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# Dairy Market Data

A German Perspective

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# Deutsches Milchkontor GmbH



**We are  
talking about...**

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**7,500**  
**Farmers**

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**Germany's largest dairy cooperative**







We are  
talking about...

**8.1**  
bn. kg  
raw milk

# DMK Group: facts and figures

## 1. OUR VALUE ADDED

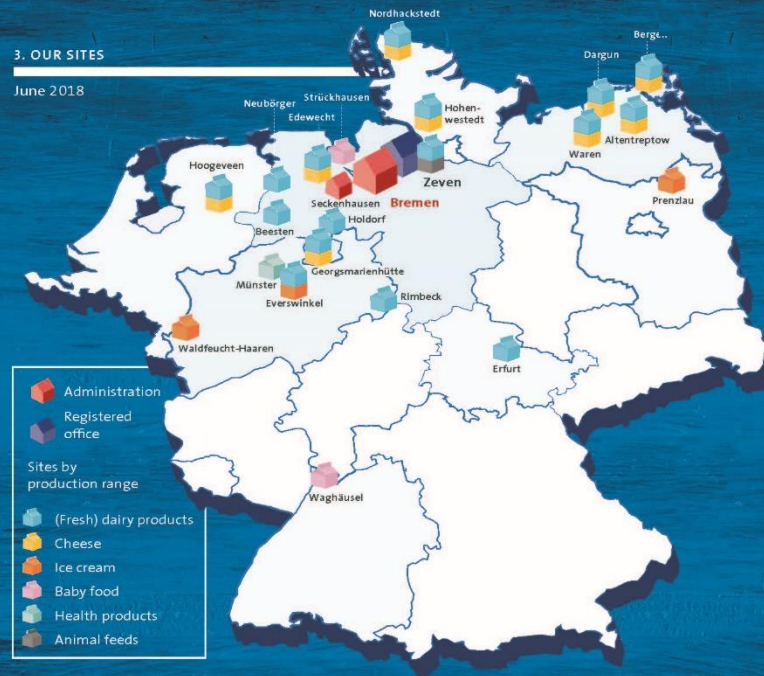


## 2. ORGANISED IN SIX BUSINESS UNITS (BU)

Private Label	Industry	Ice Cream
Brand	Baby	International

## 3. OUR SITES

June 2018



## 4. THE PEOPLE BEHIND THE DMK GROUP





# The M.I. Job ?

We are a part of the corporate strategy with concentrated expertise

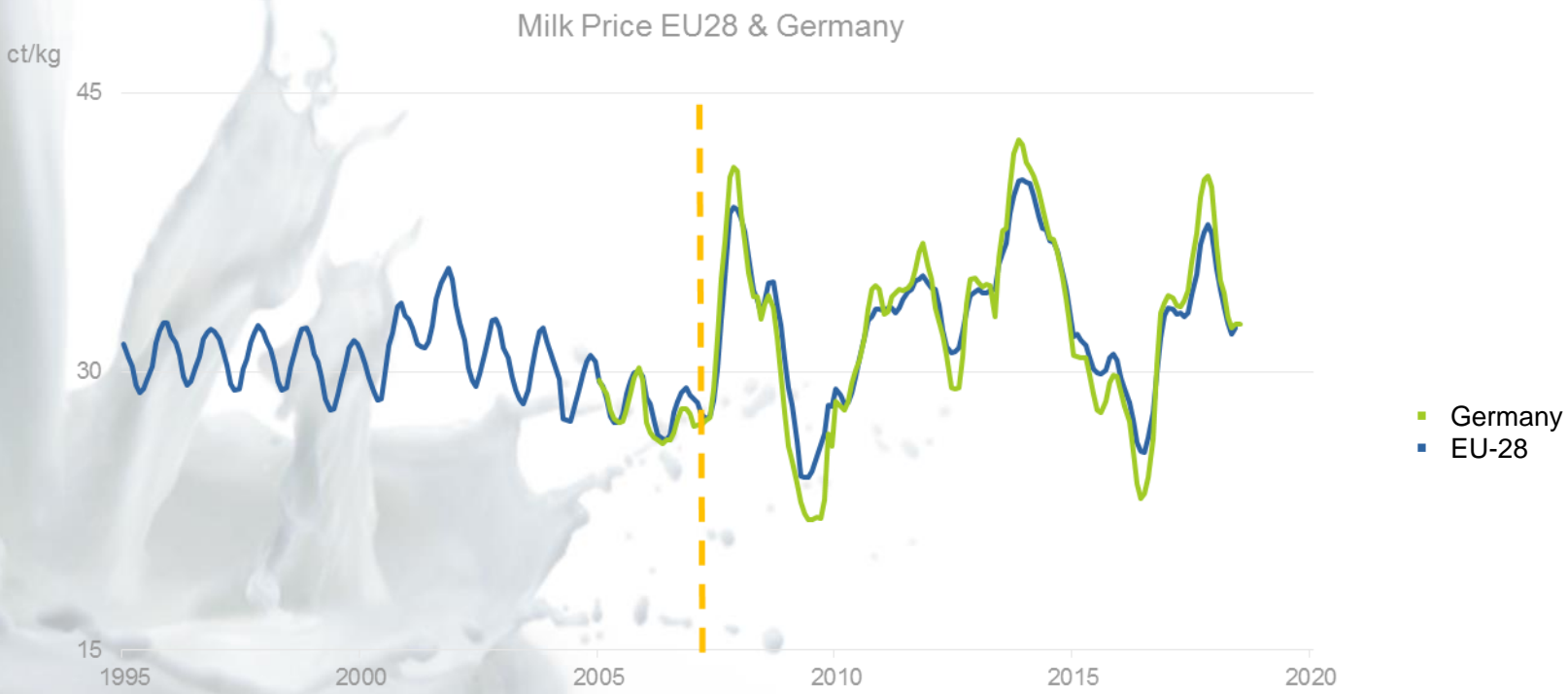


**Information**, dialogue, training, simulations, and forecasts on markets, competition, trends for strategic business management.

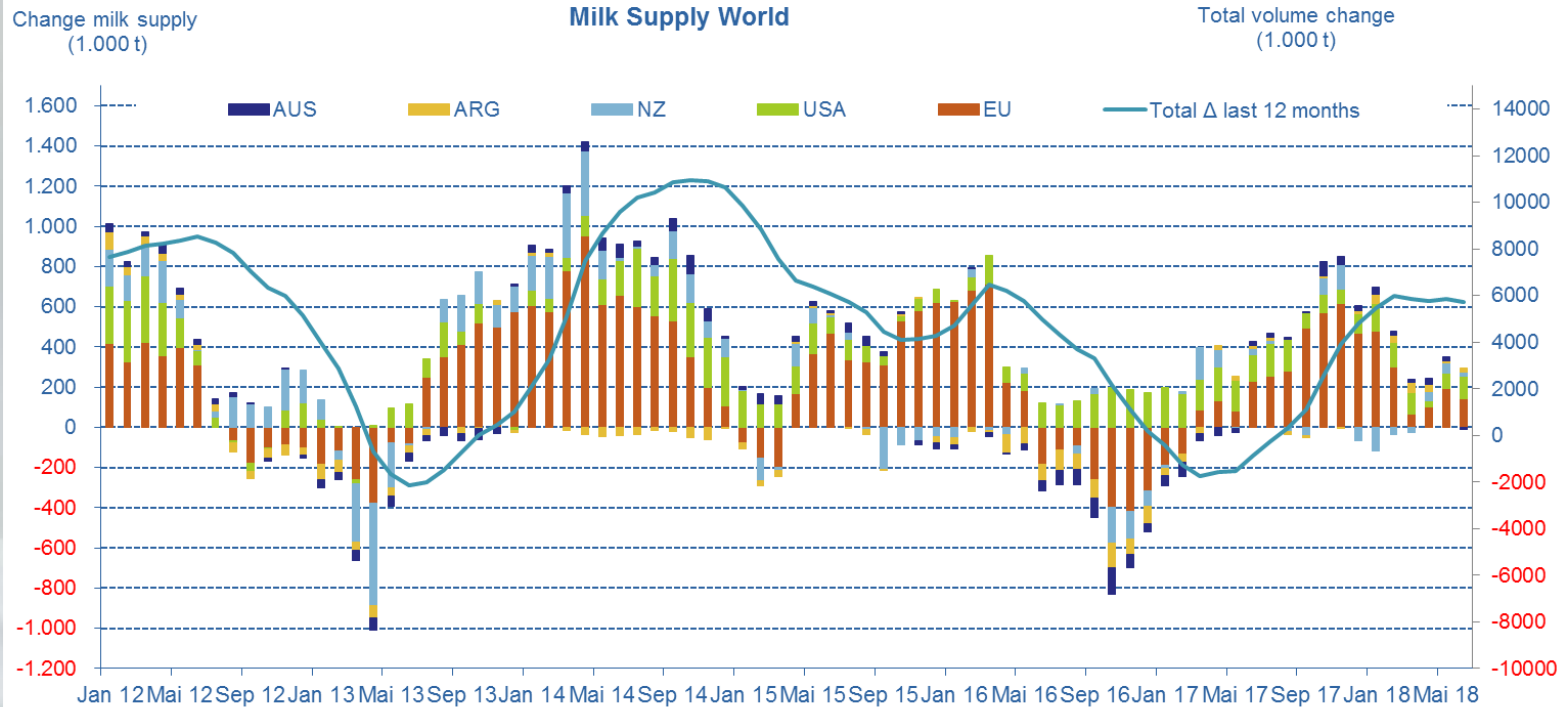
**Exchange** with DMK Groups' agriculture, commodity control, processing, sales, customers as well as associations & media.

**Price Risk Management** by developing strategies to hedge dairy products' price volatility on the commodity exchange for our shareholders (i.e. farmers).

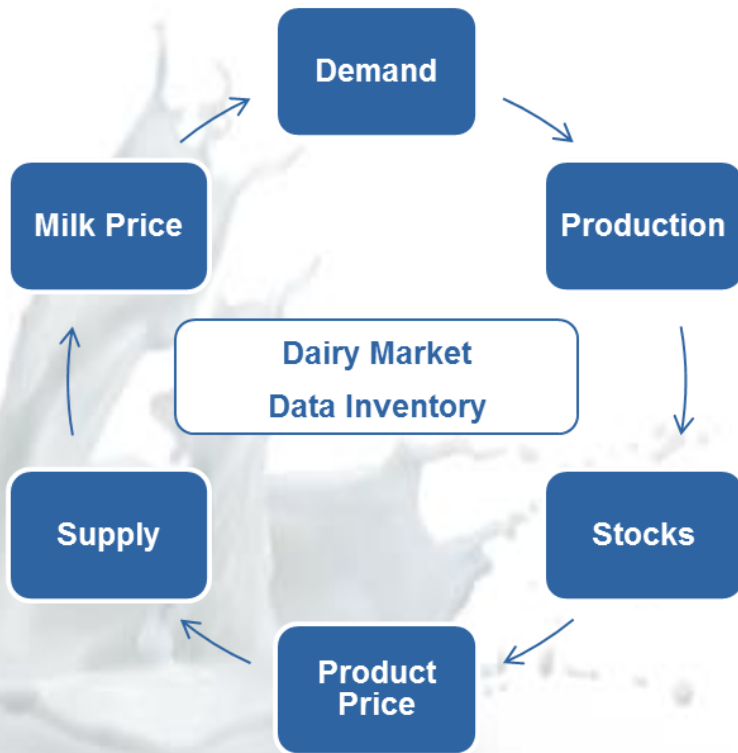
# Milk Price



# World Milk Supply







**Product Price**

- Demand driven

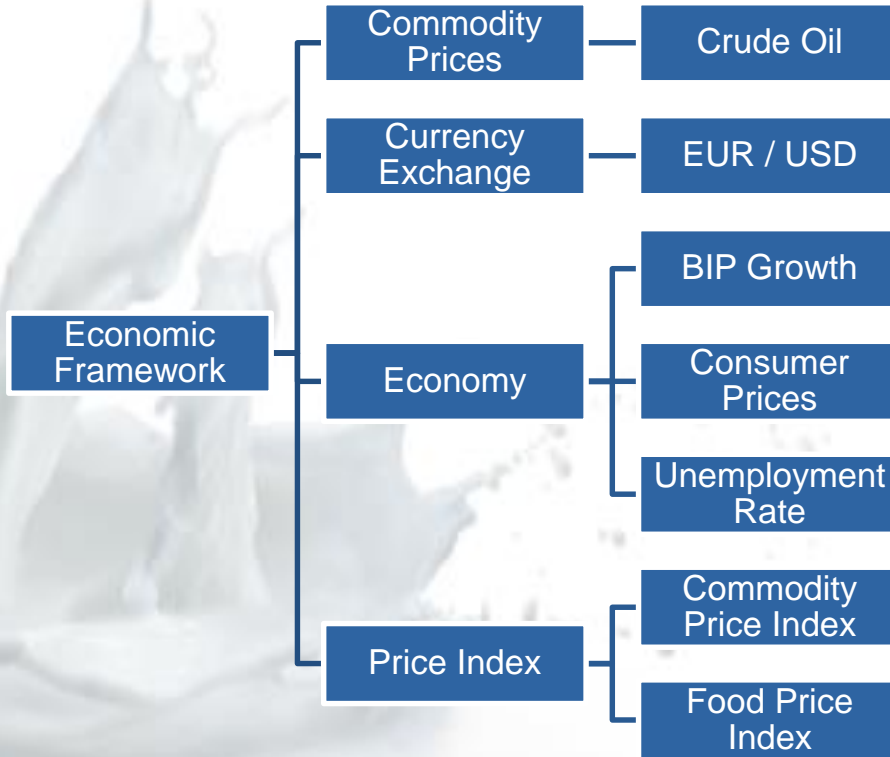
**Producer Price**

- Delayed reaction

The background of the image is a blurred photograph of a financial newspaper. It features several line graphs with red and blue lines, and columns of text representing stock market data. A dark gray horizontal band is superimposed across the middle of the image, containing the title text.

# General Economic Data

# ***General Economic Data***

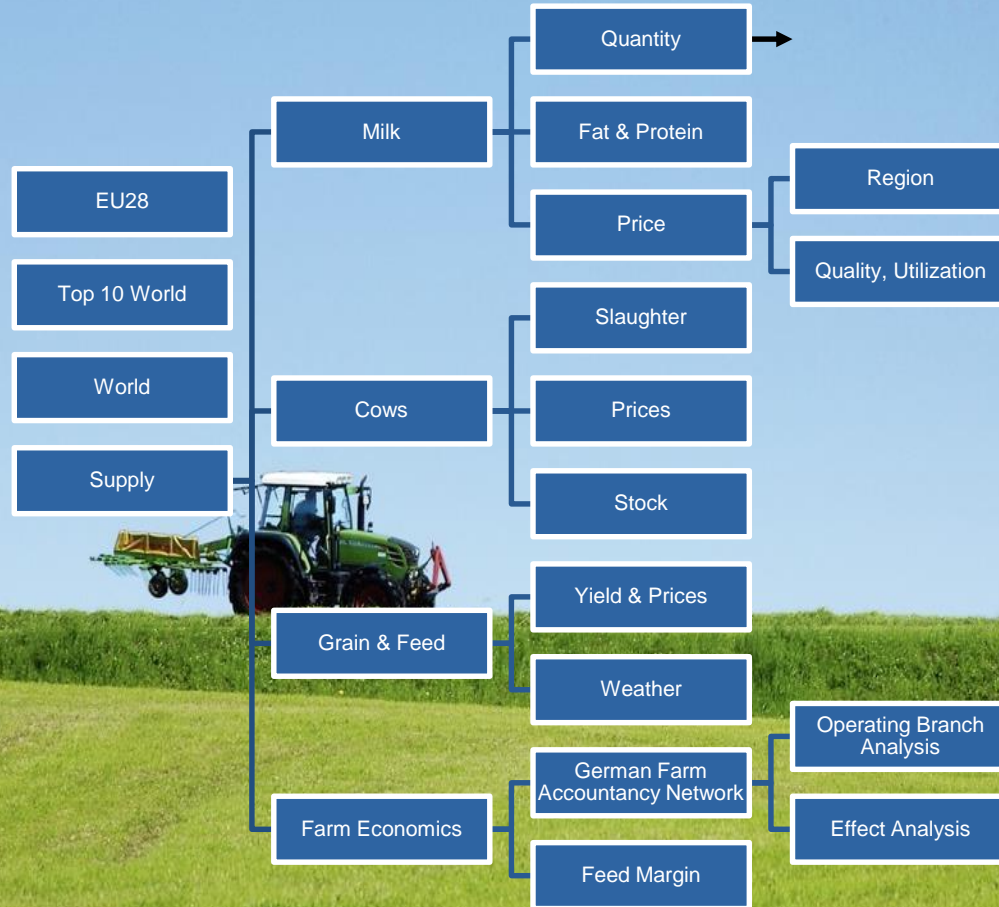




A man with grey hair, wearing a grey polo shirt and blue overalls, stands in a modern dairy barn. He is holding a wooden-handled tool. In the background, several black and white cows are visible in their stalls. The barn has a high ceiling with wooden beams and large windows on the left side.

# Dairy Farming Data

# Supply

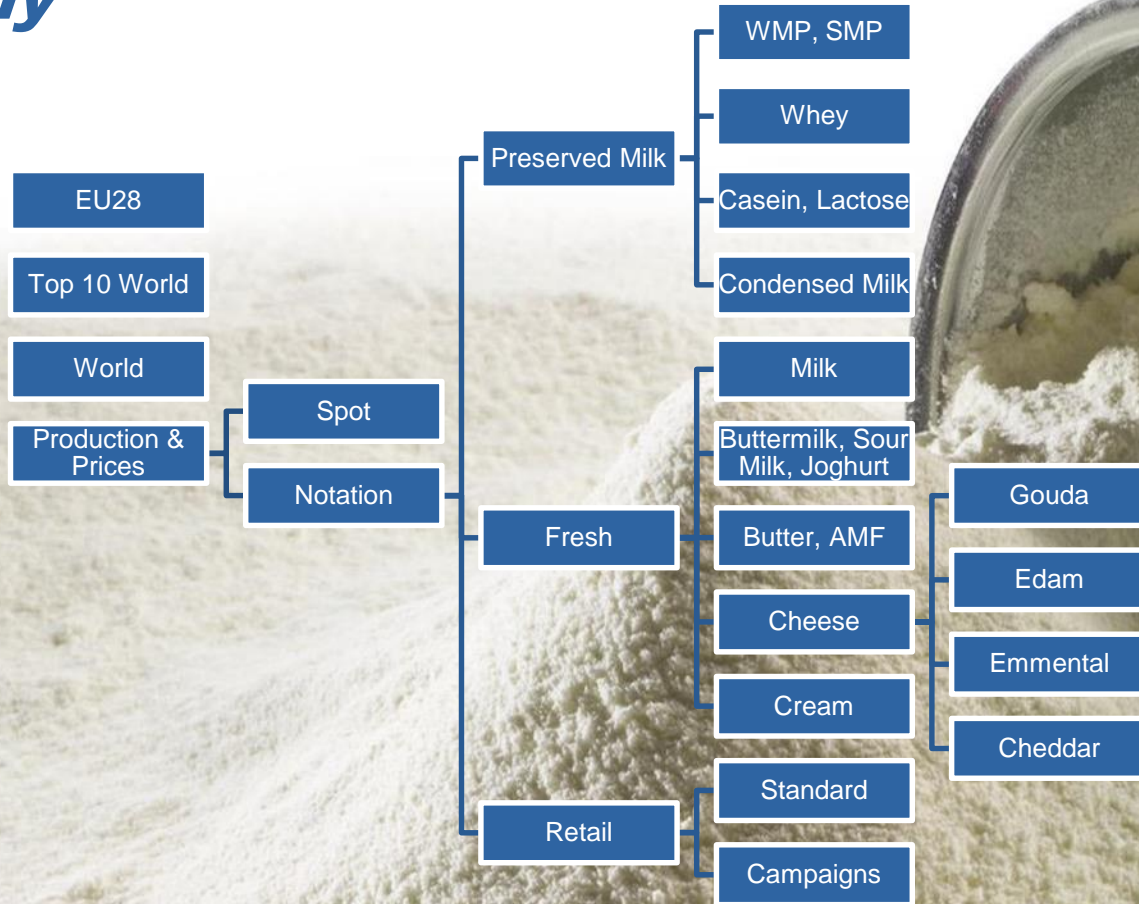




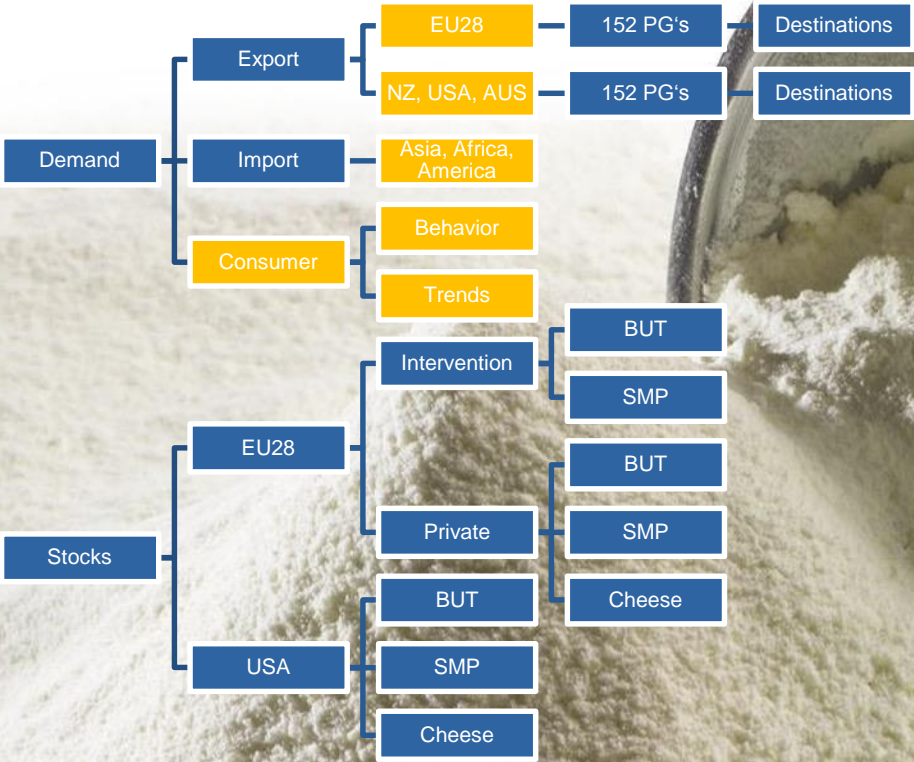
Rose  
الورد  
Casarelli  
Uniekaas  
sanotact



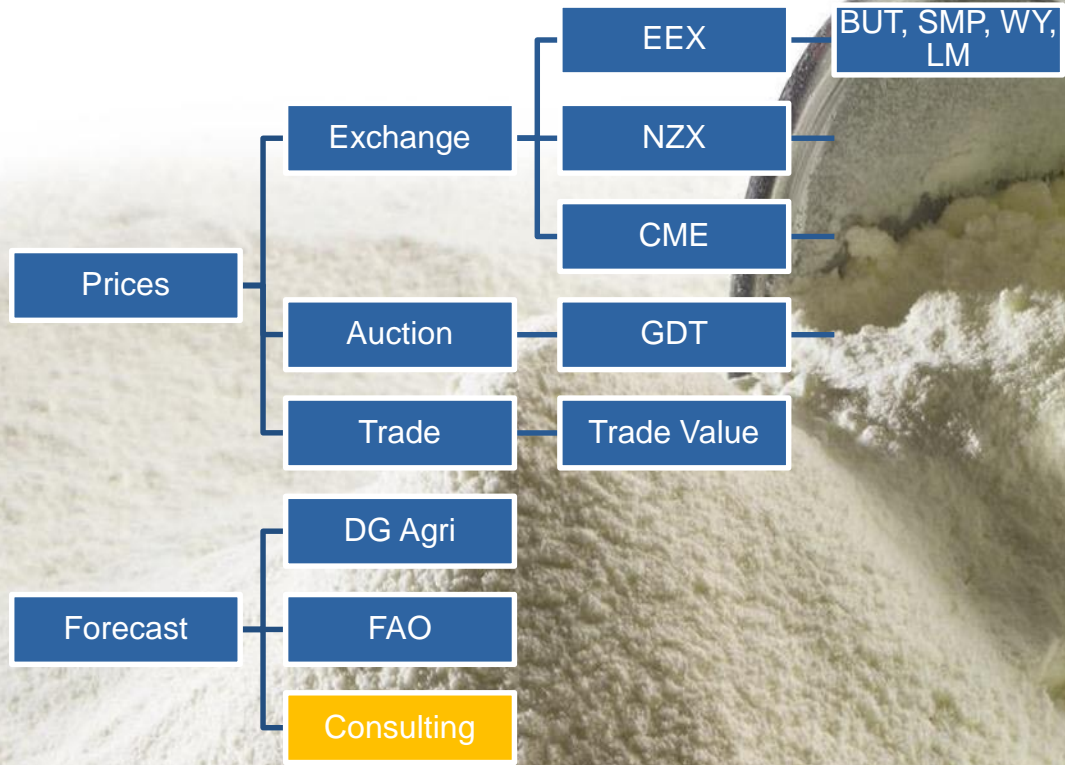
# Supply



# Demand

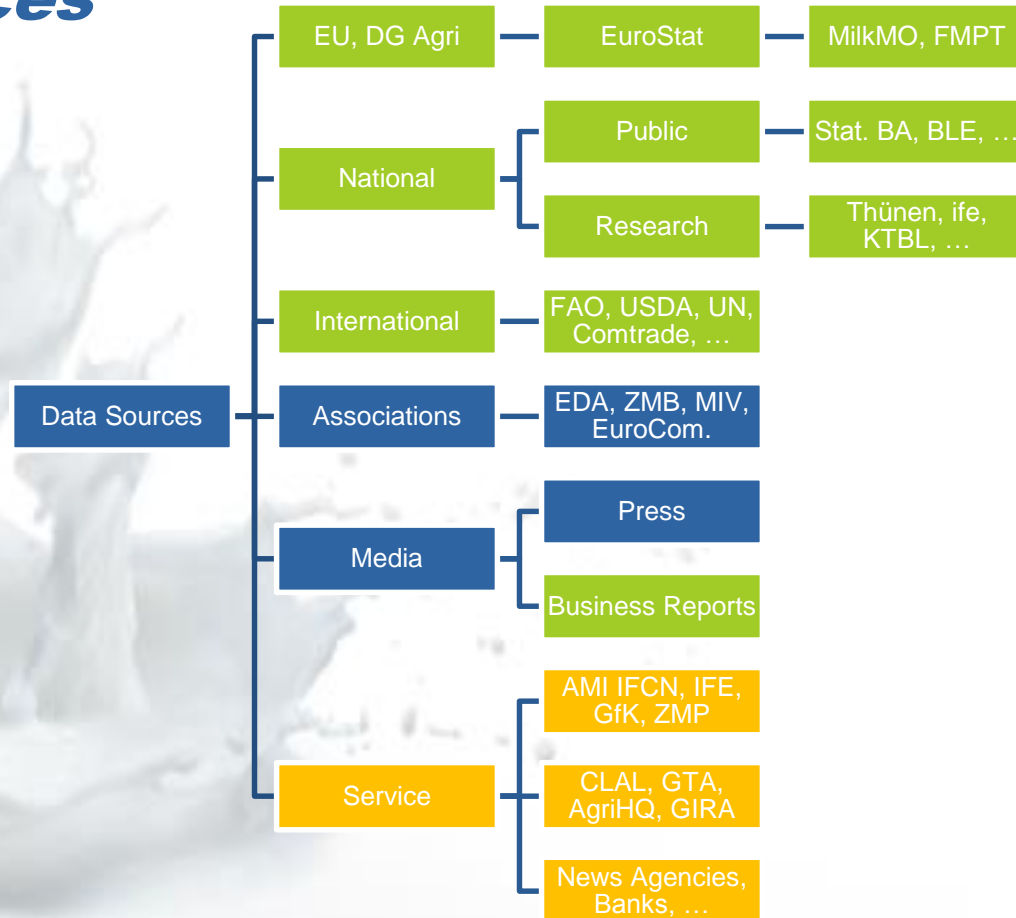


# ***Price Indicators***





# Data Sources



# ***Market transparency for each section***



The image is a composite. The top half shows a close-up of two hands shaking in a firm grip. The hand on the left is adorned with several beaded bracelets in shades of brown, white, and teal. The hand on the right wears a dark leather watch. The bottom half of the image shows a desk setup. On the left is a clear plastic water bottle with a black and white diagonal striped sleeve. In the center is a glass jar filled with a mix of nuts, seeds, and dried fruit. To the right of the jar is a small potted cactus, a wooden apple, and a ceramic pen holder containing several pens and a yellow highlighter. A green mug is partially visible on the far right. A semi-transparent dark grey banner with white text is centered across the middle of the image.

Experiences with the current situation





**Highest degree of market transparency worldwide, equal access, covering wide product range, focus on farmer & manufacturer**

**Facilitates an ex post understanding & assessment of the market basics for own market monitoring and to identify market signals**



**Offers a more efficient use - to interlink data for new and own insights & indices**

**DG Agri made a significant progress in mapping the market (EU28 & World) as well as in communication (e.g. Dashboards)**

# ***Aspirations***



**Increased timing, standardization & reliability of current data**

**Target group orientation (customized dashboards e.g. comext)**

**Exploiting current data with appropriate indicators, include trend & prognosis**

**Covering all member states and main external markets with focus on key products**

**Reduce intransparency in consumption data out of existing national sources; think of news alerts**

**Enhancing the ability to understand and to apply current data more efficiently by utilization, transmission & education**



# More than Numbers

## Chain of Effects

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### Interlinked Data, e.g.

- define demand by heuristic models e.g.  $I_{(d)} = GDP_i + p_{(m)} + e$
- derive effect of demand on product price
- analyse effect of dairy product price on milk price
- derive sensitivity of milk price on milk delivery

**Tool:** e.g. sophisticated analysis in common office suite's environment at low costs and average IT skills

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# ***Challenges***



**More resp. new data does not necessarily increase market understanding & comparability**

**More detail may impede transparency, causes muddling and reduced competition, resembles collusion**

**High burden and serious challenge for operators; initial & running processes & costs**

**Focus on transfer prices result in maximum prices, no comparability but puts a downward pressure on prices and farmer's income**

**Dairy sector involves aspects that are not captured by market data; risk of delayed and unrealistic data**

**Benefit for third country traders - whereas farmers, cooperatives, and manufacturers could be penalized**



*Group*

**Thank you!**

**WELLMAYER**

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