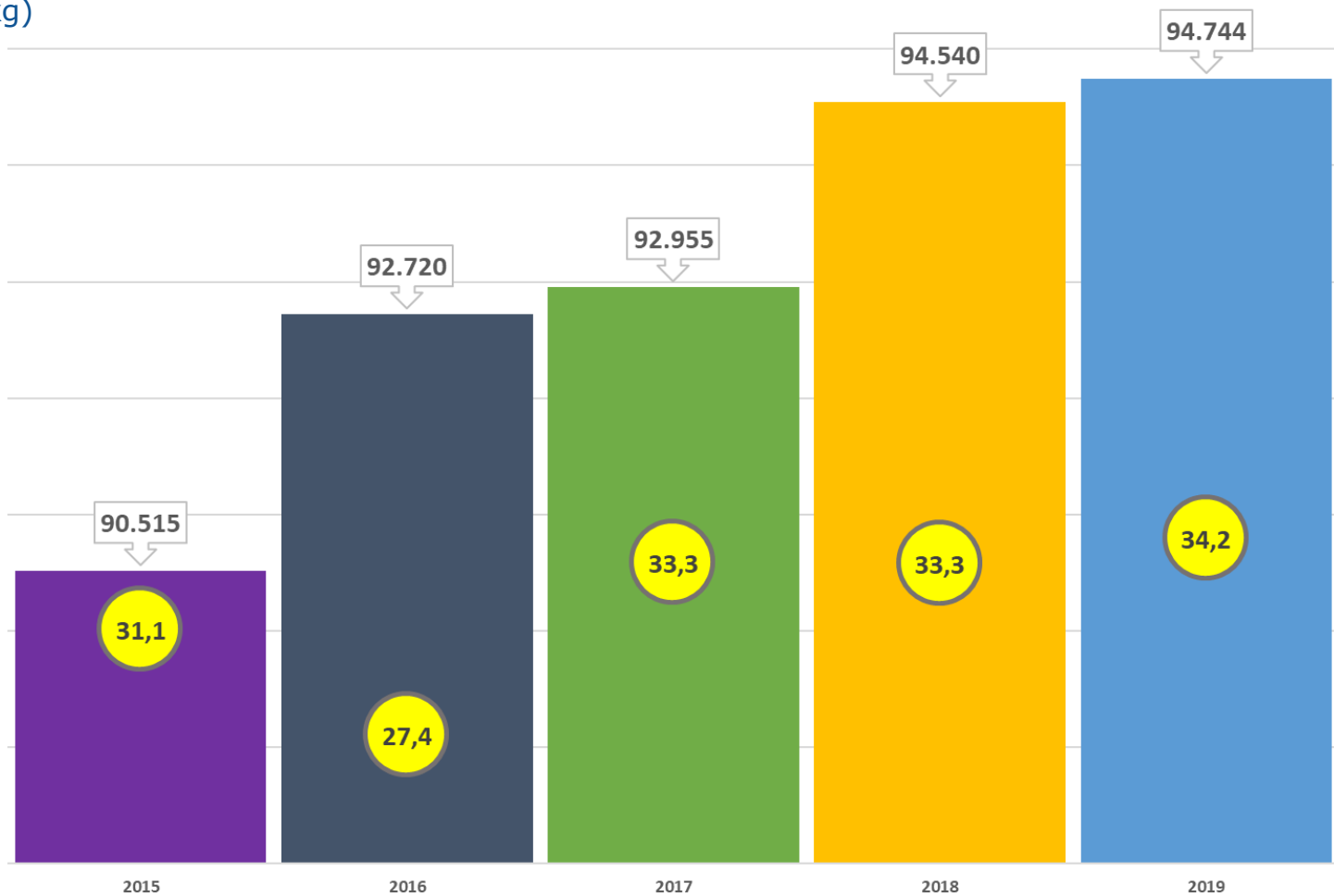




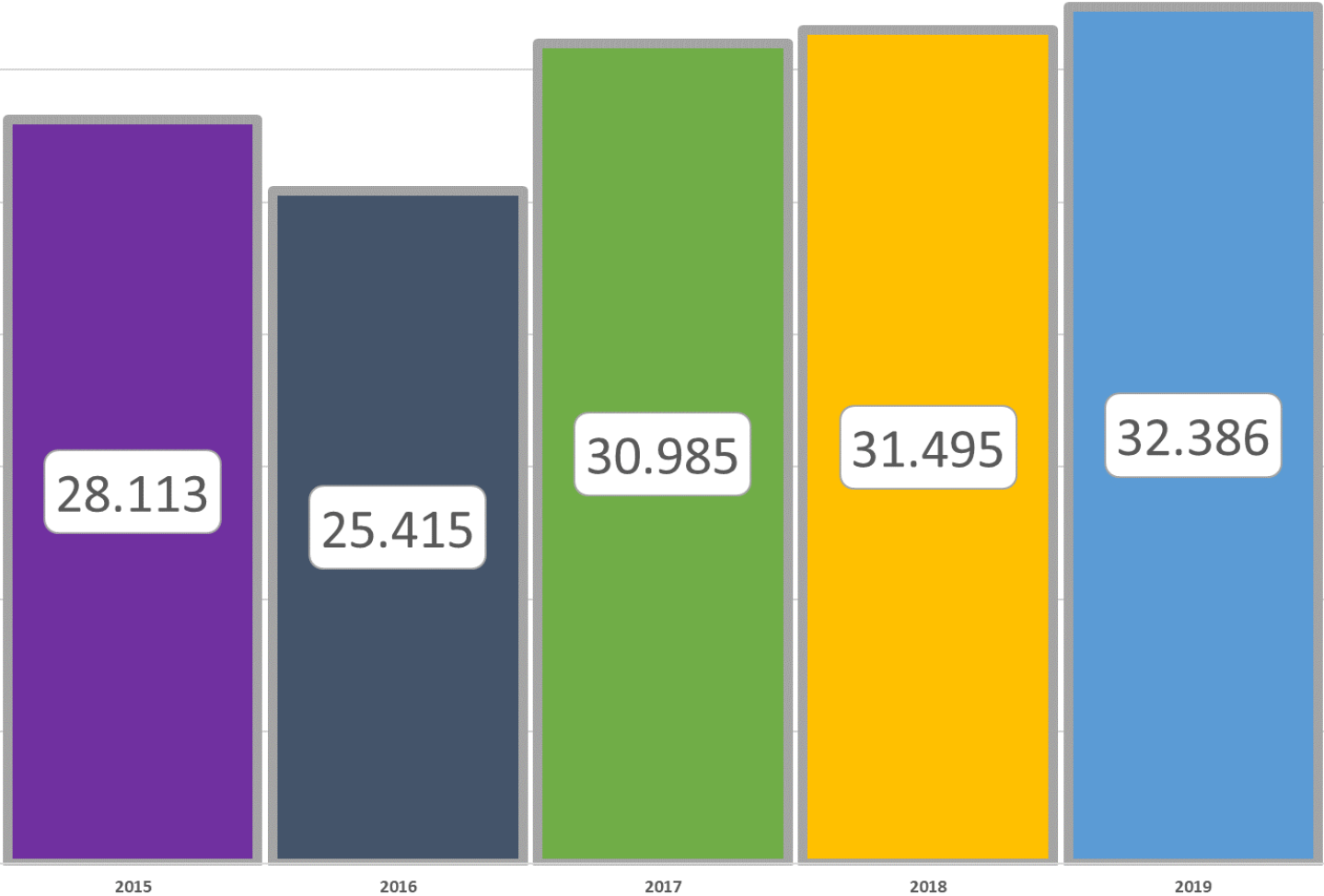
# Milk Market Situation

**Brussels, 4 October 2019**

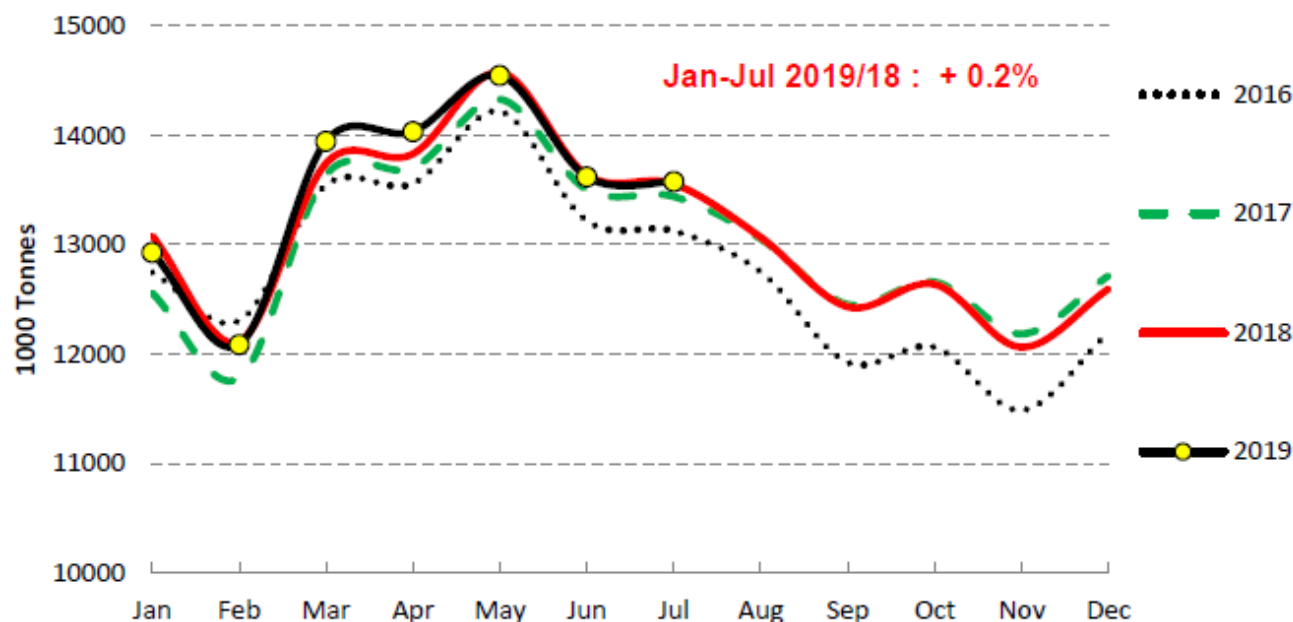
EU milk deliveries and price  
Jan-Jul 2015-19  
(x1000 t, c/kg)



EU value milk production  
Jan-Jul 2015-19 (x million €)



# EU - Cows' milk collected



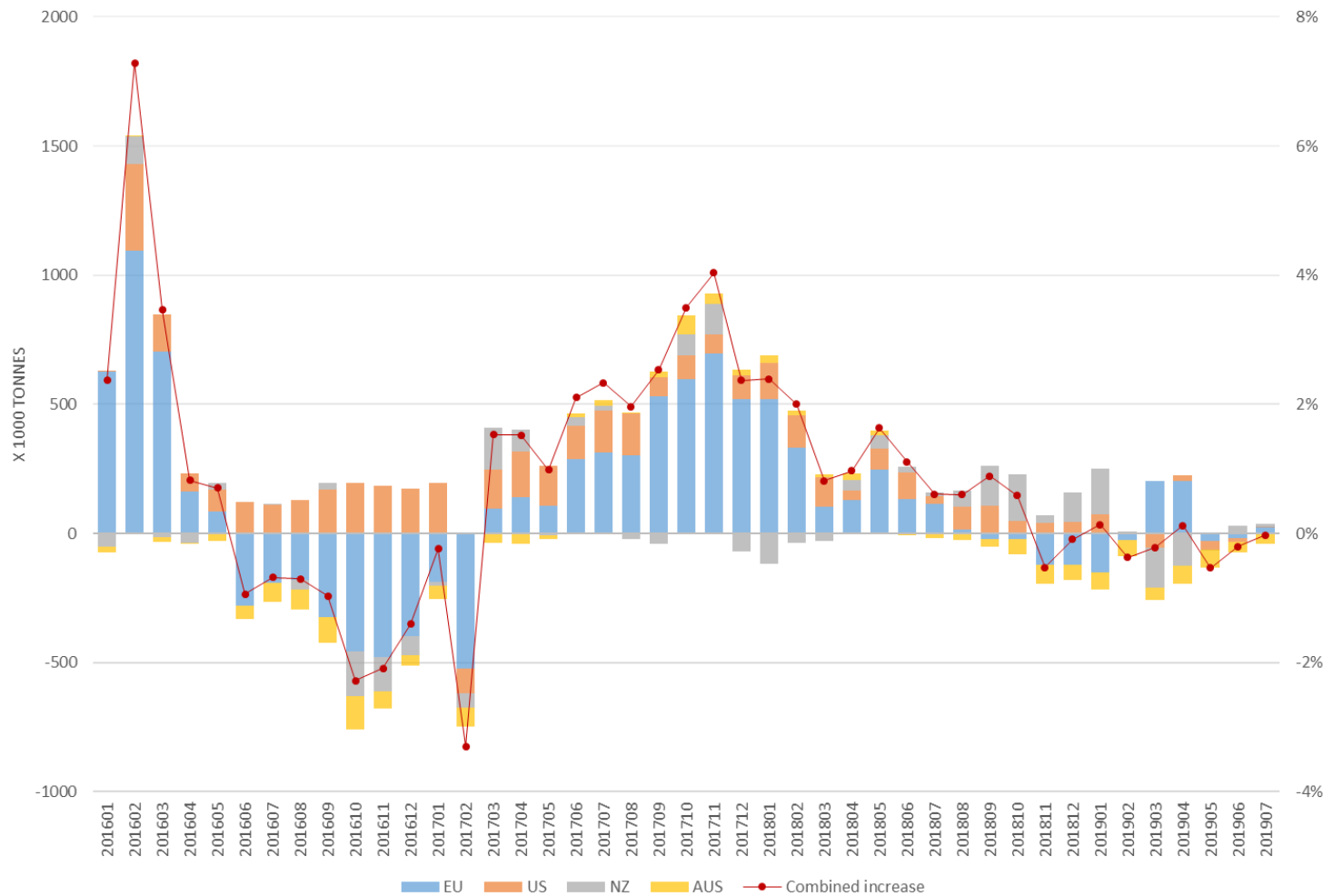
Source : Estat - Newcronos

Last update : Jan-Jul

## Jul 19 compared to Jul 18

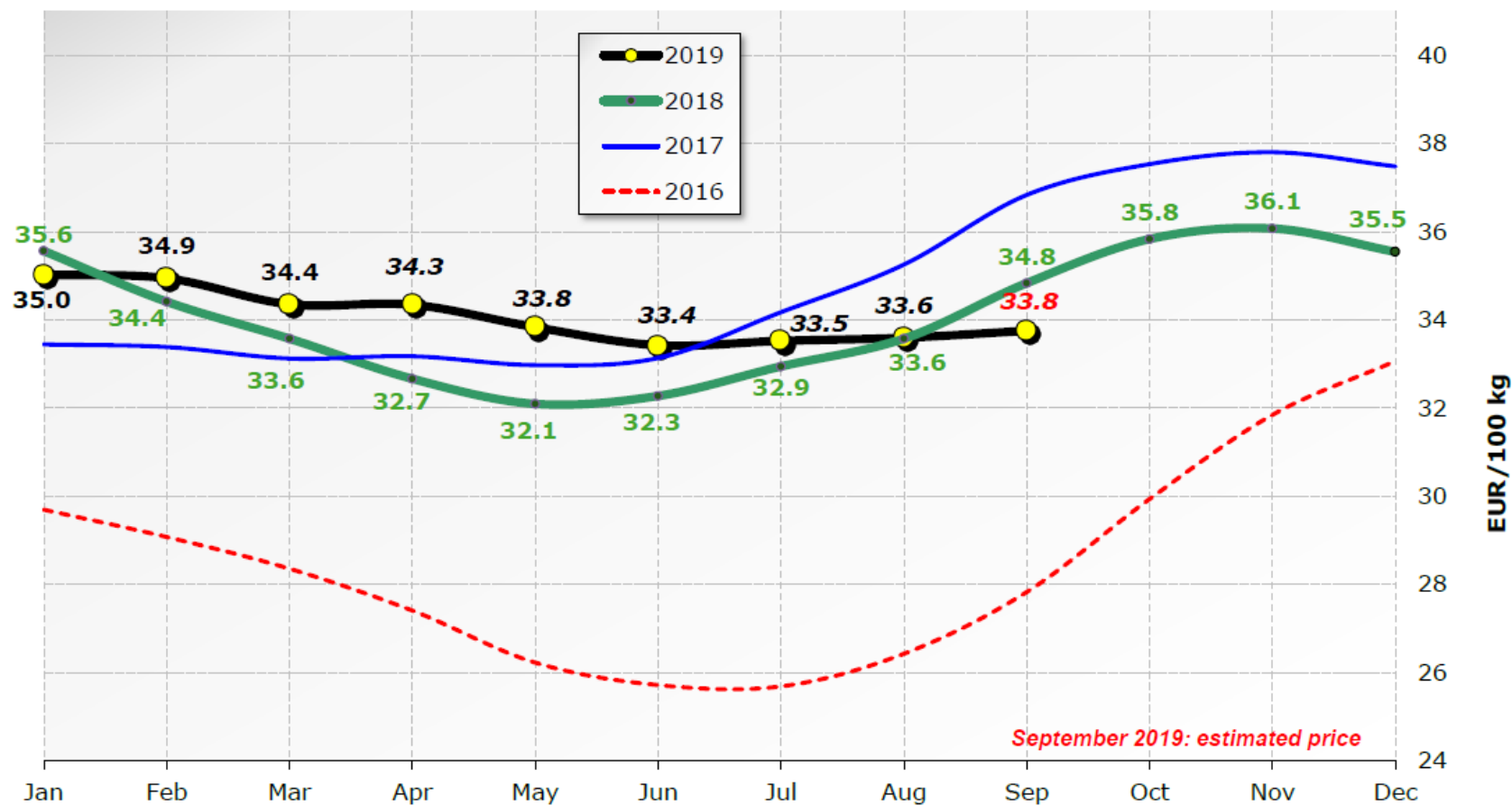
Rank	evolution in %		evolution in 1000 Tons	
	MS	%	MS	Tons
1.	CY	+ 10.6%	IE	+ 92
2.	IE	+ 10.4%	UK	+ 34
3.	MT	+ 5.0%	PL	+ 11
4.	UK	+ 2.7%	BE	+ 9
5.	BE	+ 2.5%	CY	+ 2
6.	LV	+ 2.3%	LV	+ 2
7.	LU	+ 2.3%	HU	+ 1
8.	EL	+ 1.5%	EL	+ 1
9.	BG	+ 1.1%	LU	+ 1
10.	PL	+ 1.0%	BG	+ 1
11.	HU	+ 1.0%	MT	+ 0
12.	AT	- 0.2%	AT	- 0
13.	EE	- 0.8%	EE	- 0
14.	FR	- 0.9%	SI	- 1
15.	LT	- 0.9%	SK	- 1
16.	DE	- 1.2%	LT	- 1
17.	DK	- 1.3%	HR	- 2
18.	SK	- 1.4%	PT	- 2
19.	PT	- 1.4%	RO	- 3
20.	IT	- 1.5%	FI	- 5
21.	NL	- 1.5%	SE	- 5
22.	SI	- 1.6%	CZ	- 7
23.	ES	- 2.1%	DK	- 7
24.	SE	- 2.2%	ES	- 12
25.	RO	- 2.4%	IT	- 15
26.	FI	- 2.4%	FR	- 17
27.	CZ	- 2.5%	NL	- 18
28.	HR	- 4.6%	DE	- 34
	<b>EU28</b>	<b>+ 0.2%</b>	<b>EU28</b>	<b>+ 23</b>

# EU+US+NZ+AUS COMBINED MILK PRODUCTION GROWTH



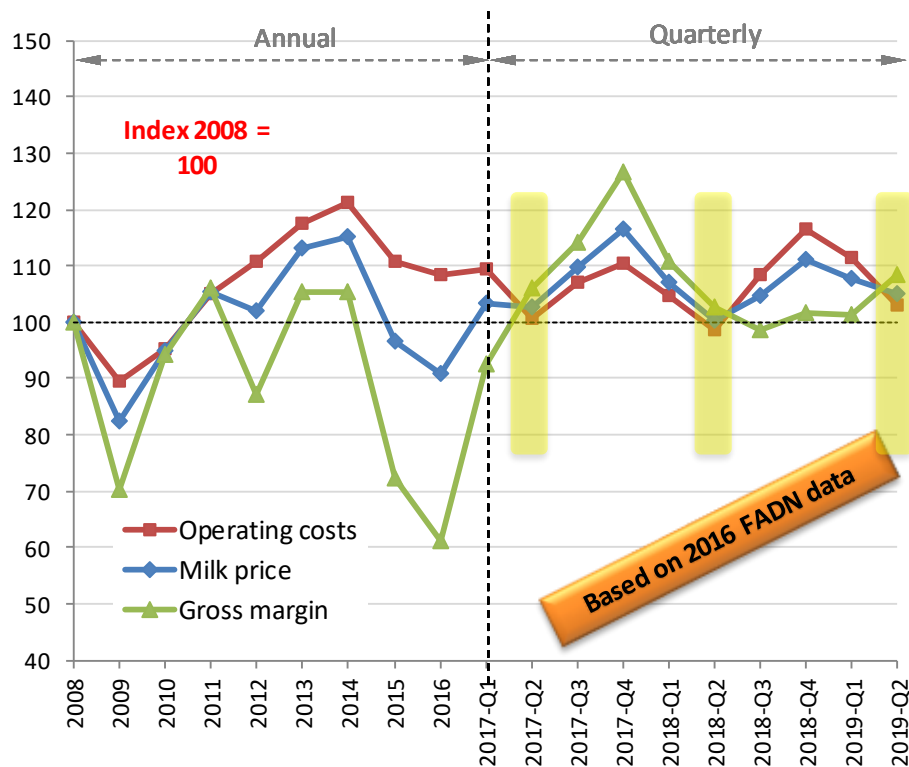
# Milk Prices paid to the Producers

## EU (weight. avg.)



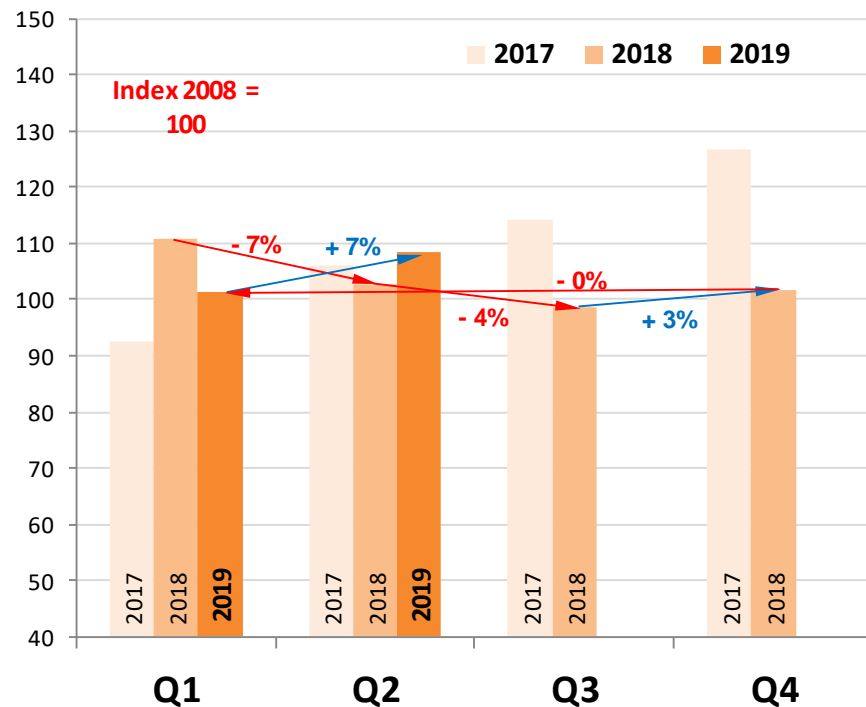
September 2019: estimated price

## EU indexes for milk price, operating costs and gross margin



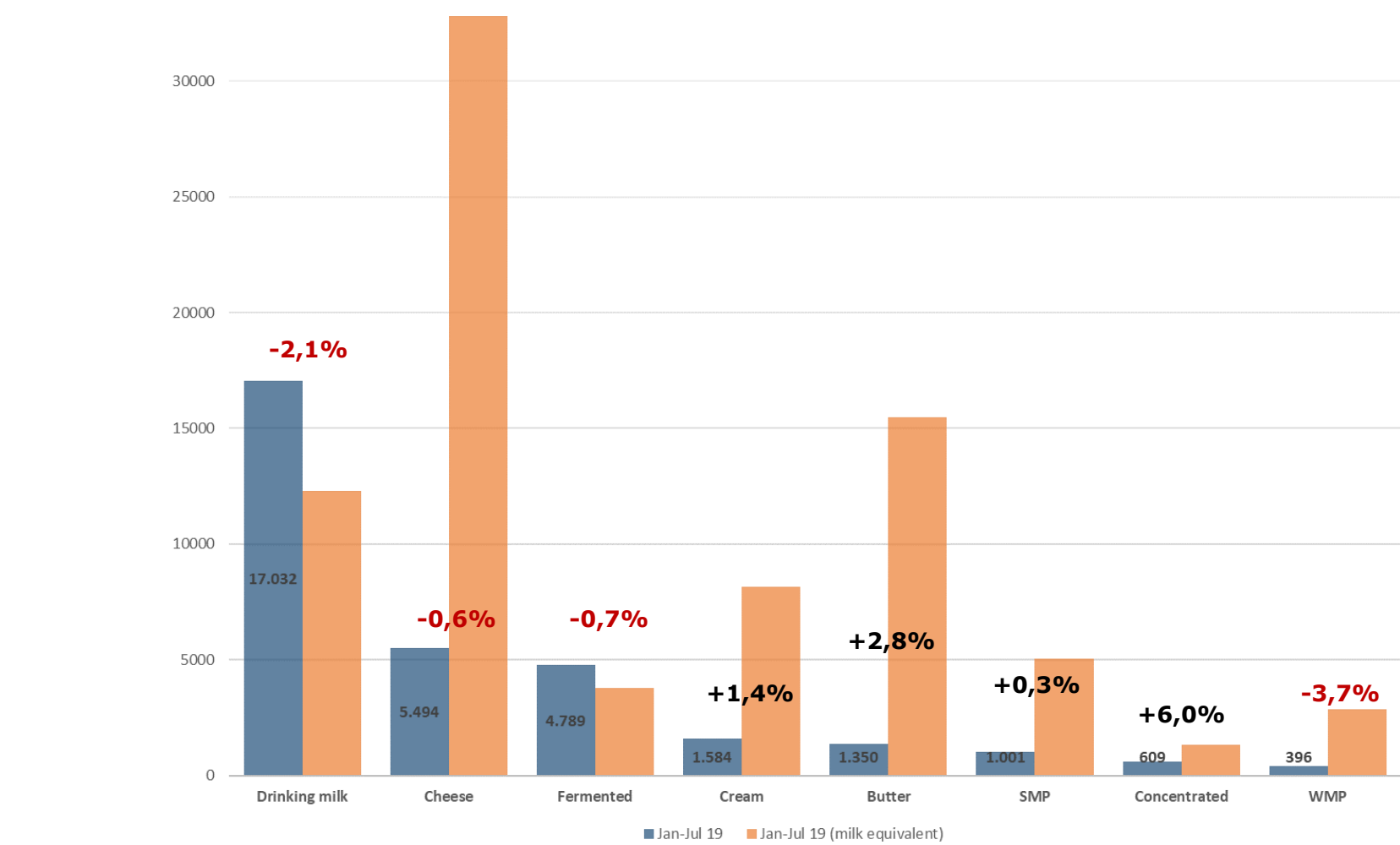
Source : FADN (base year 2016) + indexes (Eurostat, DG AGRI)

## Estimation of EU Gross margin



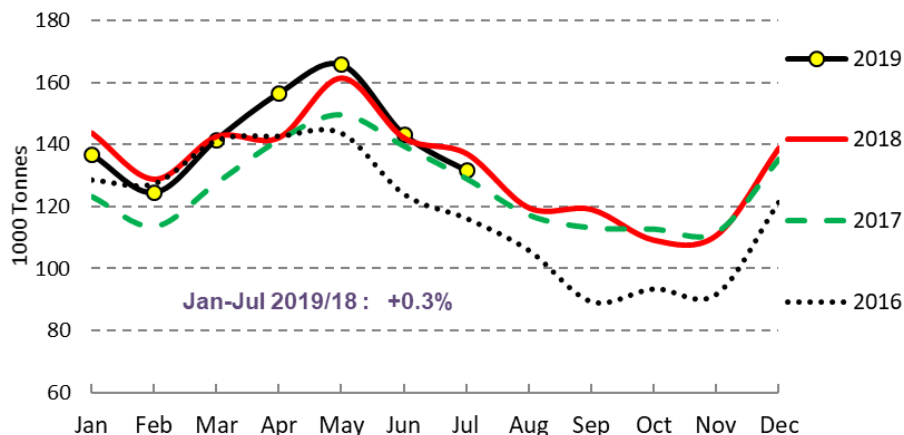
Source : FADN (base year 2016) + indexes (Eurostat, DG AGRI)

EU dairy production (x1000 t, x1000 t milk equivalent)

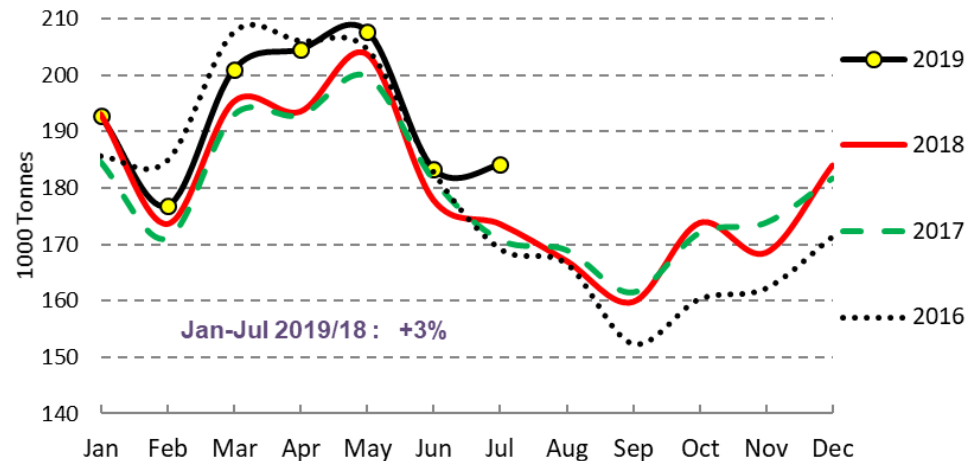




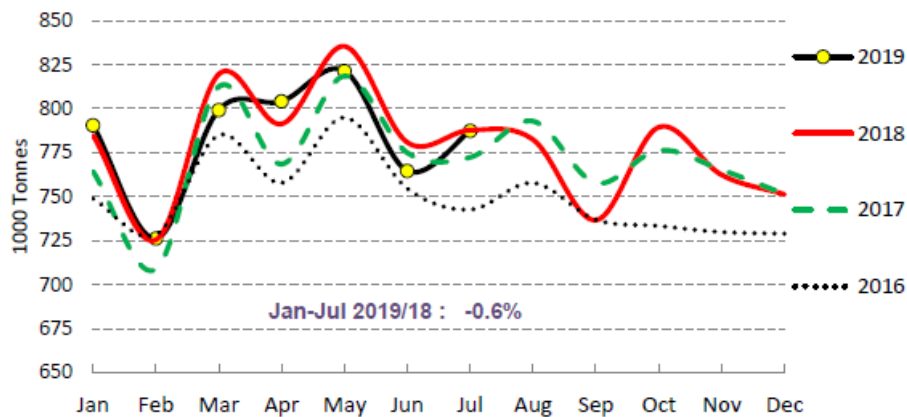
### EU - Skimmed-milk powder



### EU - Butter



### EU - Cheese



Last Update : Jan-Jul

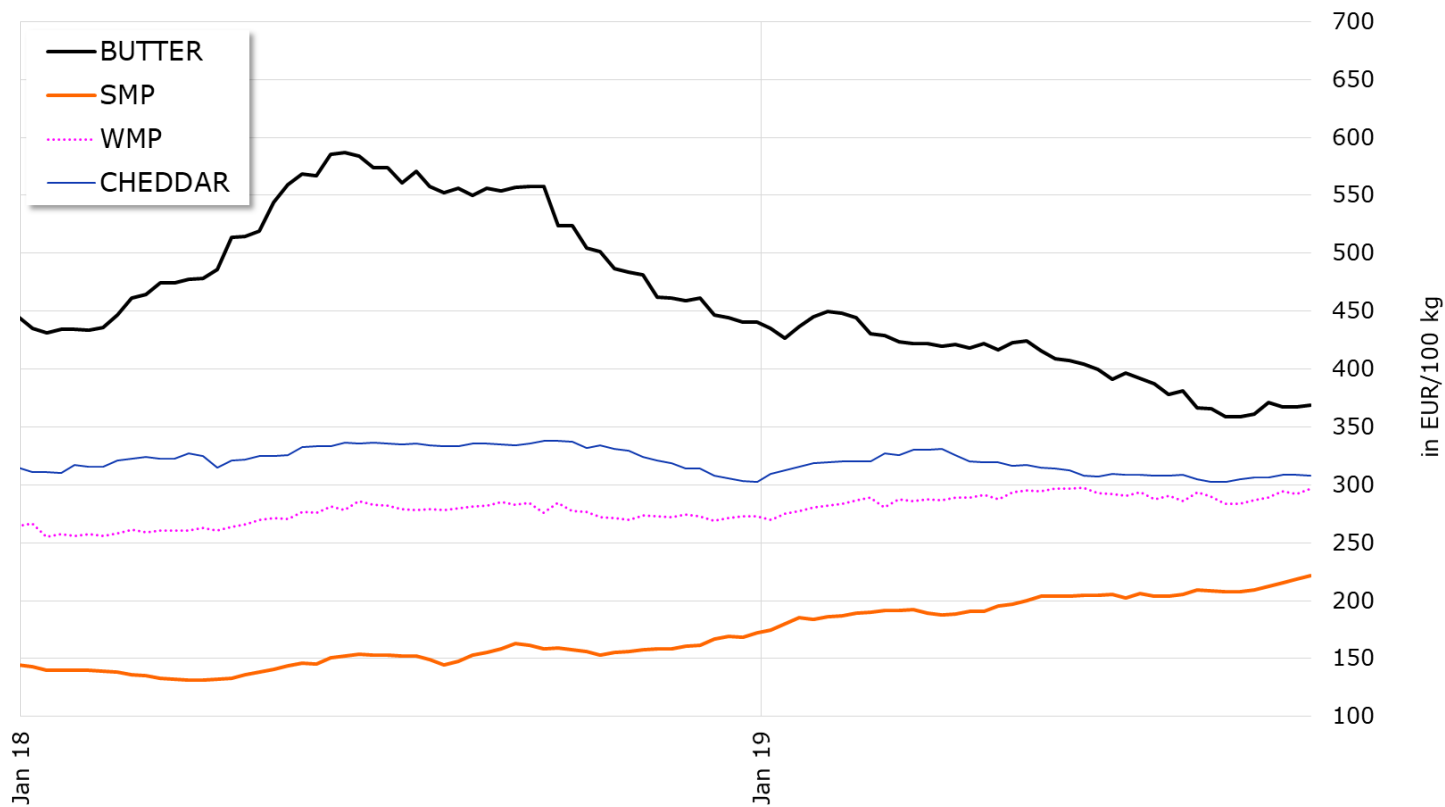
Source : Estat - Newcronos



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# EU Dairy Quotations

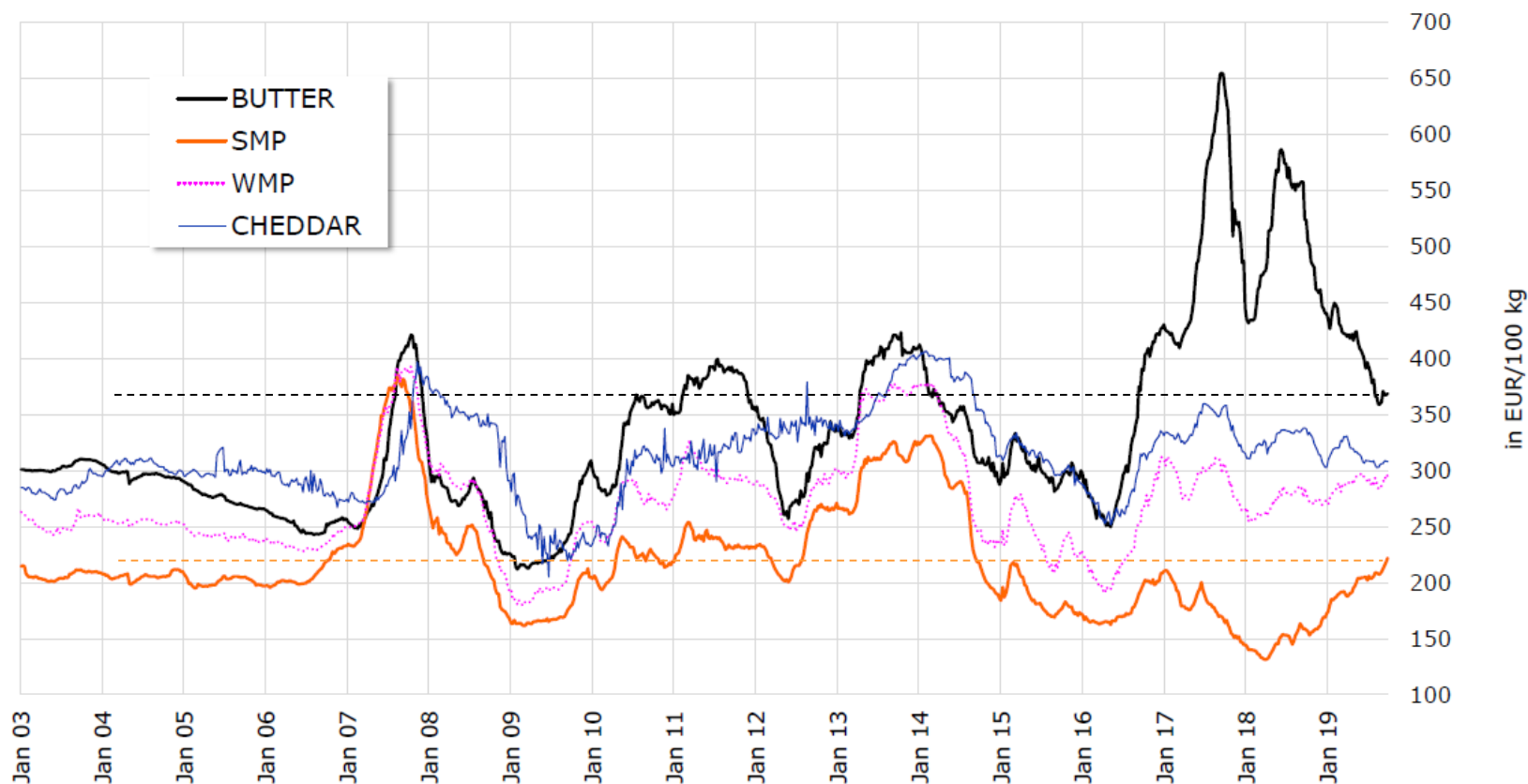
(EU Average Prices based on MS communication and weighted by production)



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

# EU Dairy Quotations

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

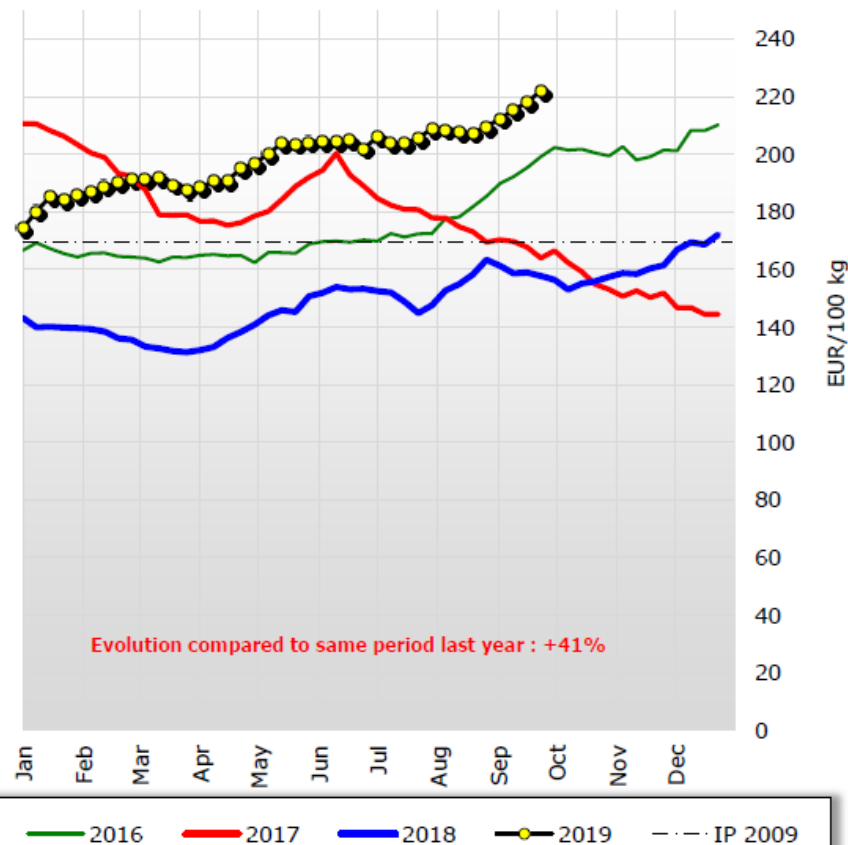


# Prices of EU Dairy commodities

(Source: Regulation (EU) No 17/1185 Article 11 - Annex I.7)

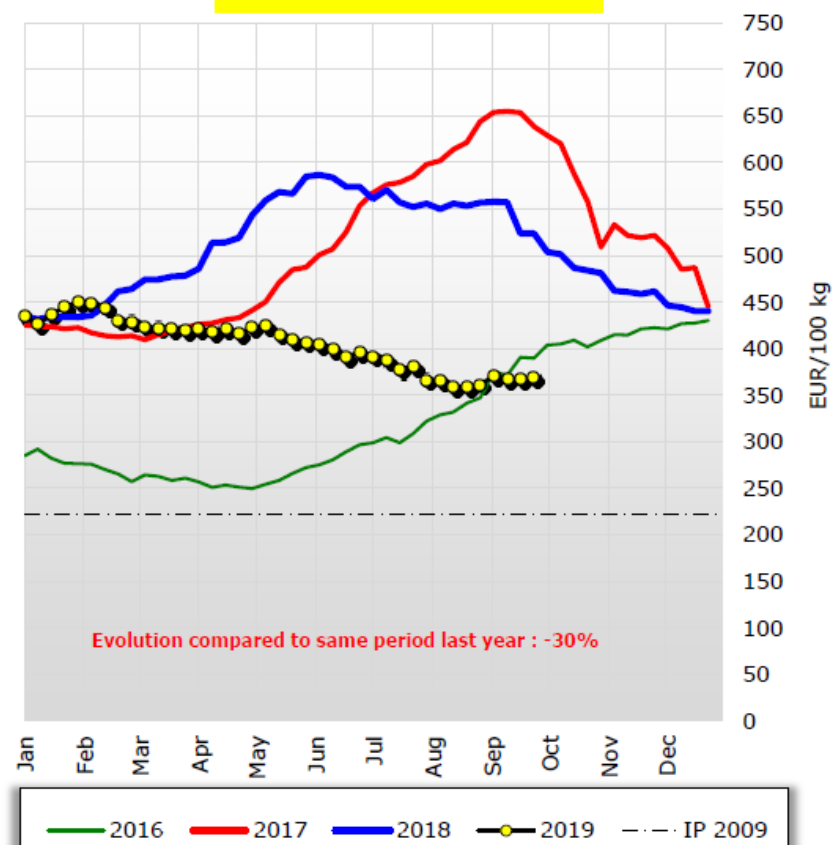
## Weekly EU SMP Prices

Latest price : 222 EUR/100kg



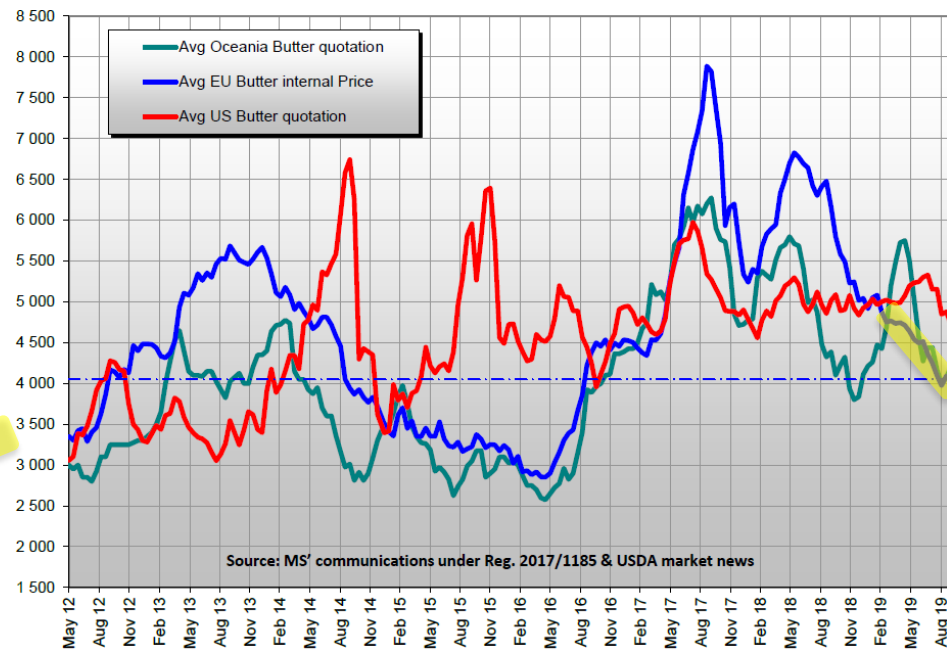
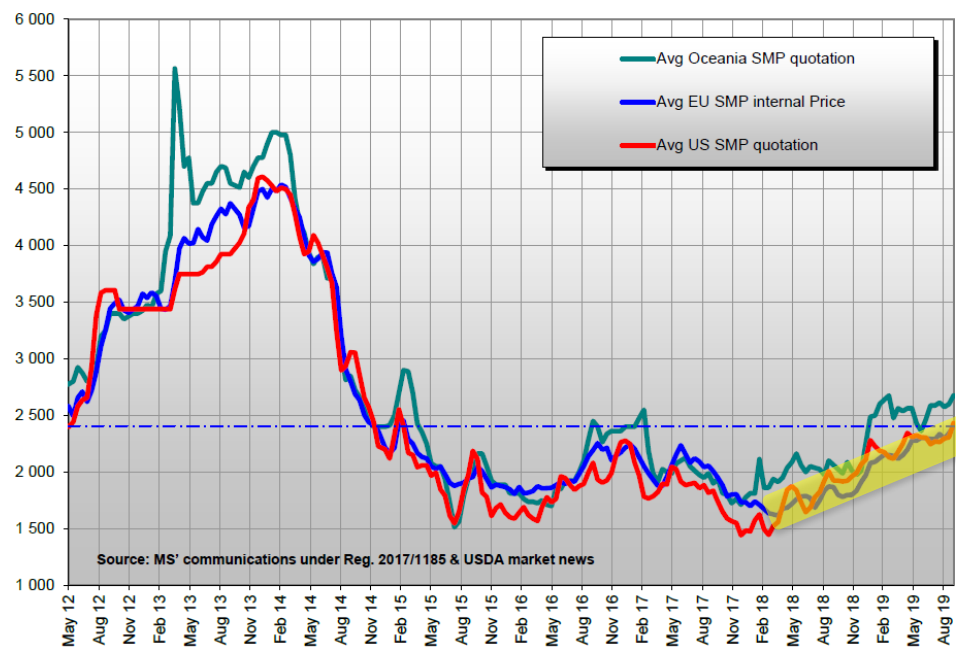
## Weekly EU BUTTER Prices

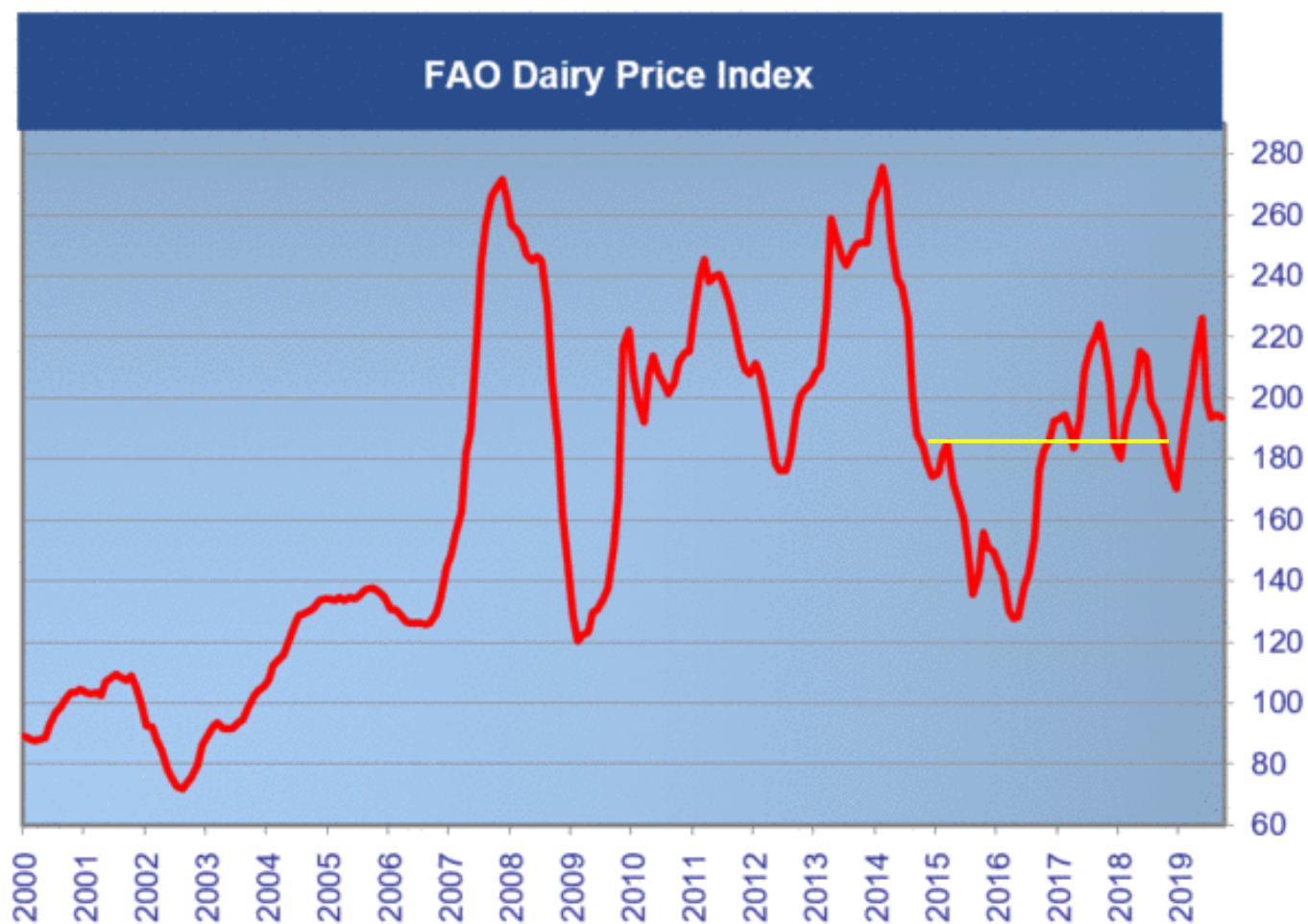
Latest price : 369 EUR/100kg



# Latest World Quotations of Dairy Products

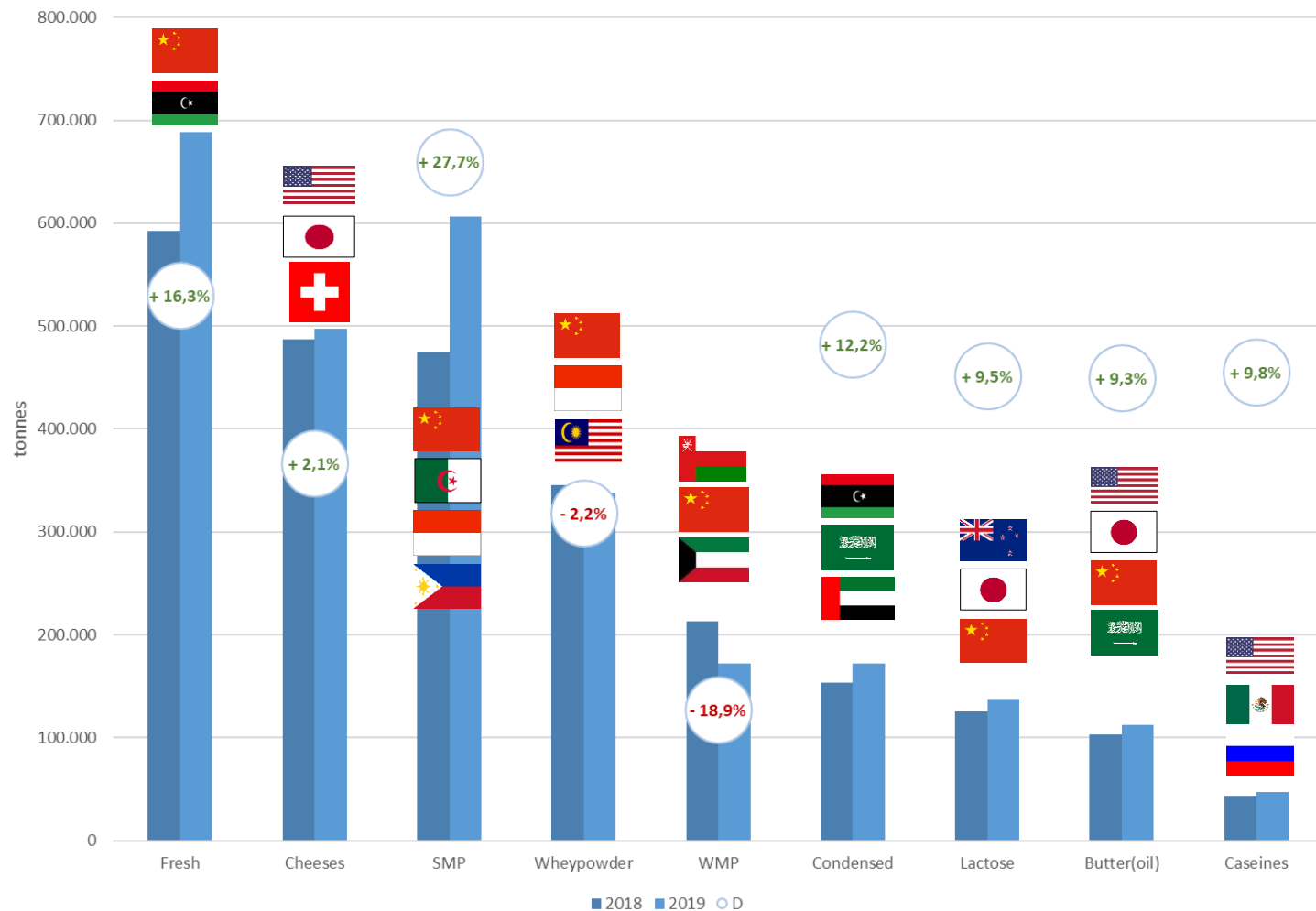
In US\$/t	Latest Quotations			Week - 2						Year - 1					
	29/09/2019			15/09/2019			% change (previous quotation)			30 September 2018			% change (1 year)		
	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA
Butter	4 051	4 200	4 733	4 092	4 075	4 877	➡ -1.0%	👉 +3.1%	👈 -2.9%	6 161	4 388	5 018	📉 -34%	👉 -4%	📉 -6%
SMP	2 405	2 675	2 433	2 342	2 600	2 306	👉 +2.7%	👉 +2.9%	👈 +5.5%	1 869	2 063	1 925	👈 +29%	👈 +30%	👈 +26%
WMP	3 223	3 175	3 913	3 186	3 125	3 803	👉 +1.2%	👉 +1.6%	👉 +2.9%	3 347	2 800	3 307	👈 -4%	👈 +13%	👈 +18%
Cheddar	3 402	3 850	4 338	3 378	3 900	4 628	➡ +0.7%	👈 -1.3%	📉 -6.3%	3 976	3 550	3 565	📉 -14%	👈 +8%	👈 +22%





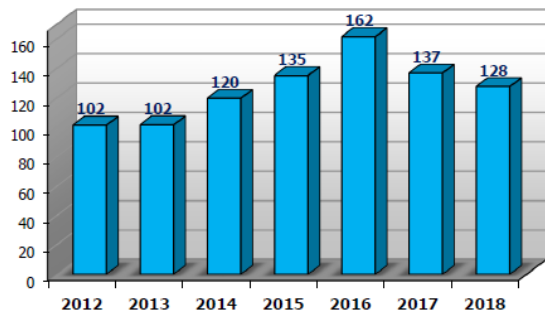
The FAO Dairy Price Index consists of butter, SMP, WMP, cheese, casein price quotations; the average is weighted by world average export trade shares for 2002-2004.

EU dairy exports Jan-Jul 2019 vs 2018



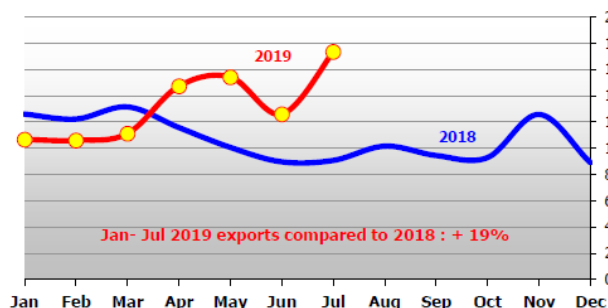
### BUTTER exports

1000 Tonnes



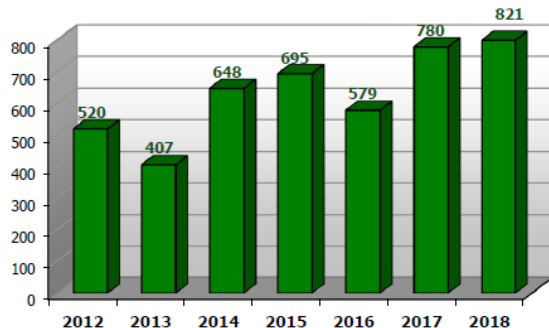
### BUTTER exports

1000 tonnes



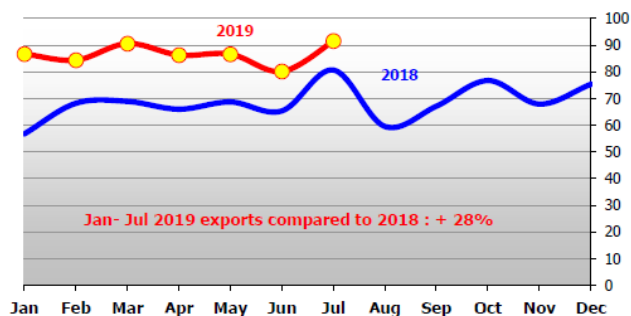
### SMP exports

1000 Tonnes



### SMP exports

1000 tonnes



### EU EXPORTS of BUTTER - main destinations

Period : July

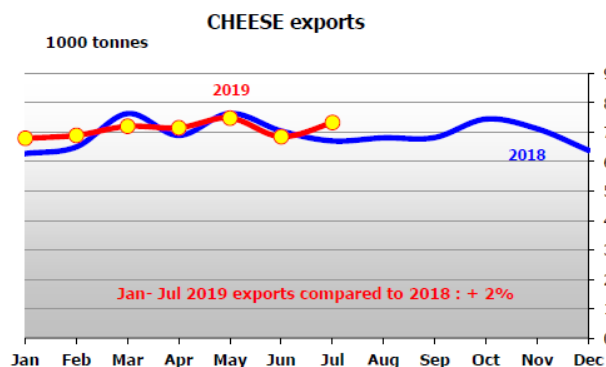
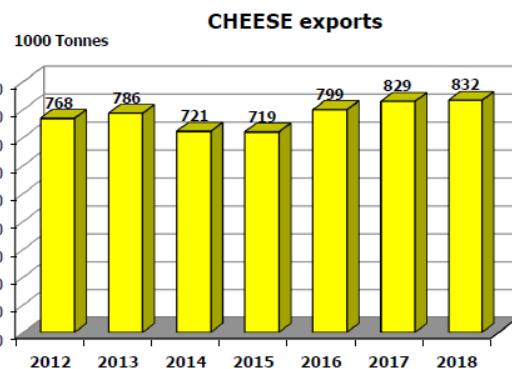
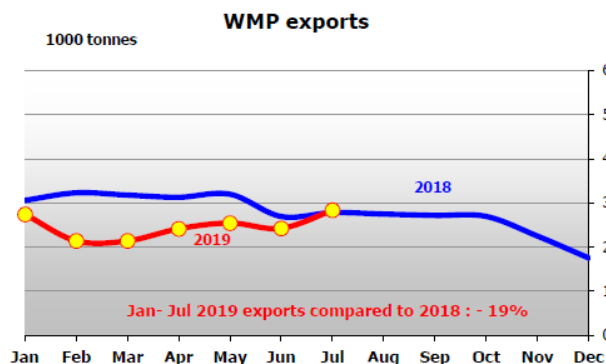
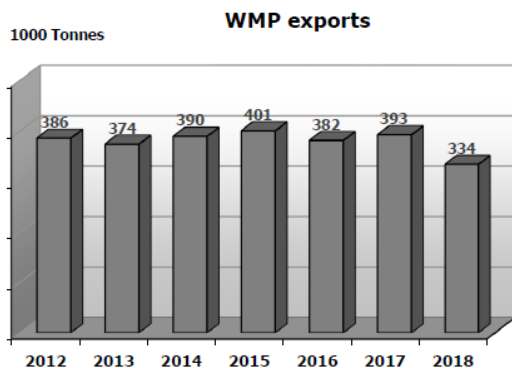
Qty Tons	2017	2018	2019	
Extra-EU	13.317	9.074	17.357	↑ + 91%
USA	3.110	3.047	4.720	↑ + 55%
Japan	667	221	1.077	+++
China	895	738	1.071	↑ + 45%
Saudi Arabia	1.260	299	894	↑ + 199%
U.A.Emirates	431	337	809	↑ + 140%
Singapore	674	736	767	↔ + 4%
Indonesia	300	125	691	+++
Serbia	176	85	669	+++
South Korea	412	334	559	↑ + 67%
Morocco	327	35	526	+++
Other	5.066	3.117	5.573	↑ + 79%

### EU EXPORTS of SMP - main destinations

Period : July

Qty Tons	2017	2018	2019	
Extra-EU	72.996	80.640	91.523	↑ + 13%
Algeria	10.581	16.261	14.387	↓ - 12%
China	6.729	9.165	12.898	↑ + 41%
Philippines	7.654	3.858	7.859	↑ + 104%
Indonesia	6.563	5.797	7.077	↑ + 22%
Malaysia	2.850	3.926	3.845	↔ - 2%
Egypt	2.479	4.370	3.778	↓ - 14%
Thailand	2.838	2.165	3.532	↑ + 63%
Nigeria	4.647	3.406	3.210	↓ - 6%
Mexico	5.758	184	2.979	+++
Singapore	803	4.204	2.904	↓ - 31%
Other	22.094	27.305	29.055	↑ + 6%





## EU EXPORTS of WMP - main destinations

Period : July

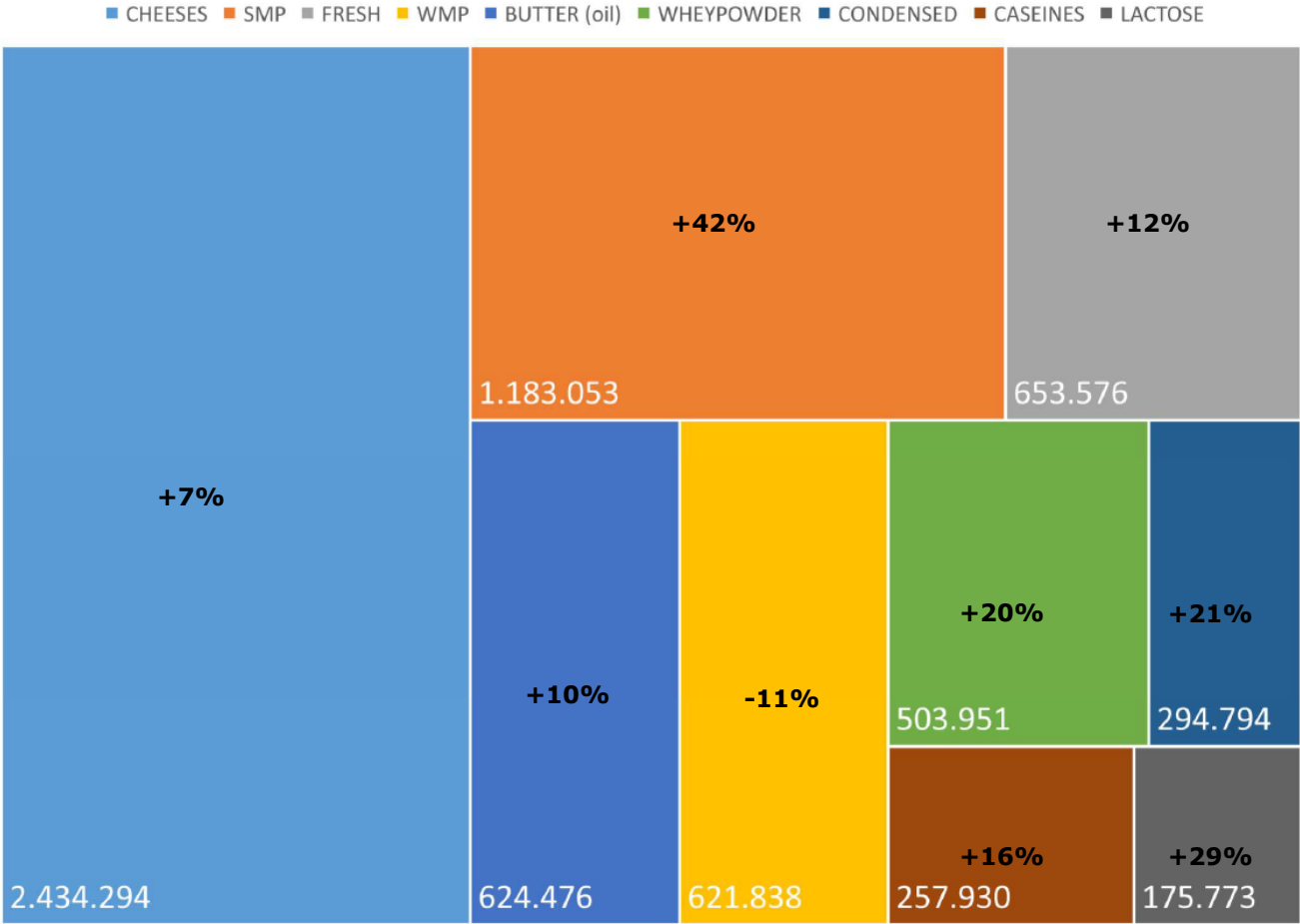
Qty Tons	2017	2018	2019	
Extra-EU	34.396	27.807	28.370	↑ + 2%
Algeria	6.694	3.602	4.449	↑ + 24%
Oman	3.491	3.796	3.970	↑ + 5%
Nigeria	2.197	1.100	2.020	↑ + 84%
Lebanon	1.119	1.084	1.455	↑ + 34%
China	2.155	1.613	1.272	↓ - 21%
Cuba	948	554	1.242	↑ + 124%
Indonesia	176	503	1.076	↑ + 114%
U.A.Emirates	617	1.299	984	↓ - 24%
Senegal	382	500	762	↑ + 53%
Singapore	1.331	1.091	719	↓ - 34%
Other	15.286	12.666	10.422	↓ - 18%

## EU EXPORTS of CHEESES - main destinations

Period : July

Qty Tons	2017	2018	2019	
Extra-EU	66.885	67.022	73.302	↑ + 9%
USA	10.514	10.770	13.211	↑ + 23%
Japan	7.695	9.502	9.718	↑ + 2%
Switzerland	4.747	5.235	5.575	↑ + 6%
South Korea	3.374	2.986	4.134	↑ + 38%
Saudi Arabia	3.020	1.894	2.734	↑ + 44%
China	1.626	1.502	2.063	↑ + 37%
Australia	2.303	1.931	1.919	→ - 1%
Ukraine	782	1.170	1.760	↑ + 50%
Canada	1.270	1.490	1.719	↑ + 15%
Morocco	1.089	1.409	1.703	↑ + 21%
Other	30.464	29.134	28.768	→ - 1%

EU dairy exports  
Jan-Jul 2019 (x1000 €)



2.018	2.019	Dif
5 981 000	6 750 000	+13%

## MAIN EXPORTING THIRD COUNTRIES

Jan-Jul 2019 compared to 2018	BUTTER(OIL)		CHEESE		S.M.P.		W.M.P.	
	Qty in ktons	% 2019 /18	Qty in ktons	% 2019 /18	Qty in ktons	% 2019 /18	Qty in ktons	% 2019 /18
New Zealand	290	👇 -2%	209	👇 +3%	231	👆 +11%	905	👆 +14%
EU-28	112	👇 +9%	497	👇 +2%	606	👆 +28%	172	👇 -19%
United States	19	👇 -33%	223	👇 +4%	378	👇 -14%	19	👇 -34%
Australia	12	👆 +39%	92	👇 -7%	83	👇 -7%	26	👇 -30%
Belarus up to Jun	35	👇 -11%	115	👆 +18%	58	👆 +35%	12	👇 -39%
Uruguay	6	👇 -2%	14	👇 -17%	9	👆 +31%	72	👆 +13%

## MAIN IMPORTING THIRD COUNTRIES

Jan-Jul 2019 compared to 2018	BUTTER(OIL)		CHEESE		S.M.P.		W.M.P.	
	Qty in ktons	% 2019 /18	Qty in ktons	% 2019 /18	Qty in ktons	% 2019 /18	Qty in ktons	% 2019 /18
China	53	👇 -34%	67	👇 +5%	213	👆 +29%	451	👆 +27%
Russia up to Jun	55	👆 +53%	128	👆 +10%	45	👇 +8%	26	👆 +155%
Japan	15	👆 +48%	180	👇 +8%	29	👇 -7%	1	👆 +++
United States	39	👆 +38%	96	👇 +2%	0	👇 -47%	7	👆 +40%
Mexico up to Jun	0	👇 -100%	29	👇 -57%	104	👇 -42%	1	👇 -73%
Thailand	8	👆 +12%	11	👇 -3%	41	👆 +11%	51	👆 +20%

Source : GTA



European  
Commission

## MMO Economic Board

Meeting of 19 September 2019

progressive reduction of private SMP stocks (all public stocks released) thanks to a contained production and a strong export performance. Butter stocks present more uncertainties due to changes in fat uses in the industrial sector, but are estimated at 20 000 to 70 000 t higher than last year. Cheese stocks are at their highest in the last 5 years, but at levels considered as not of concern by the industry.

Market fundamentals for dairy remain positive and global markets are in relatively good balance due to reduced milk output and strong demand. Sentiment is weakened by Brexit, other geo-political uncertainty factors and worsening trade conflicts.

Global demand is solid (except for whey) but a slowdown can be expected in H2 2019 due to intensive buying in H1.

With regard to retail sales, domestic consumption of dairy products is generally flat or declining for most product categories (with the exception of butter, cream and cheese) albeit at higher prices. The trend seems to have reverted to a more positive one in Italy. Sales of organic dairy products maintain steady growth.