European Commission

Last update : 27.03.2018

MMO Economic Board

Meeting of 27 March 2018

- The 25th meeting of the MMO Economic Board took place on 27/03/2018, 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). Presentations and information exchanged during the meeting showed the following.
- EU milk deliveries increased in 2017 by 1.8% (+ 2.7 million t). Production growth continued in January 2018 (+4% year on year equivalent to + 500 000 t). This means about one third of what can be considered as sustainable growth for a whole year. Cheese, butter and SMP production is also on the rise (the latter by 10% in January).
- Average EU farm gate milk prices dropped significantly in January (-4.7%) pushed down mainly by DE (-8%), NL (-10%) and BE (-11%). The price level (35.6 c/kg) is still well above last year and the average of the last 5 years.
- Prices for most dairy products have increased in recent weeks. Only SMP remains in a steady downward trend, cumulating 8% decrease so far in 2018. Higher butter prices are more than compensating the decline for SMP so that the theoretical milk equivalent price would have slightly improved since February. EU and US prices for SMP have converged in the last weeks, but the US product is still 8% cheaper.
- Public intervention stocks of SMP totalled 376 000 t by end February. This volume will decrease following sales in February and March.
- The assessment of EU stock levels based on a residual approach (production + imports – consumption - exports) shows normal to low levels of SMP private stocks despite the production increase. Given supportive demand there should be room for releasing public intervention stocks, notably after the production peak in May. Butter stocks have never been as low as nowadays, anticipating record prices and potential supply-demand tensions in the second half of the year. Cheese stocks are normal in relation to demand levels.
- Combined world milk production grew by 1.7% in 2017, led by the EU and US. NZ production has suffered from drought since December (-4.9% total collection in January, 7% decrease in milk solids). Production in Australia and South America is recovering from last season's low levels.
- Global exports expanded last year but were not as dynamic as in last decade (+6% in milk equivalent). The value of EU exports increased by 14% in 2017, with China expanding its relative weight, followed by the US and Saudi Arabia. EU SMP and cheese exports hit record volumes last year, confirming robust global demand. Butter exports were lower at higher prices. Figures for January are positive except for WMP. Belarus has become an important player notably in cheese, butter, liquid milk and whey powder. Demand in China is stronger than ever, with milk production decreasing and better market access for cheese and infant formula. Demand in the US has also grown, but it has been mostly met with increased domestic production. Algeria imports expanded in 2017 stimulated by high oil prices; endeavours to promote domestic production might increase local self-sufficiency in the medium term.
- Volumes and prices for retail consumption of butter show a rather undersupplied market. Sales of liquid milk decline structurally due to a change in consumer patterns. Organic dairy products show a much better growth rate in France than conventional ones. Domestic demand for cheese remains robust.
- The Commission presented the Short Term Outlook for 2018 and 2019. EU milk collection is expected to increase by 1.4% in 2018, most of the growth taking place in the first half of the year. Both domestic demand and exports are expected to expand (by 0.9% and 4% respectively).
- Biolait presented data on the French organic dairy sector and the benefits of a collective approach at producers' level for supplying organic milk.
- Supply currently outpaces demand. The magnitude of this worry puts the existence of SMP stocks in the background. An adjustment of milk production in the EU is required.

ANNEX 1

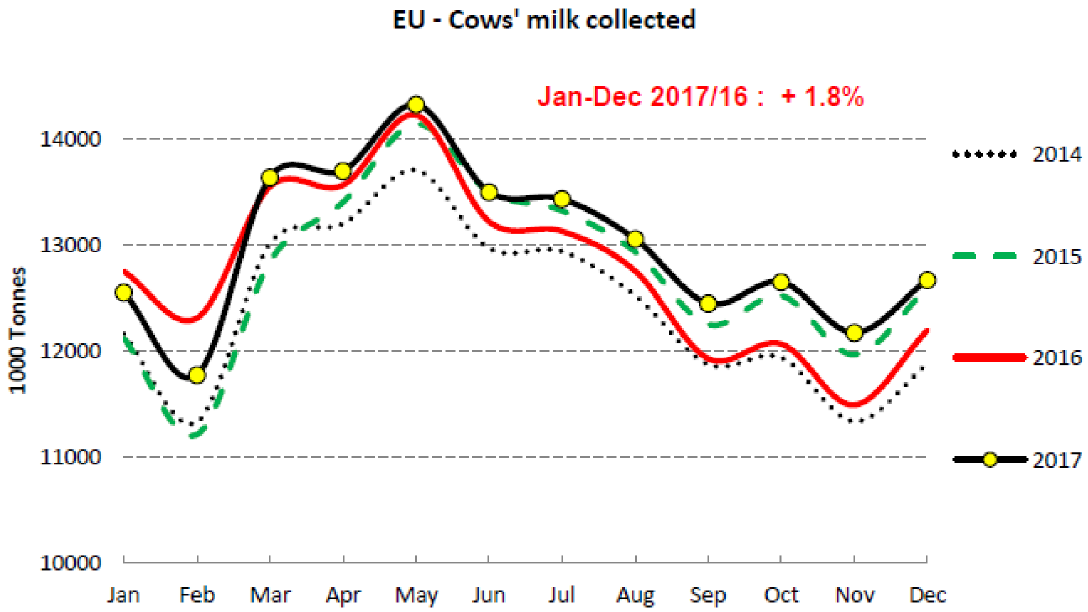
Milk Market Situation

European Commission

European Commission

Milk Market Situation

Brussels, 27 March 2018

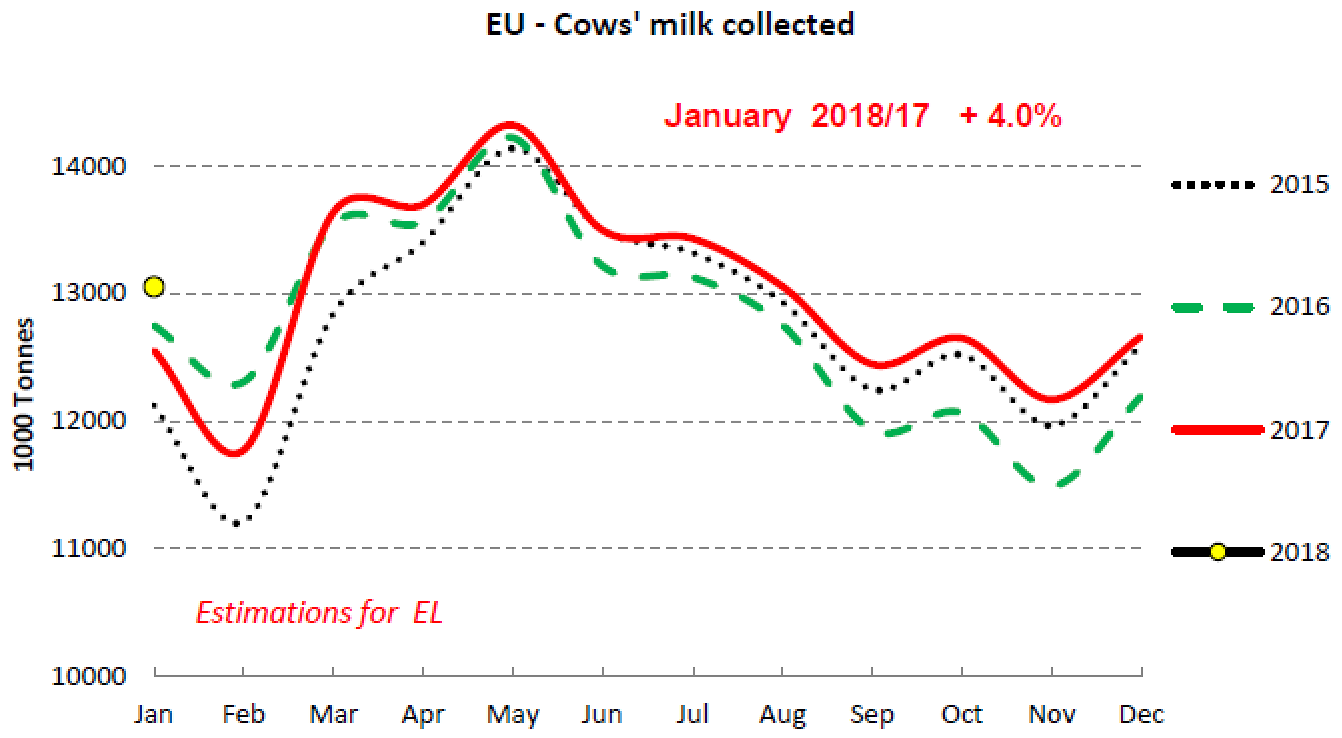


Source : Estat - Newcronos

Last update : Jan-Dec

Jan	-1,5%
Feb	-4,3%
Mar	0,6%
Apr	1,0%
May	0,7%
Jun	2,1%
Jul	2,3%
Aug	2,4%
Sep	4,3%
Oct	4,8%
Nov	5,9%
Dec	3,9%

European Commission



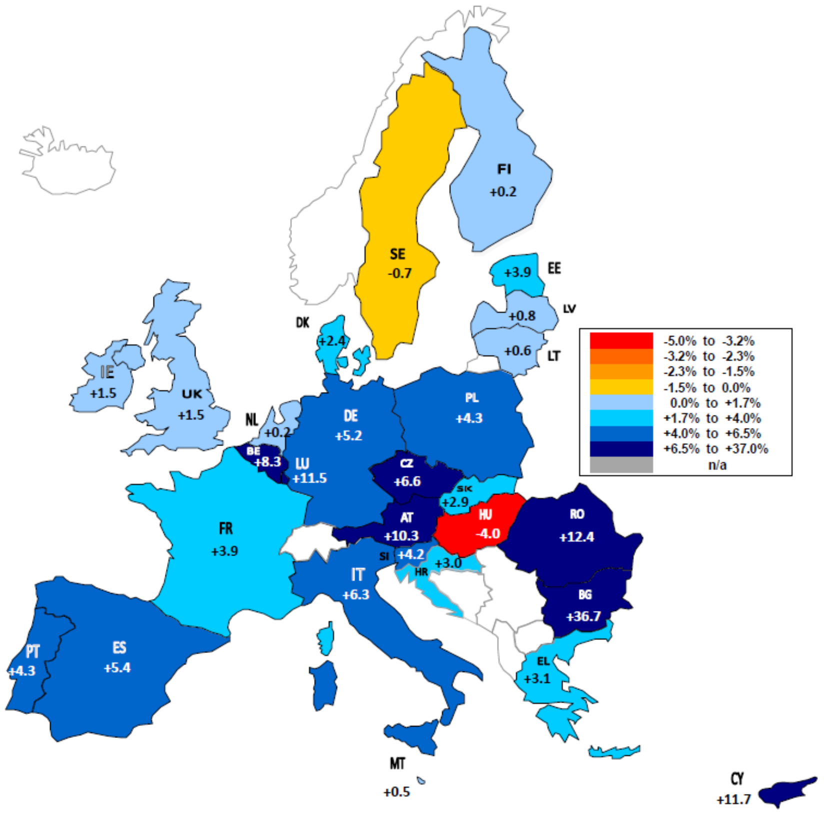
Source : Estat - Newcronos

Last update : January

European Commission

EU Milk Deliveries compared to last period (in %)

(Jan 2018 / Jan 2017)

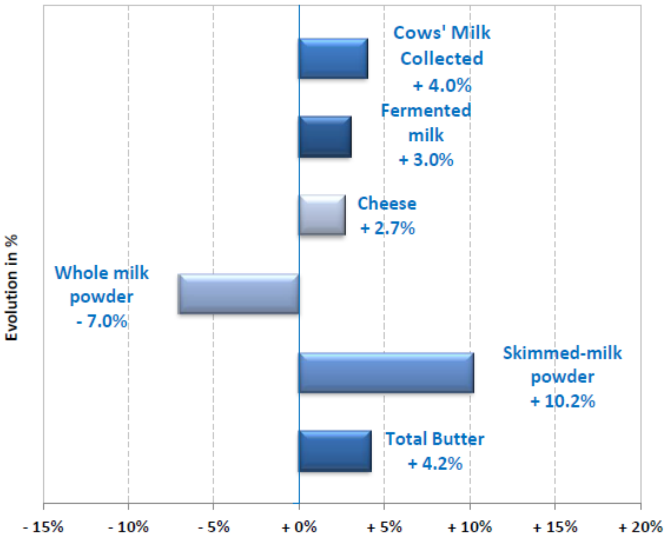


Estimated figures for: EL and SE

Jan 18 compared to Jan 17

	evolution in %		evolution in 1000 Tons	
Rank	MS	%	MS	Tons
1.	BG	+ 36.7%	DE	+ 139
2.	RO	+ 12.4%	FR	+ 82
3.	CY	+ 11.7%	IT	+ 64
4.	LU	+ 11.5%	PL	+ 40
5.	AT	+ 10.3%	ES	+ 32
6.	BE	+ 8.3%	BE	+ 27
7.	CZ	+ 6.6%	AT	+ 27
8.	IT	+ 6.3%	UK	+ 19
9.	ES	+ 5.4%	CZ	+ 16
10.	DE	+ 5.2%	BG	+ 15
11.	PT	+ 4.3%	DK	+ 11
12.	PL	+ 4.3%	RO	+ 9
13.	SI	+ 4.2%	PT	+ 7
14.	FR	+ 3.9%	LU	+ 4
15.	EE	+ 3.9%	EE	+ 2
16.	EL	+ 3.1%	IE	+ 2
17.	HR	+ 3.0%	CY	+ 2
18.	SK	+ 2.9%	SI	+ 2
19.	DK	+ 2.4%	NL	+ 2
20.	UK	+ 1.5%	SK	+ 2
21.	IE	+ 1.5%	EL	+ 2
22.	LV	+ 0.8%	HR	+ 1
23.	LT	+ 0.6%	LT	+ 1
24.	MT	+ 0.5%	FI	+ 0
25.	FI	+ 0.2%	LV	+ 0
26.	NL	+ 0.2%	MT	+ 0
27.	SE	- 0.7%	SE	- 2
28.	HU	- 4.0%	HU	- 5
	EU28	+ 4.0%	EU28	+ 501

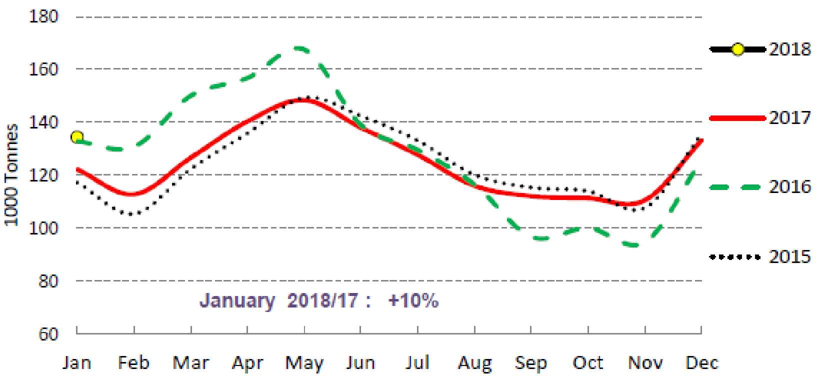
EU-28 Deliveries/Productions development
(Jan 2018 compared to Jan 2017)



Source : MS' Communications to Eurostat, and, for milk : AGEA, FEGA, Reg. 2017/1185

Estimations for EL and UK

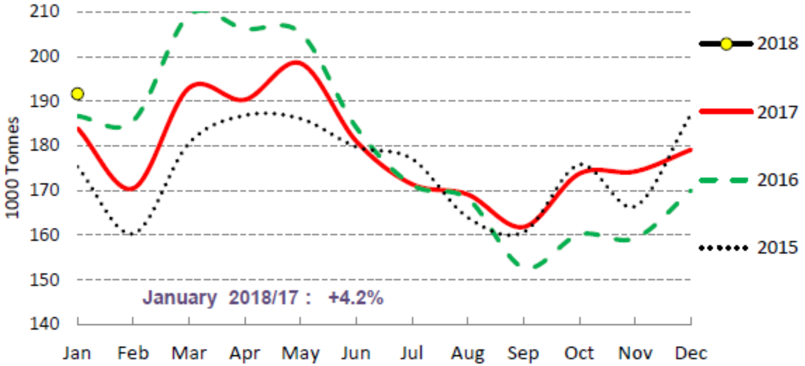
EU - Skimmed-milk powder



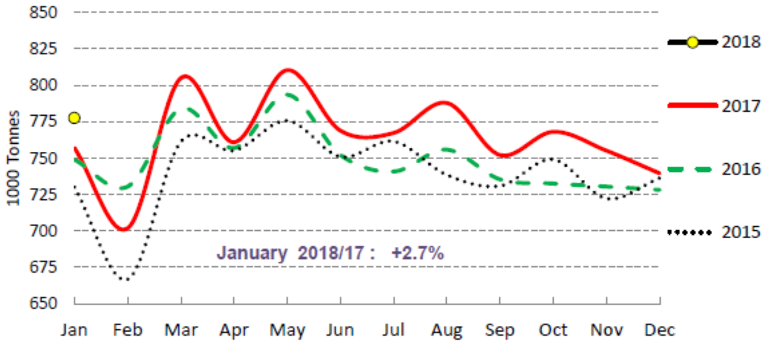
Source : Estat - Newcronos

Last update : January

EU - Butter



EU - Cheese



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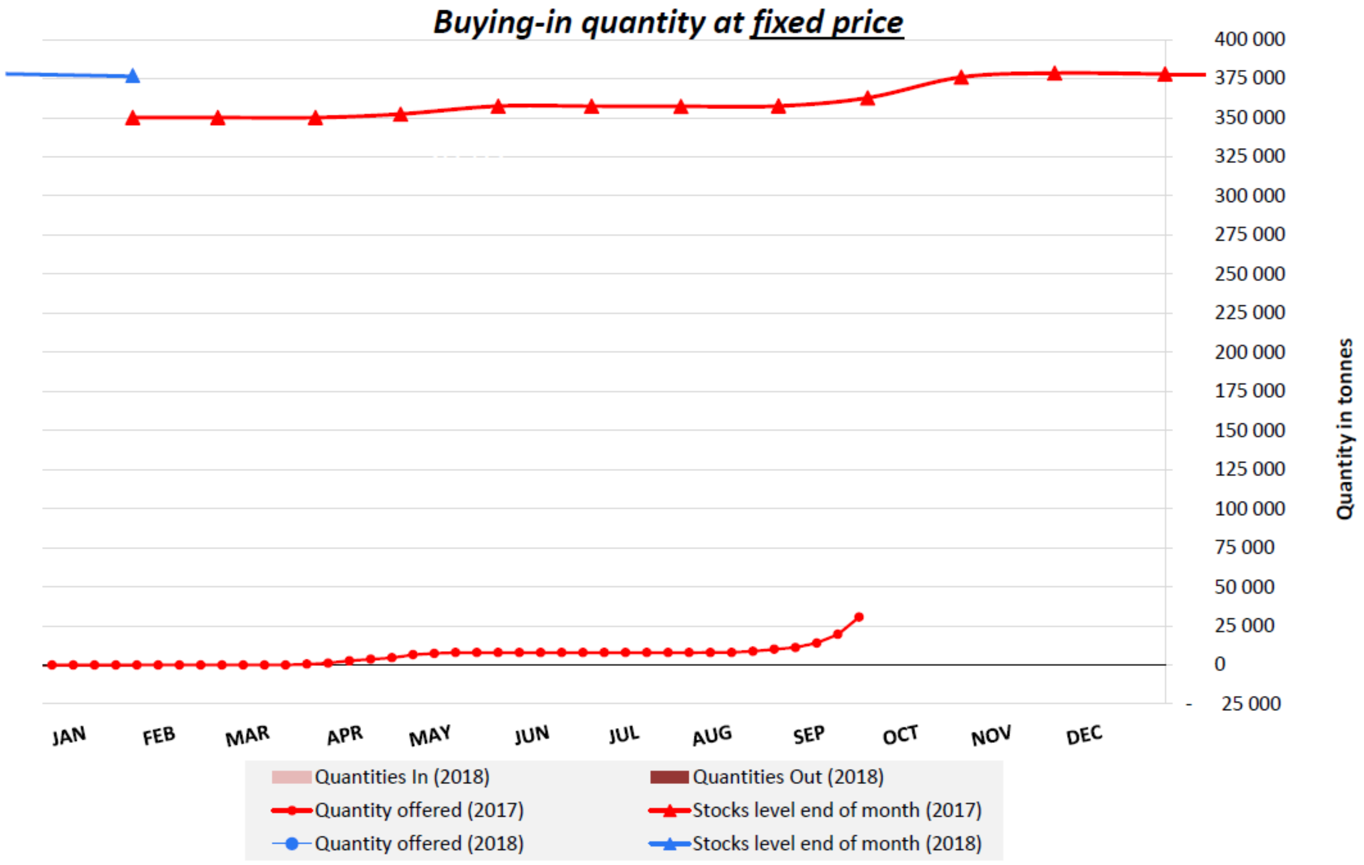
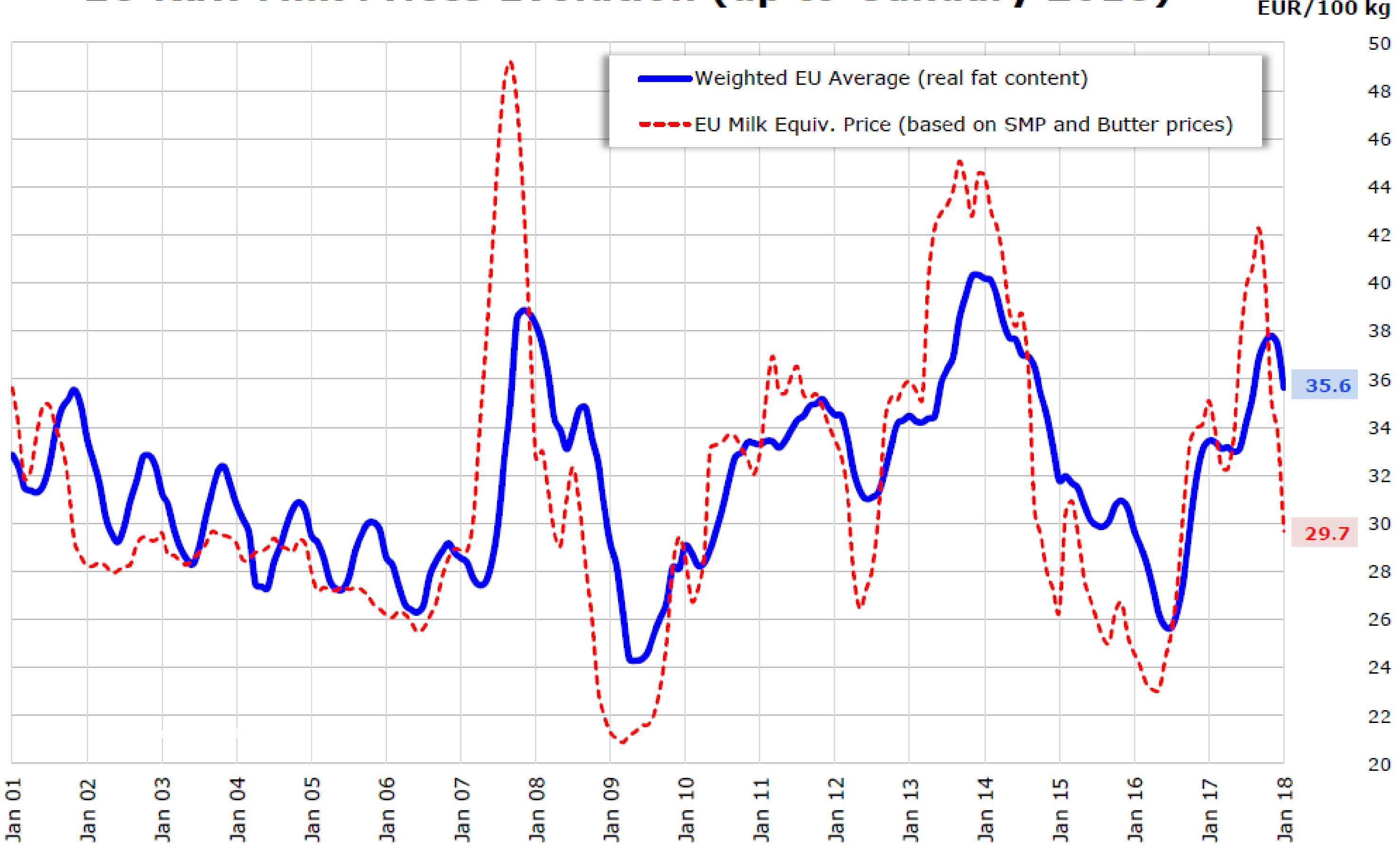
Public SMP Intervention scheme (2017-2018)



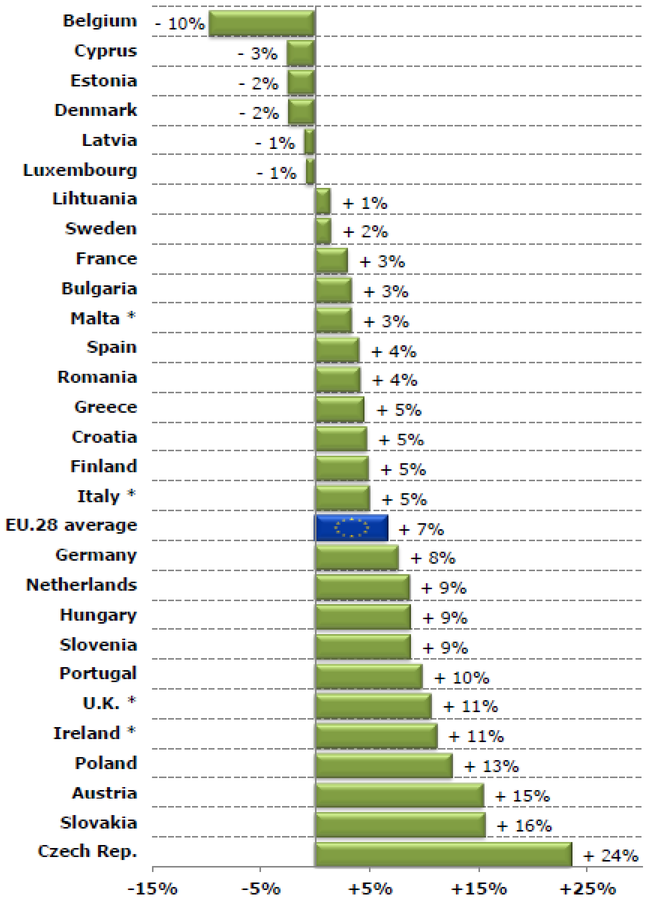
EU Raw Milk Prices Evolution (up to January 2018)



Source : MS' communications under Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a)

European Commission

Raw Milk Price evolution in January 2018 compared to January 2017

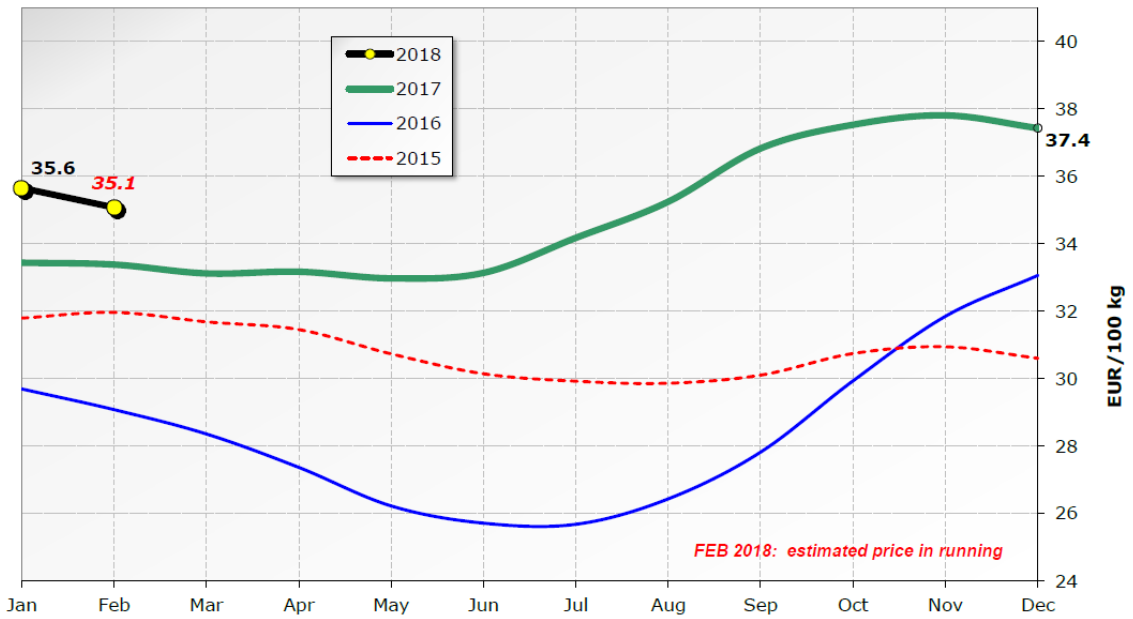


*: estimated figures for Jan 2018

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

Milk Prices paid to the Producers

EU (weight. avg.)

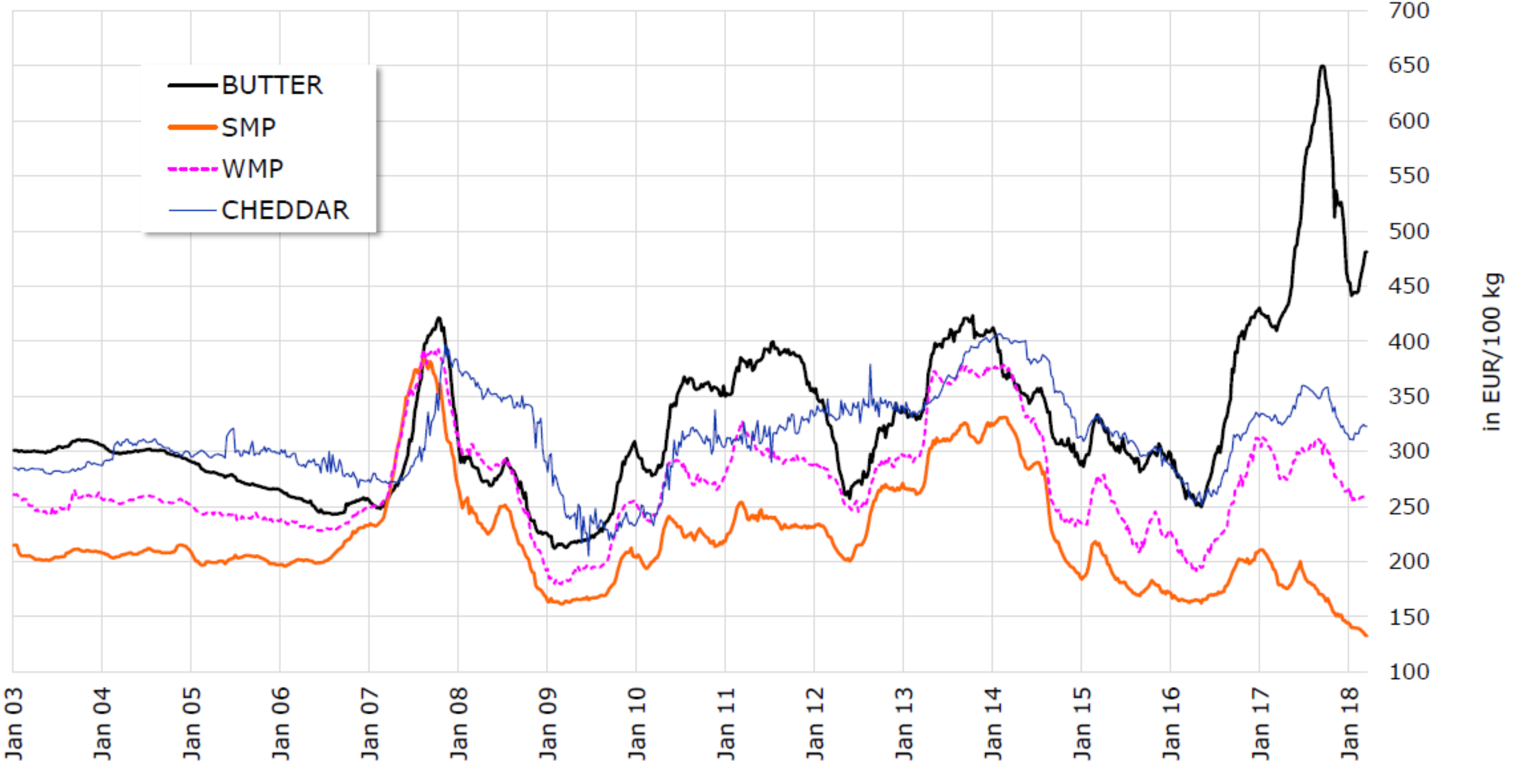


Source : Member States Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a))

European Commission

EU Dairy Quotations

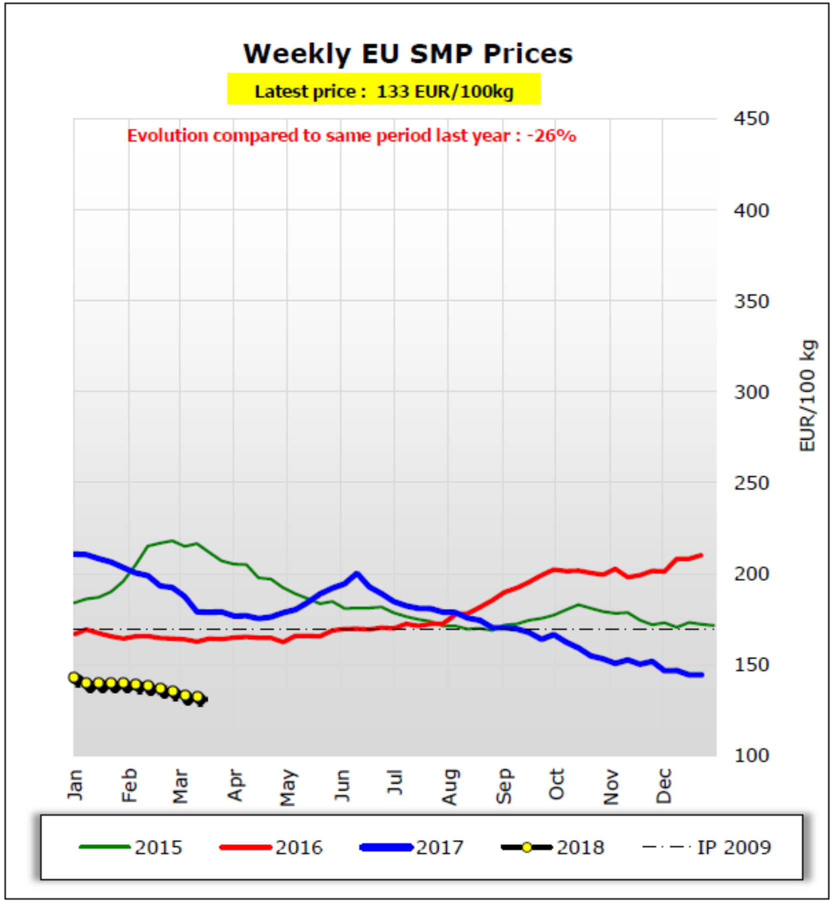
(EU Average Prices based on MS communication and weighted by production)

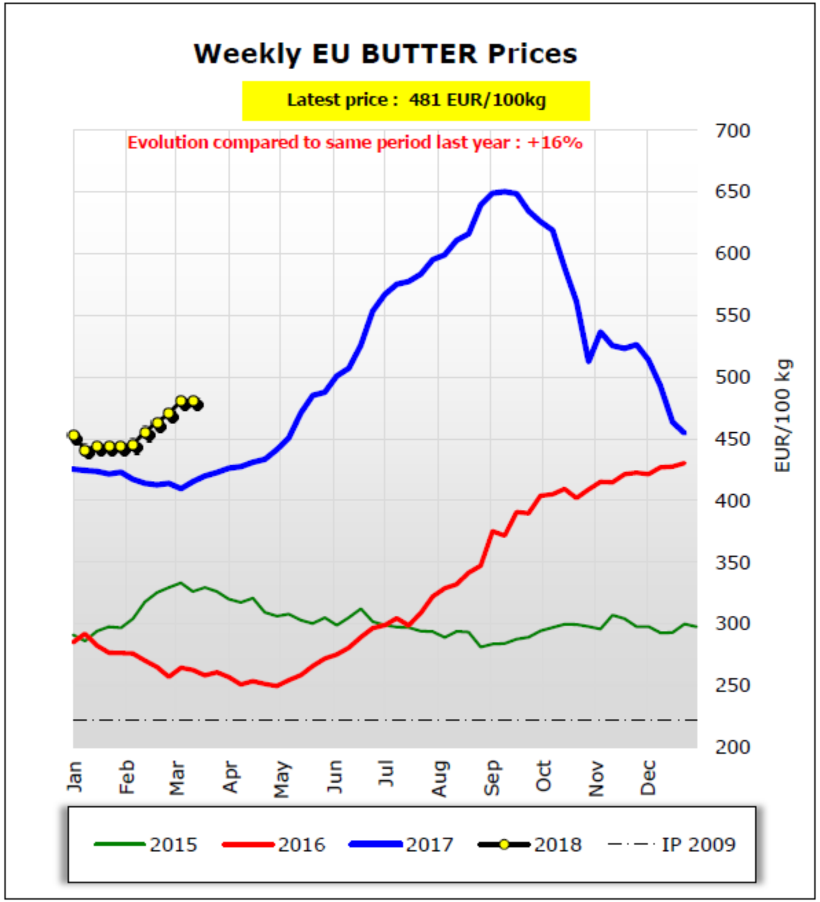


Source: Regulation (EU) No 2017/1185 Article 11 - Annex I.7

European Commission

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





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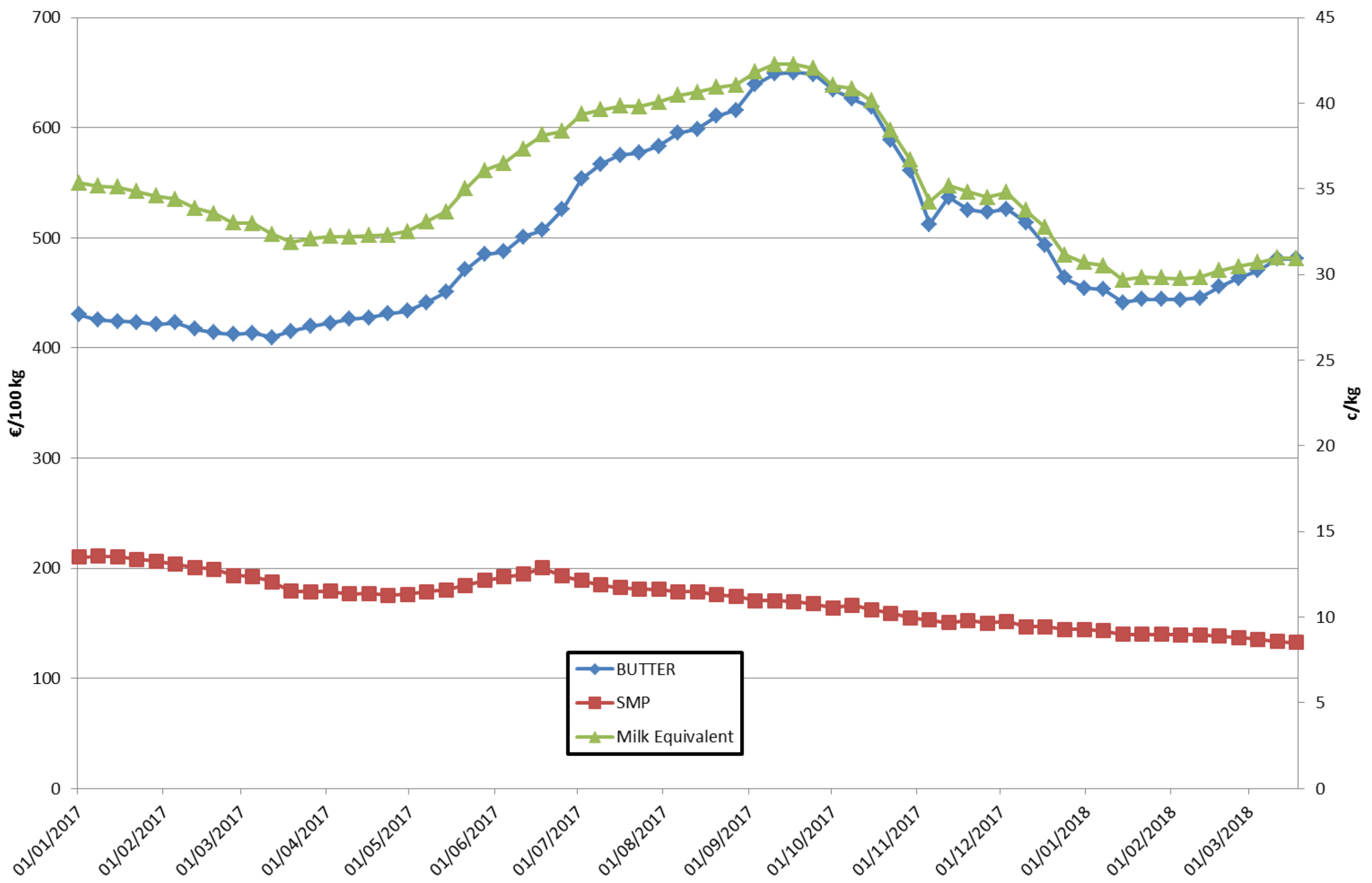
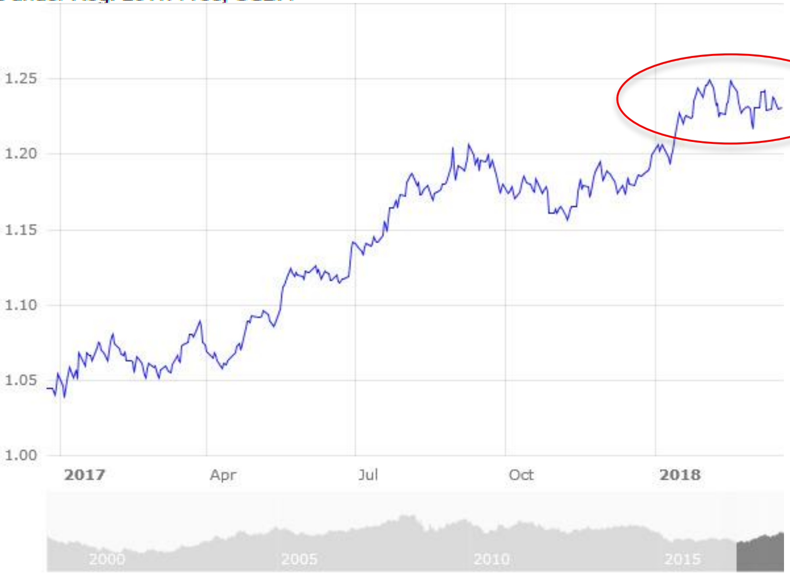


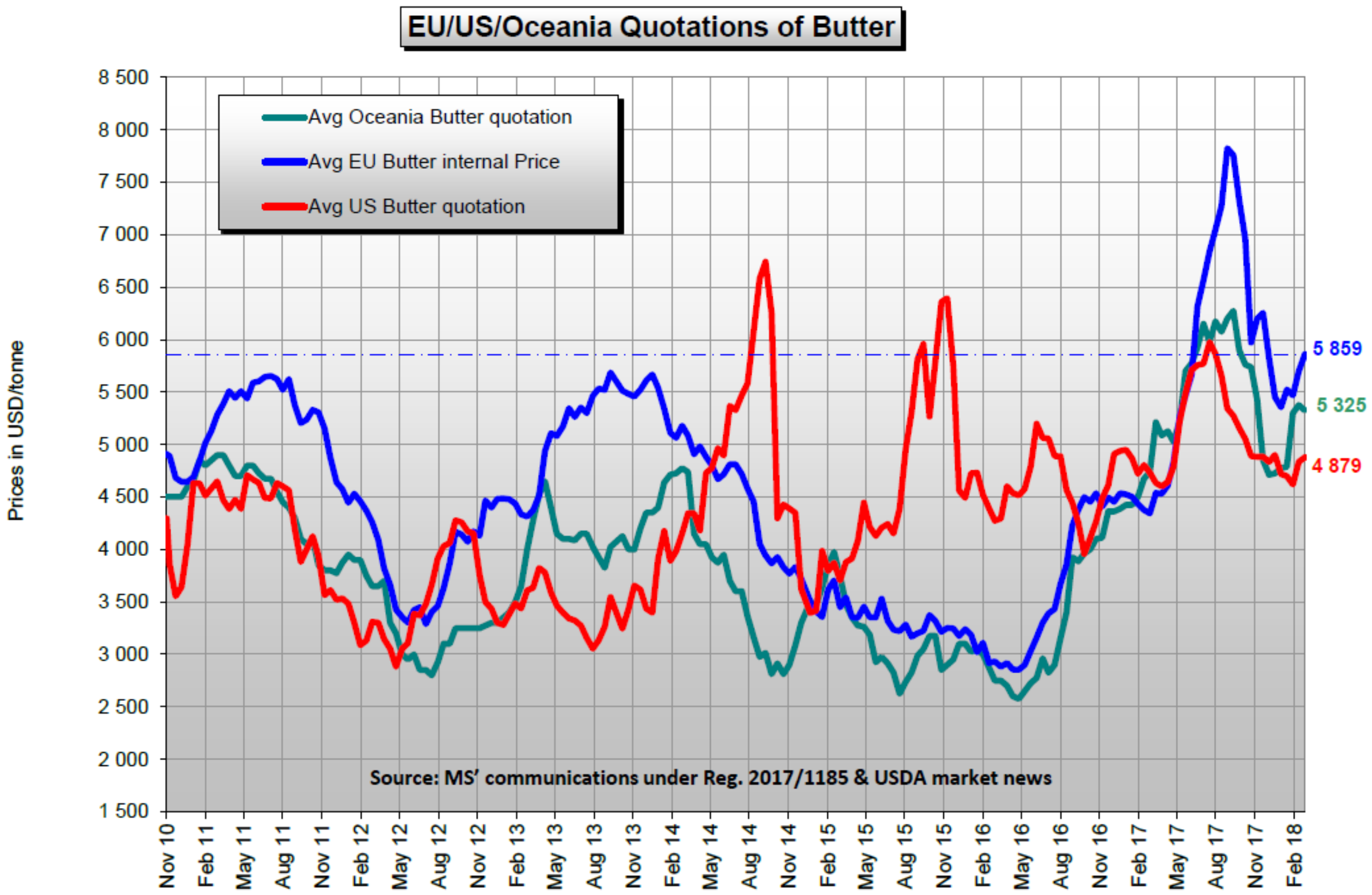
European Commission

Latest World Quotations of Dairy Products

In US$/t	Latest Quotations			Week - 2						Year - 1					
	18/03/2018			04/03/2018			% change (previous quotation)			March 2017			% change (1 year)		
	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA	EU	Oceania	USA
Butter	5 859	5 325	4 879	5 690	5 375	4 835	+ 3.0%	- 0.9%	+ 0.9%	4 343	4 738	4 732	+ 35%	+ 12%	+ 3%
SMP	1 638	1 863	1 523	1 684	1 863	1 482	- 2.7%	nc	+ 2.8%	1 989	2 188	1 767	- 18%	- 15%	- 14%
WMP	3 199	3 238	3 252	3 181	3 250	3 197	+ 0.6%	- 0.4%	+ 1.7%	3 095	2 963	3 252	+ 3%	+ 9%	-
Cheddar	3 987	3 813	3 455	3 955	3 663	3 384	+ 0.8%	+ 4.1%	+ 2.1%	3 502	3 613	3 024	+ 14%	+ 6%	+ 14%

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





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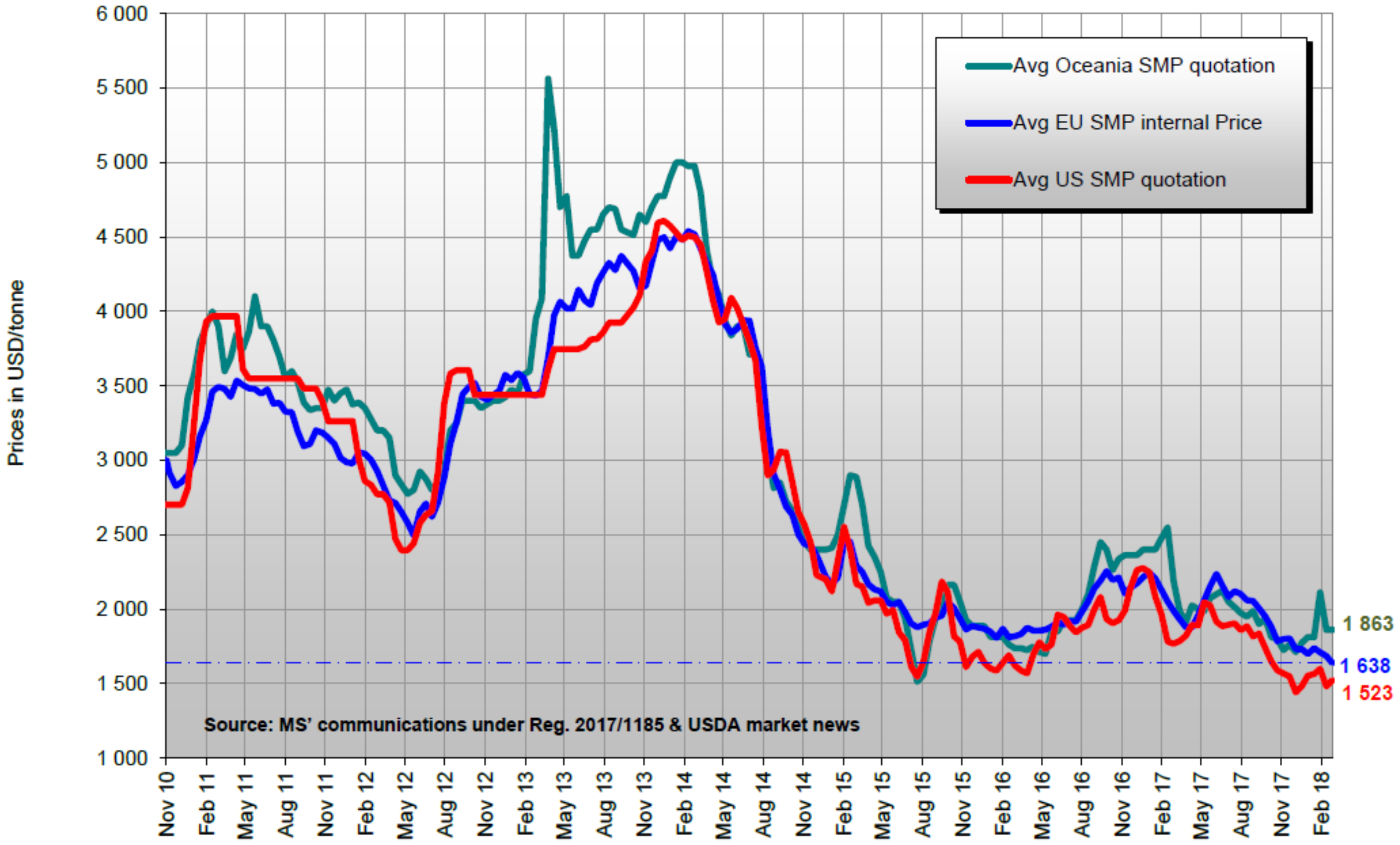
EU/US/Oceania Quotations of SMP



European Commission

ANNEX 2

EU dairy products monthly stock estimates at the end of January 2018

EDA

EU dairy products monthly stock estimates at the end of January 2018

Milk Market Observatory

Economic Board

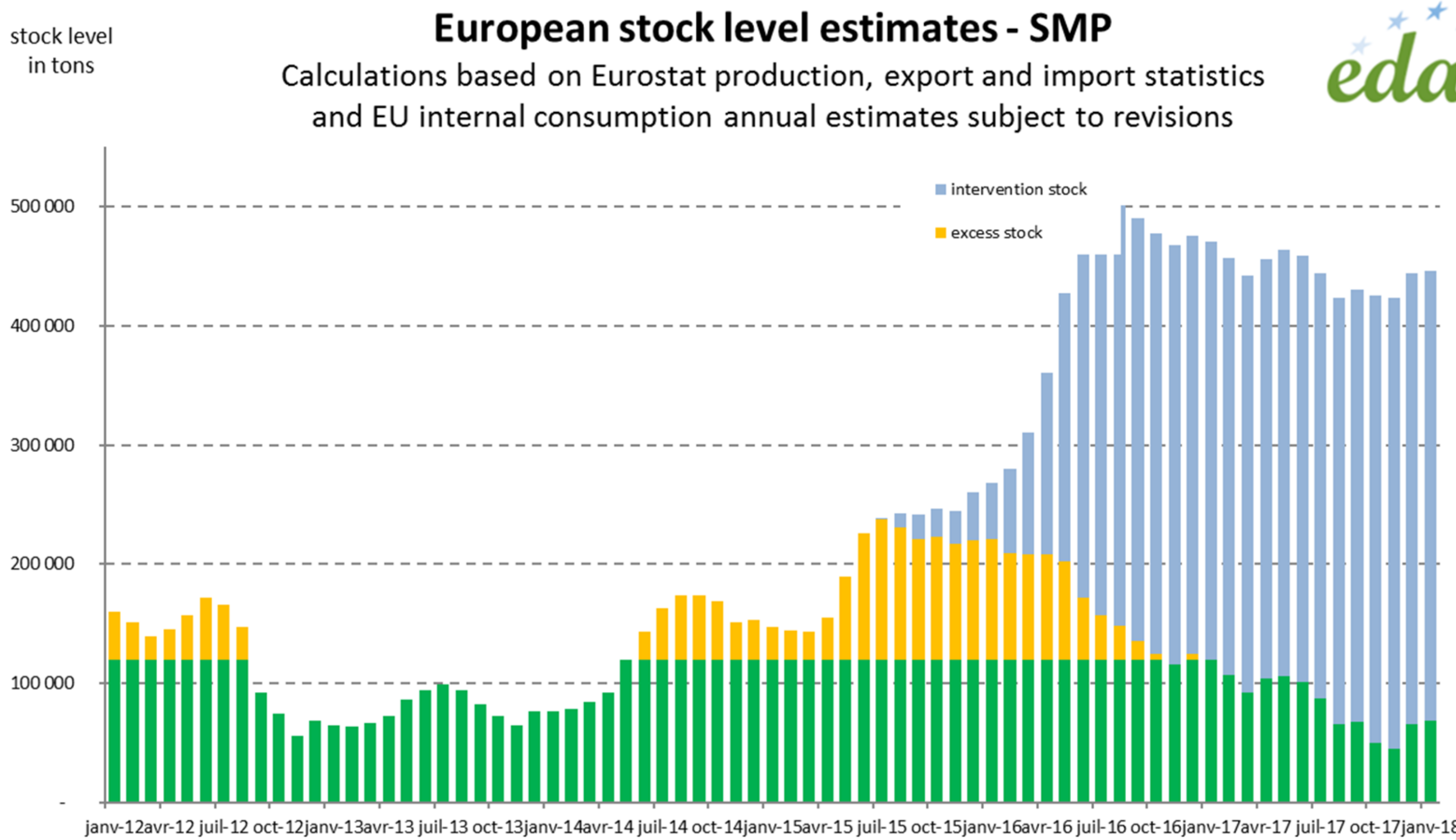
March 27th , 2018

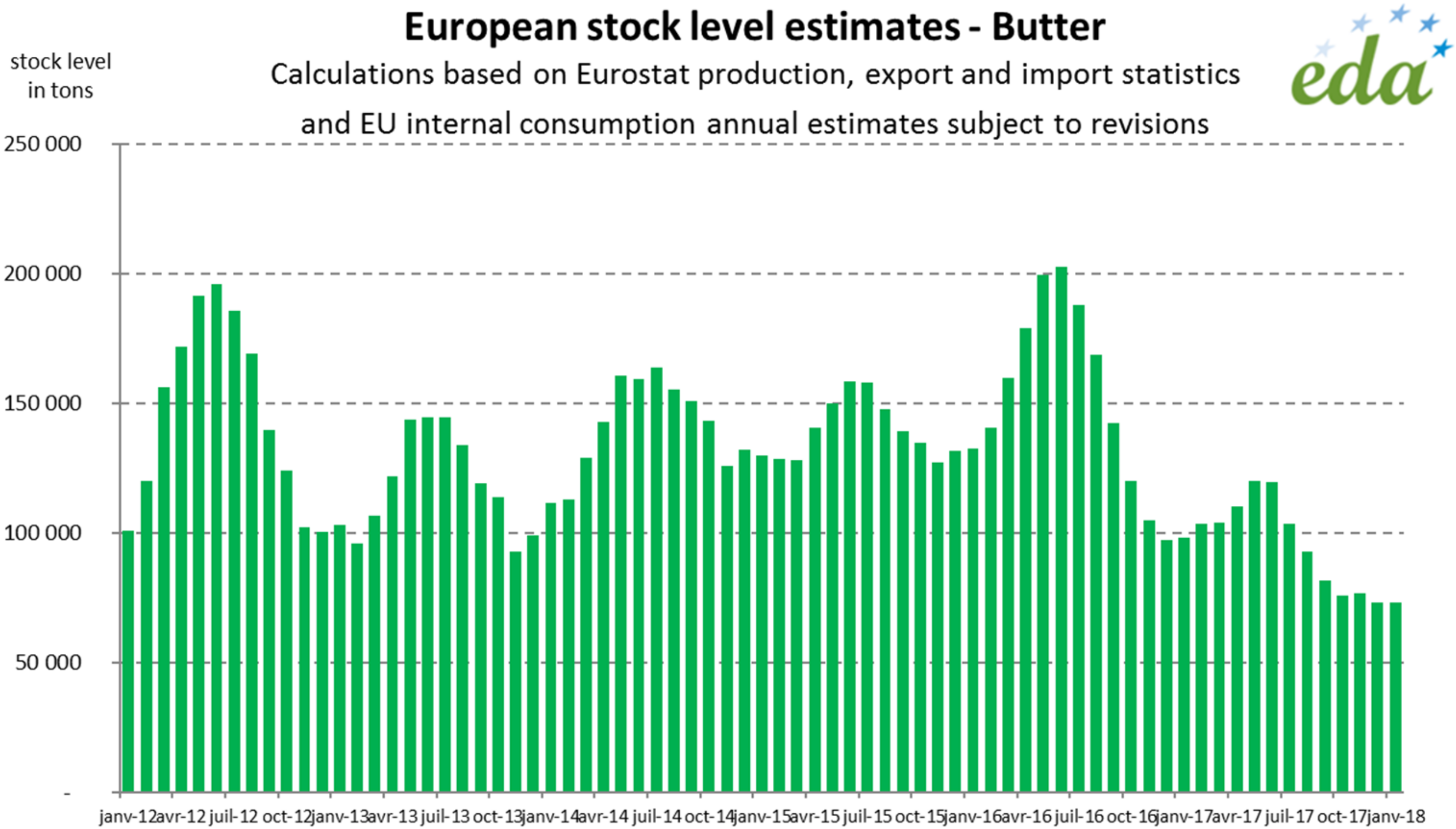
Methodology

- 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 stock levels
  - Yearly consumption levels
- 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 observations.

European stock level estimates - SMP

Calculations based on Eurostat production, export and import statistics
and EU internal consumption annual estimates subject to revisions




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
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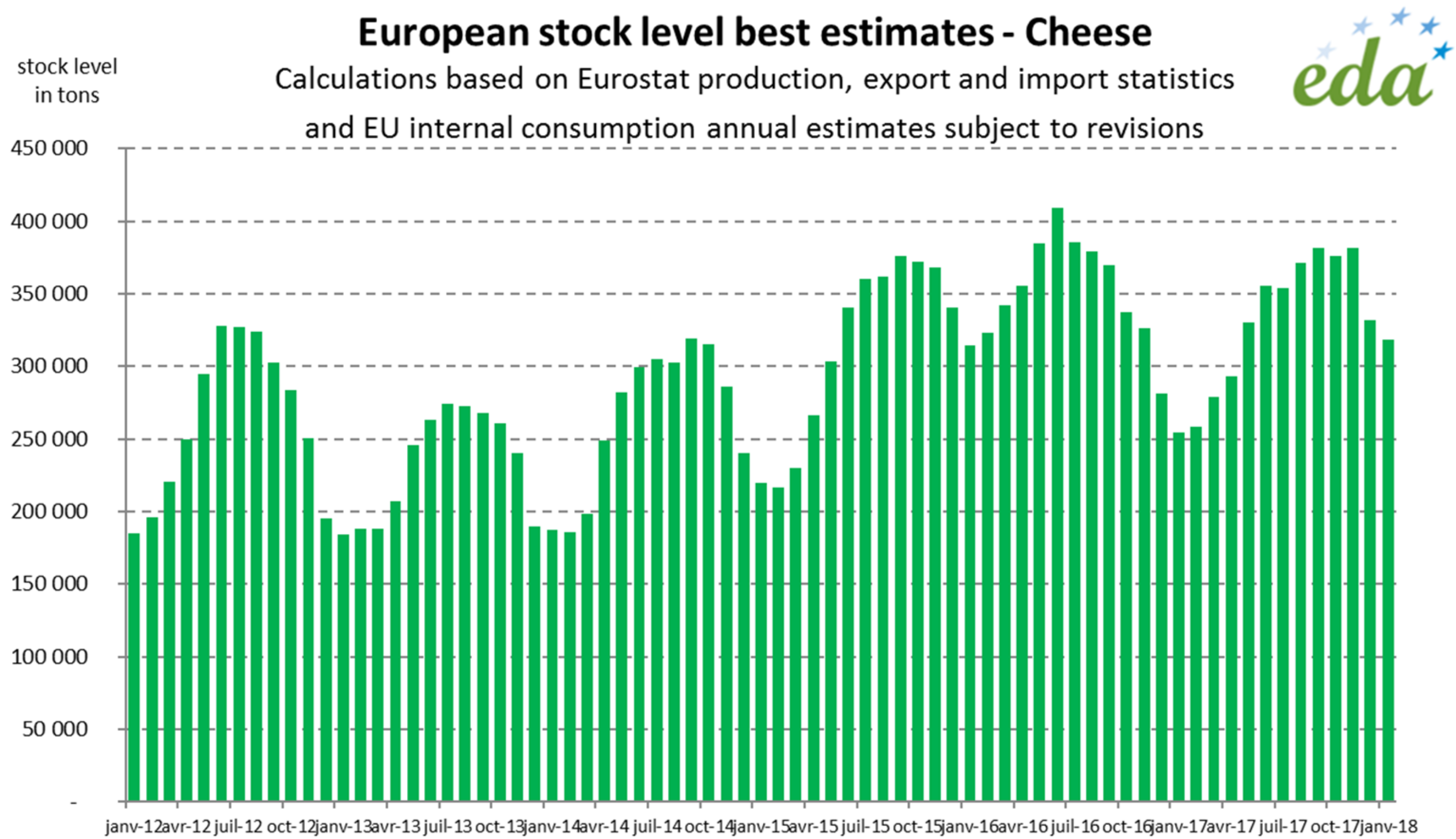
avr-16
juil-16
oct-16
janv-17
avr-17
juil-17
oct-17
janv-18
eda


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
450 000
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
janv-17
avr-17
juil-17
oct-17
janv-18

ANNEX 3

Perspectives from the Dairy Trade

Eucolait

Perspectives from the Dairy Trade

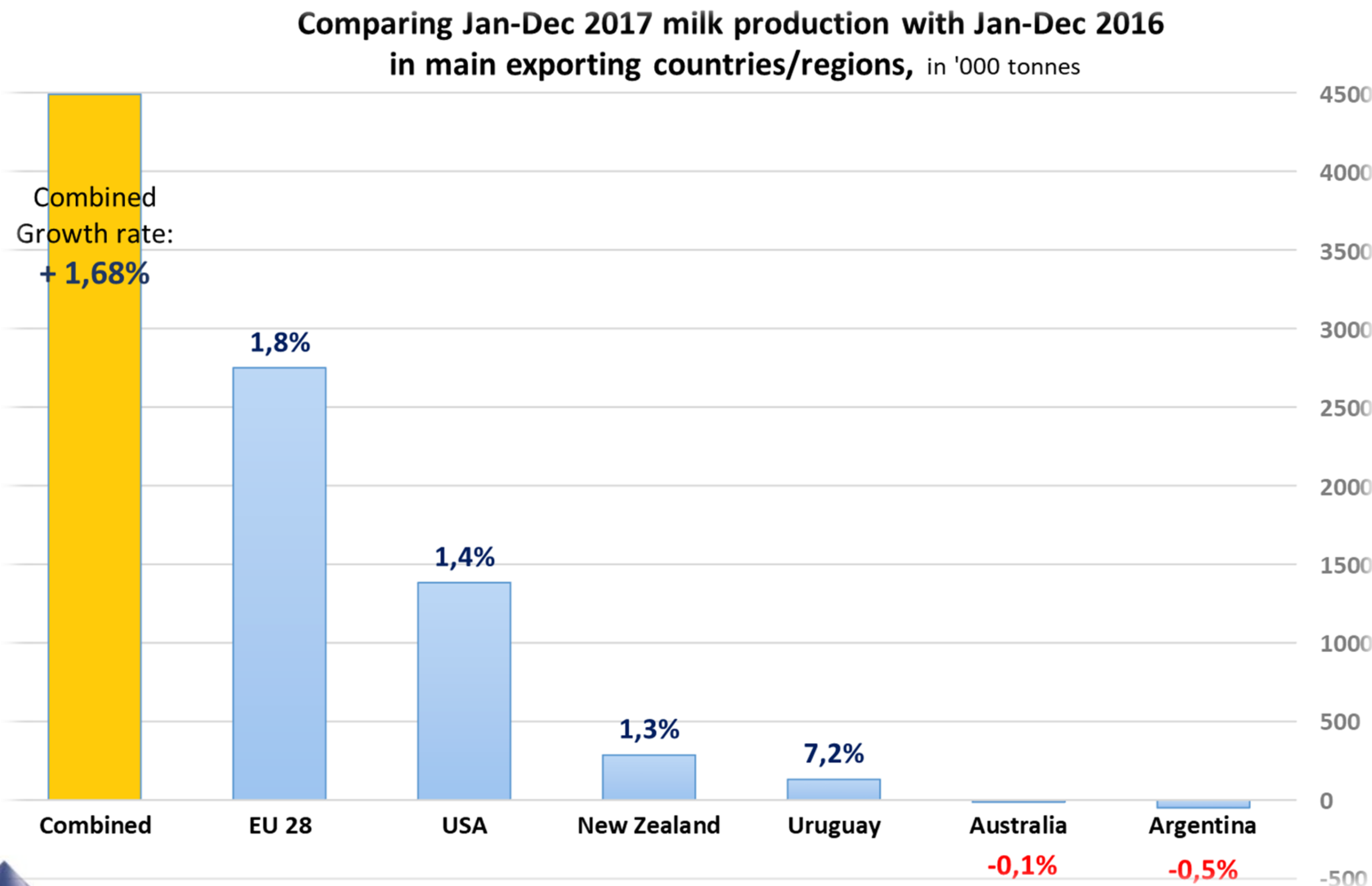
MMO Economic Board

27 March 2018

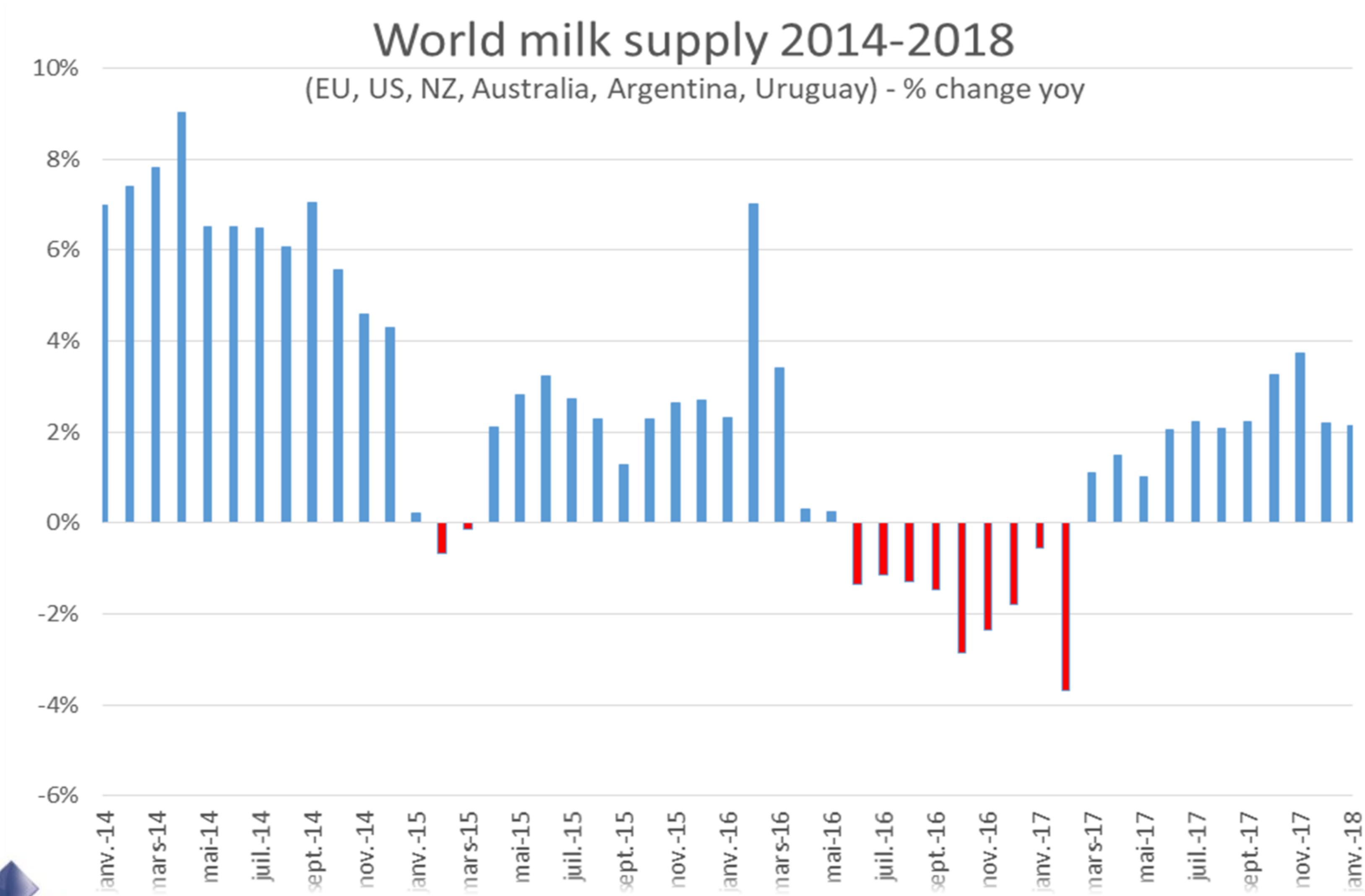
Outline

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

Milk production in key export regions



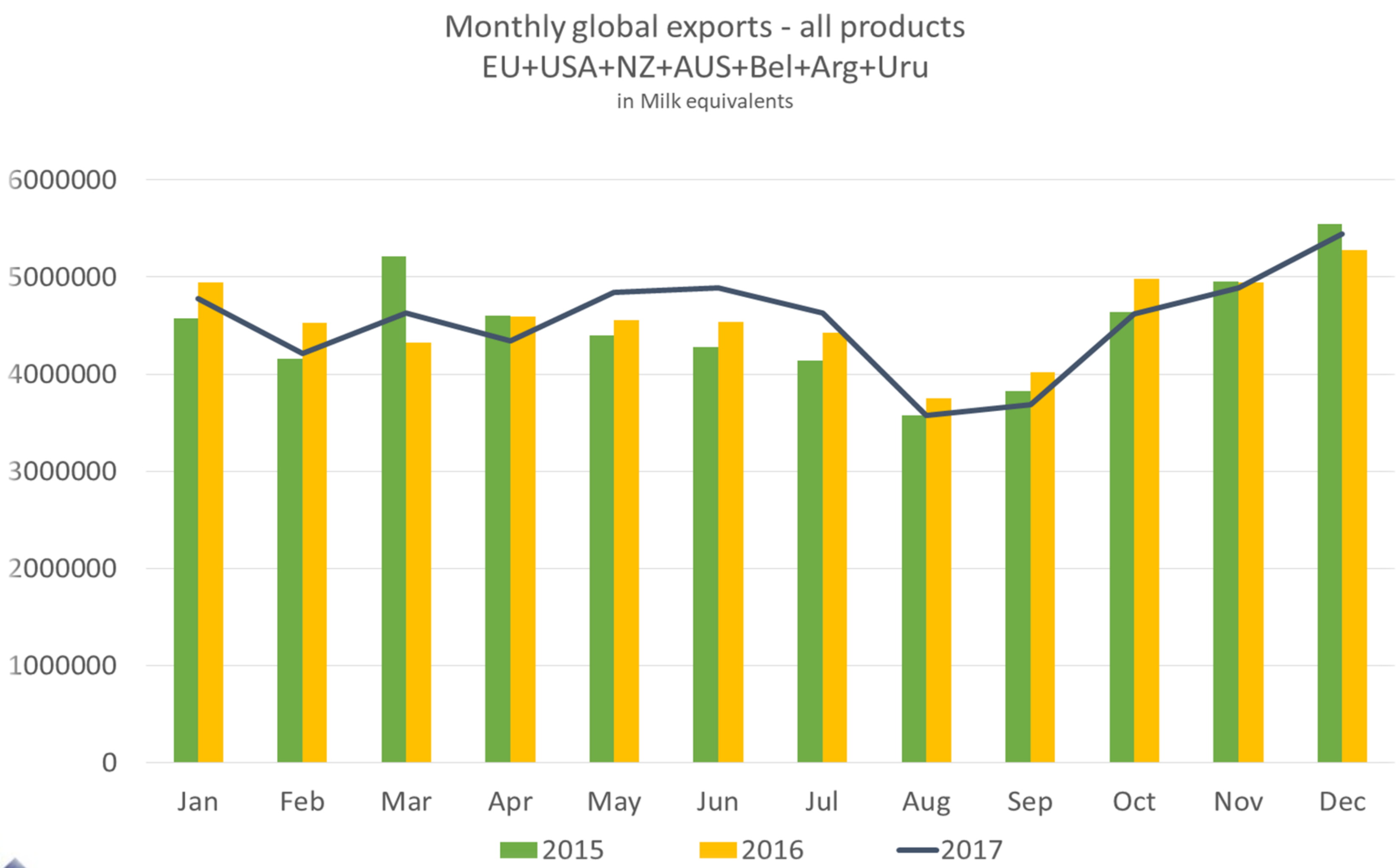
Milk production in key export regions



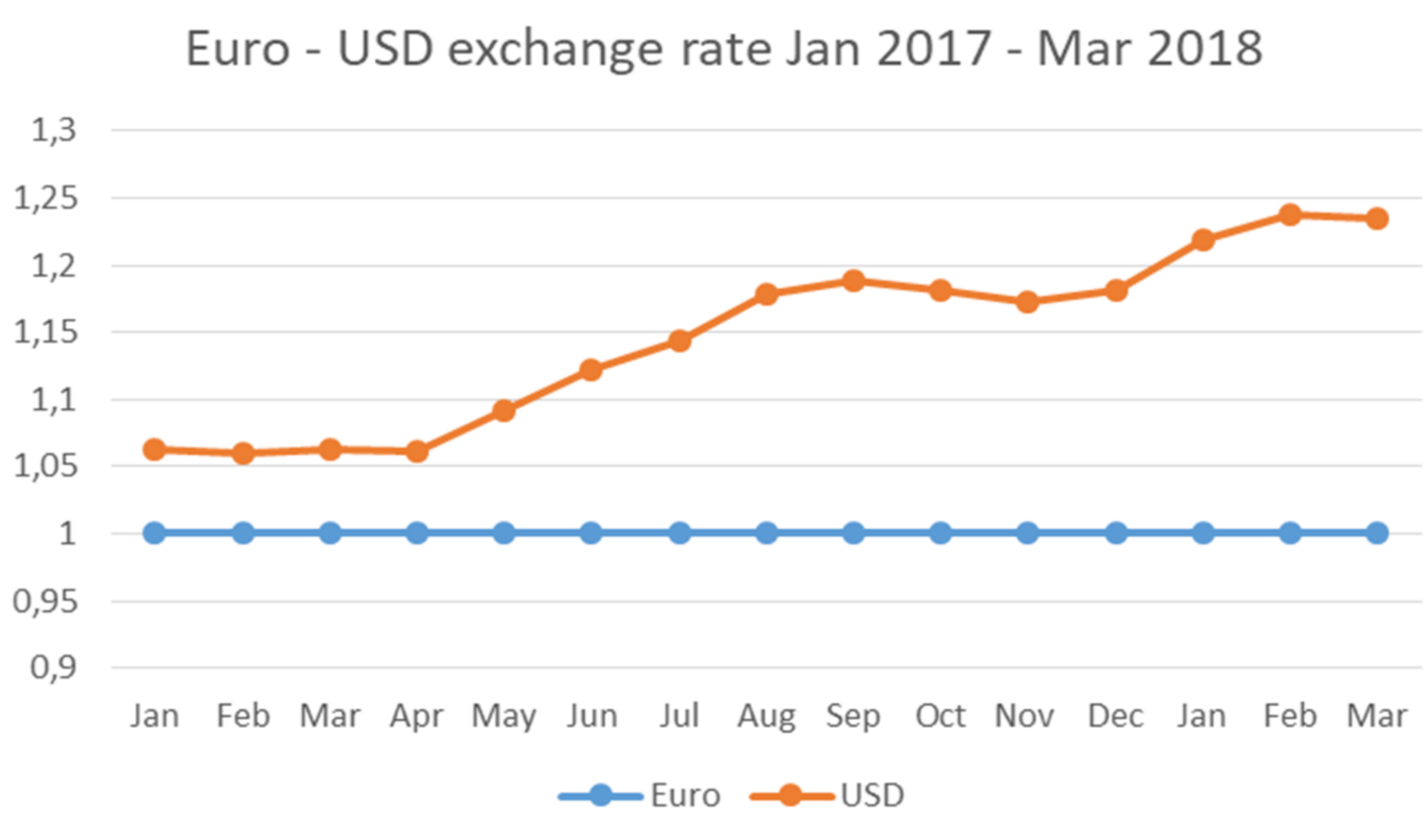
Production outlook

- **EU milk production in full growth mode (+3,7% in January; +1,8% for 2017),** encouraged by still high milk prices but some temporary slowdown due to the big freeze in Feb/March. Outlook 2018: growth likely to slow as the year progresses
- **US milk collections up by +1,8% in February**, driven by increase of cow numbers coupled with increase of milk per cow, still some regional differences, Outlook for 2018: +1,6%
- **NZ milk collection down –2,3% in February (strongly down in December and January -4,6% and -4,9%)**, influenced by dry weather and weather extremes, season to date (Jun-Jan) +0,01%, latest forecast for season 2017/2018: -1%
- **Australia milk production continues to recover and was strongly up in January: +4%**, milk production is gaining momentum after slow start of season, full season forecast: +2-3%
- **Recovering but heterogeneous milk production in South America:** Argentina +12,8% in January, Uruguay +2,8% in December, La Nina has effected milk production in different ways throughout South America

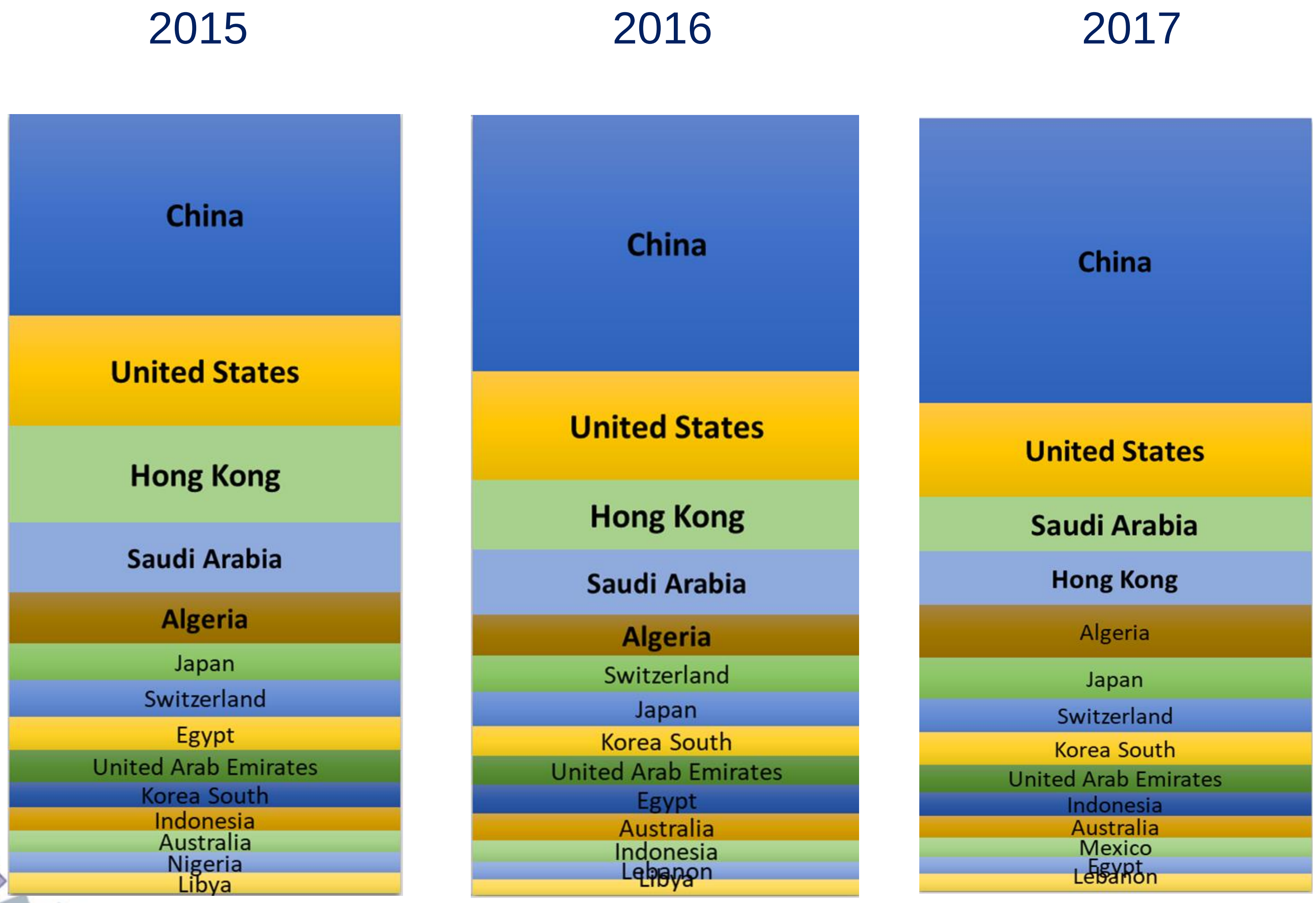
Dairy exports of main market players in ME



Euro – USD exchange rate

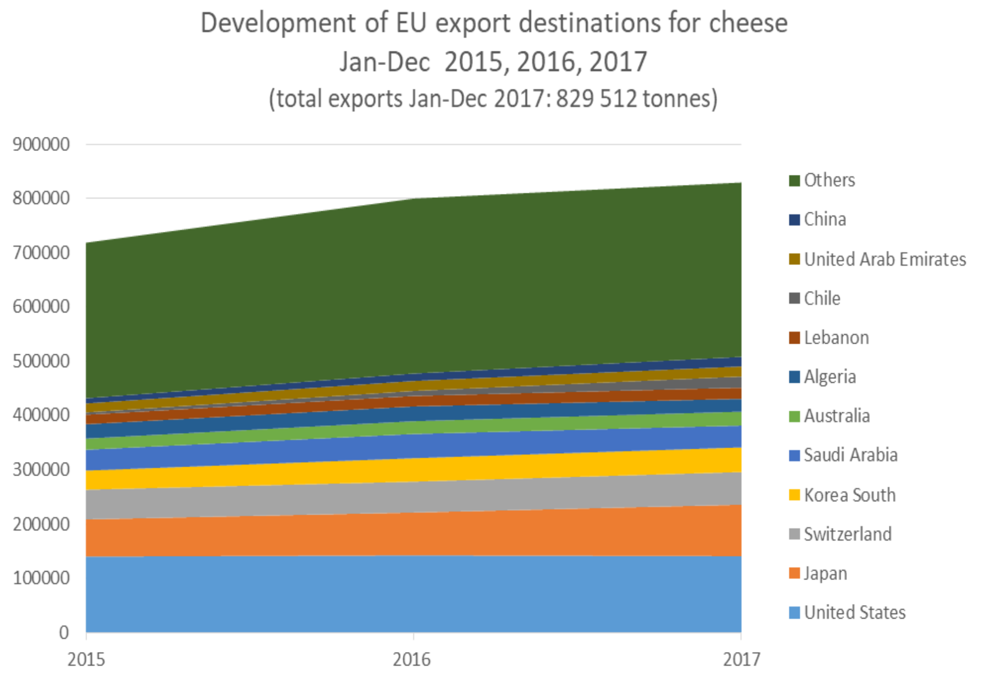


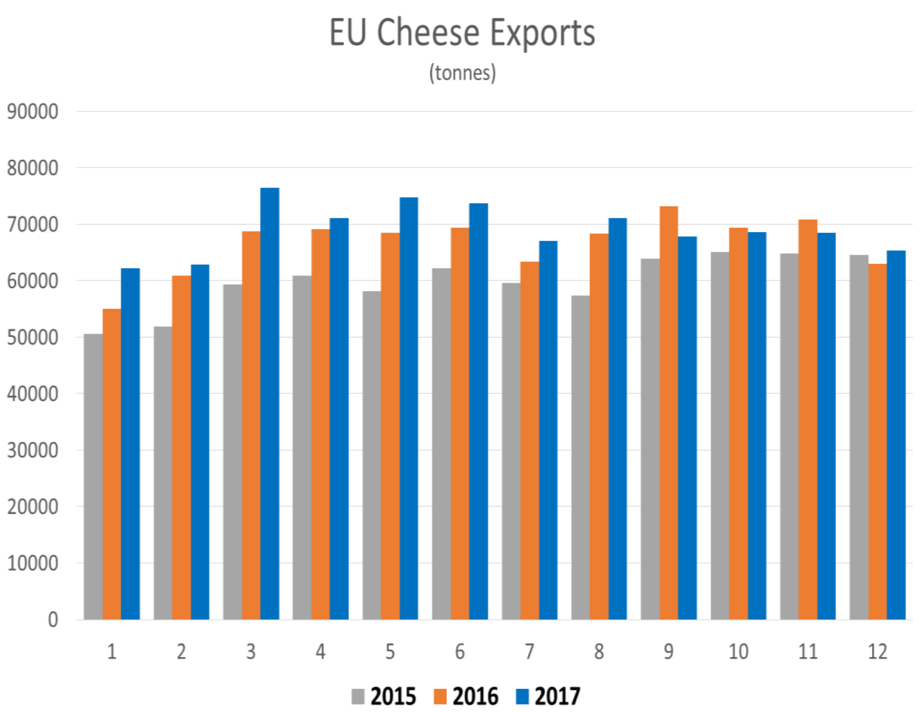
Main EU export markets for all dairy products (in value - €)

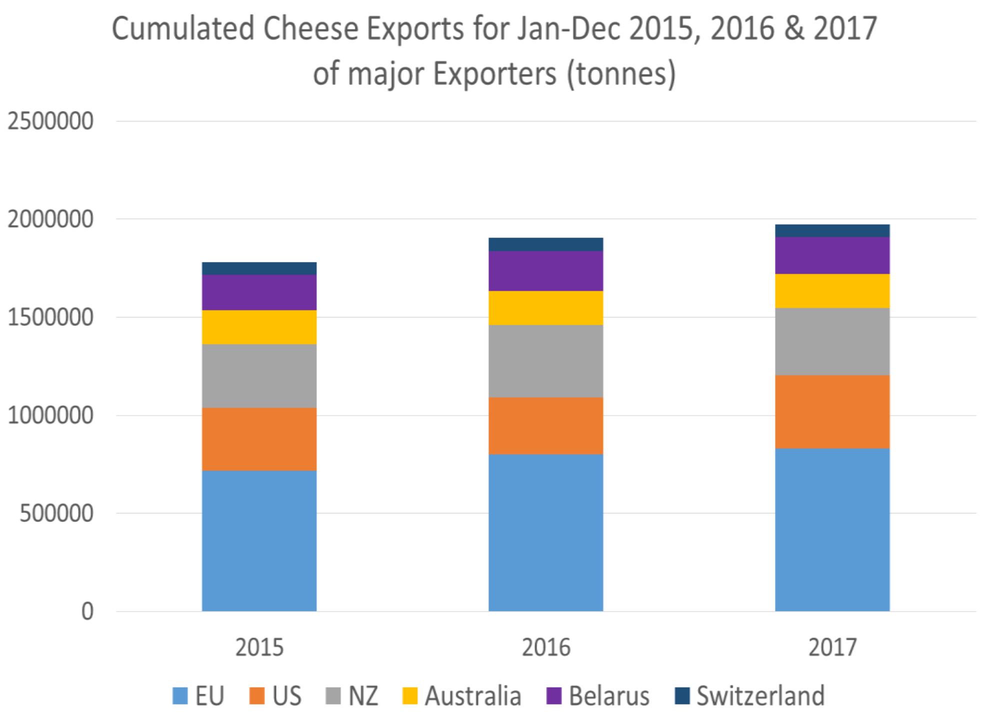


Cheese trade

- EU cheese exports:
  - Growth rate January 18/17: +1,7%
- Combined cheese exports:
  - Growth rate January 18/17: +1%

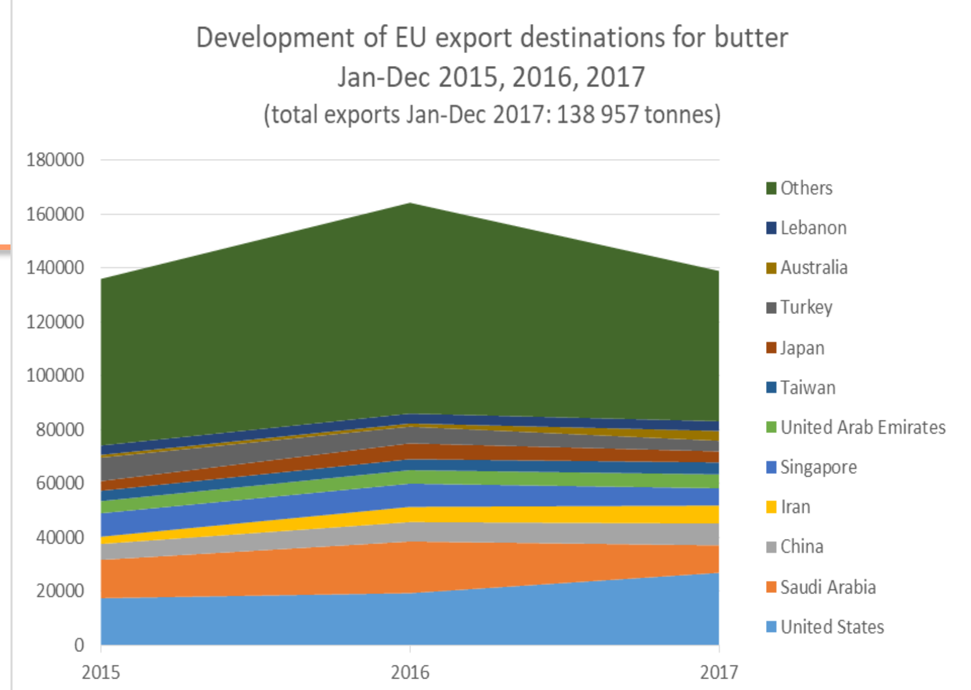


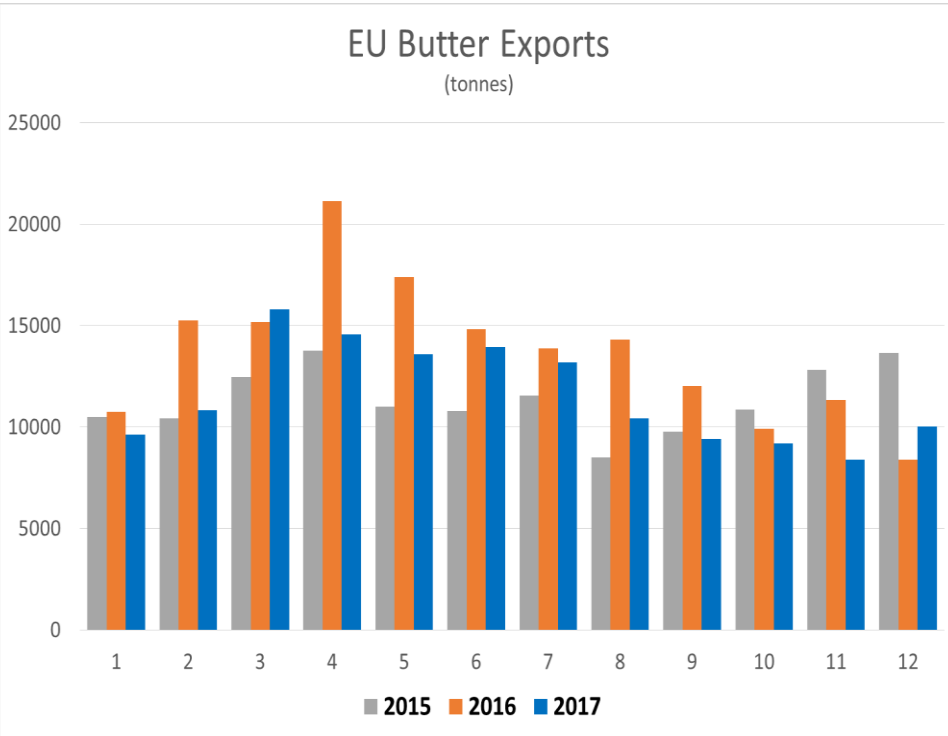


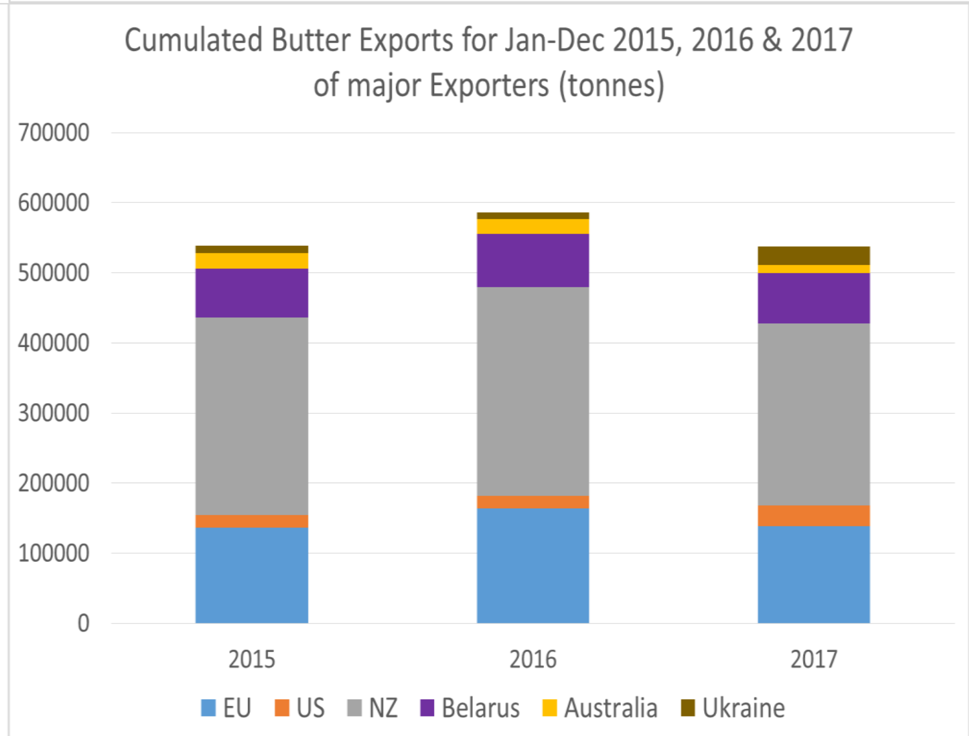


Butter trade

- EU butter exports:
  - Growth rate January 18/17: +32,9%
- Combined butter exports:
  - Growth rate January 18/17: +2,7%

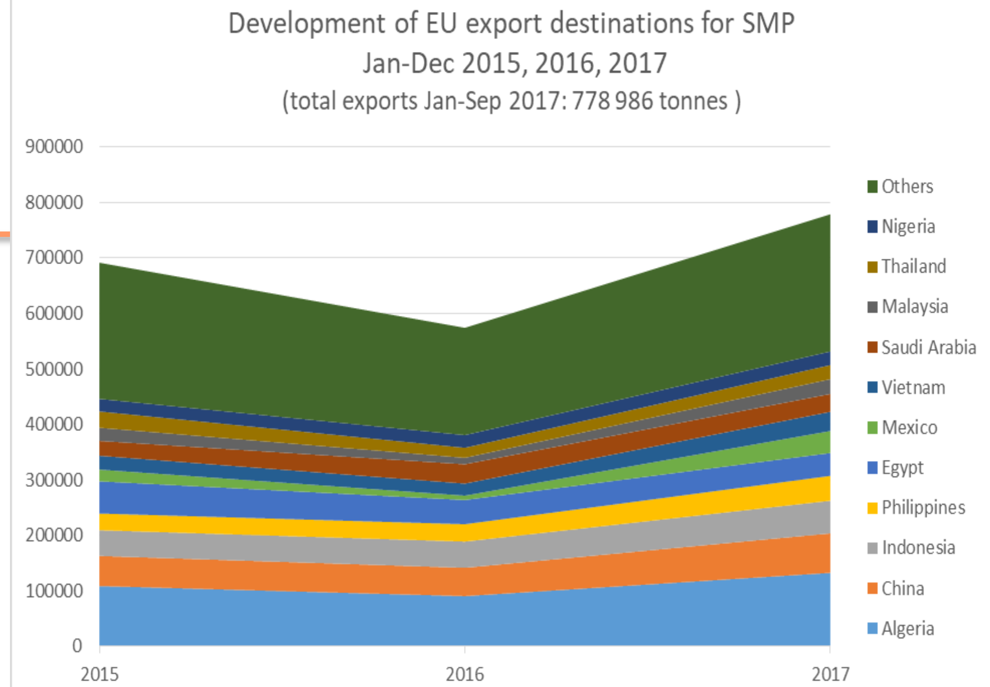


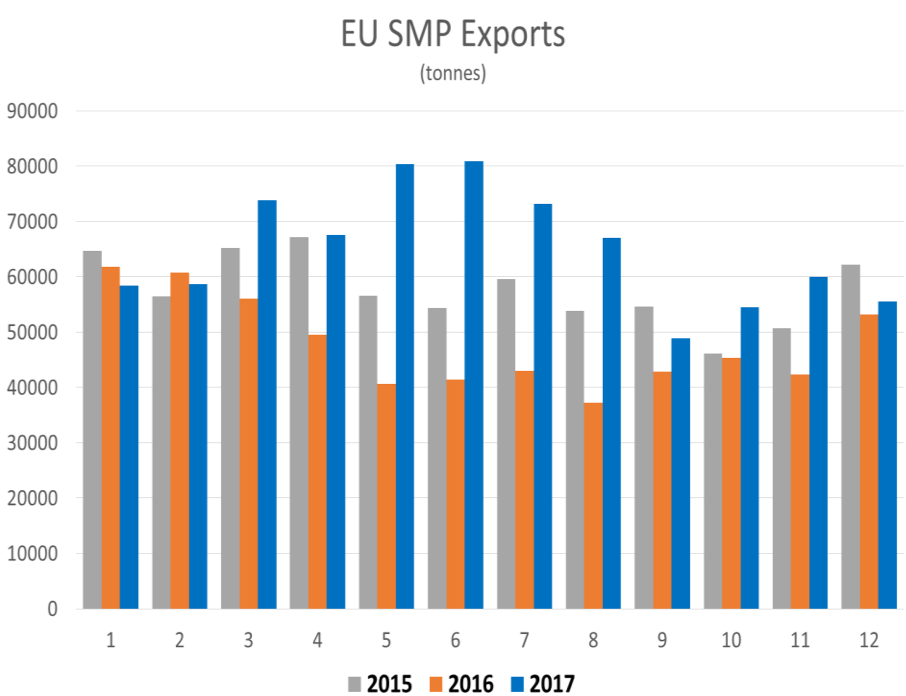


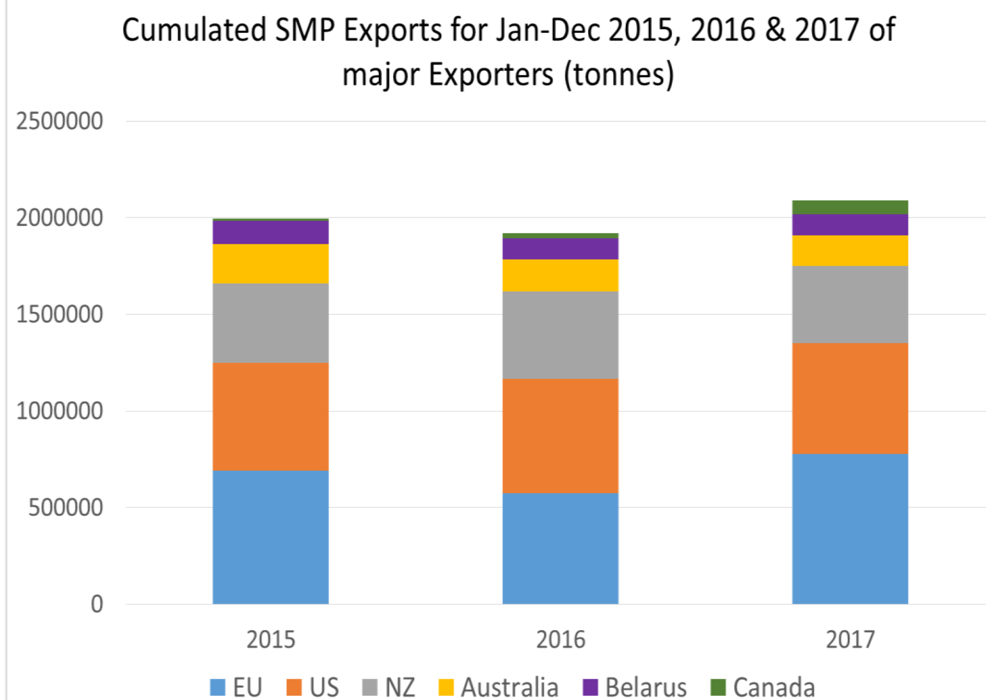


SMP trade

- EU SMP exports:
  - Growth rate January 18/17: +7,3%
- Combined SMP exports:
  - Growth rate January 18/17: -4%

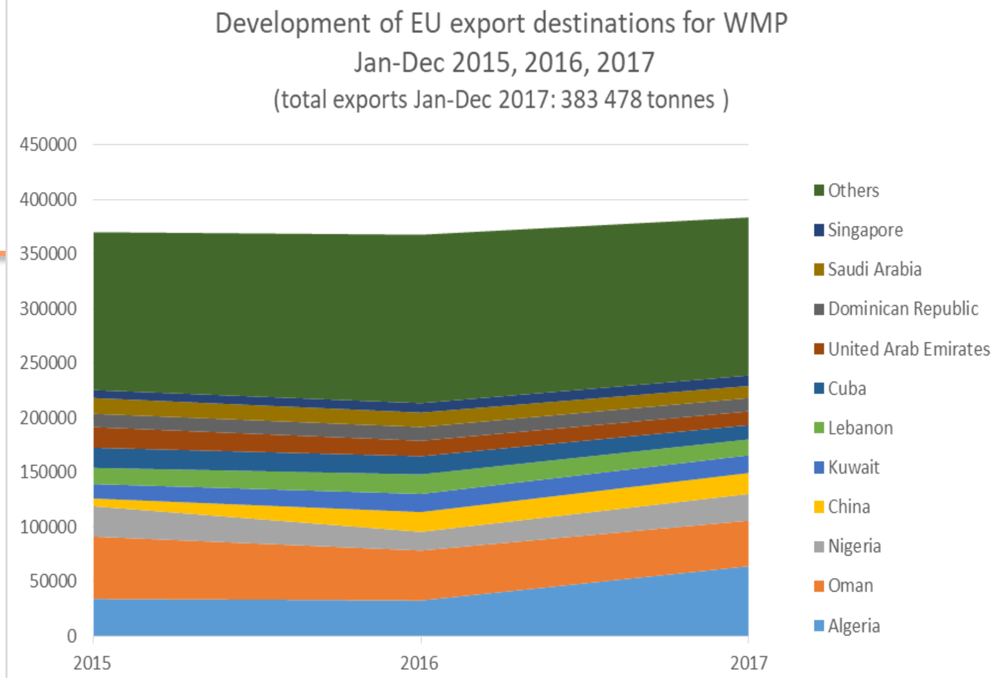


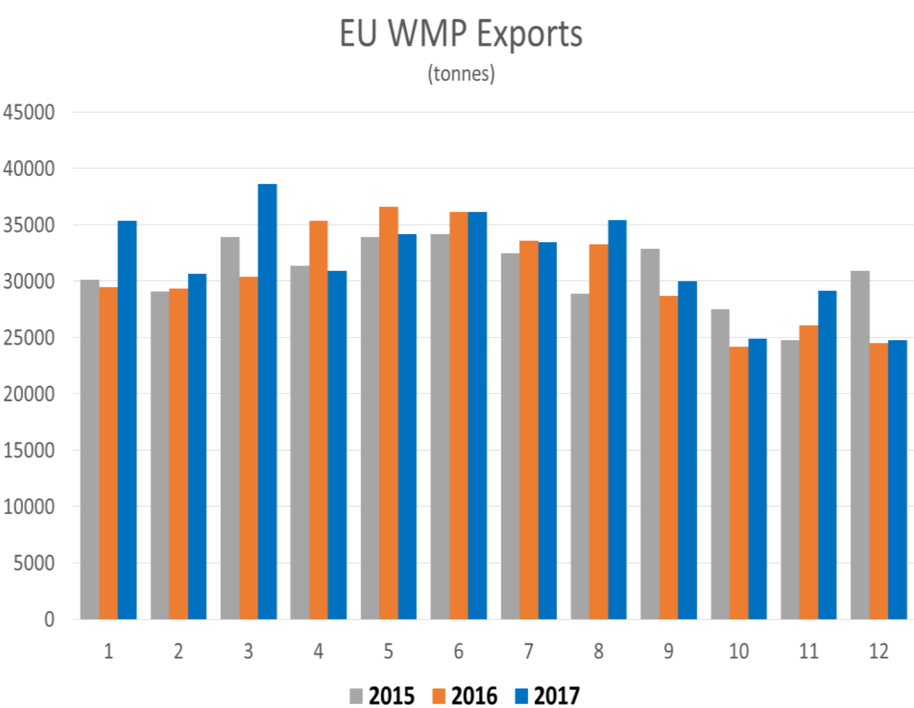


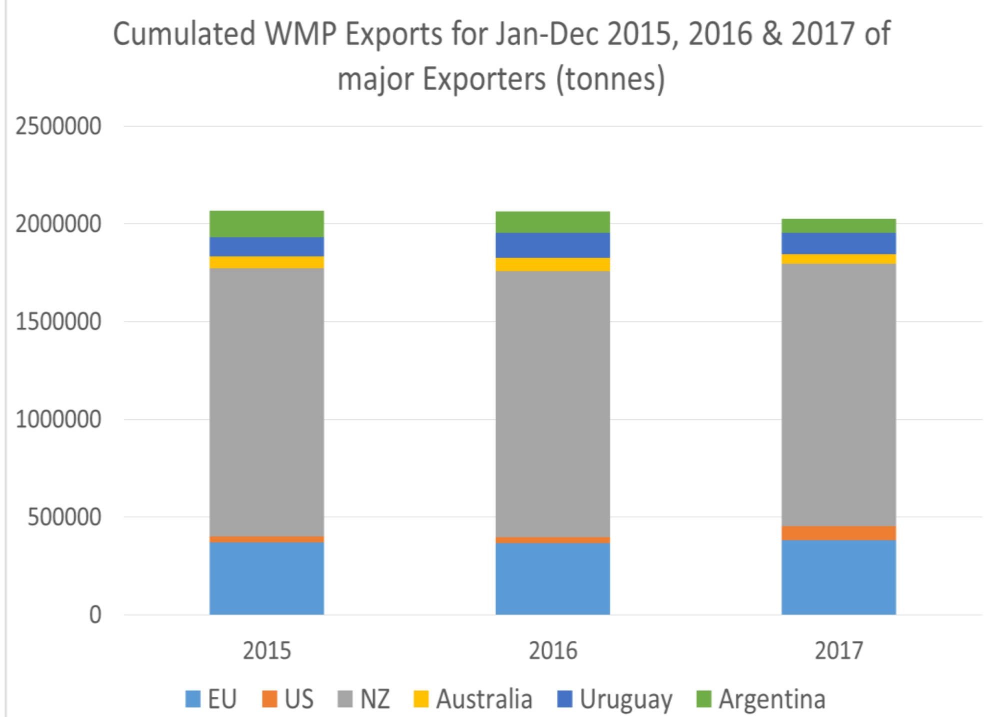


WMP trade

- EU WMP exports:
  - Growth rate January 18/17: -15,6%
- Combined WMP exports:
  - Growth rate January 18/17: +9,4%



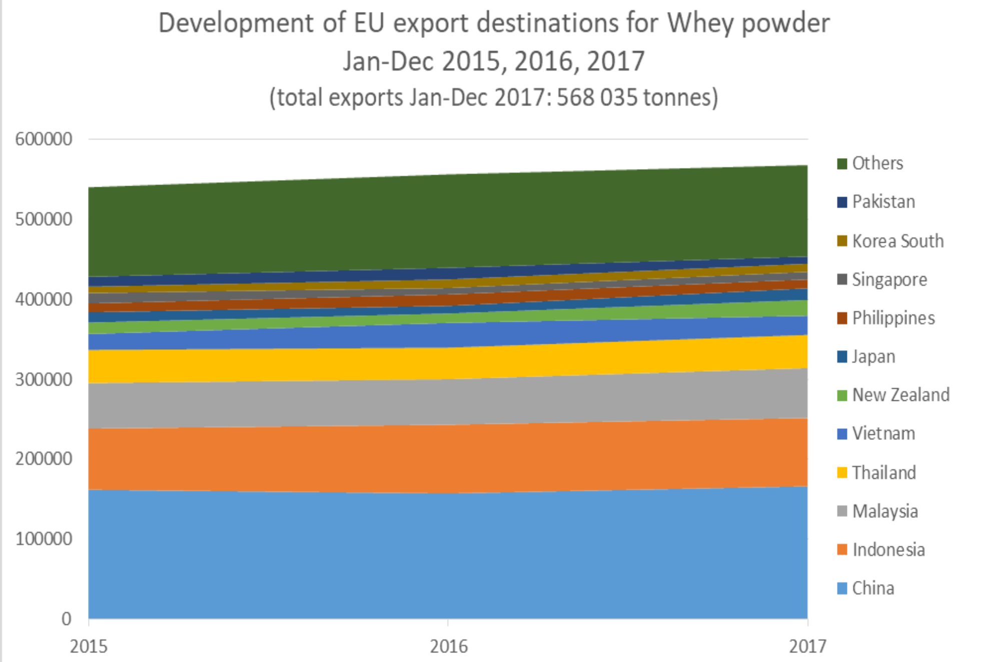


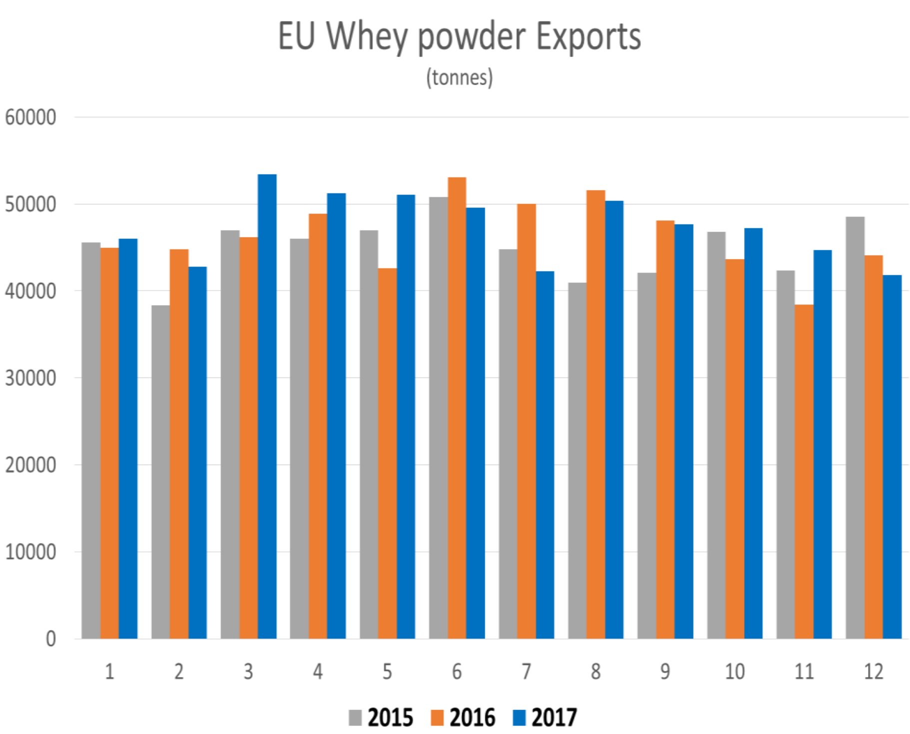


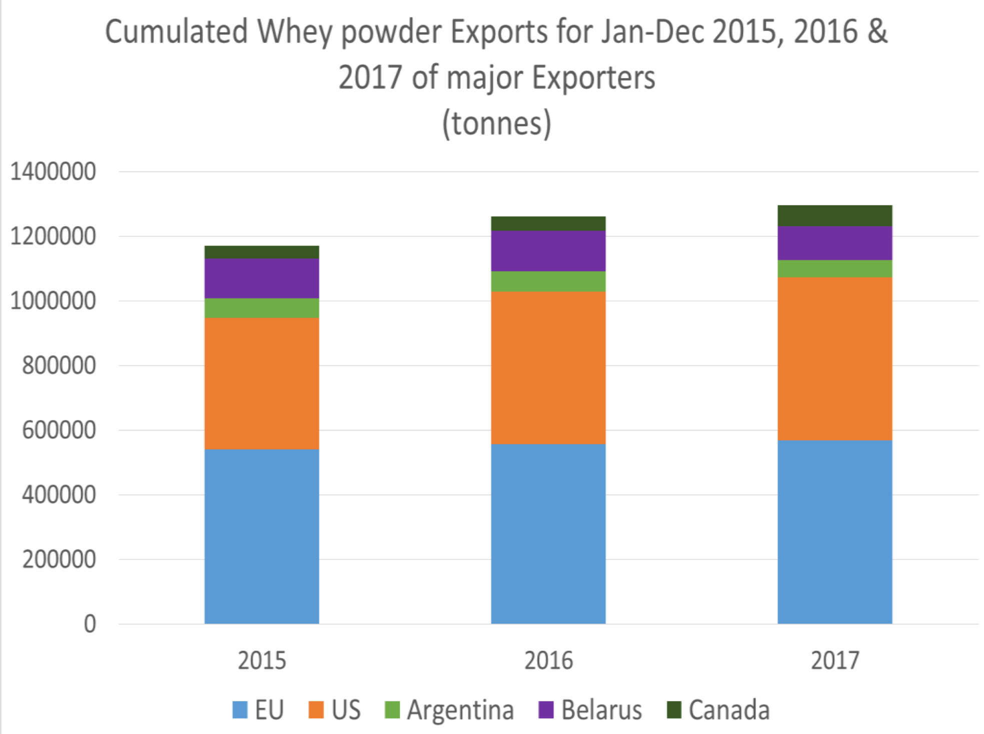
Whey powder trade

- EU whey powder exports:
  - Growth rate January 18/17: +20,6%

- Combined whey powder exports:
  - Growth rate January 18/17: +17,2%

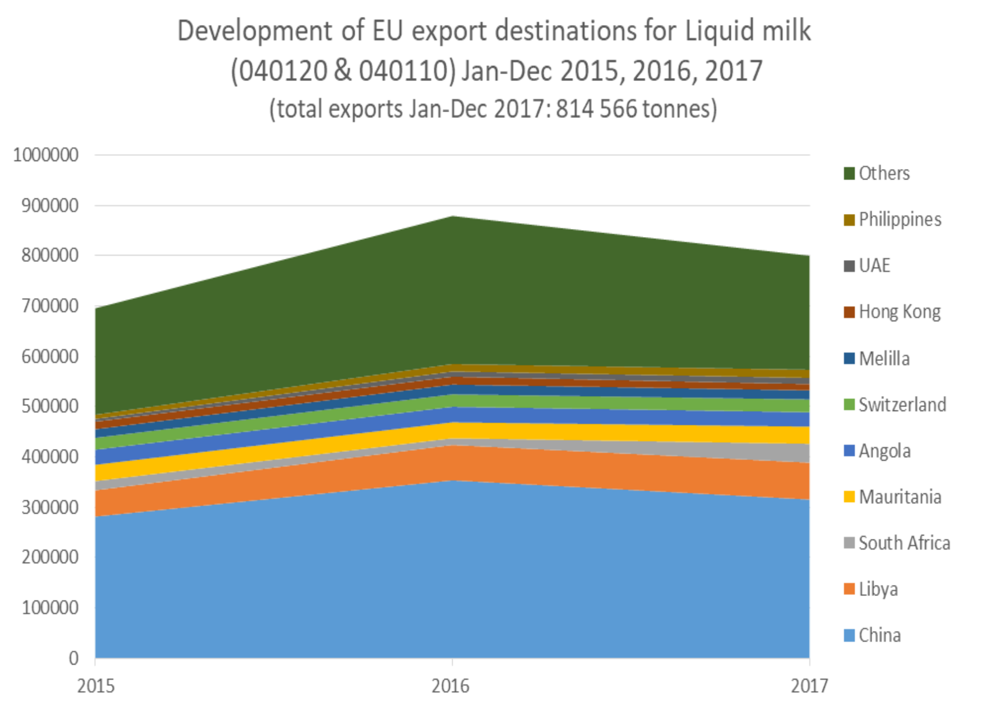


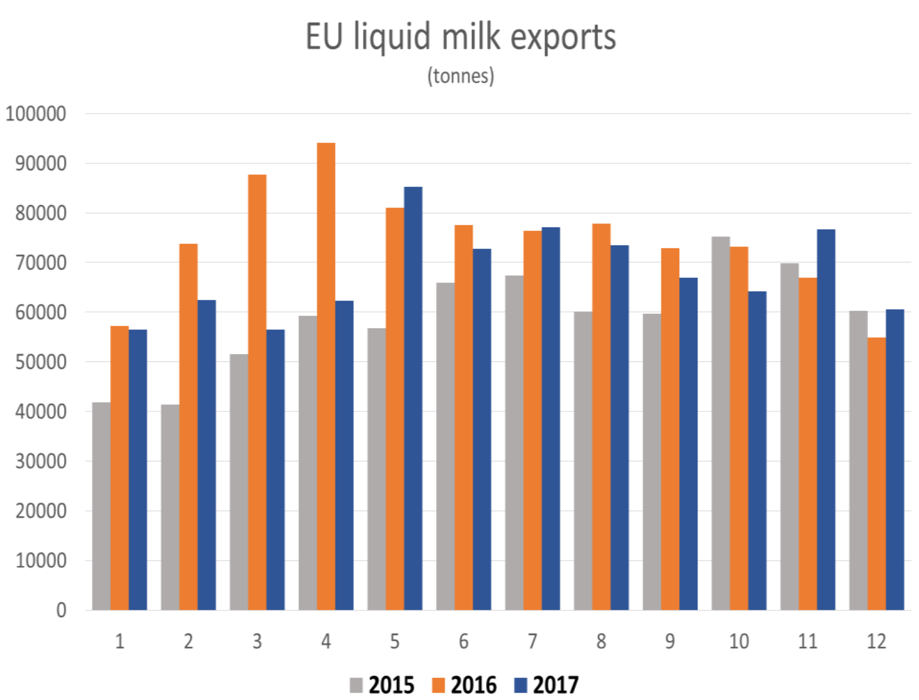


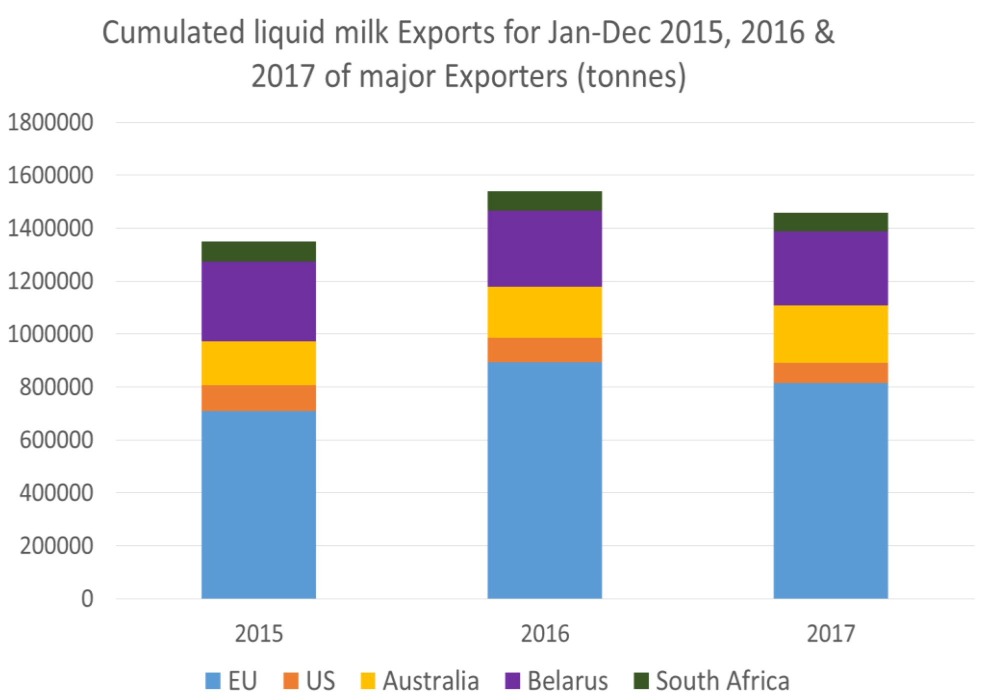


Trade of milk

- EU milk exports:
  - Growth rate January 18/17: +12,3%
- Combined milk exports:
  - Growth rate January 18/17: +14 %

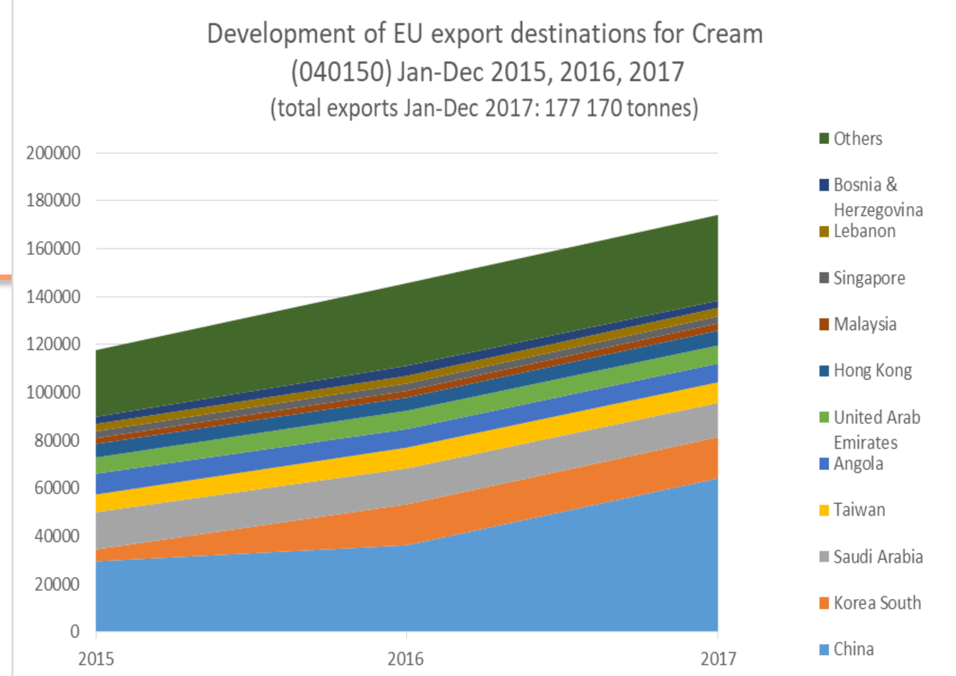


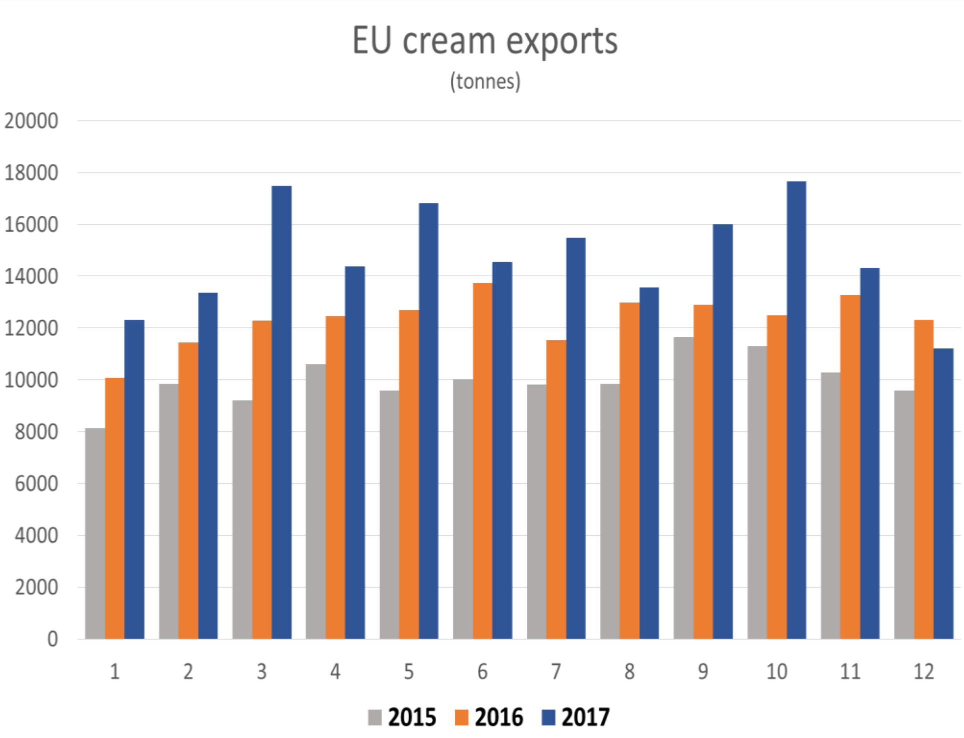


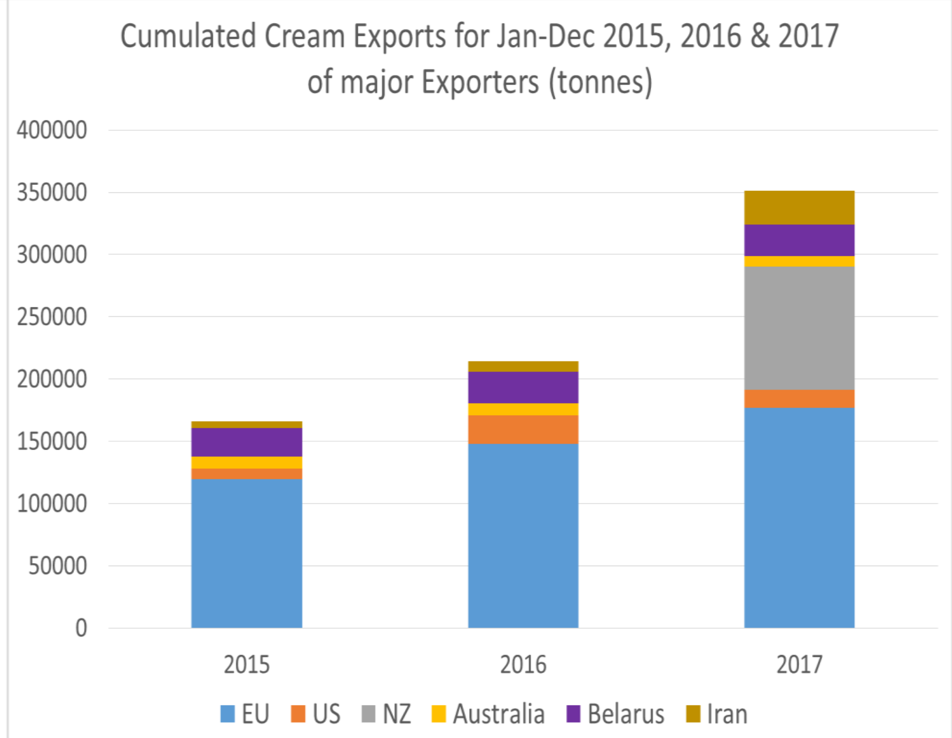


Trade of cream

- EU cream exports:
  - Growth rate January 18/17: +12,2%
- Combined cream exports:
  - Growth rate January 18/17: +6,6%

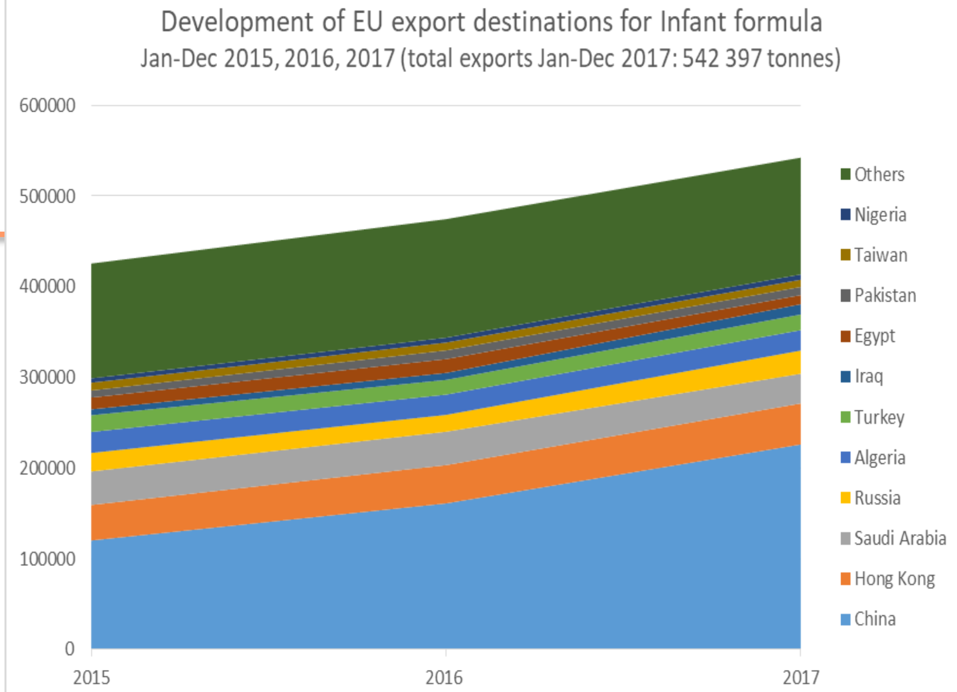


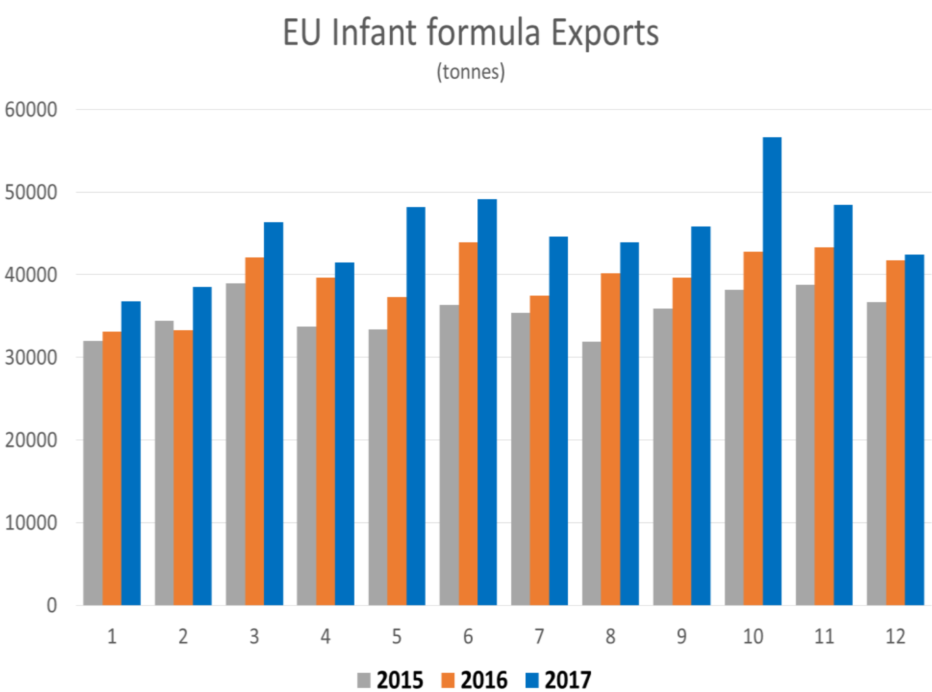


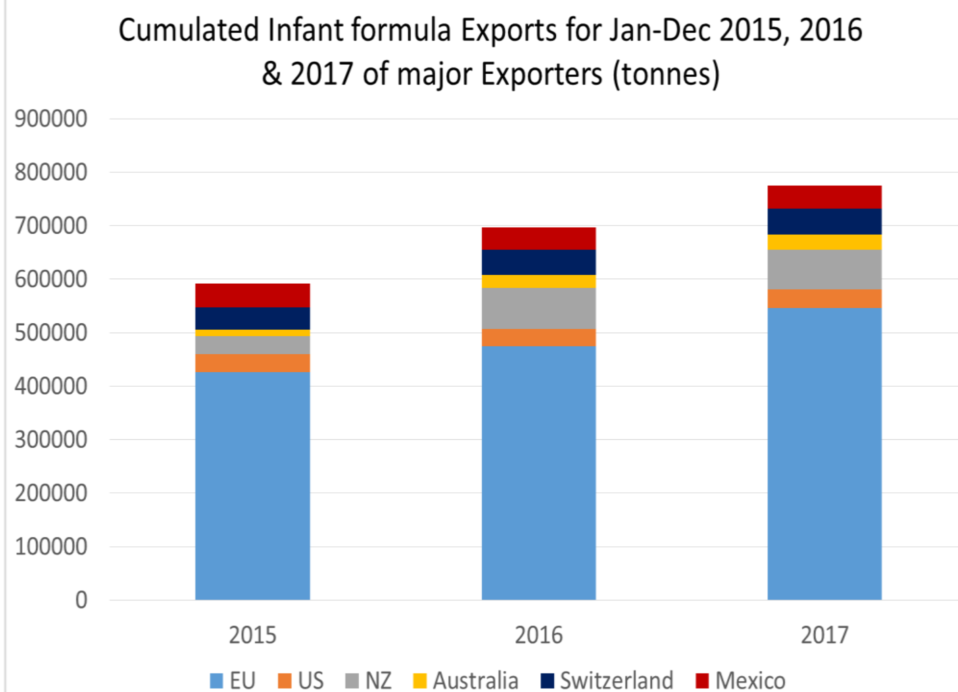


Infant formula trade

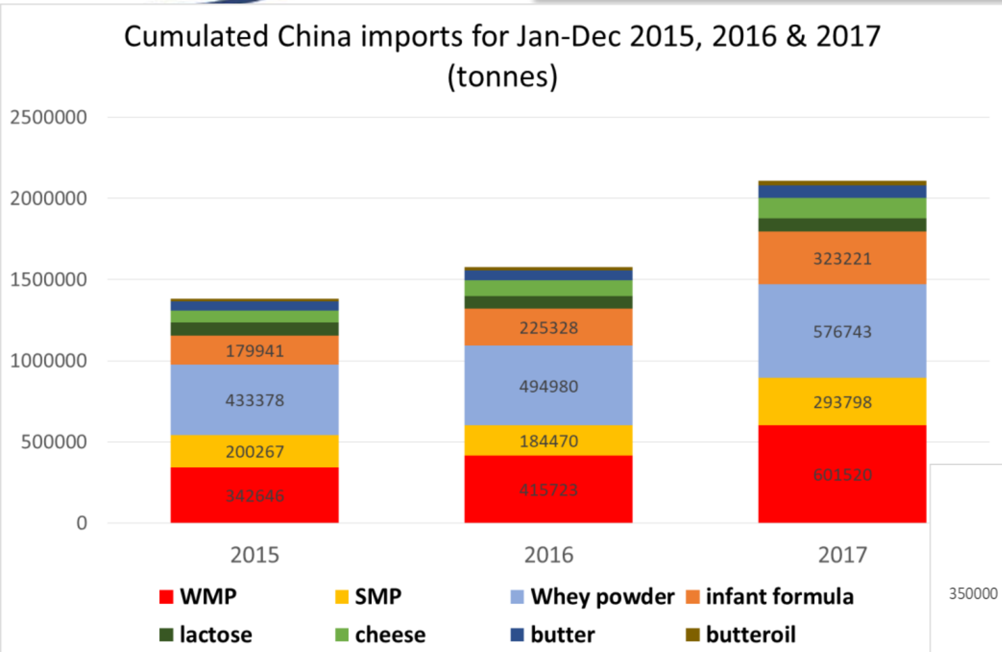
- EU infant formula exports:
  - Growth rate January 18/17: +23,5%
- Combined infant formula exports:
  - Growth rate January 18/17: +22,5%

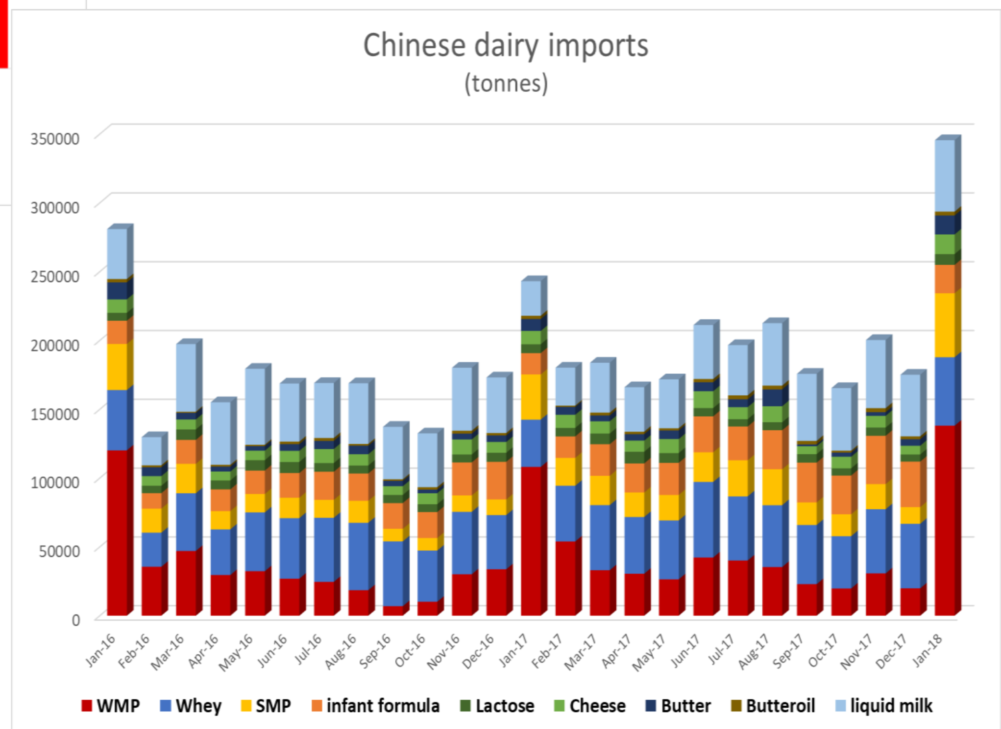




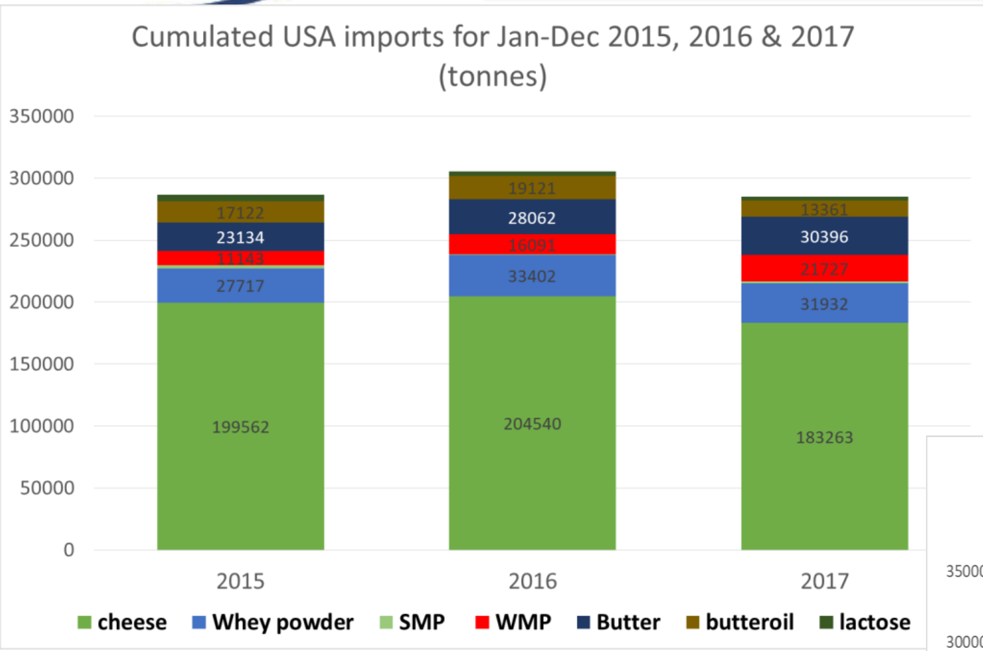


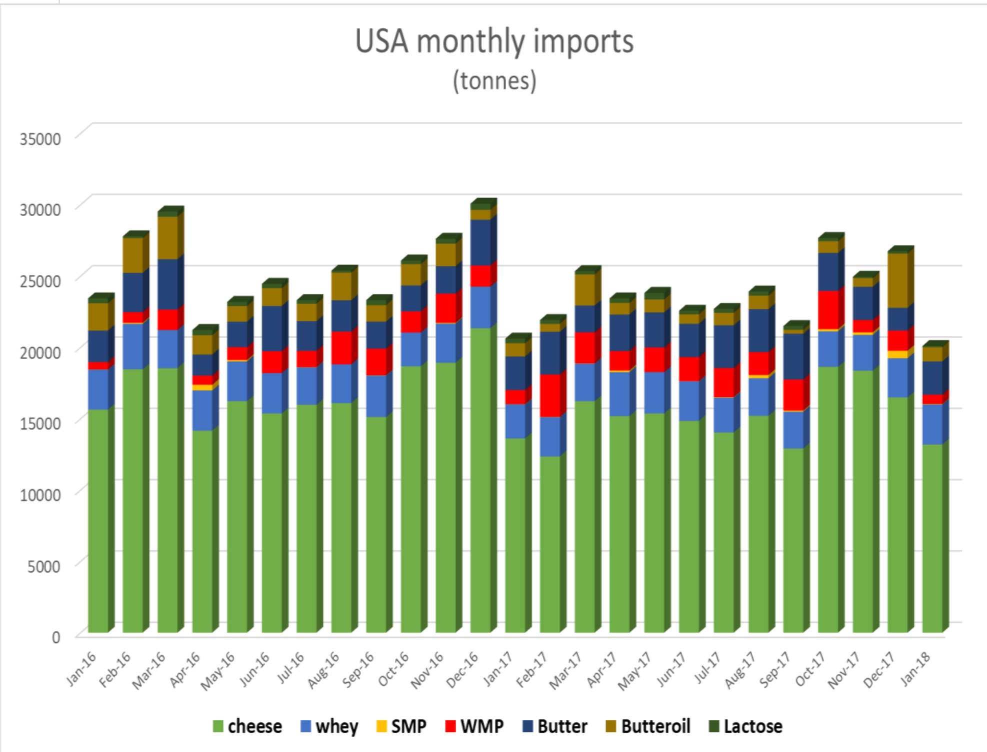
China imports



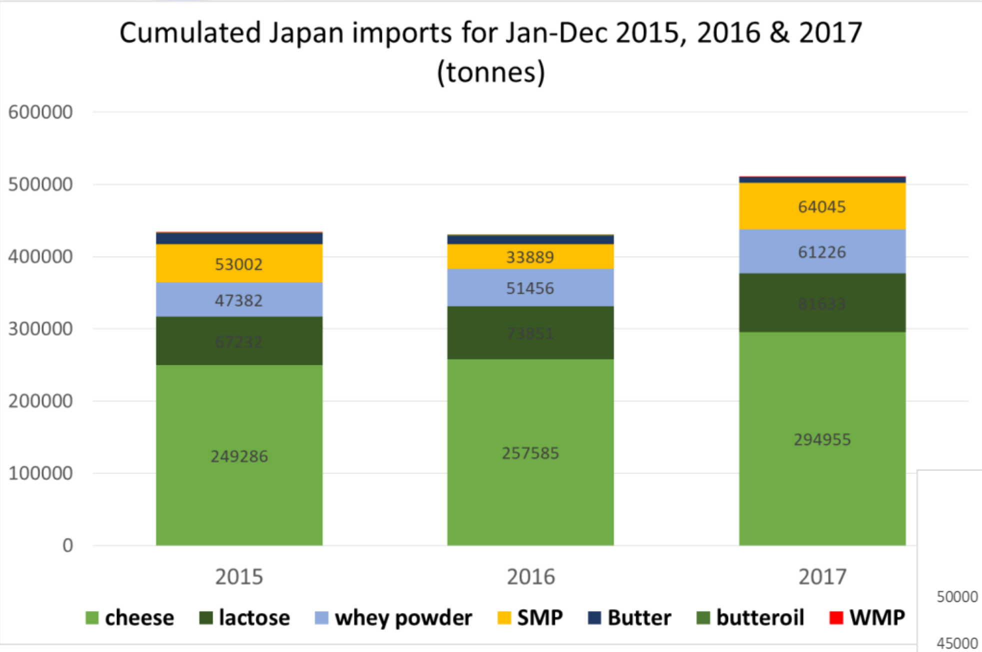


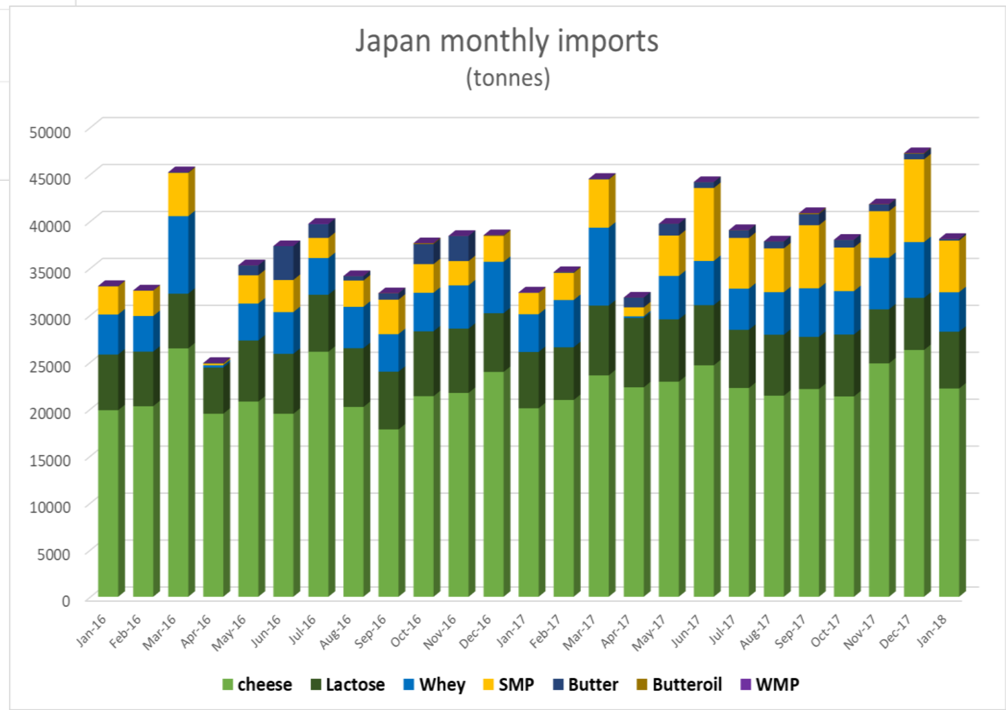
USA imports


Cumulated USA imports for Jan-Dec 2015, 2016 & 2017
(tonnes)
350000
300000
250000
200000
150000
100000
50000
0
17122
23134
11143
27717
199562
19121
28062
16091
33402
204540
13361
30396
21727
31932
183263
2015
2016
2017
cheese
Whey powder
SMP
WMP
Butter
butteroil
lactose

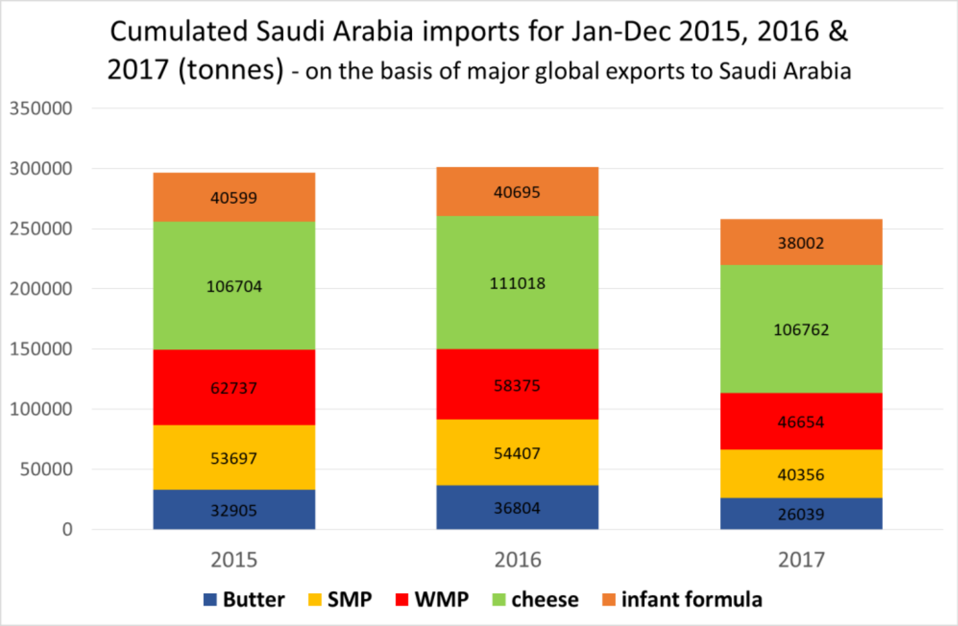

USA monthly imports
(tonnes)
35000
30000
25000
20000
15000
10000
5000
0
Jan-16
Feb-16
Mar-16
Apr-16
May-16
Jun-16
Jul-16
Aug-16
Sep-16
Oct-16
Nov-16
Dec-16
Jan-17
Feb-17
Mar-17
Apr-17
May-17
Jun-17
Jul-17
Aug-17
Sep-17
Oct-17
Nov-17
Dec-17
Jan-18
cheese
whey
SMP
WMP
Butter
Butteroil
Lactose

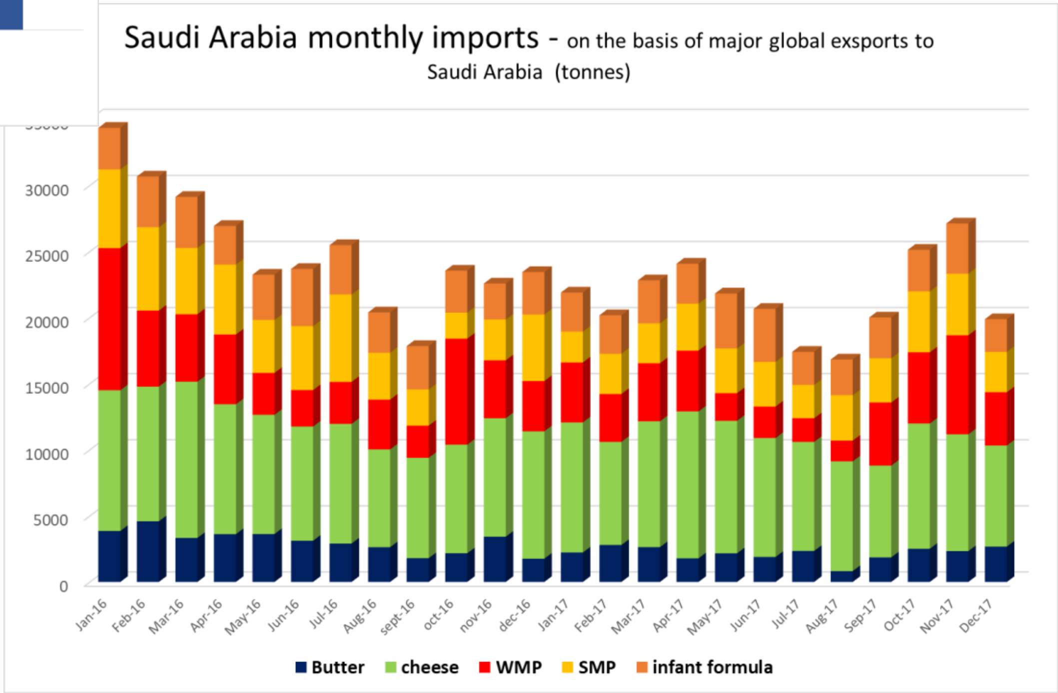
Japan imports



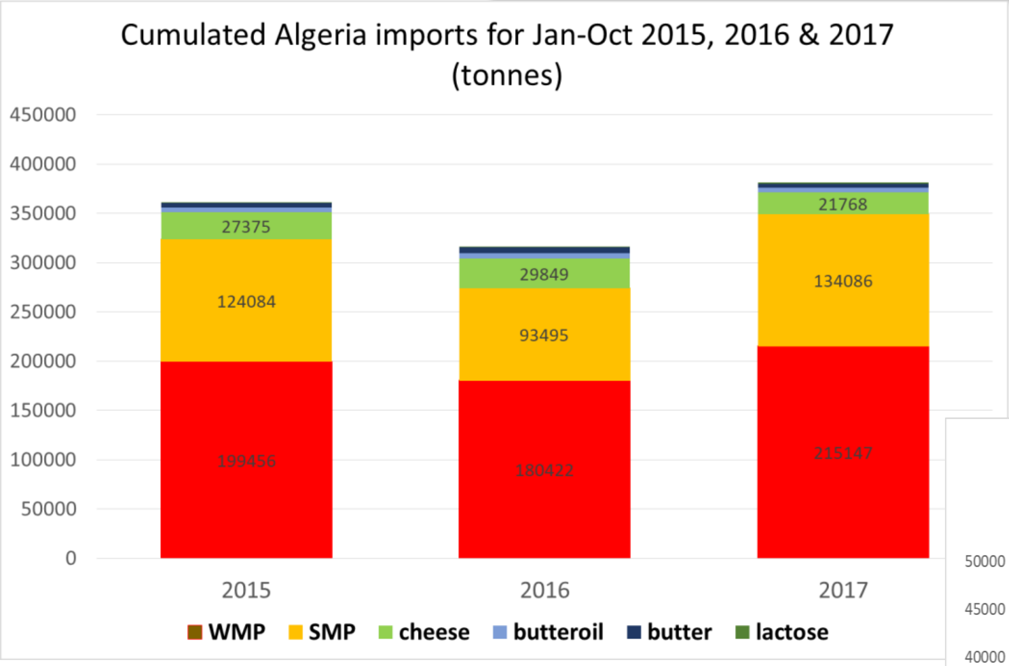


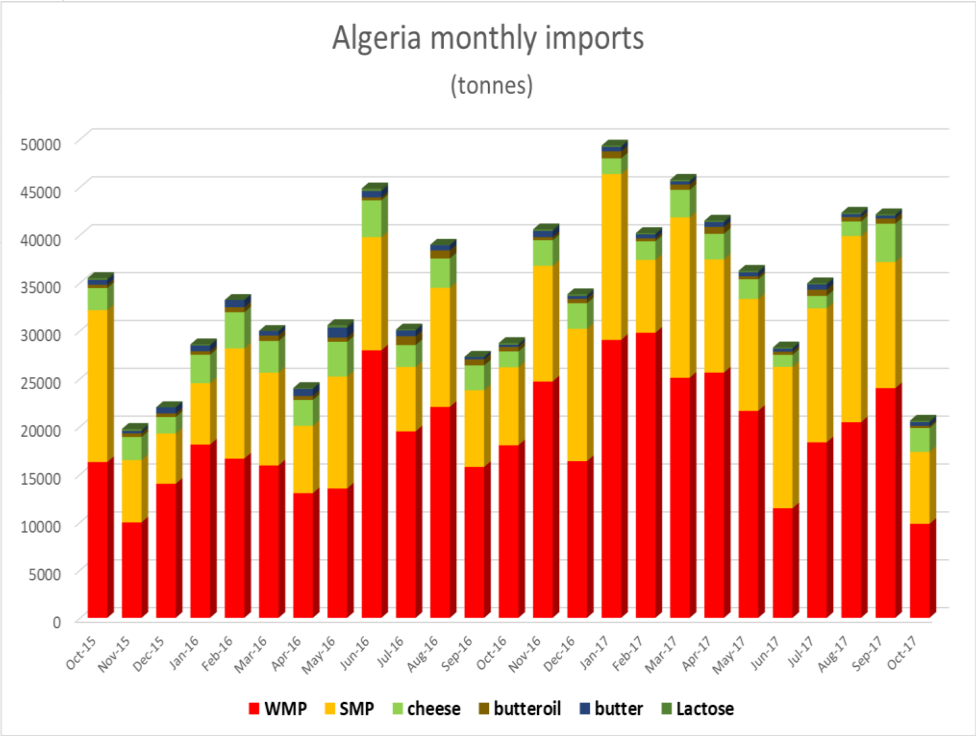
Saudi Arabia imports





Algeria imports





Conclusions

- **Global milk output remains strong, driven by EU & US which offset NZ weakness.** Some temporary slowdown visible in the EU due to adverse weather.
- **Global demand is solid on the back of a growing global economy and a slightly higher oil price but struggles to keep up with the expanding production.**
- **SMP prices are at record lows despite continuously well performing EU exports. Intervention management will be key for future developments.**
- **The EU butter market has rebounded as fat demand remains strong.** Market developments in 2018 will depend on availability, i.e. EU milk flows and processor choices.
- More milk is diverted into cheese globally, creating an **increasingly competitive export environment for cheese**, but so far prices have not weakened.
- **Euro-Dollar exchange rate** of around €1/$1,23 **is increasingly becoming a problem** for EU export business.
- **Supply and demand remain out of sync. A reduction of milk production in the EU is required**

- Thank you for your attention -

ANNEX 4

Trends in sales of Milk & Dairy products – a retail perspective

EuroCommerce

TRENDS IN SALES OF MILK & DAIRY PRODUCTS – A RETAIL PERSPECTIVE

Milk Market Observatory

27 March 2018

EuroCommerce for retail & wholesale

Belgium

Consumer Price Index		
Product	Feb 18 vs Feb 17	YTD 2018 vs YTD 2017
Whole milk	1.5%	2.8%
Semi-skimmed milk	5.3%	5.8%
Concentrated milk, powdered milk	6.5%	5.8%
Yogurt	6.5%	4.9%
Butter	18.7%	20.5%

Source: SPF Economie (2018)

Belgium

	Total YTD 2018			
		Volume % change	Value % change	Price % change
Total Dairy Products		-4.0%	1.3%	5.2%

Source: Nielsen ScanTrack

Czech Republic

Period ending December 2017

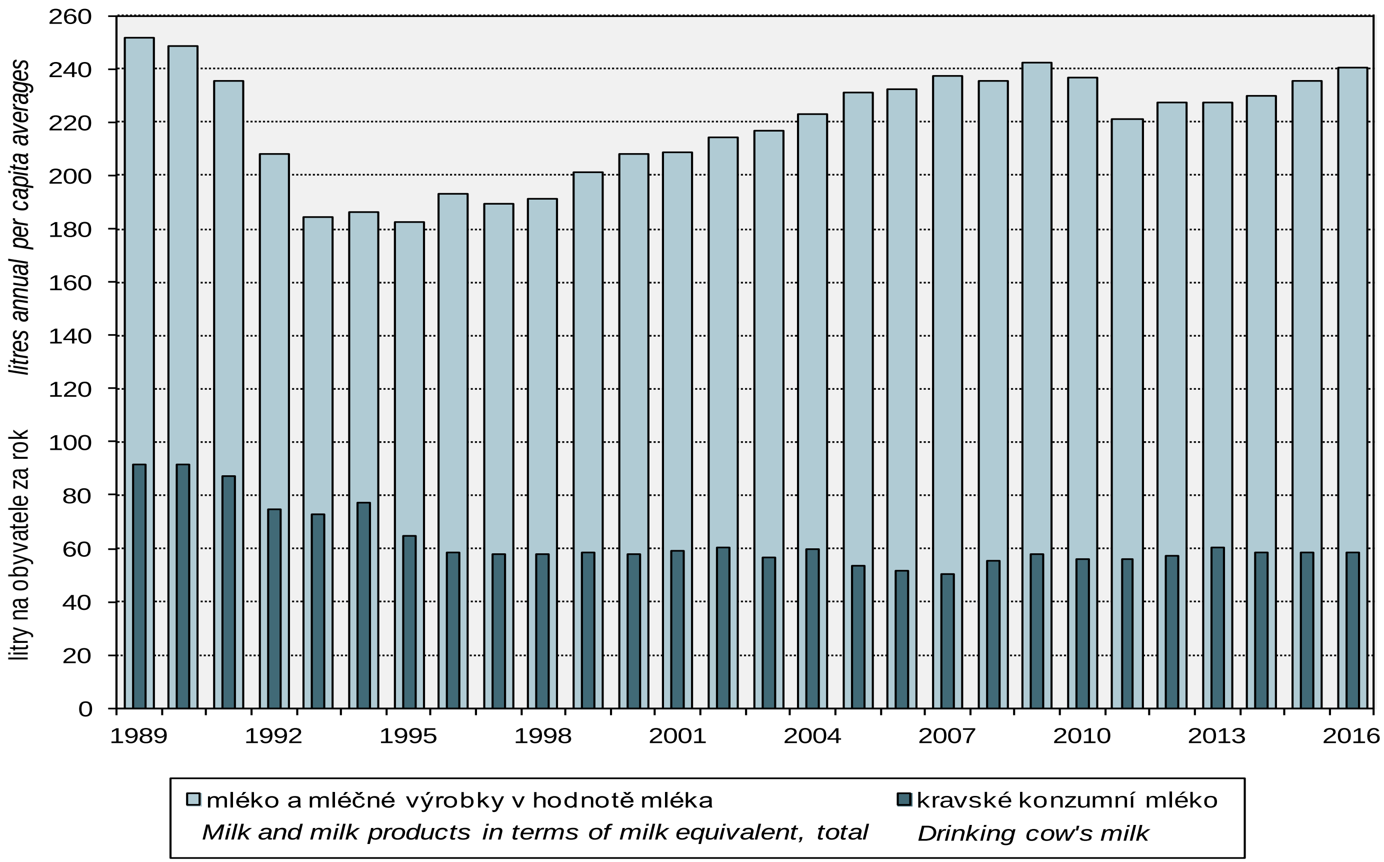
	Consumption Volume 2016vs2015 in %	Prices 12/16vs12/15 in %	Prices 12/17vs12/16 in %	Prices 4Q17vs 4q16 in %
Milk and milk products				
excl. butter	**+2,1**	**-**	**-**	**-**
Milk	**-0,2**	**+4,2**	**+8,9**	**+8,3**
Butter	**-22,7**	**+20,7**	**+28,7**	**+37,3**
Yoghurt	**-**	**-7,9**	**+21,4**	**+16,0**
Cheese, total	**+1,5**	**-**	**-**	**+8,6**
processed cheese	**-**	**-**	**-**	**-**
hard, soft and blue cheeses	**-**	**-**	**-**	**-**
hard (Eidam)	**-**	**+31,1**	**+7,7**	**-**
soft	**-**	**-**	**-**	**-**
blue (brie)	**-**	**-**	**-**	**-**
other cheese	**-**	**-**	**-**	**-**

Source: Czech Ministry of Agriculture

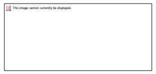
Czech Republic

Period ending December 2017

Consumption of milk and milk products



Source: Czech Statistics Office



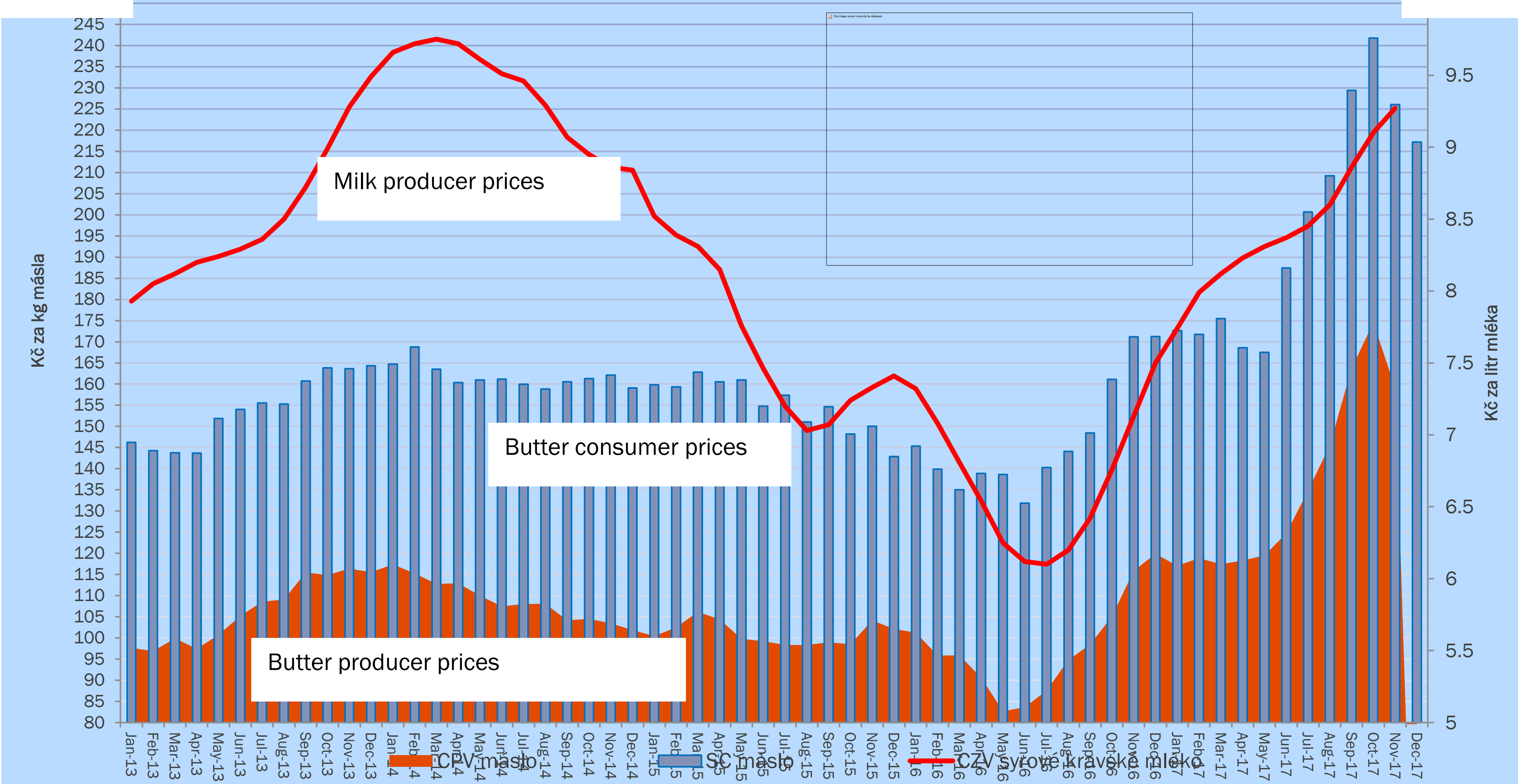
Czech Republic

Period ending December 2017

CZK per kg of butter

Developments in the producer prices of raw milk, producer and consumer prices for butter

CZK per litre of milk



Source: SOCR

France

Period ending 18 February 2018

Product category	Volume (% change) 4 weeks period (month-on-month)	Volume (% change) Year on year	Price (% change) 4 weeks period (month-on-month)	Price (% change) Year on year
Total liquid milk	-3,2%	-3,1%	+2,7%	+2,0%
Of which UHT semi-skimmed milk	-3,1%	-4,9%	+2,1%	+1,4%
Yoghurt & fresh cheese	-2,2%	-1,8%	0,0%	+0,5%
Butter	-6,4%	-2,4%	+19,0%	+11,2%
Cream	+0,4%	-0,5%	+5,3%	+3,1%
Cheese	-1,2%	0,0%	+2,7%	+1,9%

Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

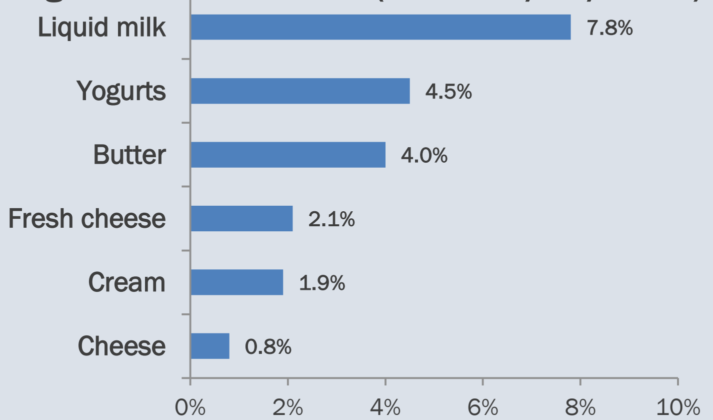
France

Sales of organic versus conventional milk & dairy products

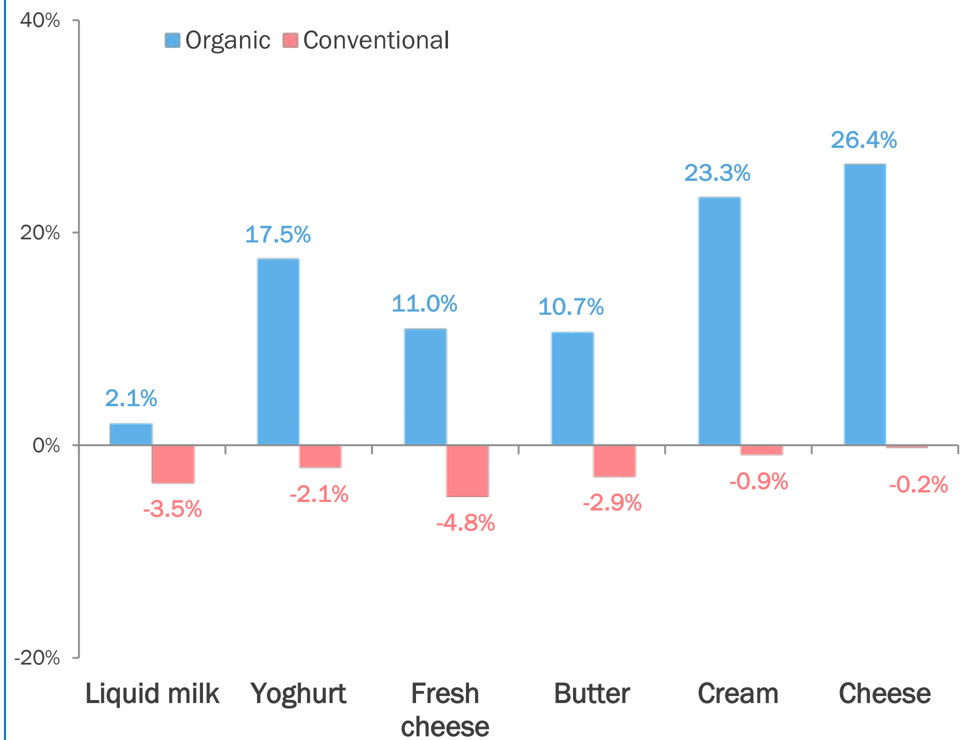
Organic milk & dairy products

- Organic dairy products sales have continued to increase. The increase is registered for every product
- On the other hand, consumption of all conventional dairy products continues to decrease

Organic *market* shares (% vol. 18/02/2018)



Consumption of organic versus conventional milk & dairy products
% in volume, year-on-year 18/02/2018



Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

France

Liquid Milk market

- In a declining market, regional brands are doing well **(+82% in value in 2017).**
- The consumption of easy-to-digest milk is increasing remarkably in France (+25% in value in 2017). But this is still a small market : 135 million € (8.4% of the whole milk market).

Liquid milk market in food retail : breakdown by category

	% CA	Évol. 1 an	Évol M€
Standard demi-écrémé	**57,6**	**- 2,5 %**	**- 26,2**
Demi-écrémé vitaminé	7,8	+ 8,9 %	+ 11,4
Entier	5,4	- 1,2 %	- 1,1
Total classique	**70,8**	**- 1,2 %**	**- 15,9**
Biologique	**11,5**	**- 9,3 %**	**- 21,1**
Facile à digérer	**8,4**	**+ 24,5 %**	**+ 29,6**
Aromatisés	4,3	+ 6,6 %	+ 4,7
Écrémé	3,0	- 6,6 %	- 3,7
Chèvre et brebis	1,2	+ 13,0 %	+ 2,4
Infantile	0,6	- 11,0 %	- 1,2
Total spécifique	**29,2**	**+ 1,7 %**	**+ 8,9**

Source : panel distributeurs d'après fabricant. Données rayon lait LLC arrêtées en décembre 2017 en hypers, supermarchés, proxi et e-commerce.

Liquid milk market in food retail : breakdown by brands

	% Vol.	Évol. 1 an	% CA	Évol. 1 an
MDD standard	43,7	- 4,5 %	41,5	- 3,8 %
Lactel	19,0	+ 0,2 %	23,1	+ 3,3 %
Candia	17,0	+ 1,0 %	18,7	+ 1,6 %
Premiers prix	**11,2**	**- 14,8 %**	**8,4**	**- 14,3 %**
Marques régionales	**4,6**	**+ 81,9 %**	**4,4**	**+ 84,7 %**
MDD Eco	3,9	- 11,7 %	2,9	- 13,0 %
Autres	0,7	+ 3,3 %	0,9	+ 2,7 %

Source : panel distributeurs d'après fabricant. Données rayon lait LLC arrêtées en décembre 2017 en hypers, supermarchés, proxi et e-commerce.

Source : Linéaires

Italy

Periods: 2017 and Q4 2017

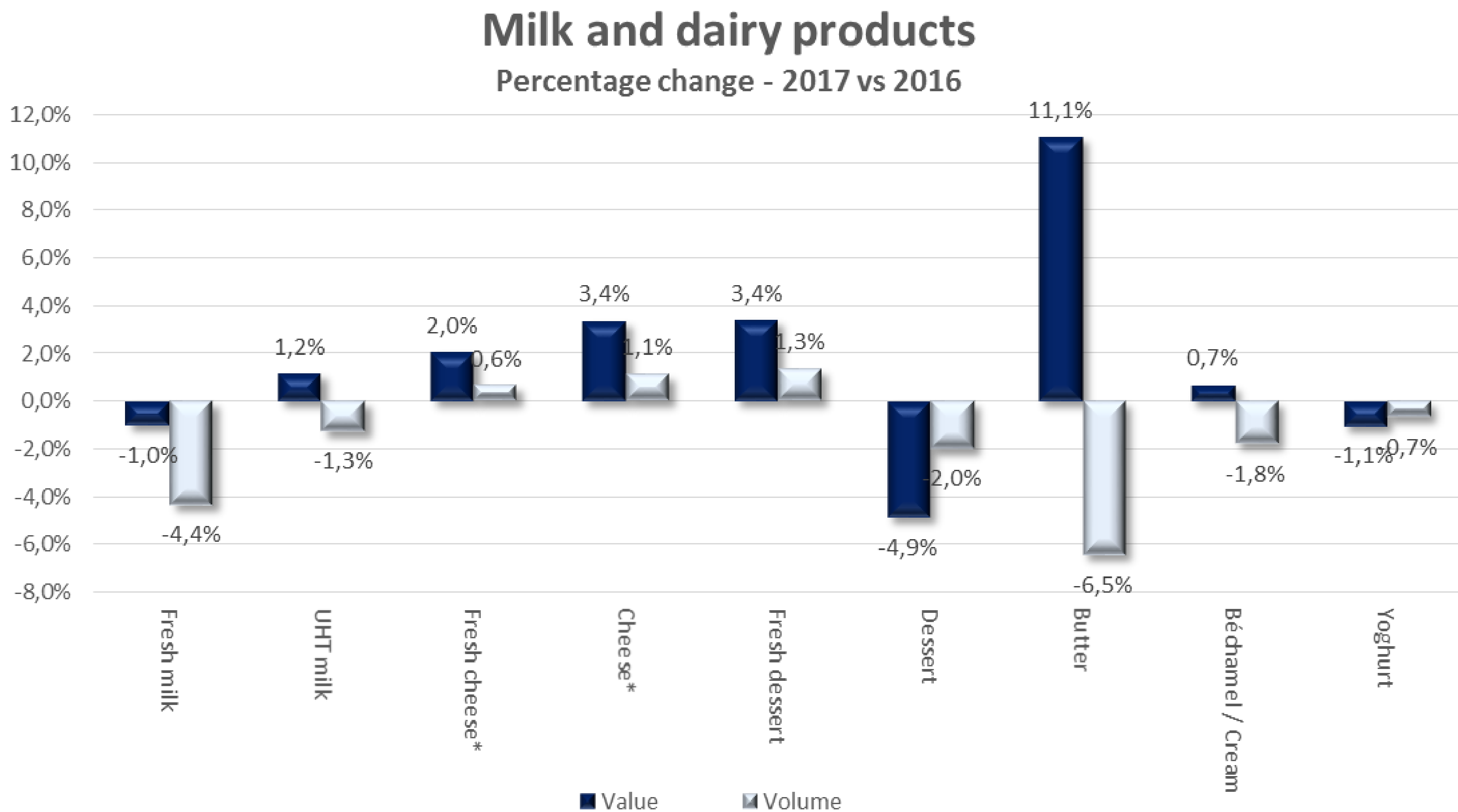
Product category	VOLUME (2017 vs. 2016) % change)	VOLUME (Q4 2017 vs Q4 2016 % change)	VALUE (2017 vs. 2016) % change)	VALUE (Q4 2017 vs Q4 2016 % change)
Fresh milk	-4,4	-4,5	-1,0	-0,8
UHT milk	-1,3	-0,5	1,2	4,0
Fresh cheese*	0,6	-0,6	2,0	2,6
Cheese*	1,1	-0,5	3,4	3,5
Fresh dessert	1,3	-0,7	3,4	3,7
Dessert	-2,0	-1,7	-4,9	-2,7
Butter	-6,5	-6,5	11,1	20,2
Béchamel / Cream	-1,8	-2,1	0,7	5,0
Yoghurt	-0,7	-0,8	-1,1	-0,7

Source: Market Track Nielsen

* Peso imposto

Italy

Period: 2017 *versus* 2016

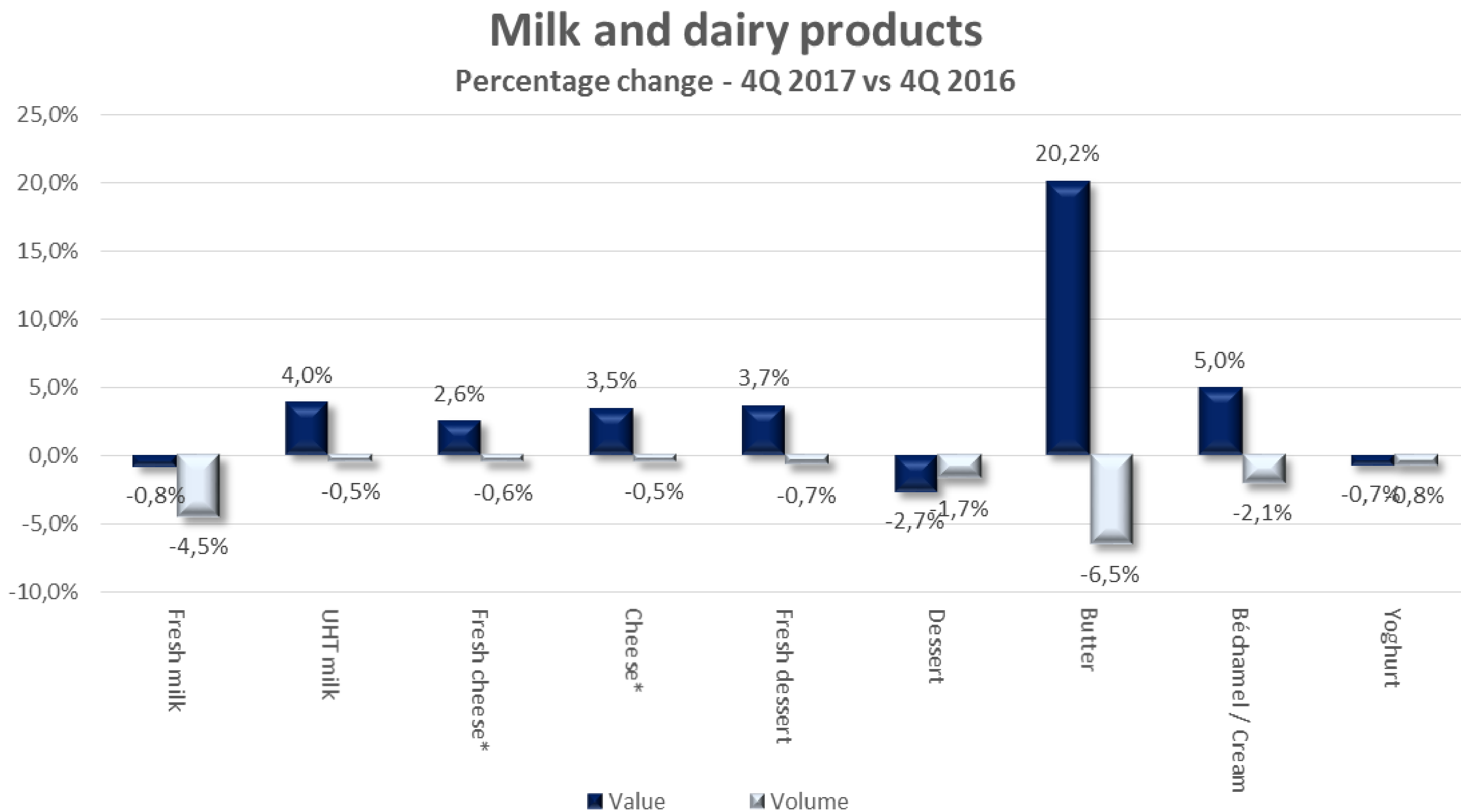


Source: Market Track Nielsen

* Peso imposto

Italy

Period: Q4 2017 *versus* Q4 2016



Source: Market Track Nielsen

* Peso imposto

Spain

Period ending December 2017

Product category	Volumes (% change Dec 2017 vs Dec 2016)	Volumes (% change YTD Dec 2017)	Value (% change Dec 2017 vs Dec 2016)	Value (% change YTD Dec 2017)	Price (% change Dec 2017 vs Dec 2016)	Price (% change YTD Dec 2017)
Standard liquid milk	2.7%	-3.5%	2.9%	-3.7%	0.2%	-0.2%
Other types of milk	9.0%	5.9%	7.1%	1.8%	-1.8%	-3.9%
Milkshakes	4.1%	1.0%	4.4%	3.4%	0.3%	2.4%
Yoghurts and fermented milk	1.6%	0.8%	-0.5%	-1.4%	-2.1%	-2.2%
Fresh desserts	1.6%	-1.0%	4.6%	-0.5%	2.9%	0.5%
Fresh cheese	10.4%	6.0%	13.5%	7.0%	2.8%	1.0%
Local, traditional cheese	11.5%	2.9%	10.8%	4.0%	-0.6%	1.1%
Processed cheese	5.3%	0.5%	9.4%	2.6%	3.9%	2.1%
Imported cheese specialties	9.2%	3.6%	9.6%	4.9%	0.3%	1.2%

Spain

Period ending December 2017

Product category	Volumes (% change Dec 2017 vs Dec 2016)	Volumes (% change YTD Dec 2017)	Value (% change Dec 2017 vs Dec 2016)	Value (% change YTD Dec 2017)	Price (% change Dec 2017 vs Dec 2016)	Price (% change YTD Dec 2017)
Grated cheese	7.1%	2.7%	10.4%	5.5%	3.1%	2.7%
Other types of cheese	-2.6%	-3.8%	1.5%	-1.5%	4.2%	2.4%
Cream	3.9%	0.7%	9.3%	3.7%	5.1%	2.9%
Butter	10.3%	11.5%	38.6%	21.9%	25.6%	9.3%
Desserts and long-term conservation yoghurt	-15.5%	-16.8%	-9.8%	-13.5%	6.7%	3.9%
Non-liquid milk	2.3%	-1.2%	0.3%	-5.1%	-2.0%	-3.9%
Total dairy products	4.0%	-0.4%	5.8%	0.9%	1.8%	1.3%

ANNEX 5

EU dairy short-term outlook

European Commission

European Commission

EU dairy short –term outlook

Andrea Čapkovičová, DG AGRI

Brussels, MMO, 27 March 2018

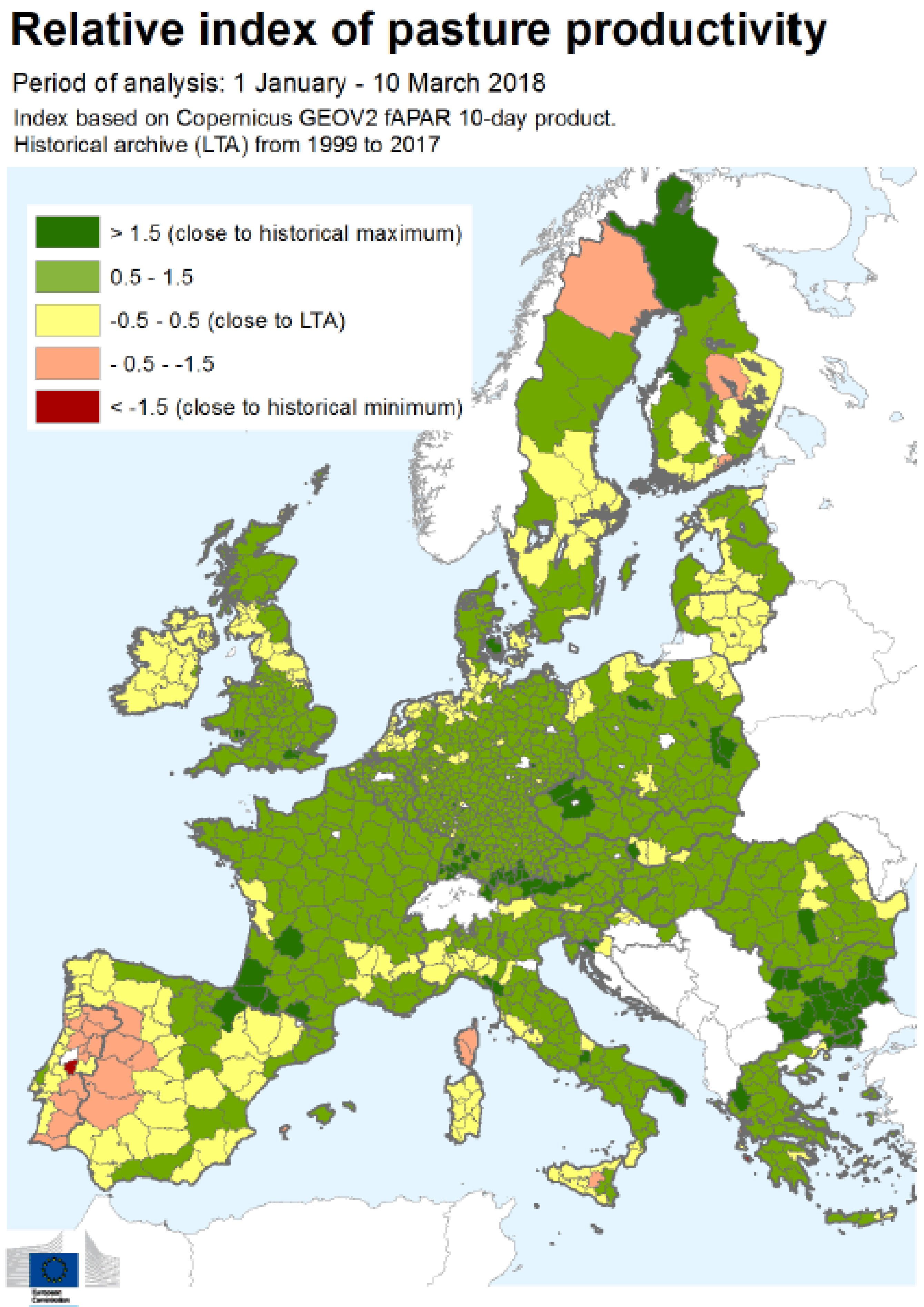
Agriculture and Rural Development

Outline

- **Crop** forecast and **pastures** development
- Forecast of **2018 quarterly milk deliveries**
- Developments per **Member States**
- **Production, export** and **use** of dairy products
- **2019** forecast

Weather prospects and EU cereal availabilities

Favourable start but delays to be expected because of cold



Source: JRC Mars Bulletin (European Commission)

Ample cereal availability in 2017/2018

- **EU Wheat** production **increased +1.7%** compared to 5-year average
- **Barley** harvest **slightly below** 5-year average
- **Maize** increased for the **second year in a row** (4% above 5-year average)
- **Increasing** maize **imports**
- Ample global cereal and oilseeds availablilities
- Stable EU cereal harvest expected in 2018/2019

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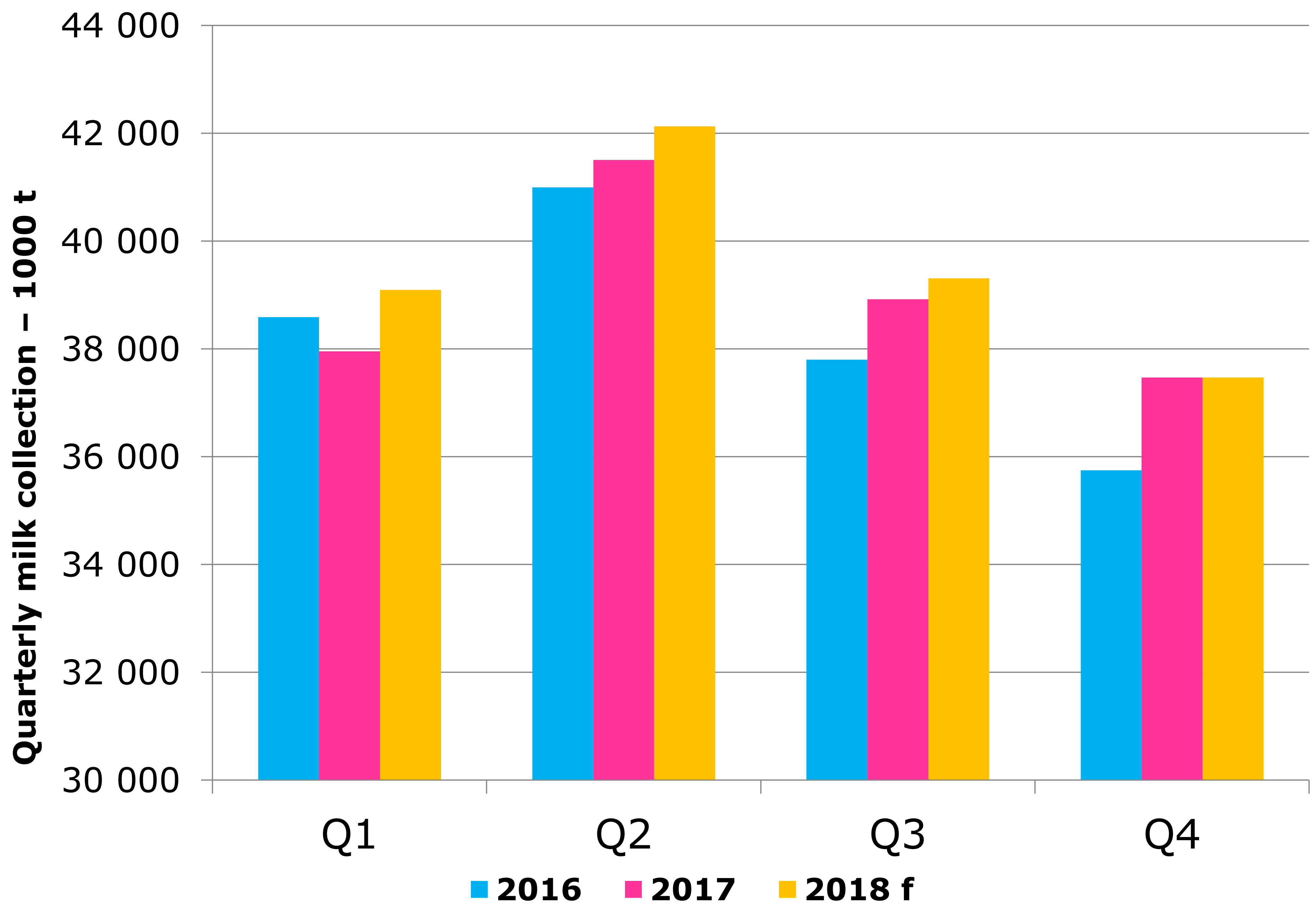
2018 quarterly forecasts

EU milk collection +1.4% / 2017



+4% Jan2018/Jan2017

Drivers

To vary strongly during the year:

- **milk price**
- use of purchased **feed**
- **good forage**
- **cold** temperatures
- **delayed grass** development
- continued **productivity gains**

2019? +0.5%

Source: DG Agriculture and Rural Development

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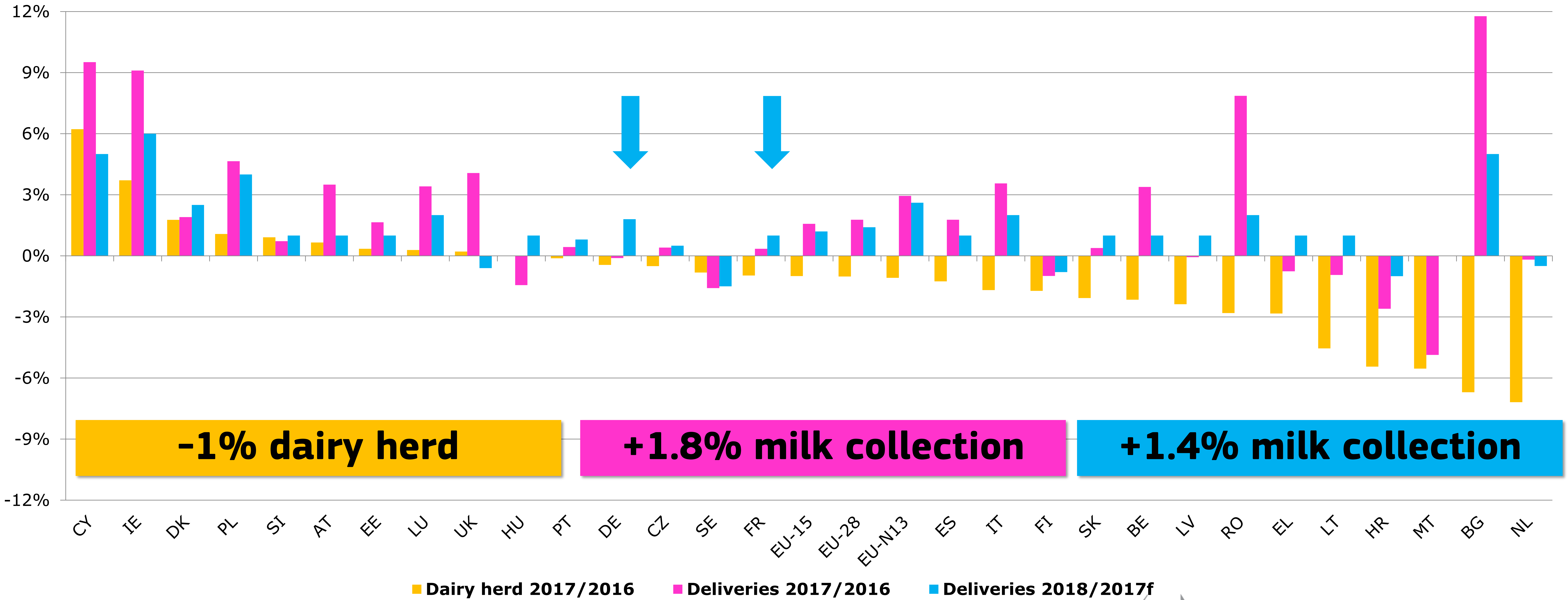
2018 forecasts by MS

Change in number of dairy cows and milk collection



Source: DG Agriculture and Rural Development

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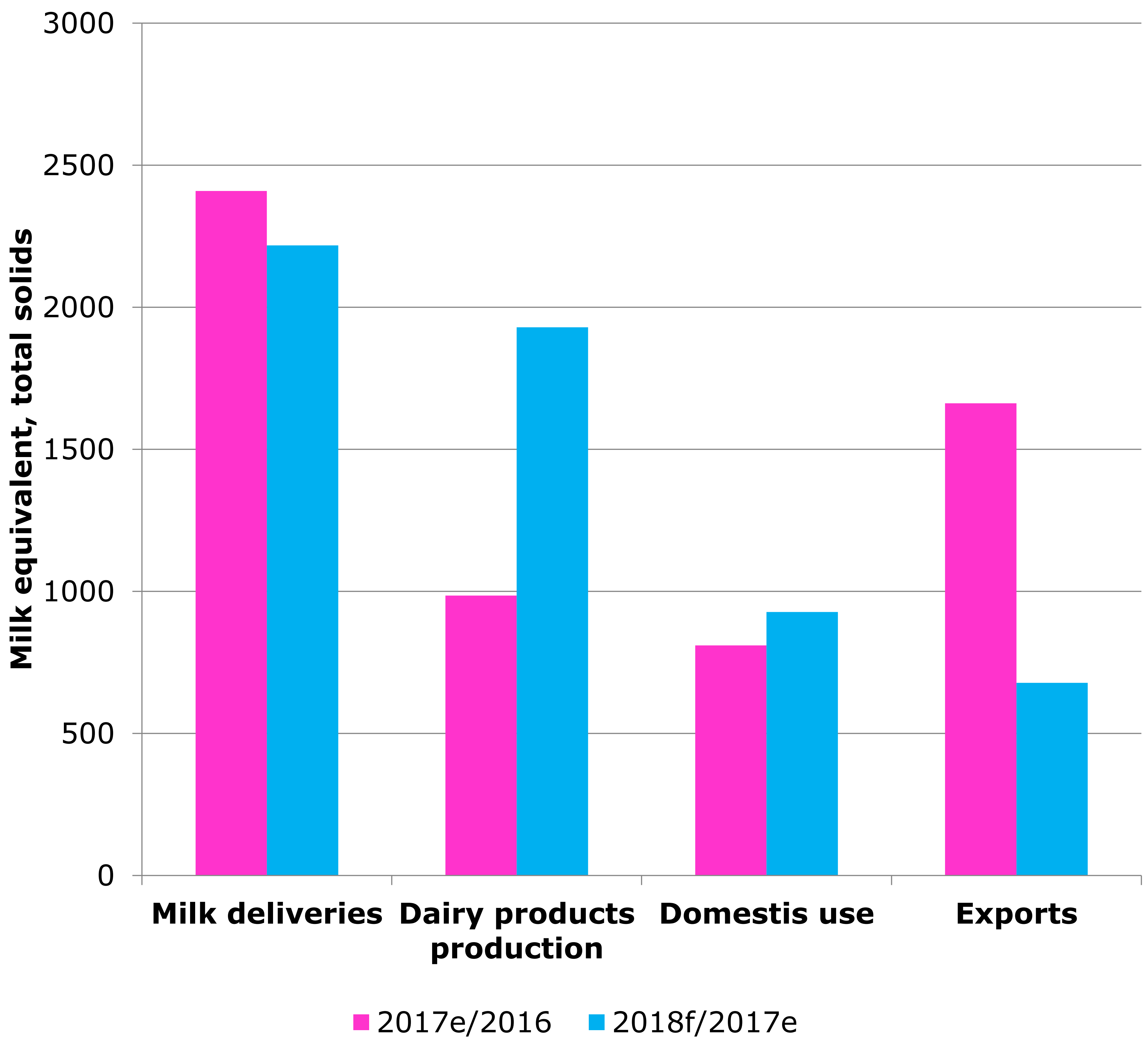
2018 forecast for dairy products

Strong domestic and world demand



Source: DG Agriculture and Rural Development, based on Eurostat expressed in milk equivalent. Total solid coefficients used: 3.6 for cheese, 6.6 for butter, 7.6 for SMP and WMP, 7.5 for whey powder, 0.9 for drinking milk, 1 for yogurt and 3.2 for cream.

In **2017:**

- EU **exports +10%**
- **Domestic use +0.8%**

In **2018:**

- **Strong domestic** demand **+0.9%**
- **Competitive** EU **exports** expected to **grow further** by **4%**

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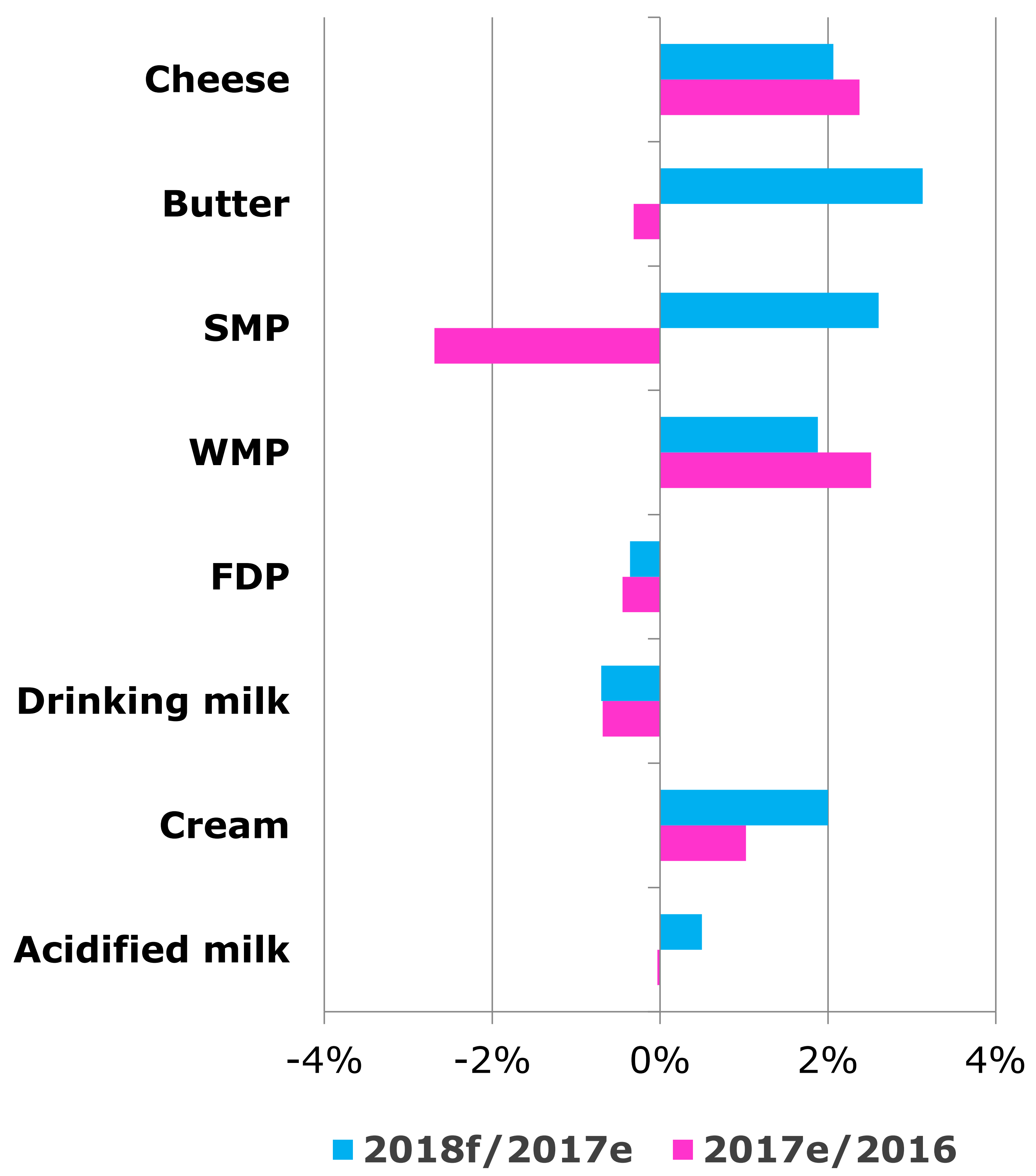
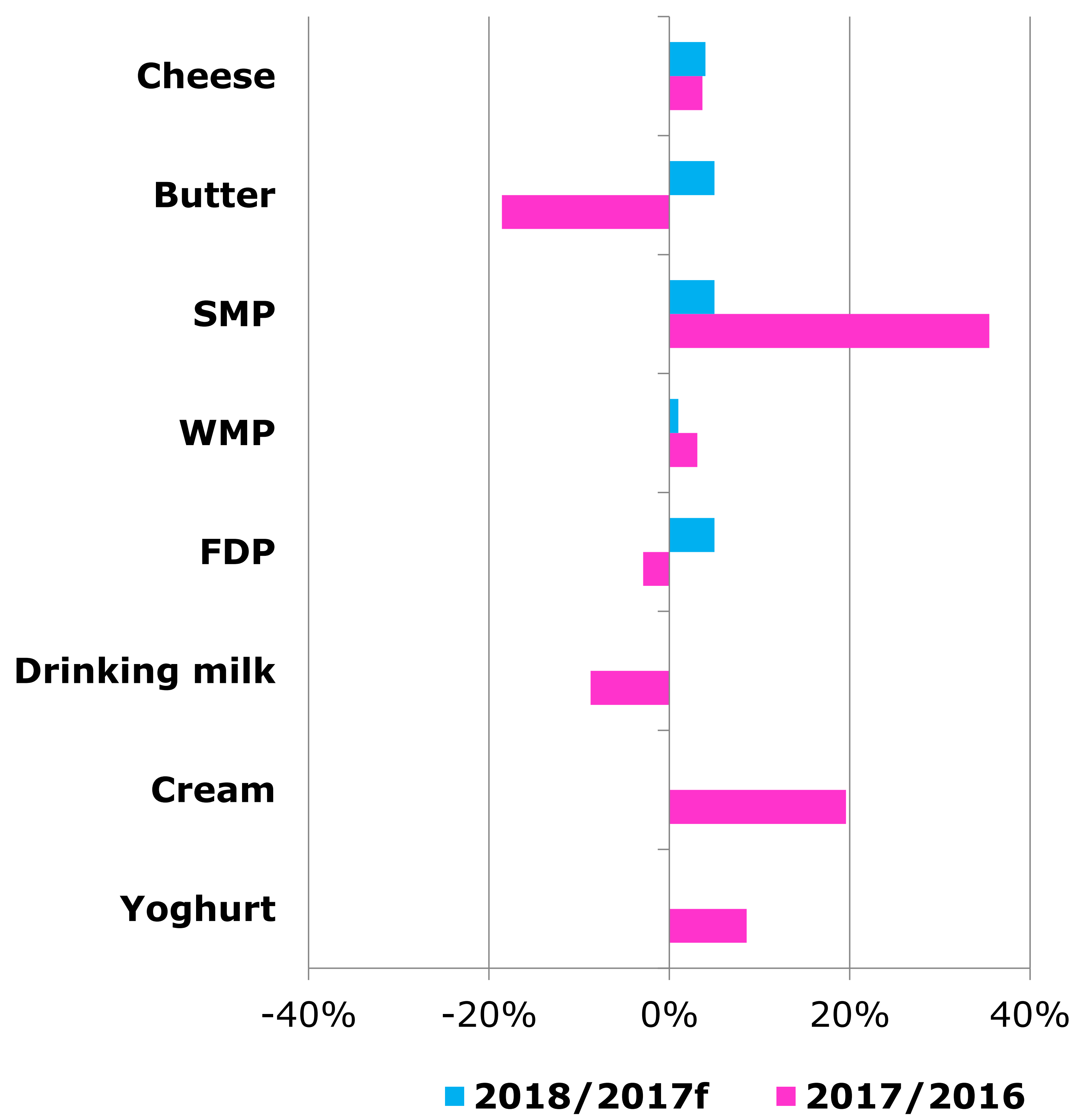
Dairy products in detail

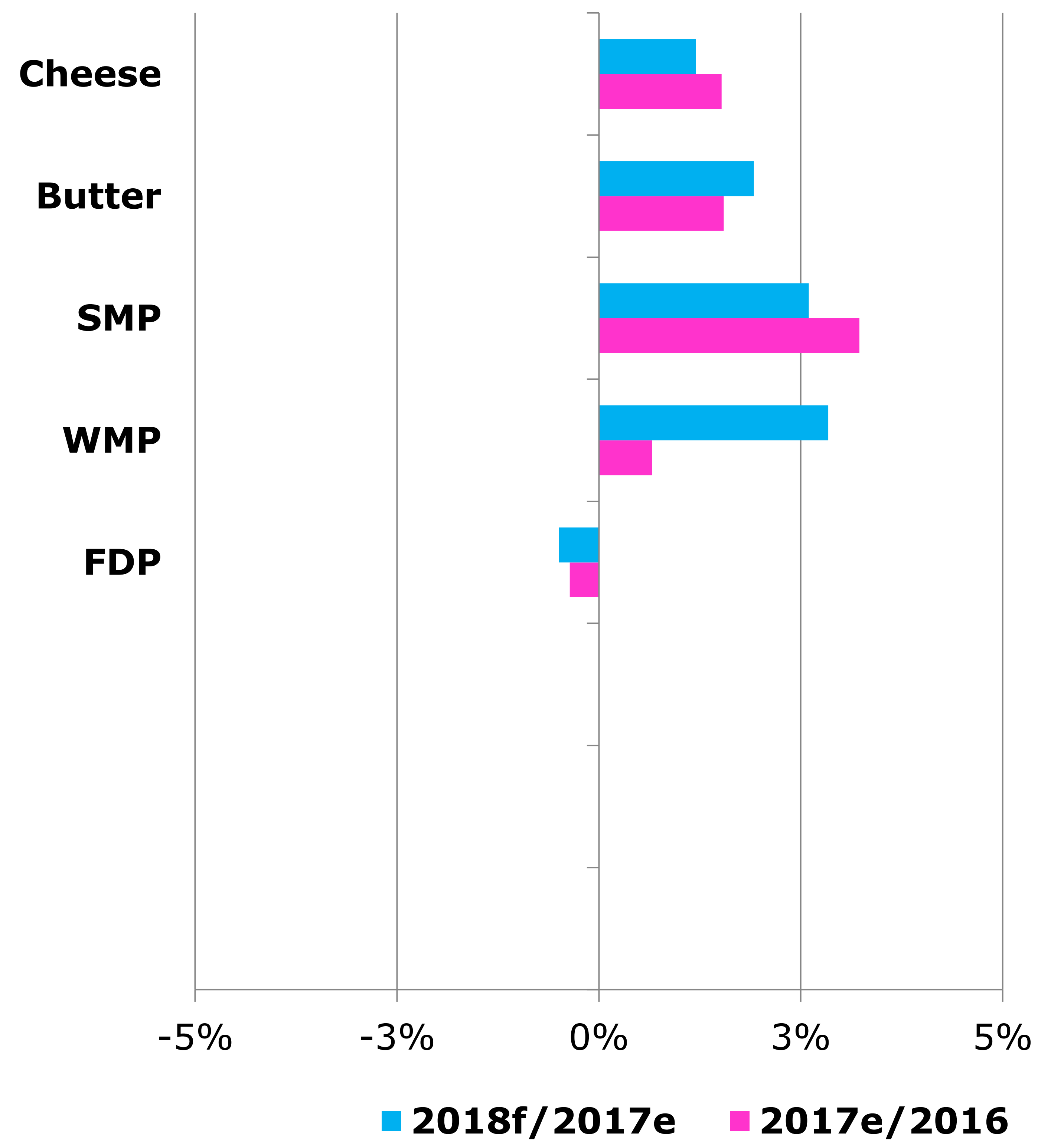
Production



Exports



Domestic use



Source: DG Agriculture and Rural Development

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Focus on SMP

2 scenarios for 2018

	2017	Scenario 1		Scenario 2	
		2018	18/17	2018	18/17
Prod.	1 519	1 558	3%	1 558	3%
Exports	779	818	5%	750	-4%
Use	790	813	3%	813	3%
Stocks	453	383	-15%	451	-1%
Intervention	378	298	-21%	348	-8%
Private	75	85	13%	103	37%
Change in stocks	-48	-70		-5	
out of which Intervention	27	-80		-30	

Source: DG Agriculture and Rural Development

What's next?

Forecast for 2019

Lower growth in milk collection (+0.5%) may lead to:

- a smaller **increase** in **cheese** production (+0.8%)
- **a lower SMP production** (-0.9%), **exports** may be sustained (+9%) thanks to stock release
- a smaller **increase** in **butter** production (+0.5%)
- **a stabilized WMP production** and depending on world demand **slightly increasing exports**

Thank you

Short-term Outlook

https://ec.europa.eu/agriculture/markets-and-prices/short-term-outlook_en

Agricultural medium-term Outlook

https://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook_en

Markets briefs

https://ec.europa.eu/agriculture/markets-and-prices/market-briefs_en

Market observatories

https://ec.europa.eu/agriculture/market-observatory_en

CAP reform

https://ec.europa.eu/agriculture/future-cap_en

DataM portal

https://datam.jrc.ec.europa.eu/

European Commission | Agriculture and Rural Development

ANNEX 6

BIOLAIT
Premier Groupement de producteurs de lait biologique en France

Biolait

2018

la bio partout et pour tous !

www.biolait.eu

BIOLAIT

Premier Groupement de producteurs de lait biologique en France

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Présentation

- Croissance forte et continue de la **filière laitière biologique**
- **Biolait**, Groupement de producteurs de lait bio
- Les **objectifs** du Groupement
- L'importance d'une bio crédible : la **Démarche Qualité Biolait**
- **Etre collecté par Biolait** : pourquoi ?
- Aller **plus loin** en vidéo

Croissance forte et continue de la filière laitière biologique en France

- Evolution et répartition de la collecte bio annuelle

566
Millions de litres collectés
x 2 en 8 ans

2248
Fermes collectées

700
Fermes en conversion
4 fois plus qu'en 2015

58%
Des fermes bio situées dans **l'Ouest du territoire** : Bretagne, Pays de la Loire, Normandie

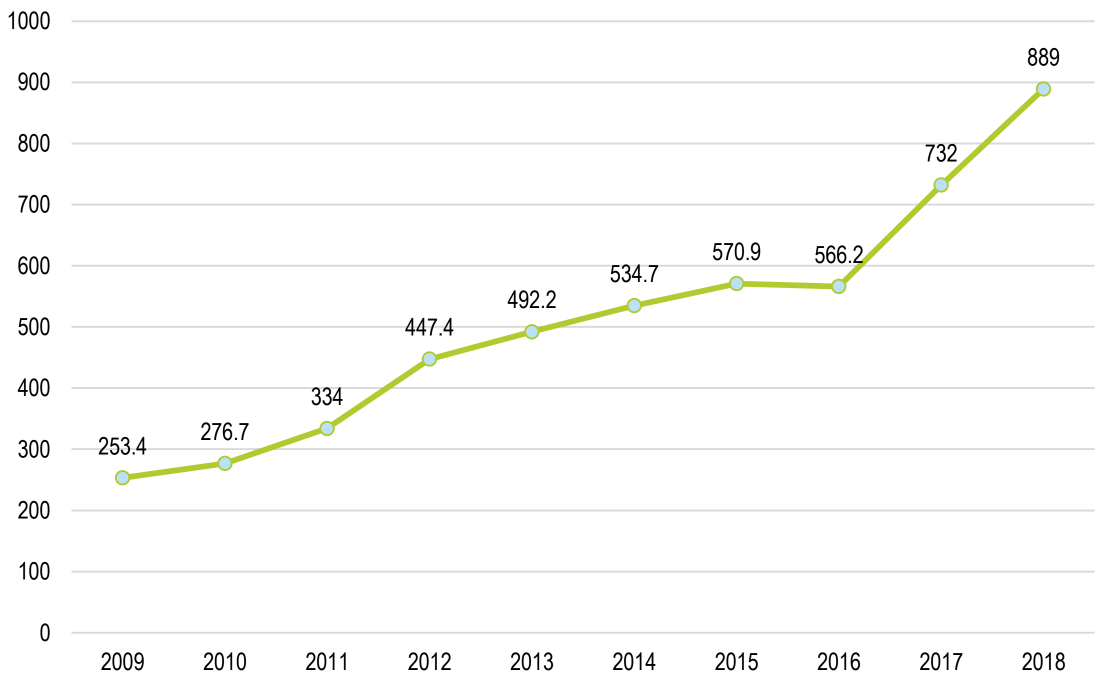
+12%
De produits laitiers bio consommés
par rapport à 2015

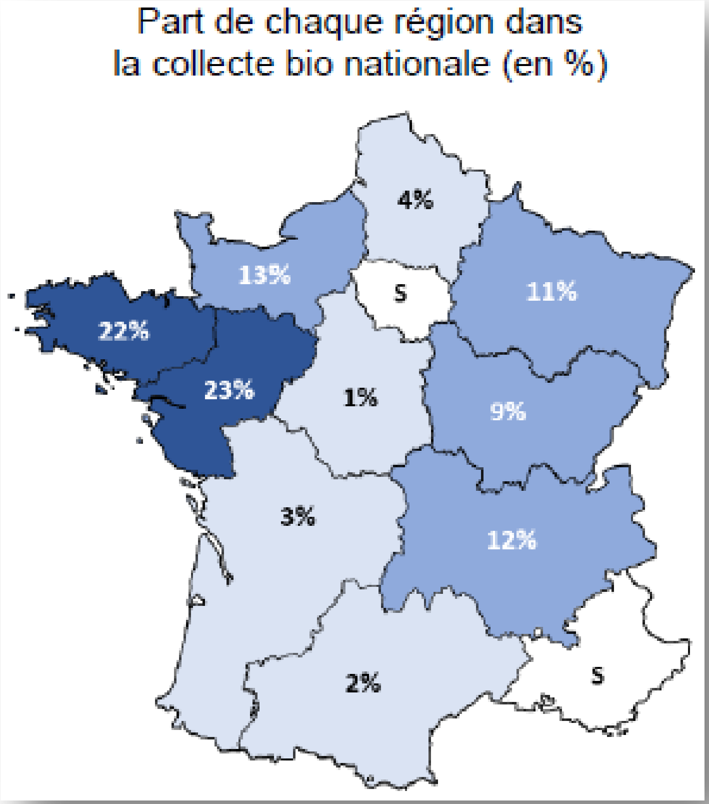
+17%
De surfaces bios
par rapport à 2015

Croissance forte et continue de la filière laitière biologique en France

Evolution et répartition de la collecte bio annuelle

- Croissance : **+ 25%** entre 2012 et 2016
- Perspectives : + **54%** pour les deux prochaines années

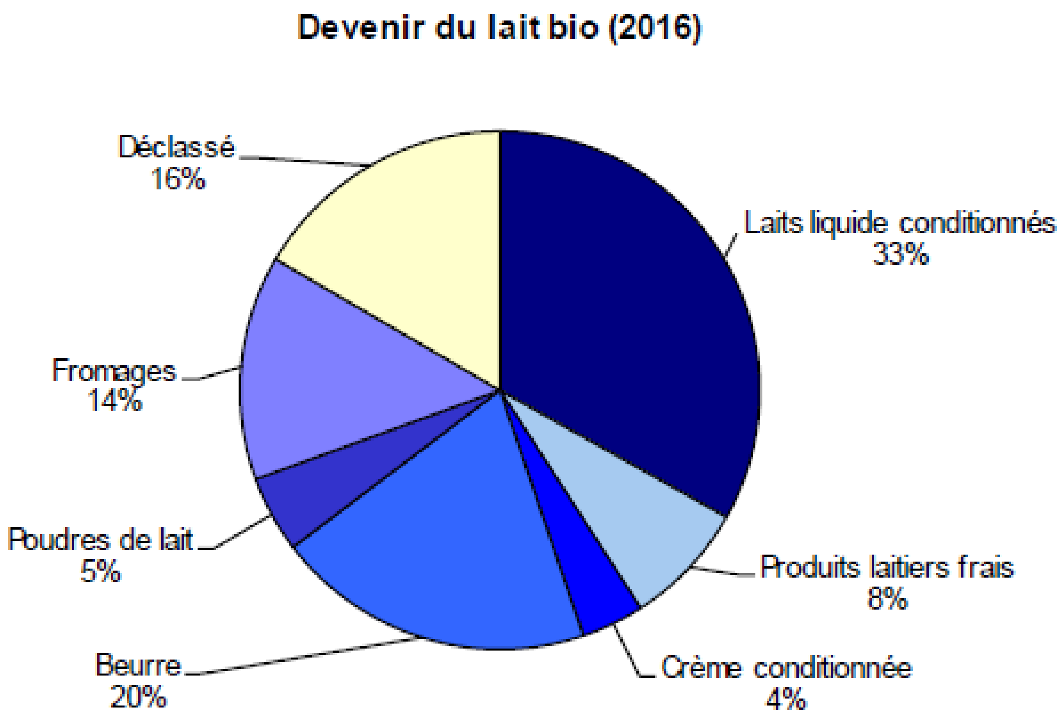


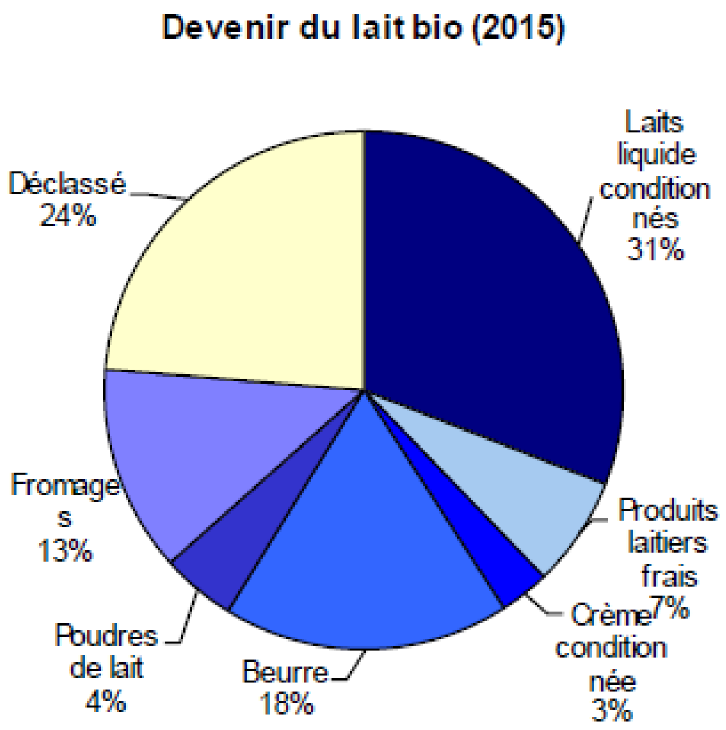


Source : le CNIEL, en France, 2016

Les fabrication laitière biologique en France

Le devenir du lait





Source : le CNIEL, en France, 2016

Biolait, Groupement de producteurs

Activité 100% dédiée
à la **collecte de lait bio**

Représente **30 %**
de la collecte bio nationale

Créé en **1994, en GIE,** par **6 producteurs**
du Morbihan
et de Loire-Atlantique

Géré par les producteurs

Biolait, Groupement de producteurs

Les enjeux

LA BIO PARTOUT ET POUR TOUS
Collecter l'ensemble du territoire

GROUPEMENT ENGAGÉ, PARTICIPATION DÉMOCRATIQUE
100% géré par les producteurs

PRIX PAYÉ IDENTIQUE À TOUS LES PRODUCTEURS
Quelle que soit la situation géographique de la ferme

UNE FILIÈRE ÉQUITABLE ET TRANSPARENTE
Du producteur au consommateur

Biolait, chiffres 2017

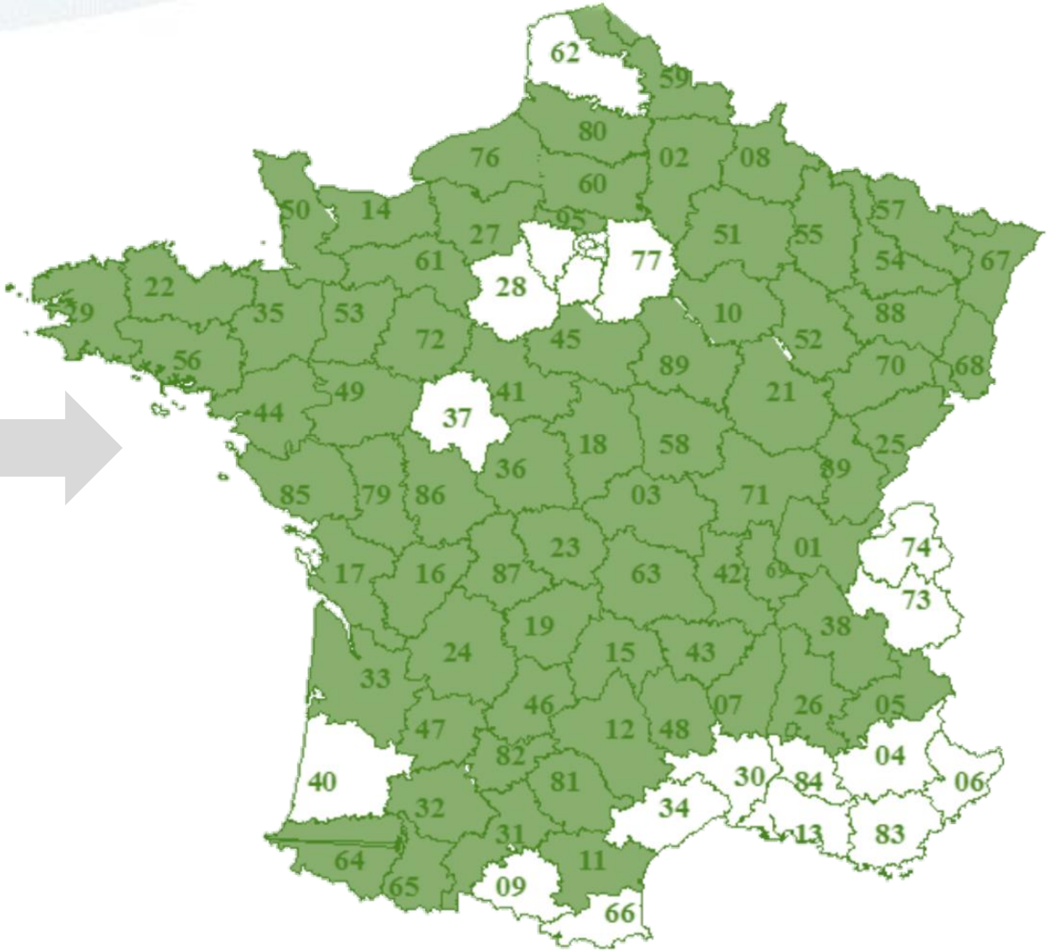
1200
Fermes adhérentes

30
Camions Biolait
15 prestataires

73
Départements
collectés

180
Millions de
litres collectés
x 5 depuis 2007

240
Fermes en conversion



Une structure gérée par des producteurs

Les producteurs prennent toutes les décisions politiques et stratégiques

1200

Fermes sont invitées à participer à la vie du Groupement
30 Rencads 3 fois par an

700

Producteurs sont présents à l'Assemblée Générale

90

Adhérents référents assurent l'animation et le développement

17

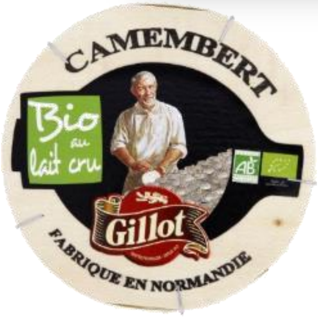
Administrateurs veillent à la mise en œuvre des décisions prises par les producteurs

L'Assemblée Générale :

- 2 jours ouverts à tous les adhérents
- Animée par les producteurs, pour les producteurs
- Pouvoir de s'exprimer
- Convivialité, démocratie et transparence

Plus de 100 clients

- Laiteries ou fromageries, clients artisanaux, industriels et distributeurs
- Plus de 250 produits fabriqués
- un approvisionnement **souple, réactif et à la carte, adapté à chaque besoin**
- **des relations stables et durables** avec des contrats de 5 ans et plus



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Des partenariats avec des distributeurs

Avec les magasins **Biocoop**

Depuis 2000

Avec les magasins **Système U** et la **Laiterie Saint-Denis de l'Hôtel**
Depuis 2011

L’importance d’une bio crédible

La Démarche Qualité Biolait

Démarche de progrès votée par **les producteurs et productrices en Assemblée Générale en 2014** pour :

- Suivre et améliorer les pratiques agricoles
- Garantir une totale traçabilité
- Mesurer notre impact environnemental
- Redonner sa juste place à l’élevage dans le débat de société
- Garantir un lait de qualité

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La Démarche Qualité Biolait

Plusieurs thèmes clés

Santé des animaux
Mesures préventives et méthodes alternatives

Qualité du lait
Conforme aux attentes

Charte des Bonnes Pratiques d'Elevage
Audit des conseillers techniques

Conformité cahier des charges Agriculture Biologique

Impact Environnemental
Minimiser l'impact sur les ressources environnementales

Origine France de 100% des aliments achetés
Mentions sur facture

Qualité nutritionnelle du lait

Autonomie Alimentaire
Privilégier le pâturage, affouragement au vert, fourrages et aliments produits sur la ferme

Fermes 100% bio
Fin de la mixité, 5 ans pour passer un atelier en bio

Relation Homme-Animal
Au-delà du bien-être
Enjeux agronomique et planétaire

Etre collecté par Biolait, pourquoi ?

- Obtenir la reconnaissance du métier et valorisation du lait
- Etre acteur et prendre part aux décisions stratégiques et politiques de Biolait
- Préserver l'environnement et les ressources naturelles
- Contribuer à une meilleure santé de l'Homme et de l'Animal

Pour aller plus loin…

Youtube

Film des 20 ans de Biolait, sur l'histoire du Groupement

« La bio partout et pour tous ! Paroles de producteurs »

www.biolait.eu

Facebook Biolait