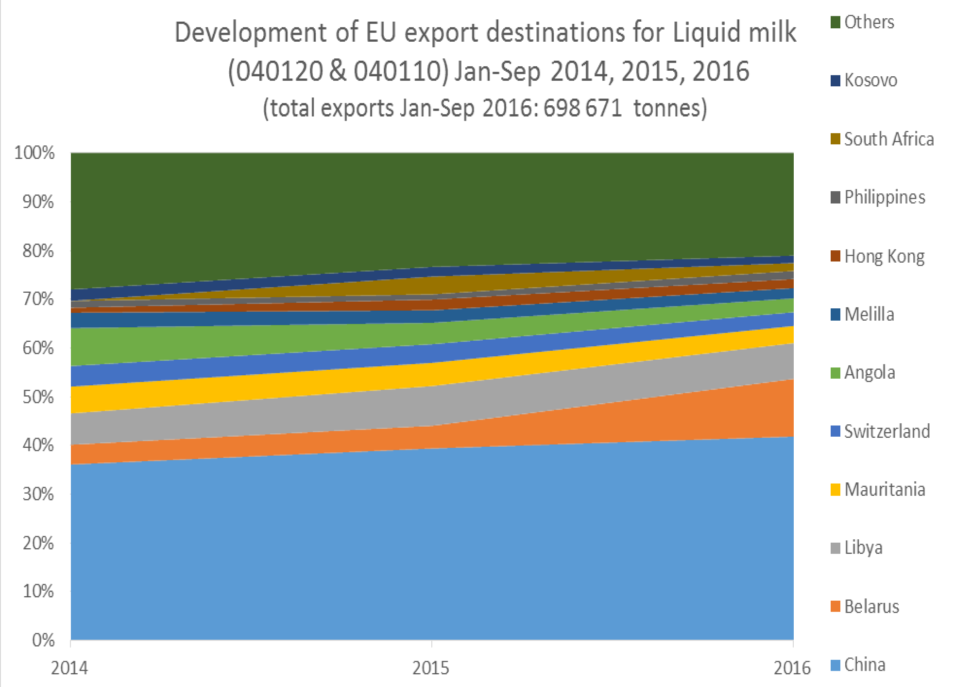


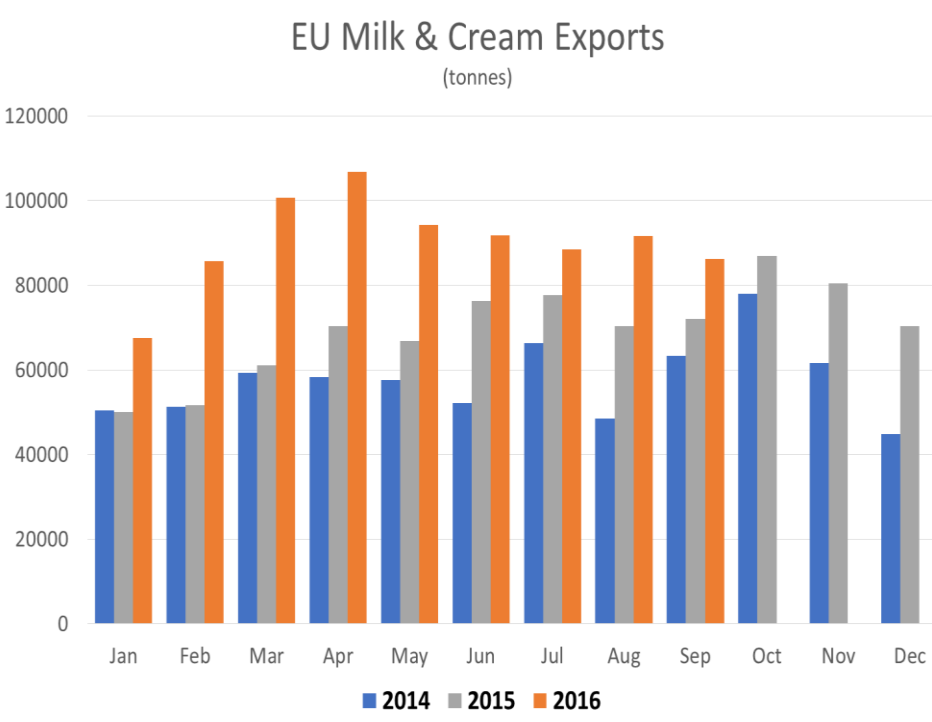


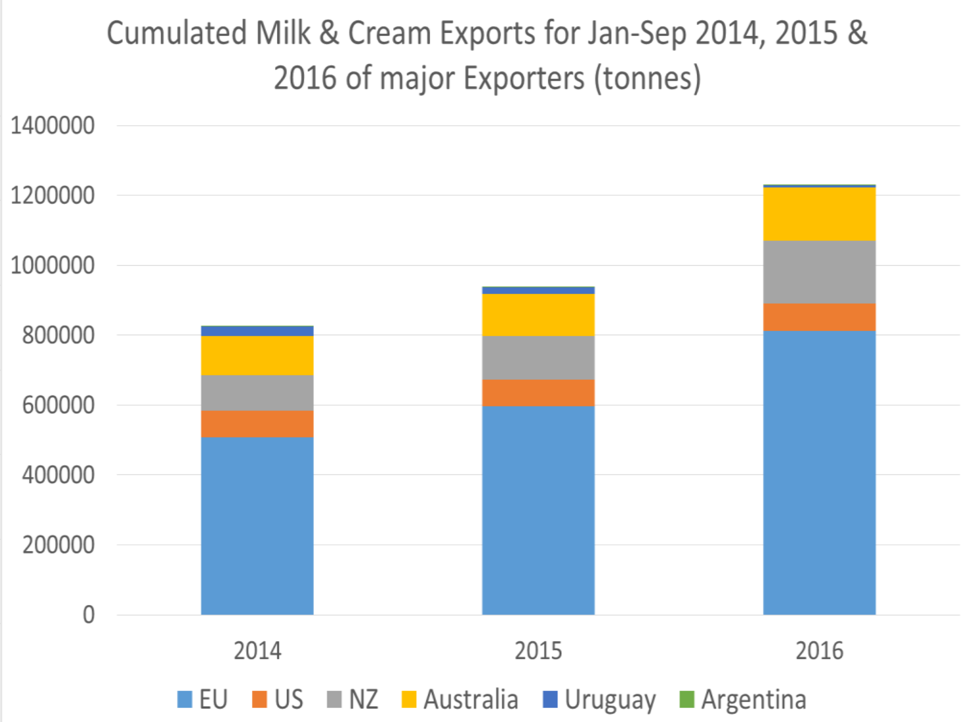
Trade of milk & cream

EU milk & cream exports
- Growth rate Jan-Sep 15/16: +36,3%

Combined milk & cream exports
- Growth rate Jan-Sep 15/16: +30,9%



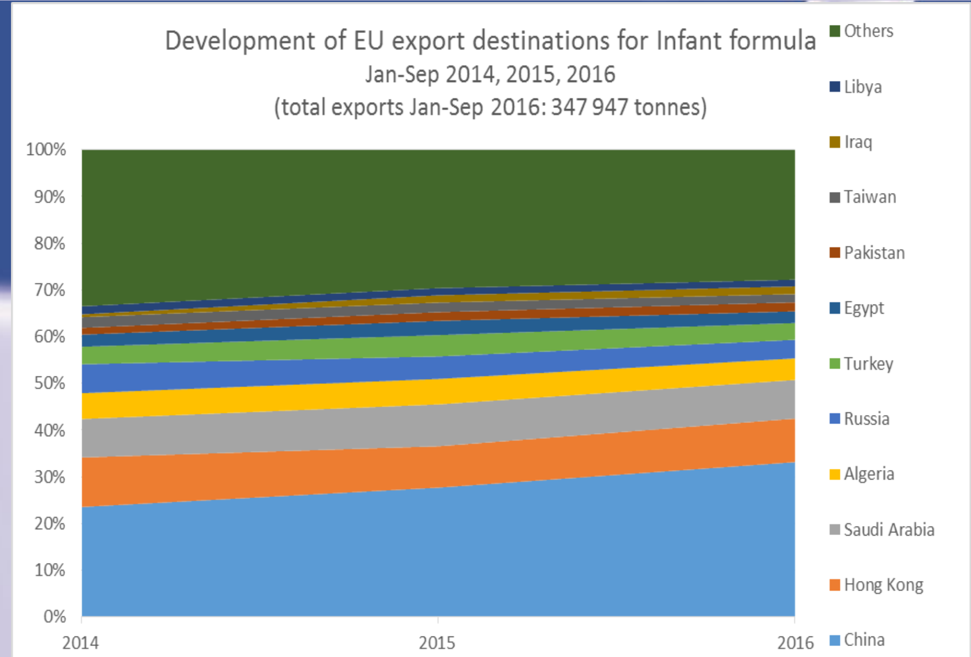


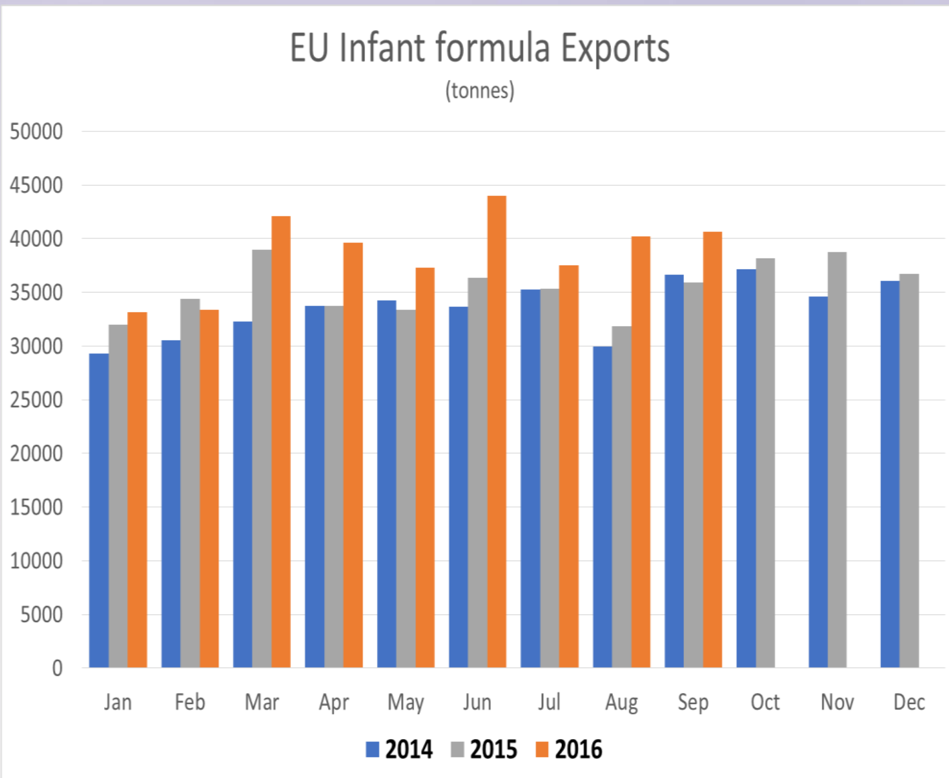


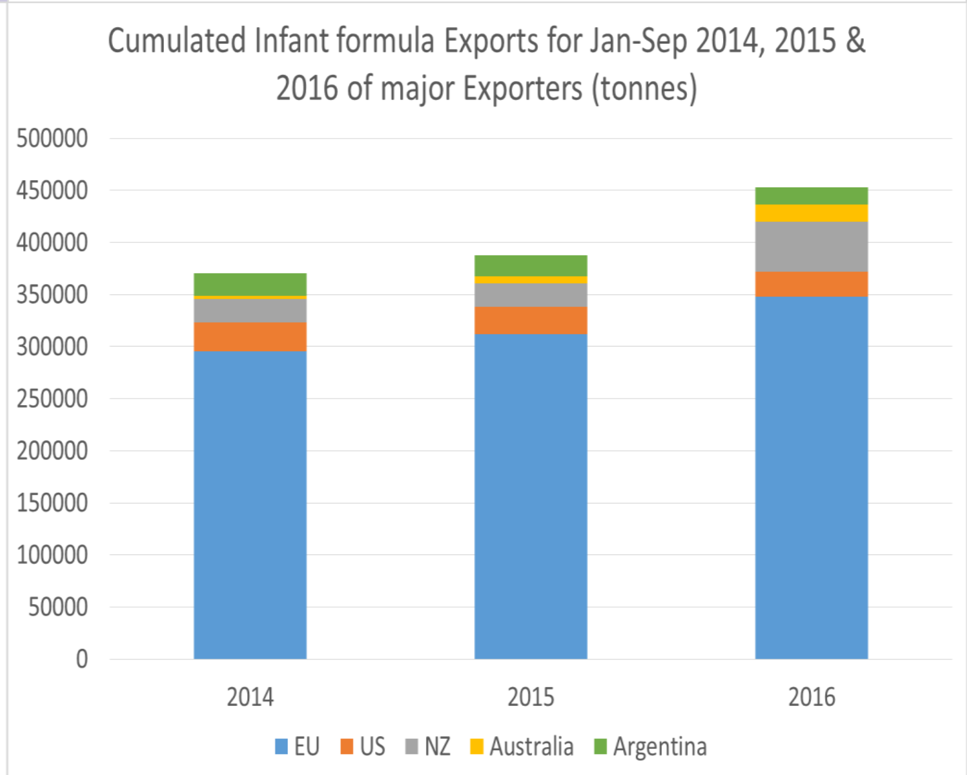
Infant formula trade

EU infant formula exports:
- Growth rate Jan-Sep 15/16: +11,5%

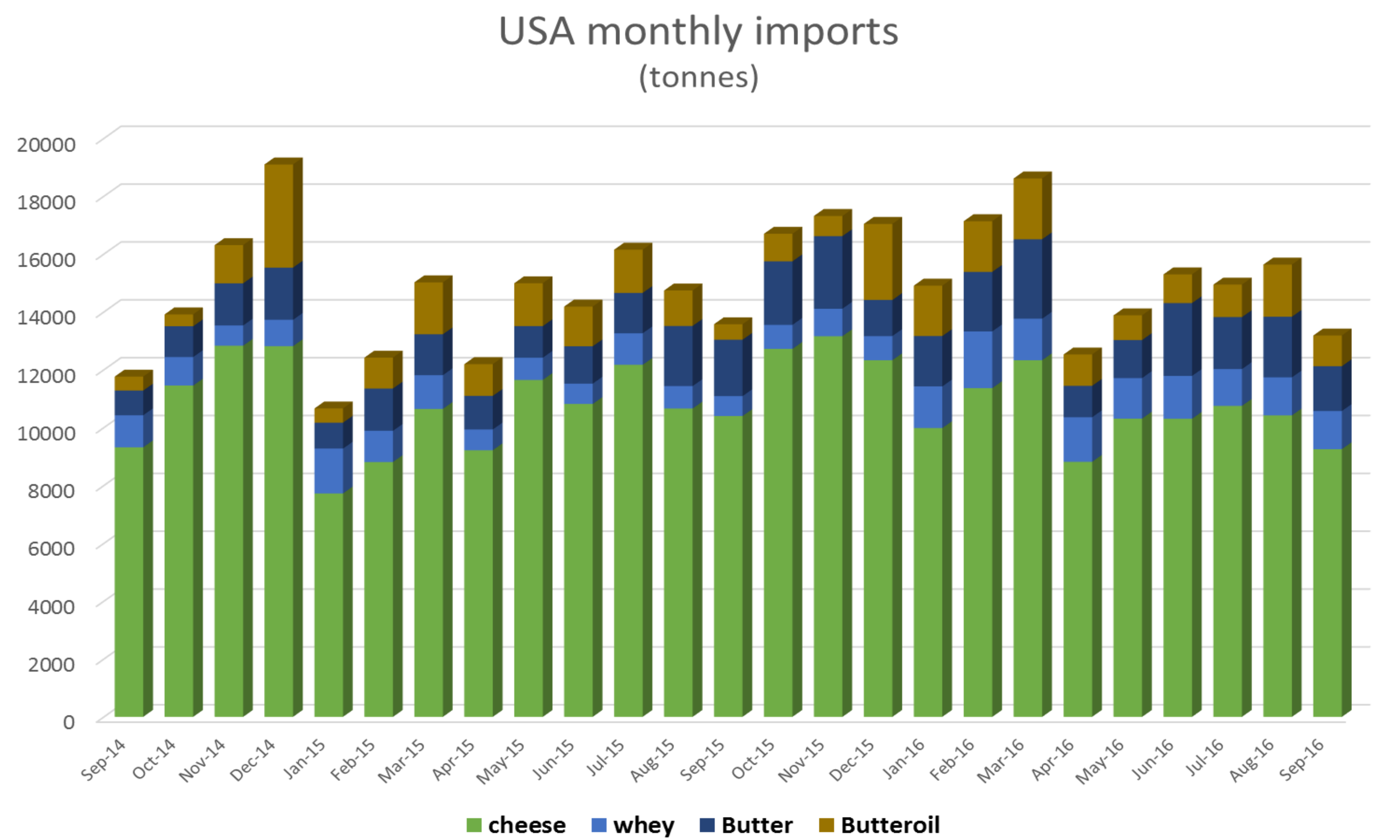
Combined infant formula exports:
- Growth rate Jan-Sep 15/16: +16,8%



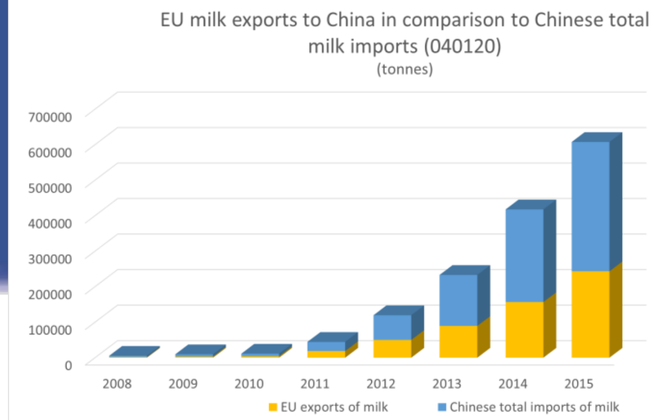




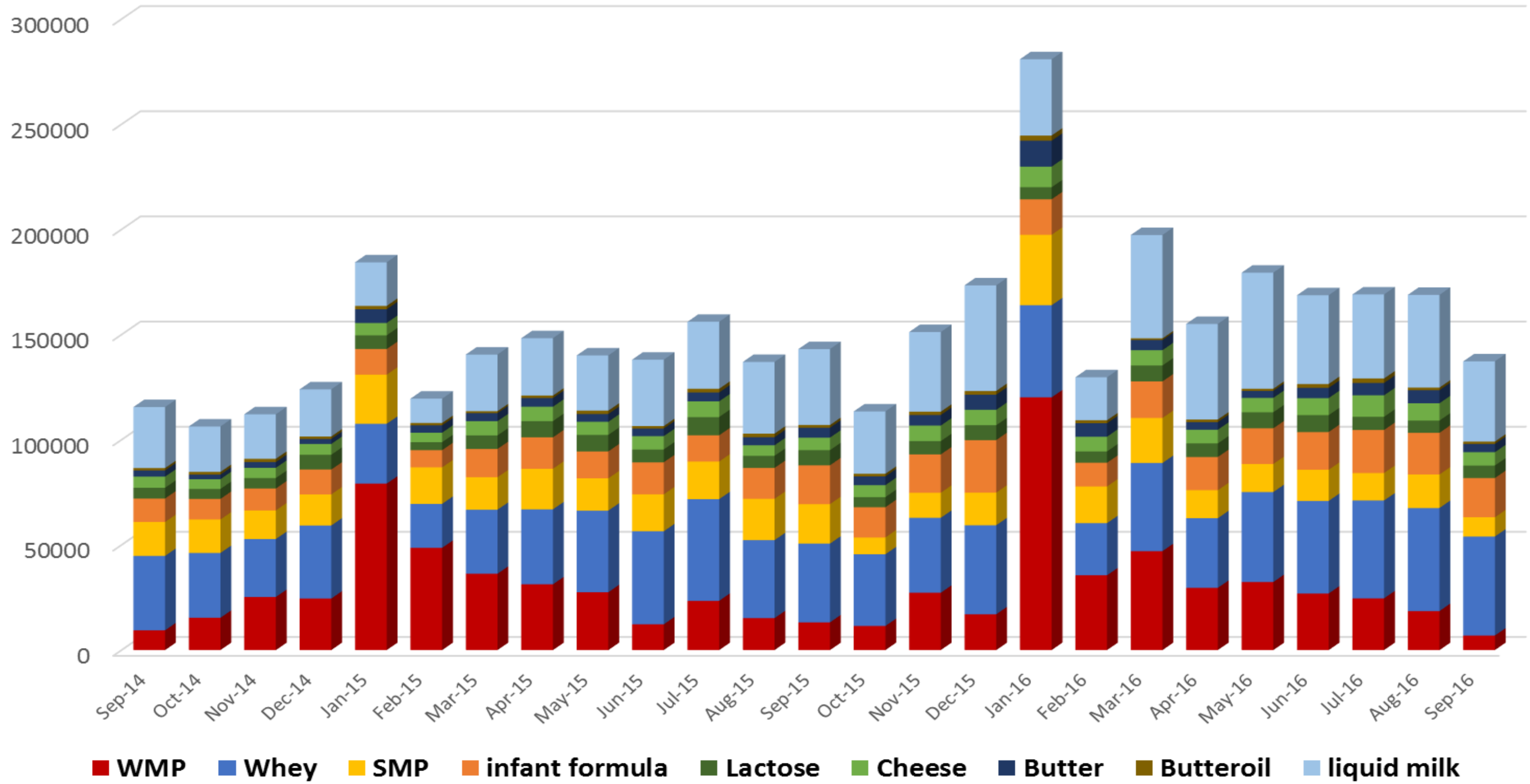
USA Imports


USA monthly imports
(tonnes)
20000
18000
16000
14000
12000
10000
8000
6000
4000
2000
0
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Jul-15
Aug-15
Sep-15
Oct-15
Nov-15
Dec-15
Jan-16
Feb-16
Mar-16
Apr-16
May-16
Jun-16
Jul-16
Aug-16
Sep-16
cheese
whey
Butter
Butteroil

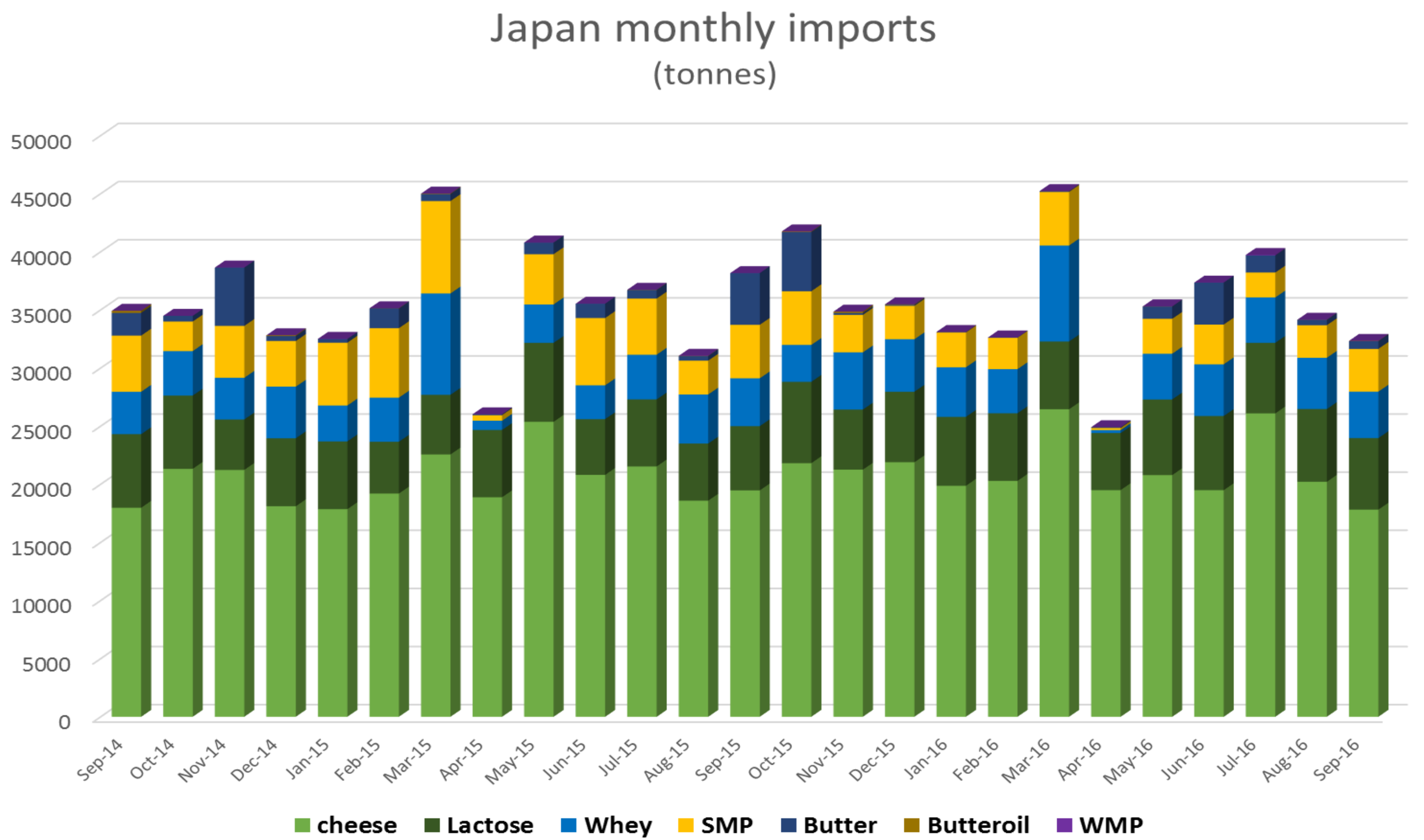
China Imports



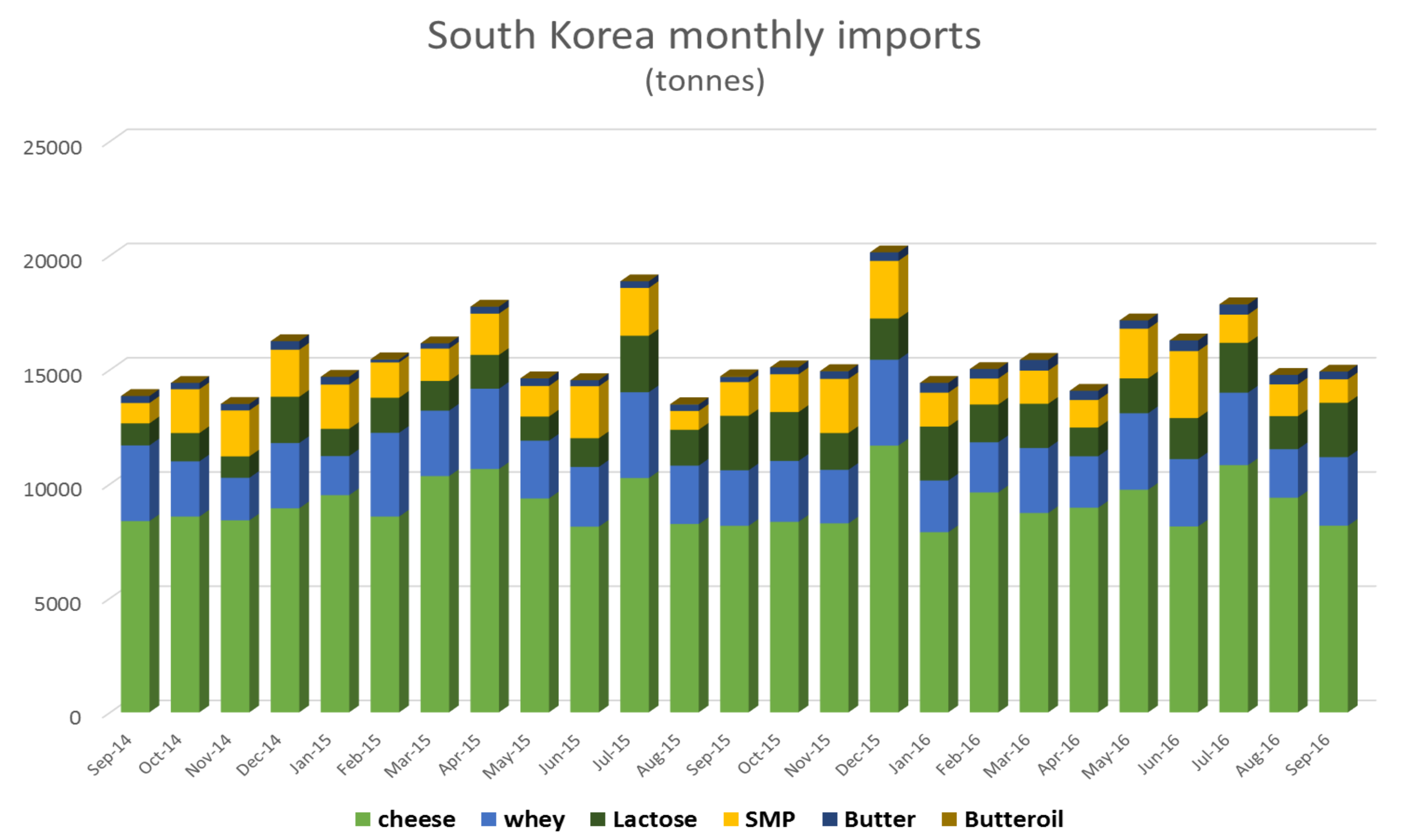
China monthly imports
(tonnes)



Japan Imports



South Korea imports



Conclusions

- Milk production in main export regions continues to fall with USA being the exception
- Global demand is consistent but not spectacular, the recovery is clearly supply driven
- Many buyers are still well covered and stocks remain high. Intervention stocks cap upward momentum for SMP
- On-going disconnect between fat & protein prices
- Exports are becoming more challenging as demand is being tested at higher price levels
- A strong producer reaction to milk price increases might bring the rather bullish sentiment to an end.

Thank You

Sources used in presentation: Global Trade Atlas, Eurostat, USDA, Dairy Australia, DCANZ, CLAL, Inale, IFCN

Eucolait
www.eucolait.eu
Twitter: @Eucolait
info@eucolait.eu

ANNEX 4

Milk market situation

LTO Nederland

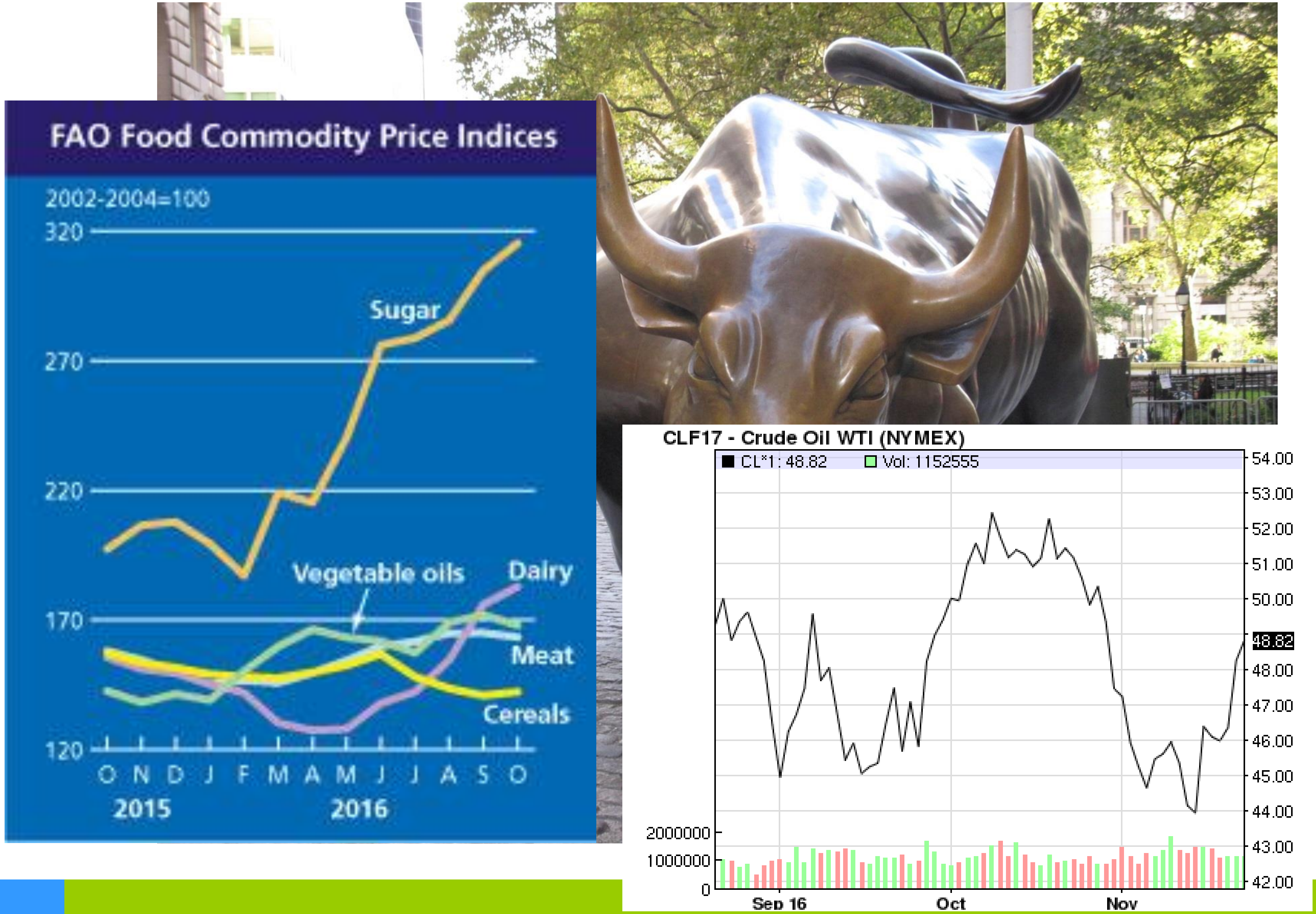
Milk market situation

[EU Milk Market Observatory, 22 November 2016]

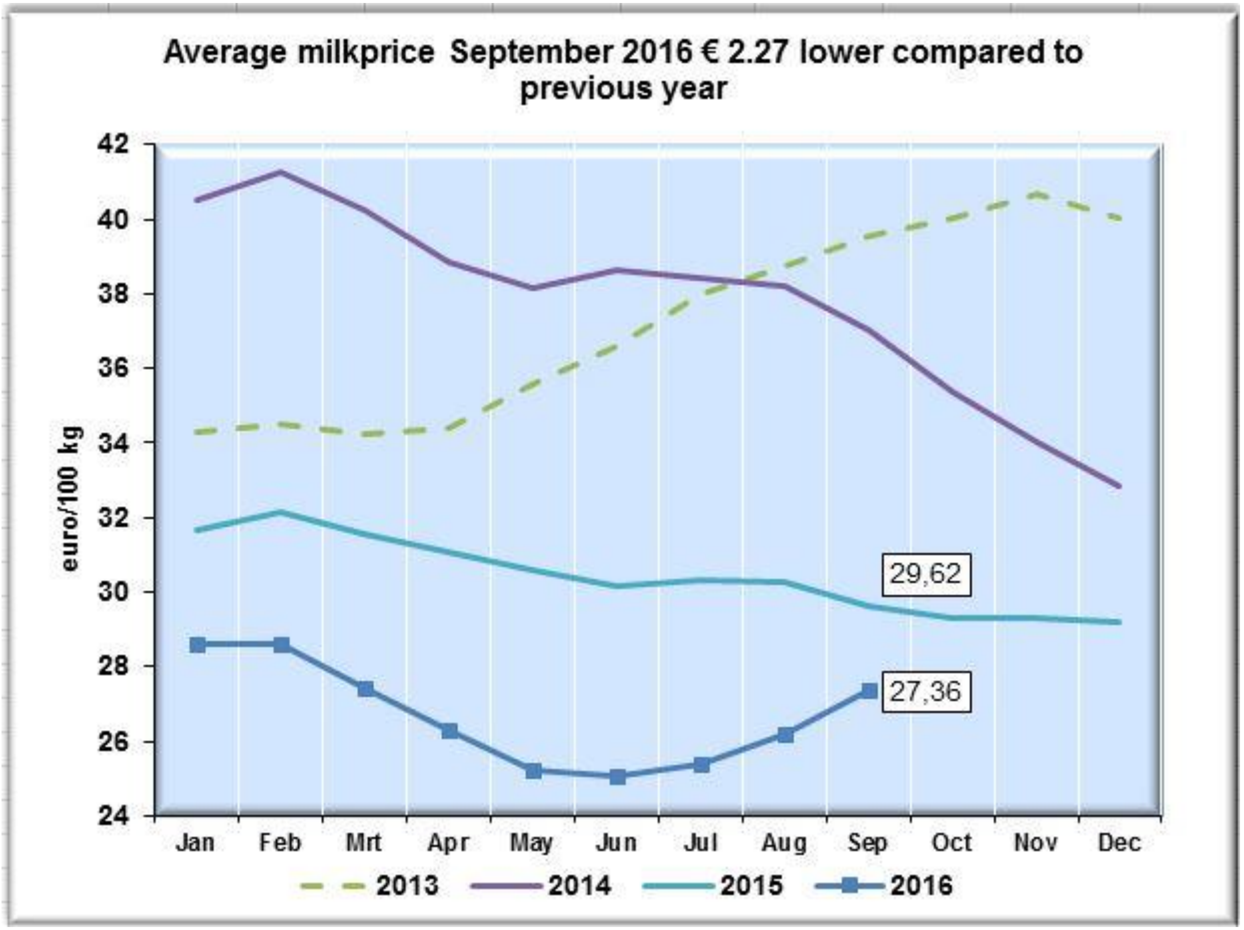
[Klaas Johan Osinga]

[kjosinga@lto.nl, @KJOsinga]

The big picture....



LTO milk prices average



Farm gate milk prices € per 100 kg standardised milk

	MS	no	Sept 16	Oct2016	Nov2016	Dec2016
Granarolo (North)	IT	1	38.29			
FrieslandCampina	NL	13	25.46	+2.9	+3.6	+….
Dairy Crest (Davidstow,)	UK	8	27,02	+1.0 ppl	+0.5 ppl	+1.78 ppl
Arla Foods DK	DK	11	25.72	+2.0	+2.0	+…
Savencia (Basse Normandie)	FR	6	28.86			
Sodiaal A-price (Pas de Calais)	FR	5	30.41			
Danone A-price (Pas de Calais)	FR	4	30.85			
Lactalis (Pays de la Loire)	FR	3	30.86			
DMK	DE	16	22.41	+3.0	+4.0	
DOC Cheese	NL	15	22.46	+3.0	+4.0	
Dairygold	IE	10	26,03	+2.0		
Müller(Leppersdorf)	DE	12	25.63	+3.0		
Glanbia Ingredients Ireland	IE	14	24.99	+2.0		
Milcobel	BE	7	27.51	+2.5		
Kerry Agribusiness	IE	9	26.30	+2.0		
Vallio	FI	2	34.52			
Average milk price			**27.36**			
Emmi	CH		50.31			
Fonterra	NZ		28.76		+3.7	
United States class III	US		36.77		--1.6	

Source: milkprices.nl

Milk production (1)

New Zealand:

Fonterra

1 June – 31 Oct 2016:	- 5% year-on-year
October:	- 8.3%
2016/17 estimate	- 2% (- 400 m kg) ?

Milk production (2)

Dairy Australia:

Sept/Oct 2016: -10% y-o-y

Fonterra:

1 July – 31 Oct: -12%

Milk production (3)

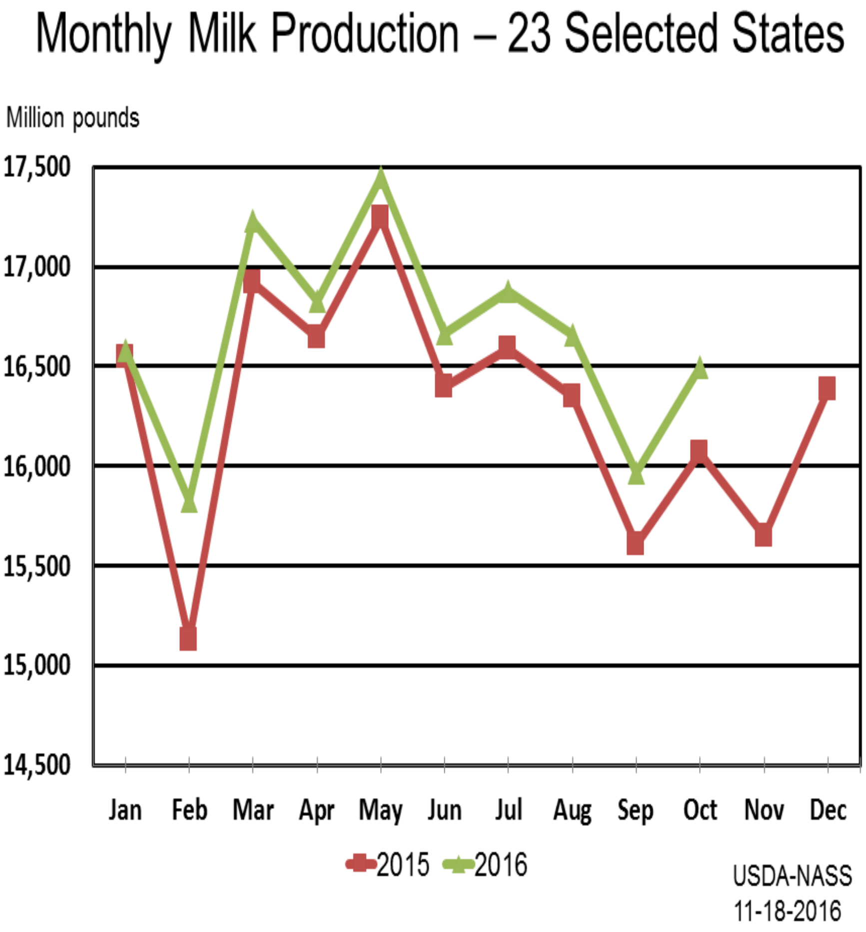
USA / USDA:

Oct 16: +2.5%

Jan-Oct 16: +1.9%

2016: +1.9% ?

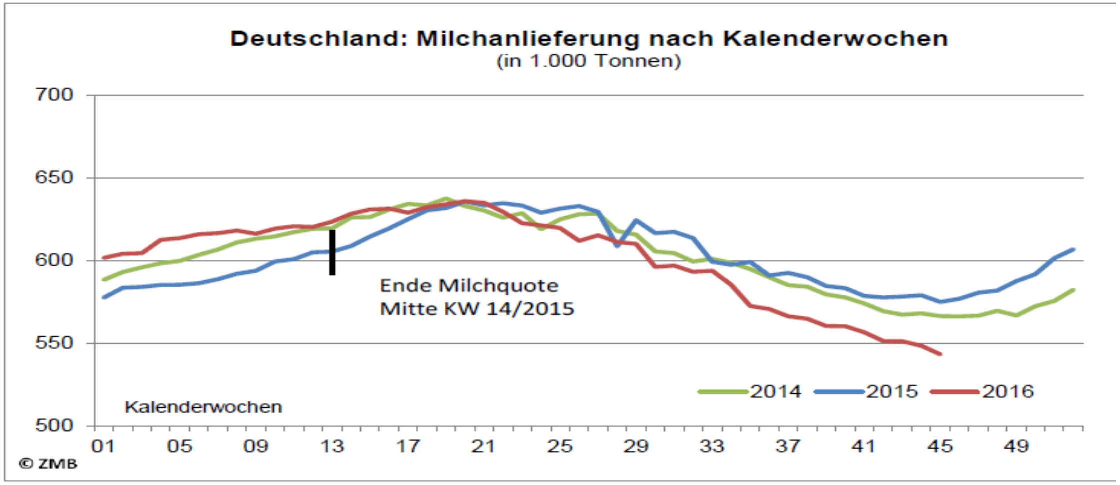
2017: +2.1% ?



Milk production y-o-y (4)

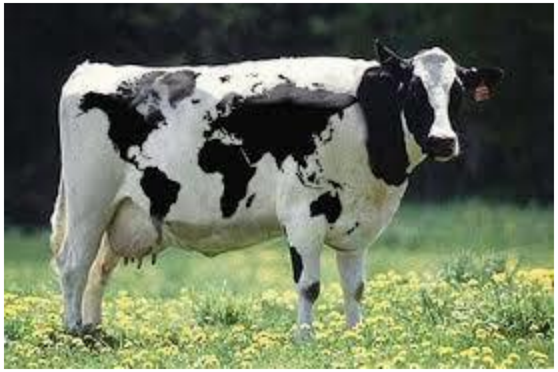
EU:

- Germany: - 5.3% (31 Oct-6 Nov), - 5.5% (7-12 Nov)
- France: - 7.2% (31 Oct-6 Nov), - 7.8% (24-29 Oct)
- UK: - 9.4% (31 Oct – 12 Nov)
- Netherlands: +1.6% (October, fat basis)



Global milk prod growth is limited – except for US

		2016 (billion kg milk)
EU	+	1.0
USA	+	1.9
New Zealand	-	0,4
Australia	-	0,2
Total	+	2.3 billion kg



World market volume is about 60 bn kg

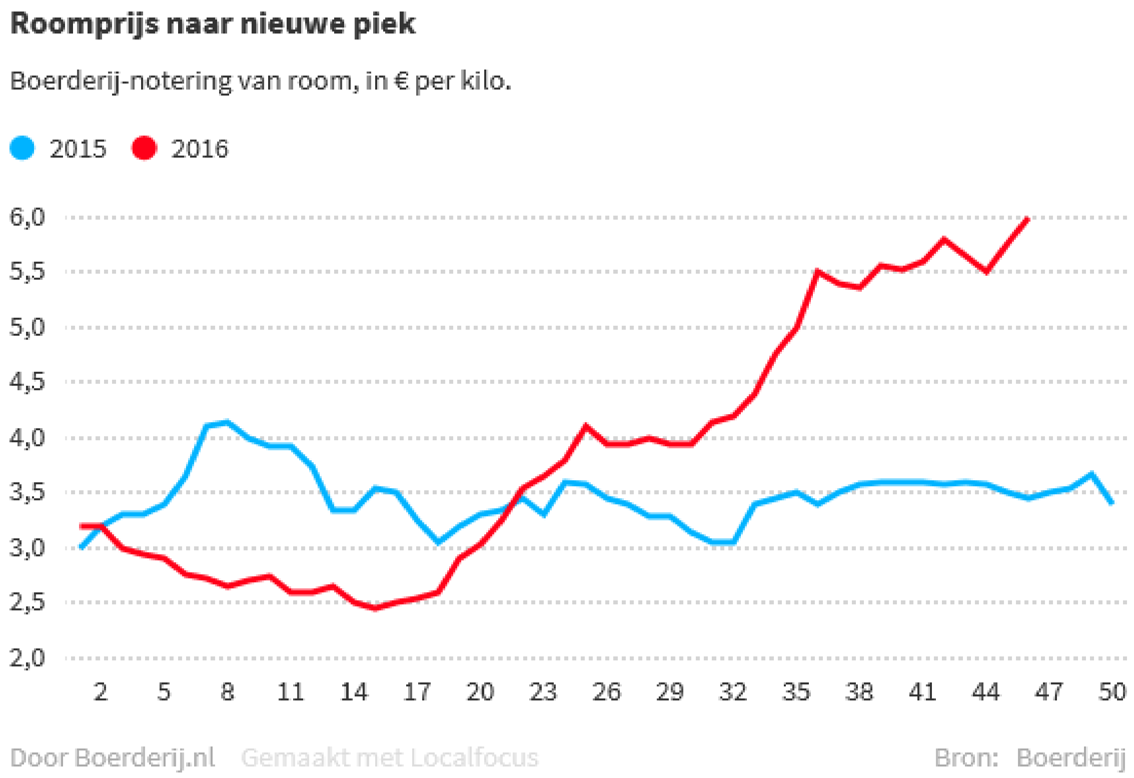
Dutch dairy quotations

16 November 2016

Butter, 25 kg cartons:	plus € 2,00	- € 435,00
WMP, 26% fat	plus € 13,00	- € 288,00
SMP extra quality	plus € 4,00	- € 202,00
SMP feed quality	no change	- € 185,00
Whey powder	minus € 1,00	- € 78,00

Cheeses Edam/Gouda € 3.50 per kg

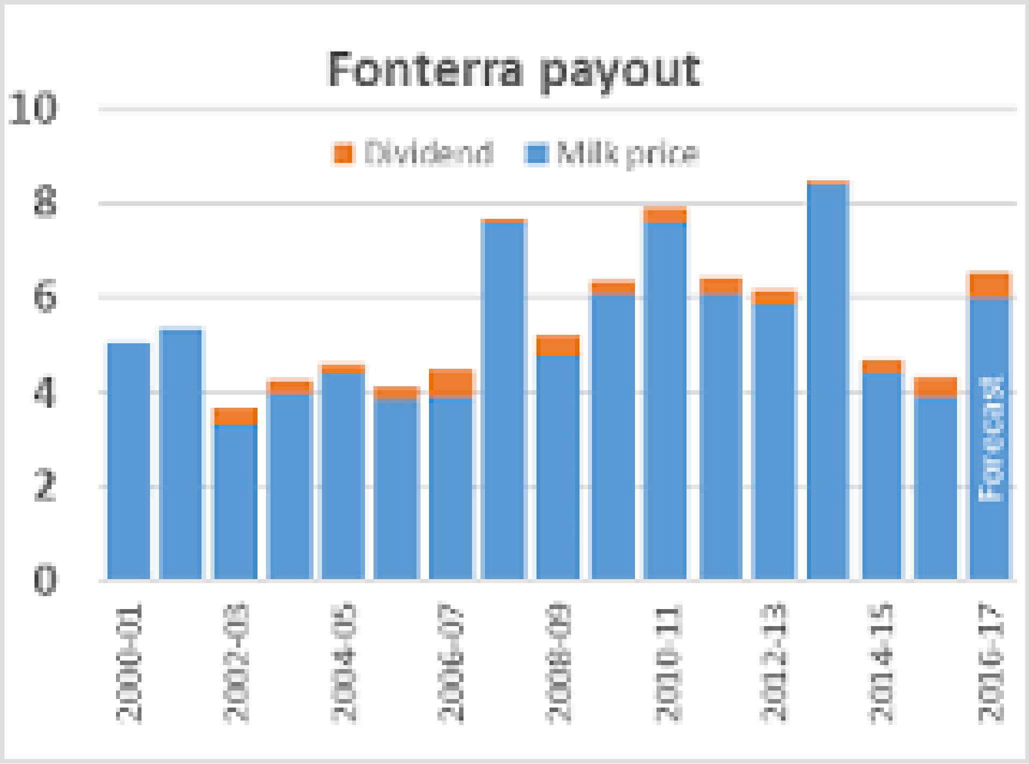
Cream prices breaking records



CME Class III June 2017

http://www.cmegroup.com/trading/agricultural/dairy/class-iii-milk.html

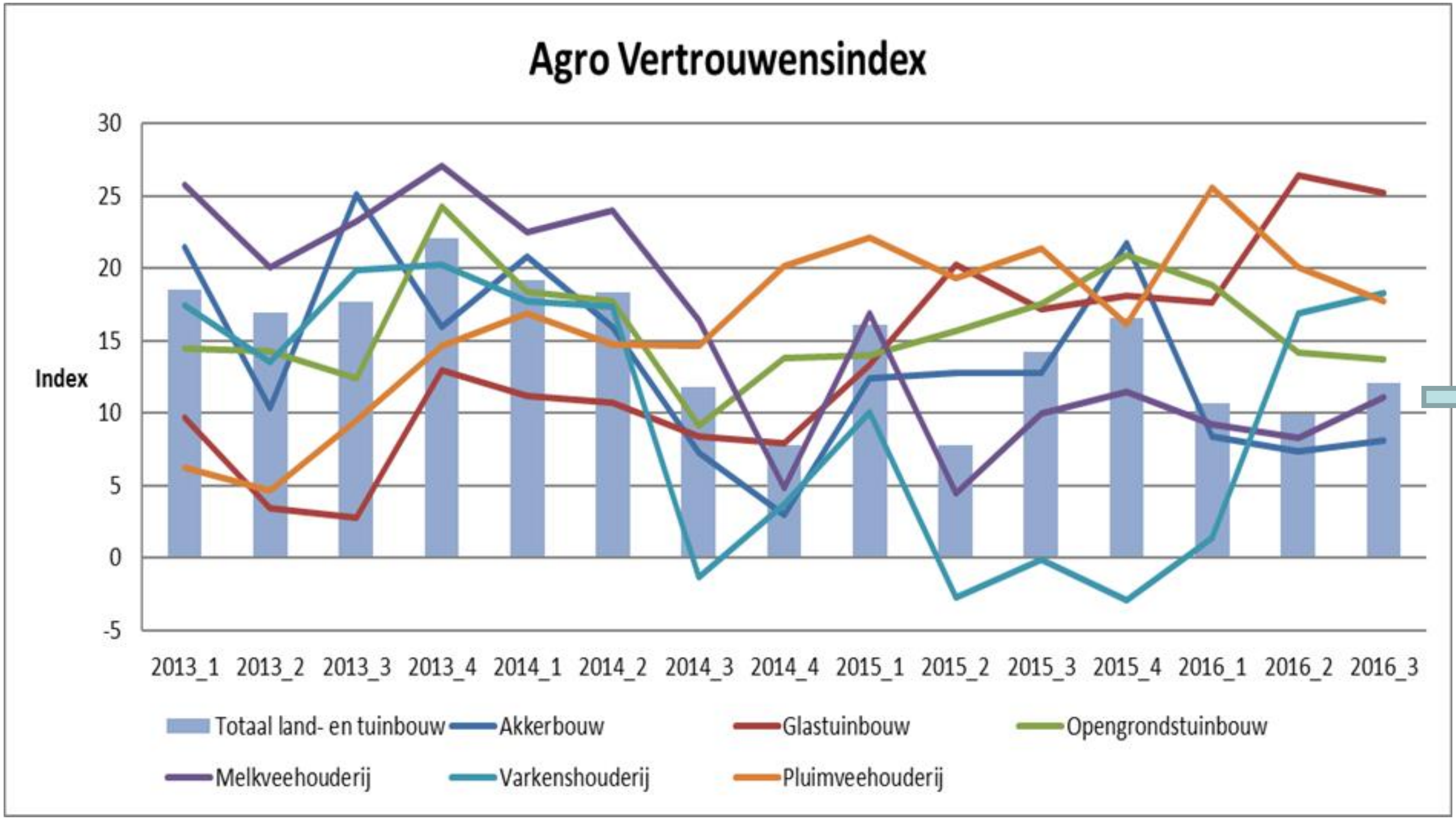
New Zealand



Fonterra increasing payment 2016/17

How fast will farmers catch up with market?

How is confidence?



Dairy farmers

Thank you for your attention

@KJOsinga

kjosinga@lto.nl

ANNEX 5

Consumption trends in the EU Dairy products

European Commission




European Commission

Consumption trends in the EU Dairy products

MMO
22 November 2016

Sophie Hélaine

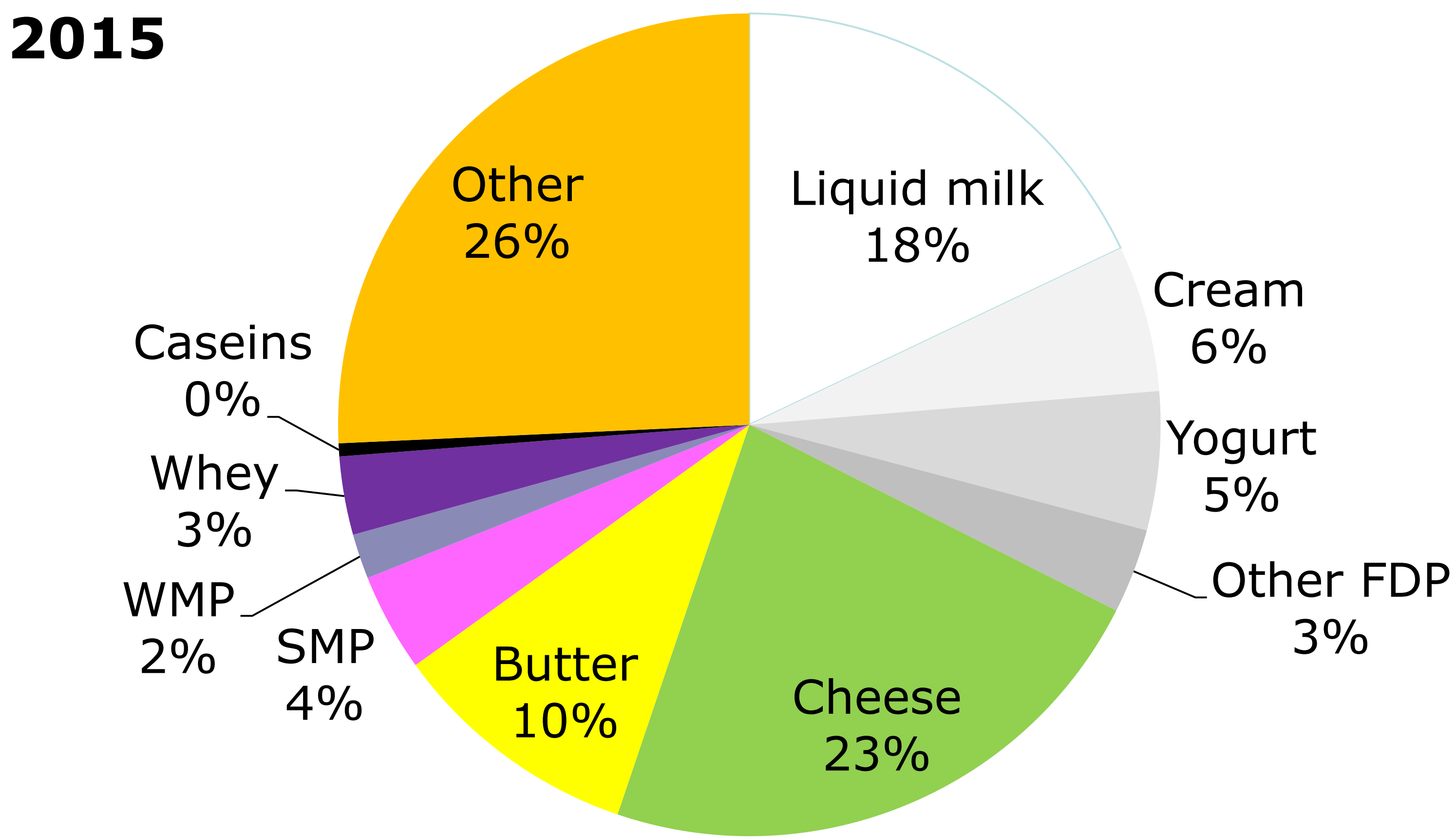
DG Agriculture and Rural Development
European Commission

Agriculture and Rural Development

Outline

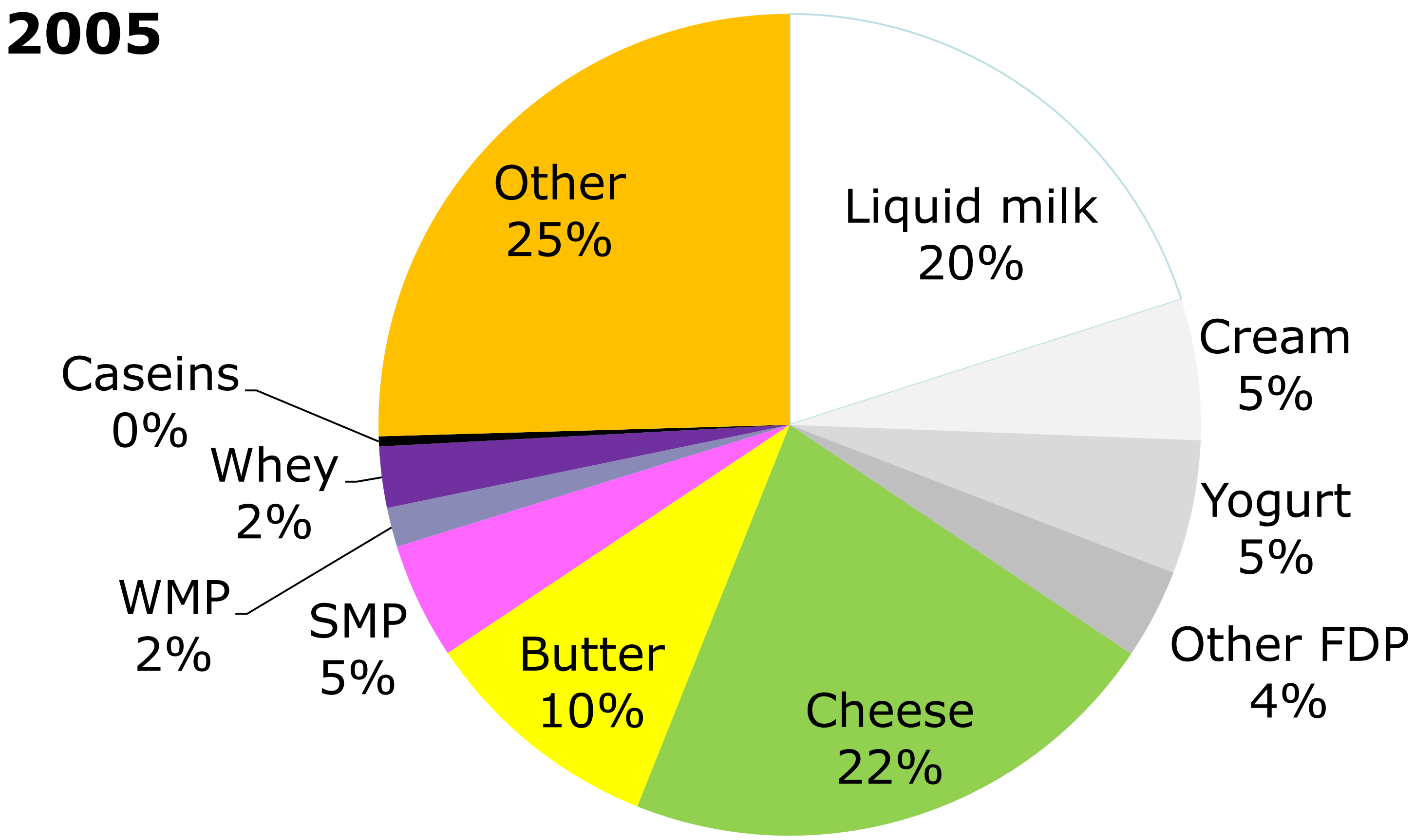
- Domestic use of dairy products in the EU
- Retail sales and foodservices
- Exports of cheeses by type

Domestic use of milk in the EU
(based on the total solids ingredients of milk)



Source: DG Agriculture and Rural Development, based on Short-term outlook, Autumn 2016; total solid methodology accounting for all components of milk including lactose and minerals. As a consequence, the milk coefficient of cheese (composed of fat and protein only) is lower with this methodology (3.58) than when accounting for fat and protein only (5.97). The other coefficients used are: 6.57 for butter, 7.57 for SMP, 7.56 for WMP, 7.48 for whey powder, 0.85 for drinking milk, 3.21 for cream and 0.98 for yogurts:

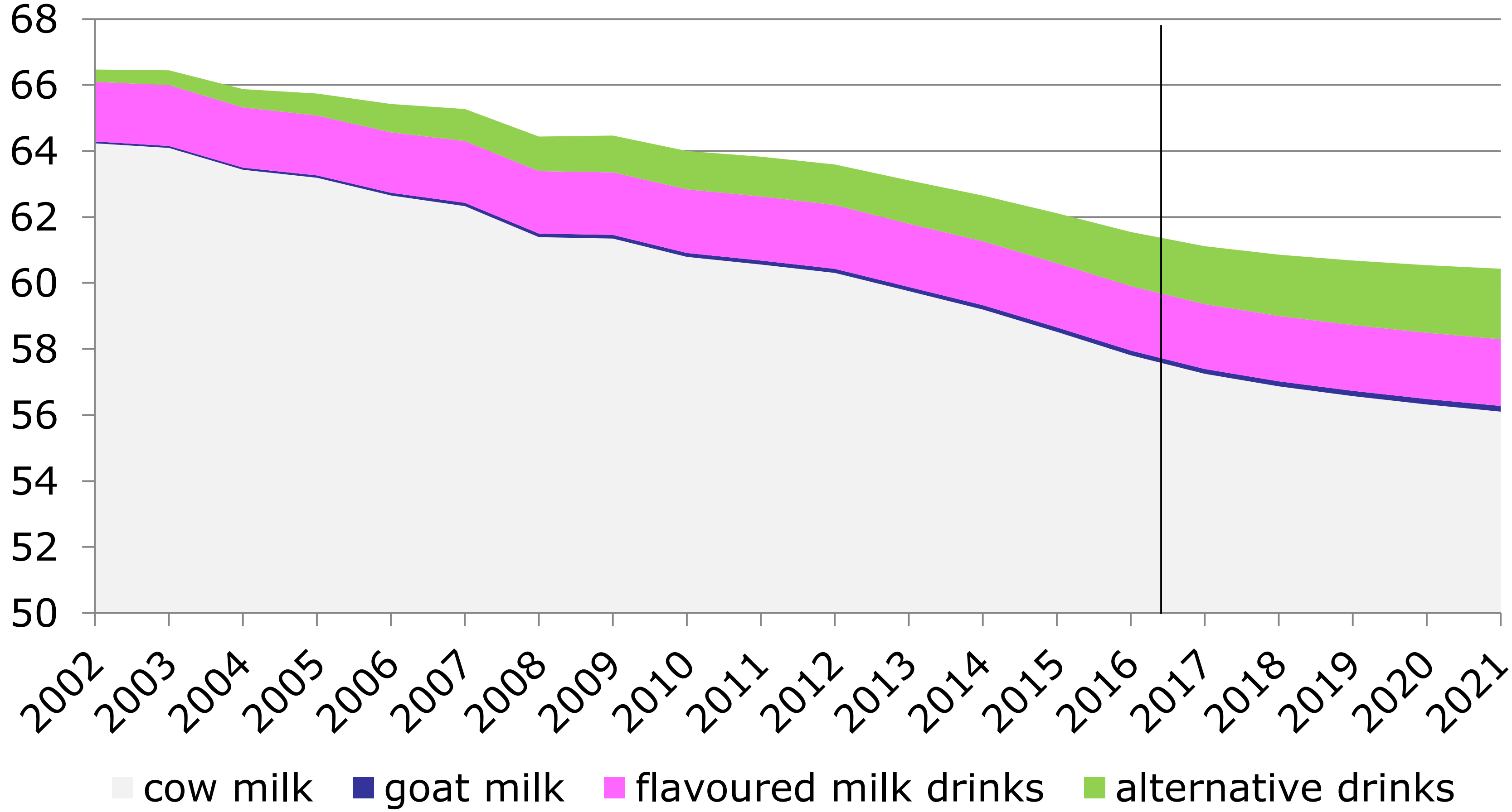
Domestic use of milk in the EU
(based on the total solids ingredients of milk)



Source: DG Agriculture and Rural Development, based on Short-term outlook, Autumn 2016; total solid methodology accounting for all components of milk including lactose and minerals. As a consequence, the milk coefficient of cheese (composed of fat and protein only) is lower with this methodology (3.58) than when accounting for fat and protein only (5.97). The other coefficients used are: 6.57 for butter, 7.57 for SMP, 7.56 for WMP, 7.48 for whey powder, 0.85 for drinking milk, 3.21 for cream and 0.98 for yogurts:

Retail sales of liquid milk*

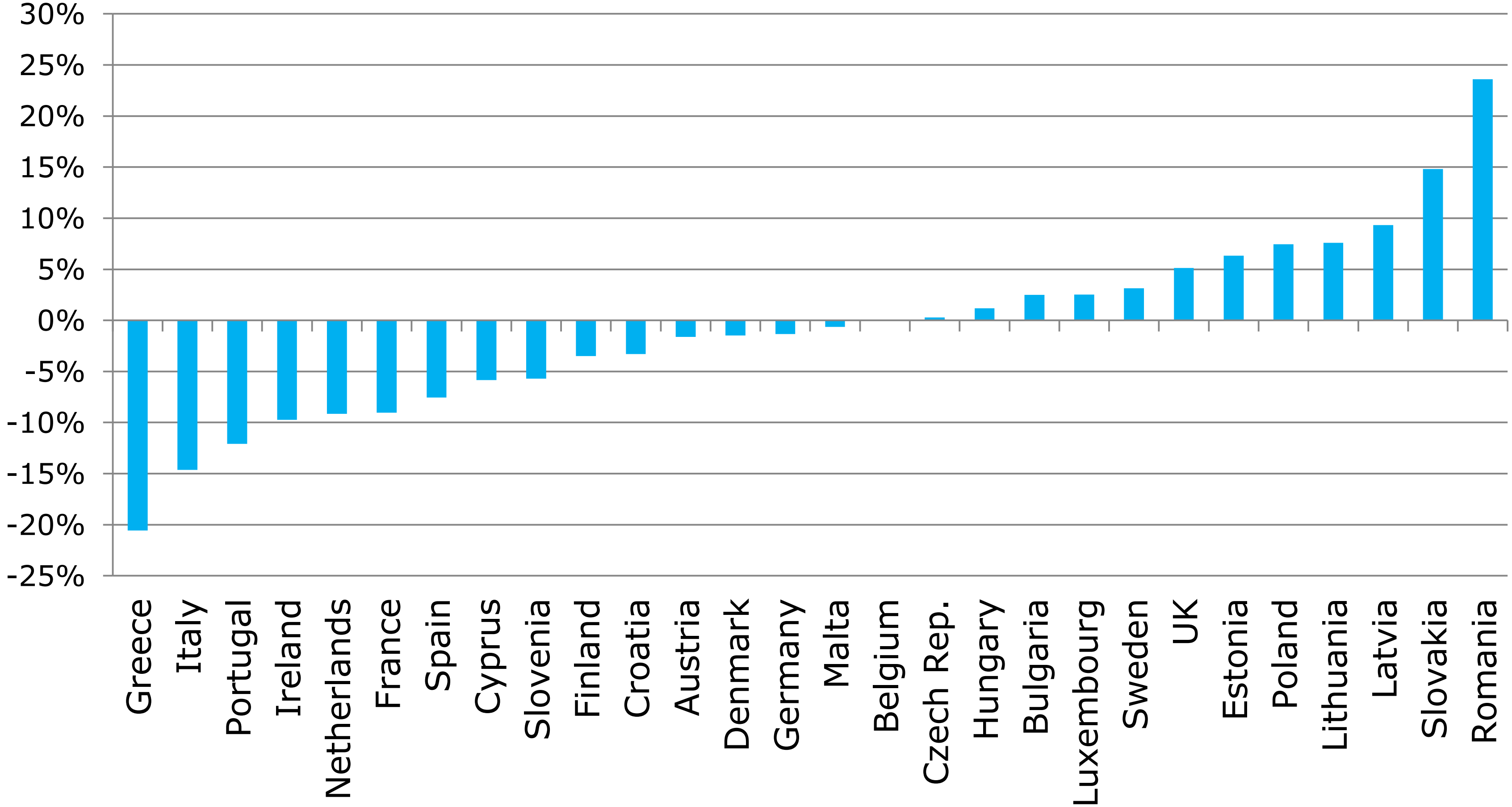
kg *per capita*



*Note: *Foodservices included.*

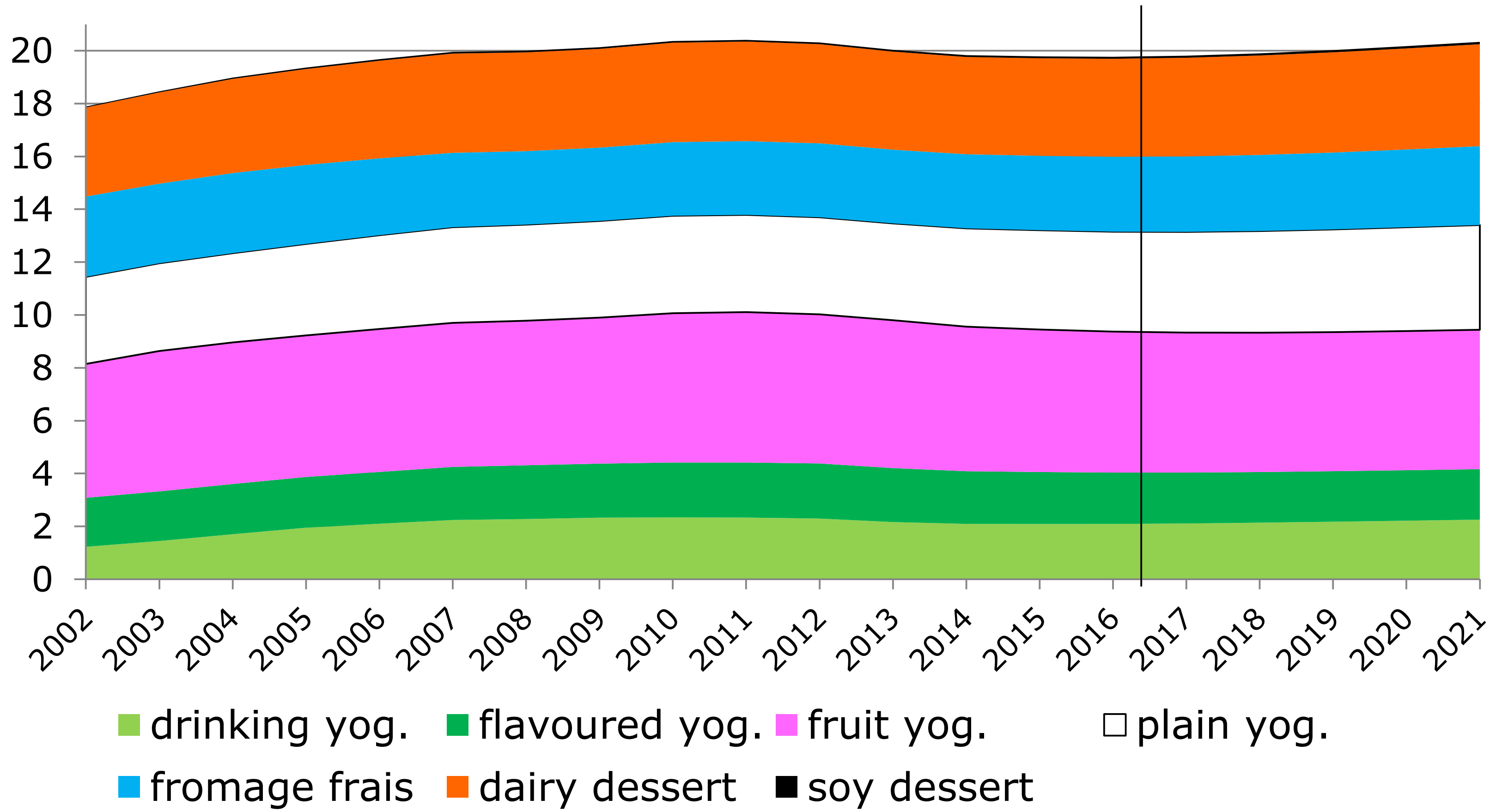
Source: DG Agriculture and Rural Development, based on Euromonitor

Retail sales and foodservices – cow milk Change in total volume 2016/2011 (%)



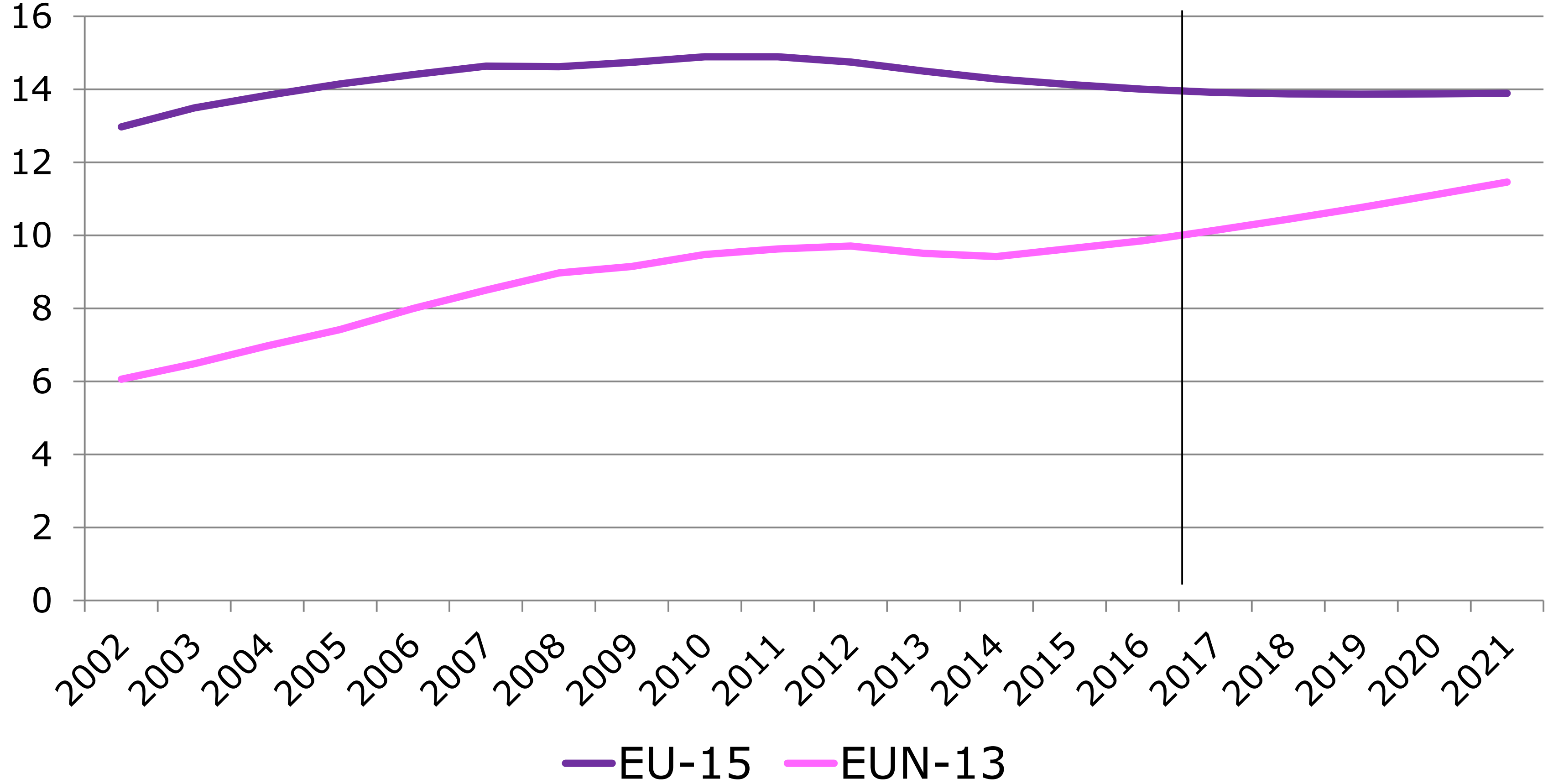
Source: DG Agriculture and Rural Development, based on Euromonitor

Retail sales of yogurt*
kg *per capita*



*Note: *Foodservices included.*
Source: DG Agriculture and Rural Development, based on Euromonitor

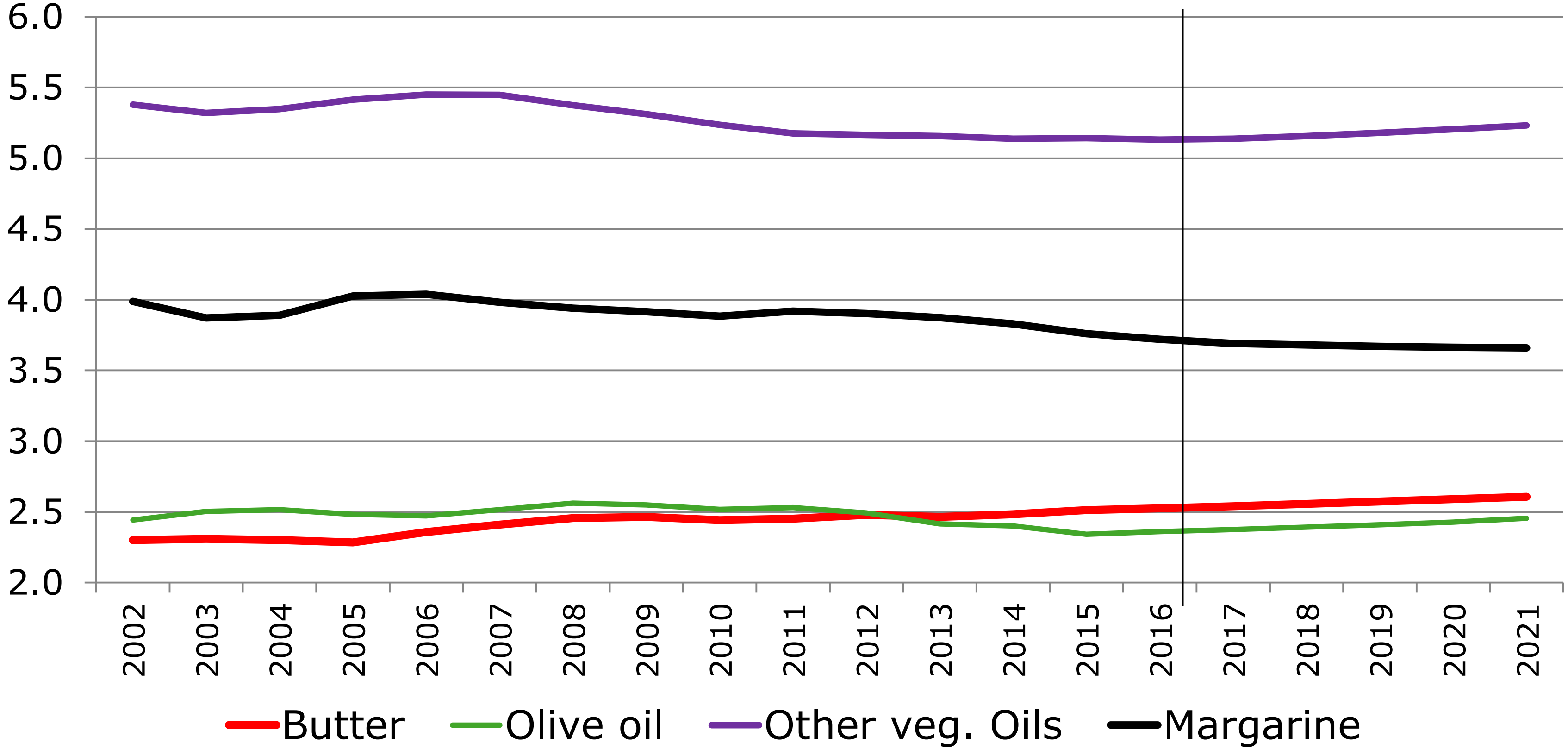
Retail sales of yogurts*
kg *per capita*



*Note: *Foodservices included.*
Source: DG Agriculture and Rural Development, based on Euromonitor

Retail sales of butter*

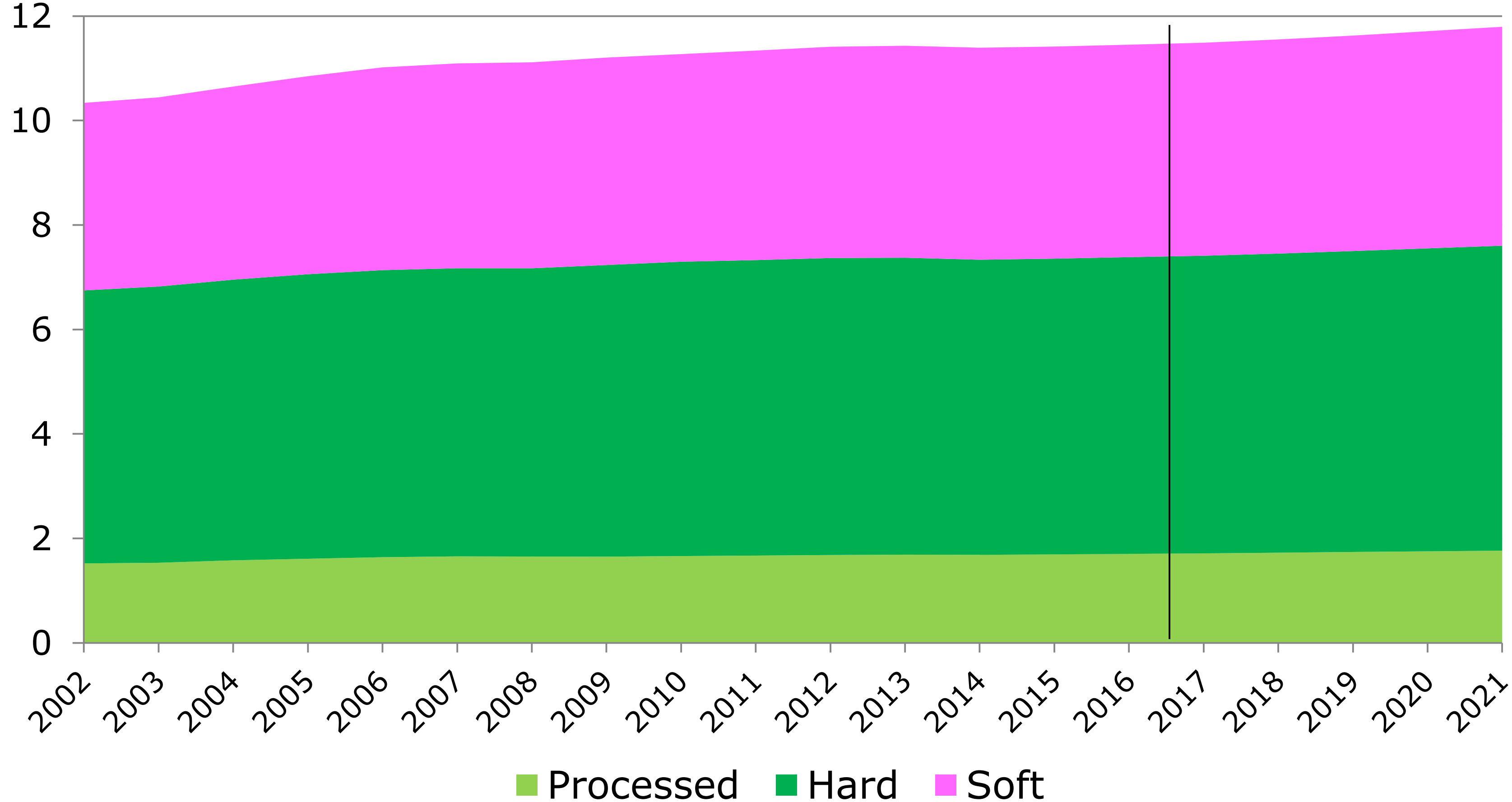
kg *per capita*



*Note: *Foodservices included.*
Source: DG Agriculture and Rural Development, based on Euromonitor

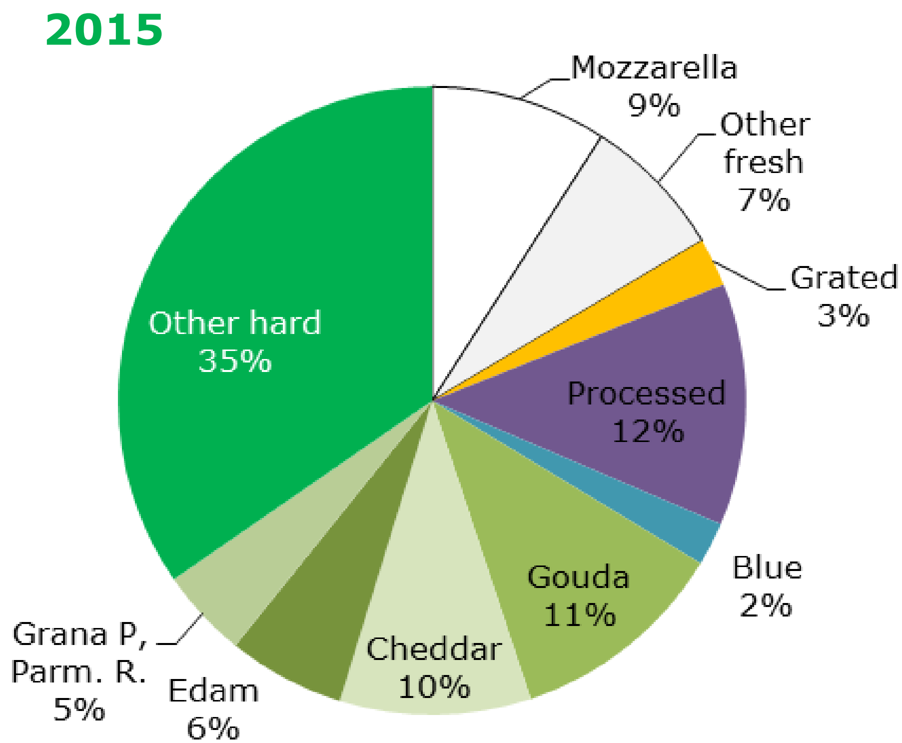
Retail sales of cheese*

kg *per capita*



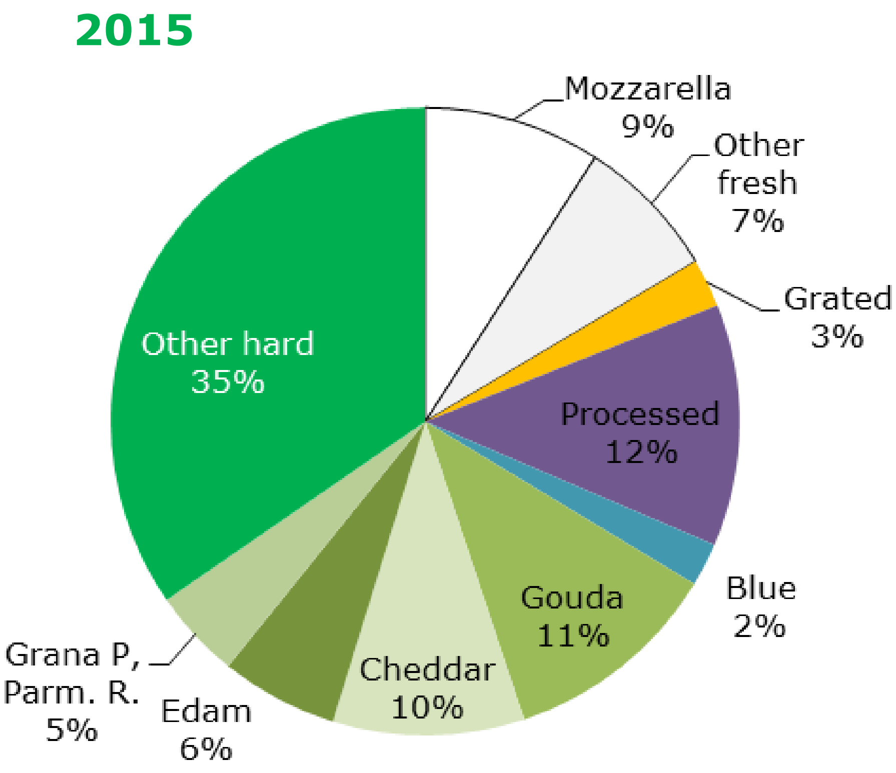
*Note: *Foodservices included.*
Source: DG Agriculture and Rural Development, based on Euromonitor

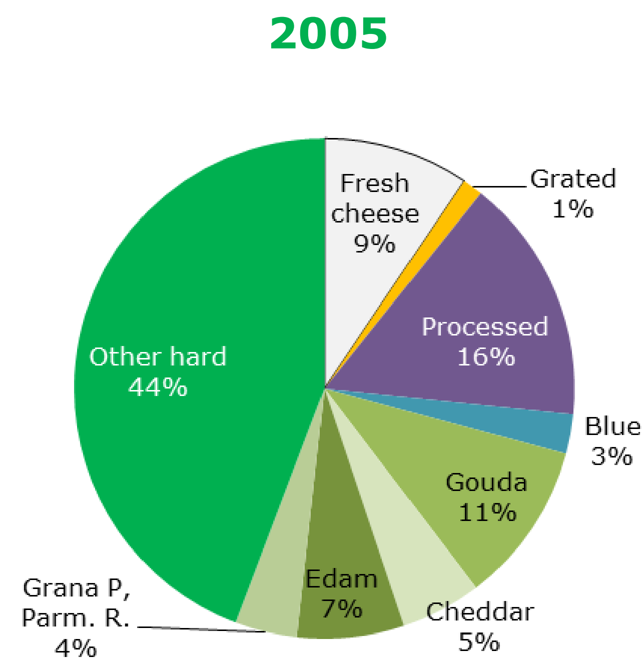
Cheese exports by type
(based on volumes)



Source: DG Agriculture and Rural Development, based on Eurostat - COMEXT

Cheese exports by type
(based on volumes)

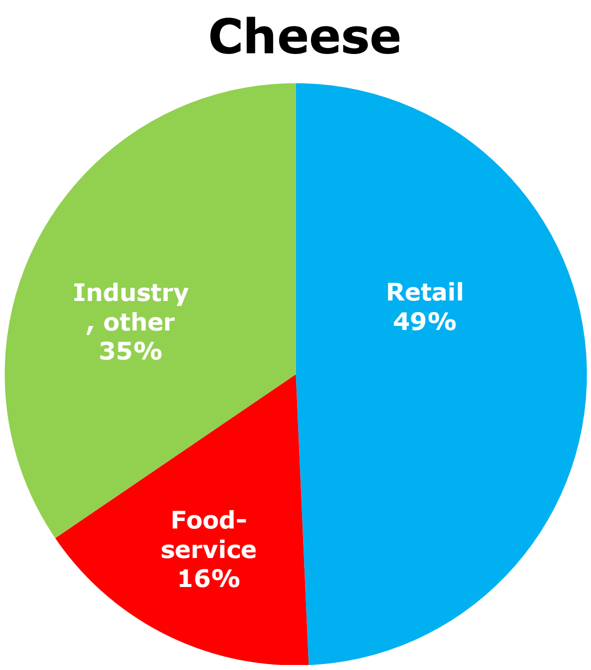


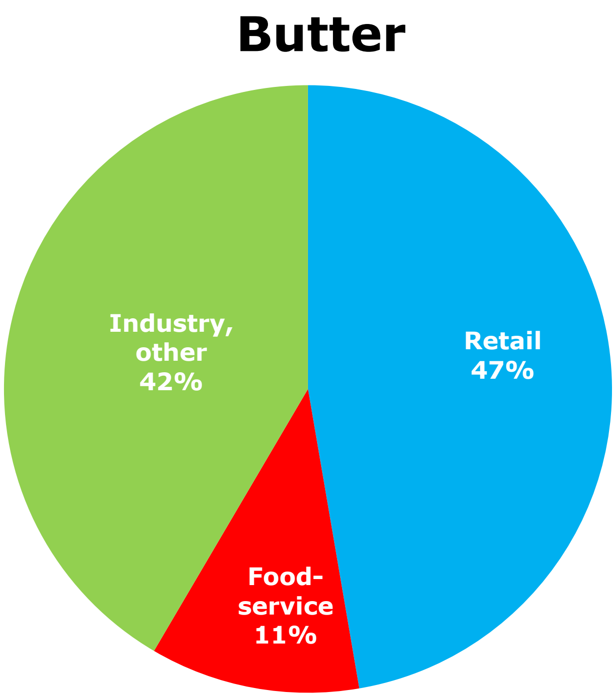


Source: DG Agriculture and Rural Development, based on Eurostat - COMEXT

Annexes

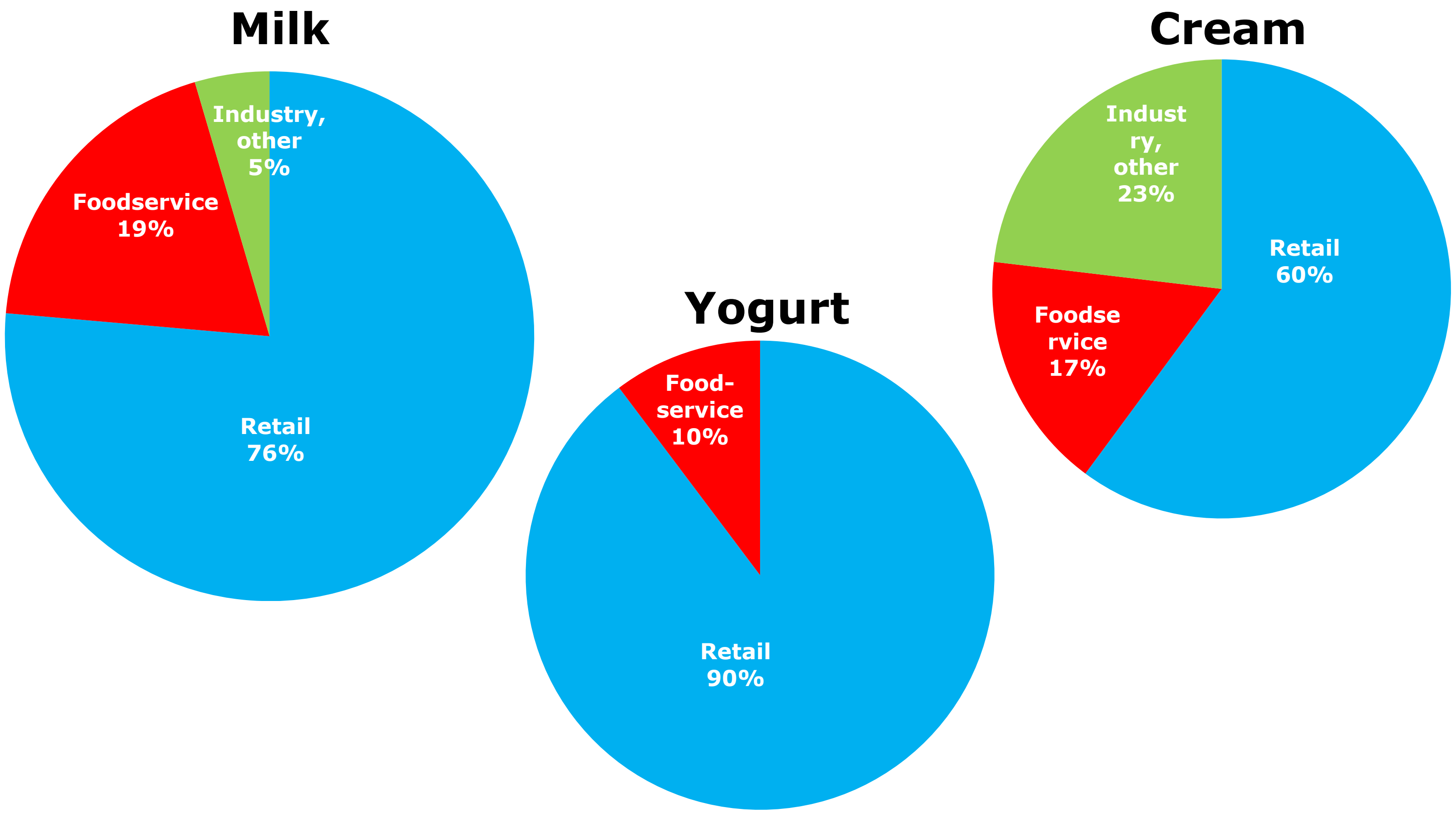
Dairy prod. channels in the EU-28 2014, based on volumes





Source: DG Agriculture and Rural Development, based on Short-term outlook, Summer 2015 and Euromonitor

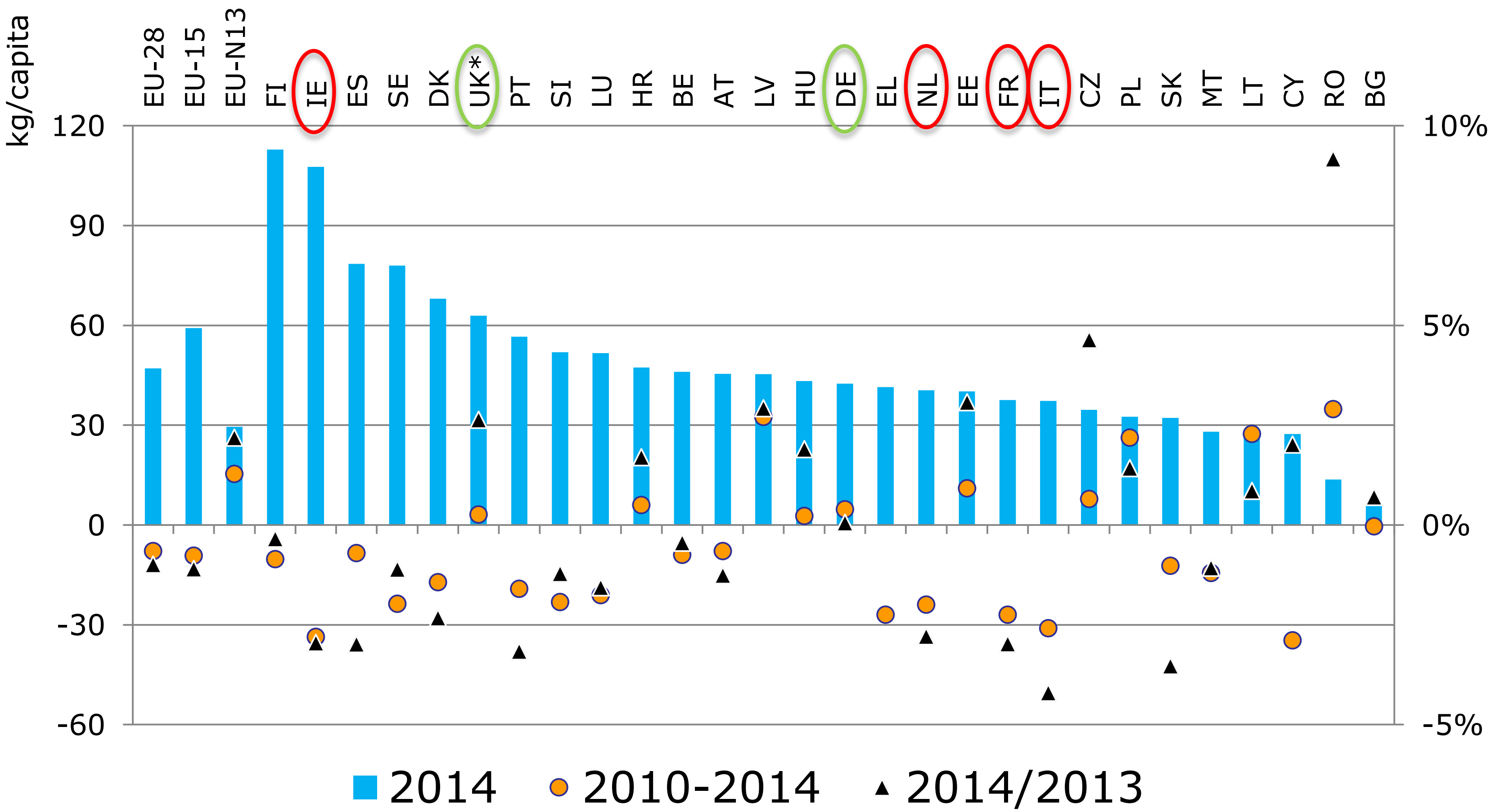
Dairy prod. channels in the EU-28 2014, based on volumes



Source: DG Agriculture and Rural Development, based on Short-term outlook, Summer 2015 and Euromonitor

UK+ES+DE+FR+IT+PL = 72% of retail sales

Cow's milk: retail sales per capita by MS in 2014



* Door delivered milk not included
Source: DG Agriculture and Rural Development, based on Euromonitor and AMECO

European Commission

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.

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ANNEX 6

Overview of promotion campaigns for dairy products in 2016, funded under EU promotion policy

European Commission

European
Commission

F

ENJOY
IT'S FROM
EUROPE

Overview of promotion campaigns for dairy products in 2016, funded under EU promotion policy

MILK MARKET OBSERVATORY
22nd November 2016

Agriculture
and Rural
Development

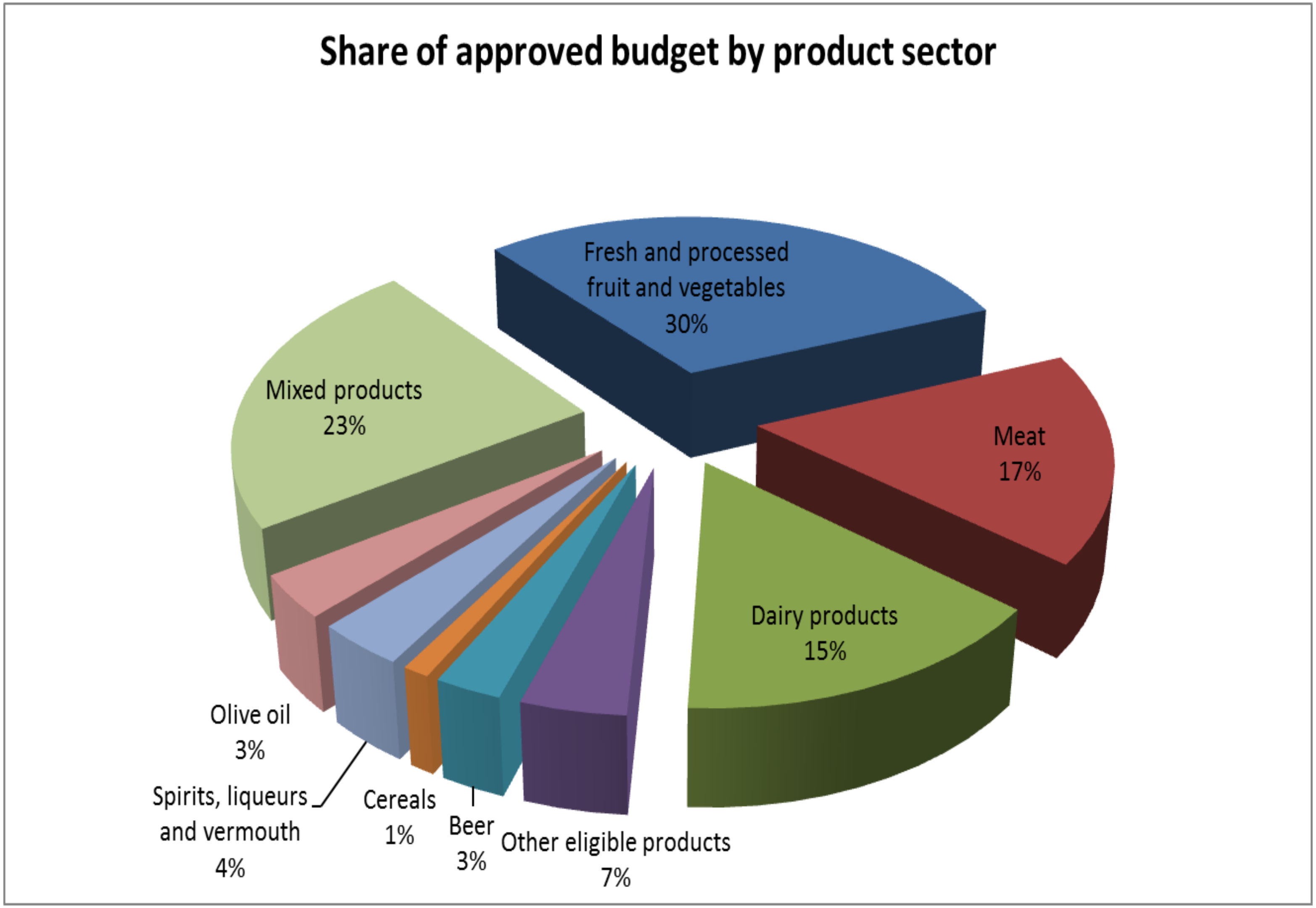
European Commission

No of **proposals submitted** by topic, requested grant in comparison to the available budget

Topic	Number of proposals	Requested grant	Available budget	Requested/ available
Union quality schemes	33	28,936,430	10,050,000	288%
Agricultural methods & products of EU	36	46,503,300	6,700,000	694%
Milk/dairy, pig meat-IM	**23**	**44,421,614**	**12,350,000**	**360%**
China, Japan, South Korea or Taiwan	19	31,645,859	11,725,000	270%
USA or Canada	27	35,565,457	11,725,000	303%
Central & South America or Caribbean	2	1,021,981	7,035,000	15%
South East Asia	6	6,625,481	7,035,000	94%
Africa or Middle East	9	12,411,296	4,690,000	265%
Other geographical areas	9	9,479,369	4,690,000	202%
Milk/dairy, pig meat-TC	**35**	**93,860,125**	**21,000,000**	**447%**
Total call AGRI-SIMPLE-2016	**199**	**310,470,913**	**97,000,000**	**320%**
Total call AGRI-MULTI-2016	**27**	**116,102,232**	**14,300,000**	**812%**

Number of **accepted proposals** by topic, requested grant and consumption of indicative budget per topic

Topic	No of proposals	Requested grant	Indicative budget	Share of indicative budget spent
Union quality schemes	8	5,953,197	10,050,000	59%
Agricultural methods & products of EU	6	9,901,855	6,700,000	148%
Milk/dairy, pig meat-IM	**10**	**11,073,863**	**12,350,000**	**90%**
China, Japan, South Korea or Taiwan	6	11,252,044	11,725,000	96%
USA or Canada	9	18,557,750	11,725,000	158%
Central & South America or Caribbean	1	963,331	7,035,000	14%
South East Asia	4	4,868,055	7,035,000	69%
Africa or Middle East	4	7,732,315	4,690,000	165%
Other geographical areas	4	4,202,627	4,690,000	90%
Milk/dairy, pig meat-TC	**8**	**19,727,078**	**21,000,000**	**94%**
Total call AGRI-SIMPLE-2016	**60**	**94,232,114**	**97,000,000**	**97%**
Total call AGRI-MULTI-2016	**6**	**16,827,217**	**14,300,000**	**118%**


Share of approved budget by product sector
Fresh and processed fruit and vegetables 30%
Meat 17%
Dairy products 15%
Other eligible products 7%
Beer 3%
Cereals 1%
Spirits, liqueurs and vermouth 4%
Olive oil 3%
Mixed products 23%

Details on the approved programmes under Topic 3 -Milk/dairy, pig meat-IM

Member State	Proposal ID	Acronym of proposal	Coordinator/proposing organisation	Products	Target Countries	Duration (months)	Estimated total costs in €	Maximum grant amount in €
AT	**734461**	**QR-BK**	**AMA Marketing GesmbH**	**Cheese**	**DE**	**36**	**3.000.000,00**	**2.100.000,00**
DE	734505	SH-Schwein g.g.A.	Bäuerliche Erzeugergemeinschaft Schwäbisch Hall w.V.	Pork meat (fresh, chilled and frozen)	DE, AT, IT	36	2.893.820,80	1.974.889,56
DK	**734878**	**Sund Skole**	**Mejeriforeningen**	**Dairy products (excl. Cheese)**	**DK**	**24**	**476.846,40**	**333.792,48**
ES	**734451**	**Inlac**	**Organización interprofesional láctea**	**Dairy products (excl. Cheese)**	**ES**	**24**	**1.514.794,76**	**1.060.356,33**
ES	734563	Pork Lovers Europe	Interporc	Pork meat (fresh, chilled and frozen), Meat preparations	ES, FR, UK, DE, PT	36	1.951.926,00	1.366.348,20
ES	734912	Ibeham	Consejo Regulador Denominación de Origen Protegida Guijuelo	Meat preparations	FR, DE, UK	36	548.030,60	383.621,42
IT	734529	ISMC	Istituto valorizzazione salumi italiani (IVSI)	Pork meat (fresh, chilled and frozen), Meat preparations	IT, DE	36	3.201.000,00	2.240.700,00
PT	**734743**	**Fenalac_2016**	**Federação Nacional das Cooperativas de Produtores de Leite**	**Dairy products (excl. Cheese)**	**PT**	**36**	**1.044.535,00**	**731.174,50**
SI	734216	ESHGIZSLOK	GIZ Mesne industrije Slovenije	Meat preparations	SI	36	633.136,00	443.195,20
SI	734223	KKGIZ	Proizvajalci kranjske klobase, GIZ	Meat preparations	SI	36	628.265,00	439.785,50
SUB-TOTAL							**15.892.355**	**11.073.863**

Details on the approved programmes under Topic 10 -Milk/dairy, pig meat-TC

Member State	Proposal ID	Acronym of proposal	Coordinator/proposing organisation	Products	Target Countries	Duration (months)	Estimated total costs in €	Maximum grant amount in €
FR	734221	PGI Bayonne ham -USA	Consortium du jambon de Bayonne	Meat preparations	US	36	1.147.509,84	918.007,87
FR	**734365**	**EU Cheese Colmex**	**Centre national interprofessionnel de l'économie laitière (CNIEL)**	**Cheese**	**CO, MX**	**36**	**4.530.000,00**	**3.624.000,00**
IT	**734722**	**Euperte**	**Consorzio per la tutela del formaggio Grana Padano**	**Cheese, Meat preparations**	**CN, JP**	**36**	**5.904.500,00**	**4.723.600,00**
IT	**734487**	**PROPASE U**	**Consorzio tutela formaggio Asiago**	**Cheese, Meat preparations**	**US, CA**	**36**	**2.499.999,99**	**1.999.999,98**
IT	**734295**	**Edis**	**Granlatte società cooperativa agricola**	**Dairy products (excl. Cheese), Cheese**	**CN, KR, LY, NZ**	**36**	**4.197.074,16**	**3.357.659,33**
LV	**734631**	**TasteMilk**	**Latvijas Piensaimnieku Centrala Savieniba**	**Cheese, Dairy products (excl. Cheese)**	**CN, AE, US, AZ, IL, IQ**	**36**	**3.456.612,40**	**2.761.304,00**
NL	734780	Trusted Pork	Centrale Organisatie voor de Vleessector	Pork meat (fresh, chilled and frozen)	CN, JP, PH, TW, VN	36	1.999.100,00	1.599.280,00
SI	734224	OrgQ iz EU	GIZ Mesne industrije Slovenije	Meat preparations	RS	36	929.033,00	743.226,40
SUB-TOTAL							**24.663.829**	**19.727.078**

Annual work programme for 2017

http://ec.europa.eu/agriculture/promotion/annual-work-programmes/2017/index_en.htm

Topic 7 - Information provision and promotion programmes on milk products, pig meat products or a combination of those two targeting any third country. Products eligible under this topic are those listed in Part XVII of Annex I to Regulation (EU) No 1308/2013 of the European Parliament and of the Council 3 for pig meat products and Part XVI of Annex I to that Regulation for milk and milk products, respectively.	12.600.000 EUR