



What is the cost
of producing milk?

Results 2022

Calculating the cost of milk production in five EU countries and EU average costs 2022

What is the cost of producing milk?

→ Belgium Milk production costs 2019

By 2019, the cost to produce one kilogram of milk in Belgium had risen to 46.78 c/kg. This was mainly due to increases in the cost of purchased feed and fodder cultivation. However, the farm-gate milk price This price covered 31.37 c/kg. This means costs were not covered. In the last five average 30.98 c/kg actually covered.

Through the milk price alone, Belgian dairy farmers generated a meagre average revenue of 2.19 c/kg over the last five years. Paid costs of milk production in this period were an average



What is the cost of producing milk?

→ Lithuania Milk production costs 2019

In 2019, milk production costs in Lithuania were 58.63 c/kg. In comparison, the average farm-gate milk price in the same year means that 51% of the costs generated were not covered. This leading up to 2019, milk production an average 45.41 c/kg. The costs for all operating costs alone amounted to however, the average revenue from the c/kg. This means that Lithuanian dairy even their paid costs without the s. A net income of 10.30 c/kg was only

generated thanks to these EU payments. However, this income is only about 37% of labour costs as per the income variable. The income variable for 2019 was calculated on the basis of an average hourly wage of 8.76 euros including employer contributions (2018: 6.33 euros), and was derived by doubling the minimum wage. In 2019, it was 10.72 cents higher than in 2018. The study on milk production costs in Lithuania was commissioned by the Lithuanian Ministry of Agriculture.



Was kostet die Erzeugung von Milch?

→ Dänemark Milcherzeugungskosten 2019

Die Kosten für die Produktion eines Kilogramms Milch stiegen in Dänemark bis 2019 auf 41,44 Cent. Fast alle Kostenpositionen, aber vor allem die Futterkosten sind und den Unterhalt von Maschinen im steigenden Trend. Dagegen fiel der 2017 um 2,79 ct/kg. 2019 konnten 1 Kosten nicht gedeckt werden. Im Durchschnitt der letzten fünf lagen die Erzeugungskosten bei 41 gerpreise bei nur 33,37 ct/kg. In c die reinen Produktionskosten (pag

Einnahmen aus Milchpreis und Beihilfen nur in einem Jahr gedeckt (2017: +1,46 ct/kg). Der durchschnittliche Milcher-



Was kostet die Erzeugung von Milch?

→ Deutschland Milcherzeugungskosten 2019

Die Kosten für die Erzeugung eines Kilogramms Milch stiegen in Deutschland bis zum Jahr 2019 auf 47,44 ct. Infolge der extremen Trockenheit seit 2018 sind die Futterkosten stark angestiegen. Gleichzeitig fiel der Milchpreis bis 2019 um 3,70 ct/kg, so dass die Preis-Kostenschere weiter auseinander ging. Die Kostenunterdeckung liegt im Durchschnitt der letzten fünf Jahre bei 25 %. Allein aus der Milcherzeugung, d. h. ohne EU-Beihilfen, konnte ein deutscher Durchschnitts-Milchviehbetrieb in dieser Zeit keine positiven Einkünfte erzielen. Allein die Kosten für die Betriebsmittel und für den allgemeinen Betriebsaufwand (pagatorische Kosten) machten im

Durchschnitt der Jahre 2015 bis 2019 bereits 34,60 ct/kg aus. Demgegenüber stand ein Milchauszahlungspreis von 33,03 ct/kg. Erst unter Berücksichtigung der EU-Beihilfen (2,99 ct/kg) kame jedoc berü der Bi beitrge Bund- dere v



What is the cost of producing milk?

→ Luxembourg Milk production costs 2019

In 2019, milk production costs in Luxembourg were 42.33 c/kg. This means that milk production costs have not decreased in the last seven years, in spite of further intensification of dairy farming and, at the same time, an increase in total production (25% increase in size of dairy herd and 10% increase in milk production). In fact, the shortfall reached 22% in 2019 because milk prices have also decreased since 2017. The average costs for farming inputs and general operating costs (paid costs) between 2015 and 2019 amounted to 38.16 c/kg. The farm-gate milk price in this period, however, was only an average 31.46 c/kg. With the addition of CAP payments

(7.48 c/kg), dairy farmers in Luxembourg could just about break even with their paid costs. An average dairy farm in Luxembourg was left with a meagre 0.77 c/kg in hand from milk production. This is not even 7% of labour costs as per the income variable. The income variable was calculated on the basis of an hourly wage of about 28.30 euros (including employer contributions).



Overview of milk production costs in 2019*

Cost items

- Purchased feed
- Fodder production
- Livestock costs (vet, Building & machinery)
- Energy
- Contract work
- Wages paid
- Other farming overheads
- Depreciation
- Interest and taxes

- Production value of milk

= Paid costs of milk production

+ Income variable (labour costs)

= Total costs

- CAP payments

= Milk production costs

+ Net investments (10-year average)

= Milk production costs including net investments

Übersicht der Milcherzeugung

Kostenposition

- Zugekauftes Futter
- Futteranbau (Saatgut, Dünger, Pflanzenschutzmittel, sonstige)
- Kosten der Tierhaltung (Tierarzt, Besamung etc.)
- Unterhaltung von Maschinen & Gebäuden
- Energie
- Lohnarbeit*
- Gezahlte Löhne**
- Gemeinkosten
- Pacht
- Abschreibungen
- Zinsen und Steuern

- Rindererlöse

= Pagatorische Kosten der Milcherzeugung (nur für angelieferte Milch)

+ Einkommensansatz (Arbeitskosten)

= Gesamterzeugungskosten

- Beihilfen

= Milcherzeugungskosten

+ Nettoinvestitionen (10-Jahres-Durchschnitt)

= Milcherzeugungskosten einschließlich Nettoinvestitionen

= Milchproduktionskosten

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Overview of milk production costs in 2019*

Cost items

- Purchased feed
- Fodder production (seeds, fertilizers, plant protection products, other)
- Livestock costs (veterinary costs, insemination, etc.)
- Building & machinery upkeep
- Energy
- Contract work
- Wages paid
- Other farming overheads
- Rent paid
- Depreciation
- Interest and taxes

- Production value of beef

= Paid costs of milk production (for collected milk only)

+ Income variable (labour costs)

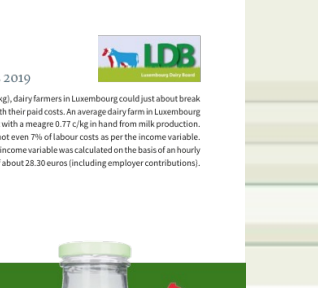
= Total costs

- CAP payments

= Milk production costs

+ Net investments (10-year average)

= Milk production costs including net investments



* Ausgaben für von Lohnnehmern ausgeführt

** Löhne und Lohnkosten von angestellten Arbeitern

Cost coverage/ shortfall in 2022 (in c/kg)

Milk production costs, farm-gate milk price and cost coverage/ shortfall in 2022 (in c/kg)

Country	BE	DE	DK (Q3)	LU	LT (S1)
Production costs (final results excl. net investments)	50.11	47.73	43.85	48.64	57.38
Milk price in c/kg	53.38	53.18	58.52	50.21	48.91
Coverage/ Shortfall in c/kg	+3.27	+5.45	+ 14.67	+ 1.57	-8.47
Coverage/ Shortfall in %	+7%	+11%	+33%	+3%	-15%

* All results of 2022: trend calculations by BAL based on FADN 2020 and Eurostat.

** The stated farm-gate milk prices refer to natural fat and protein contents (according to data from the MMO) or to 4% fat and 3.4% protein (exception NL where 3.7% fat).

Actual income in 2022 (in c/kg)

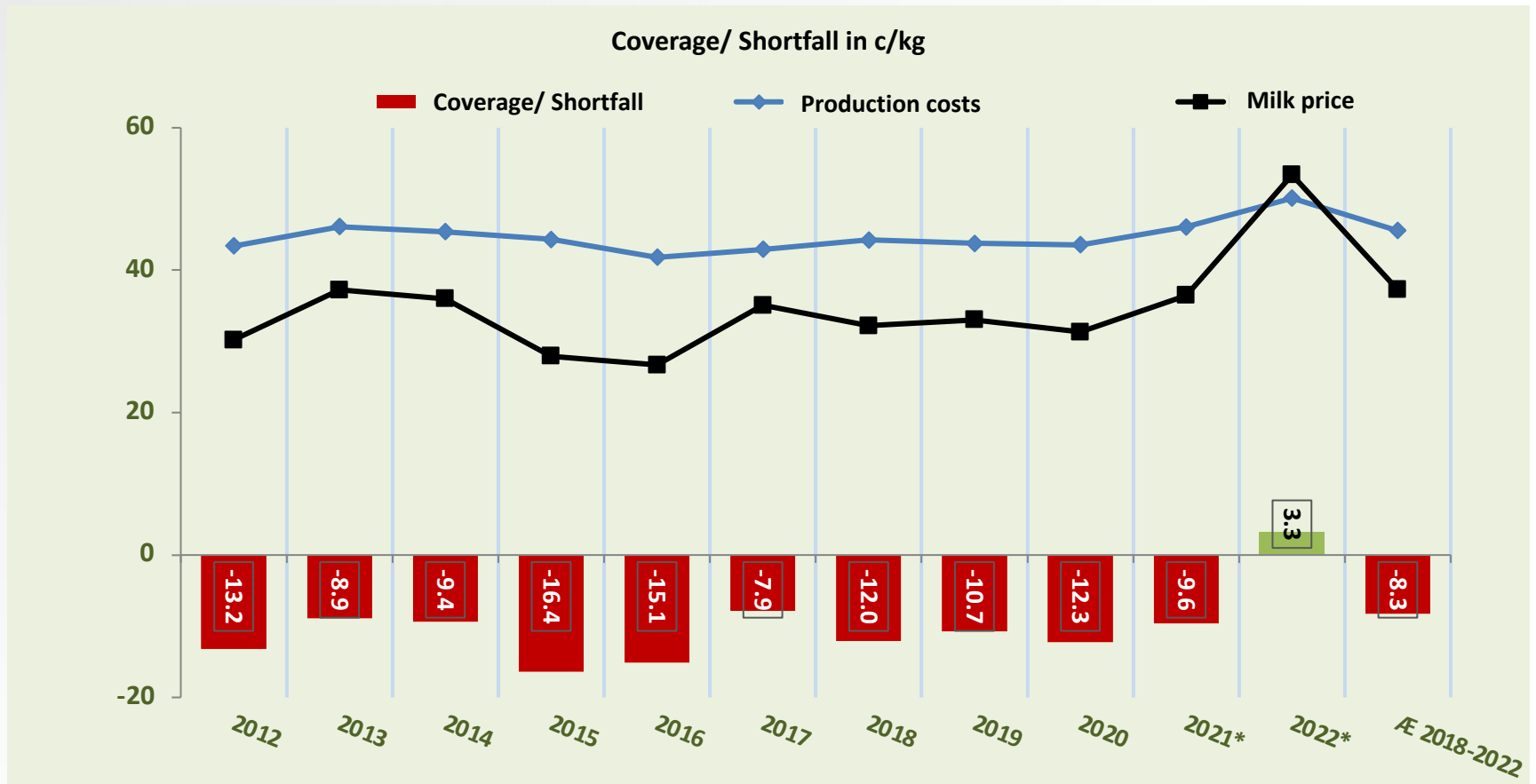
Comparison of actual income with necessary adequate income in 2022

Country	BE	DE	DK (Q3)	LU	LT (S1)
Revenue from milk price and CAP payments (in c/kg)	55.38	55.94	60.56	57.43	59.62
- Paid costs (in c/kg)	34.38	38.59	42.43	44.42	33.42
= Remaining income (in c/kg)	21.00	17.35	18.13	13.01	26.20
Remaining income converted in EUR/h***	32.38	24.46	162	38.10	9.27
Adequate income in EUR/h****	27.44	16.75	30.98	33.50	7.01

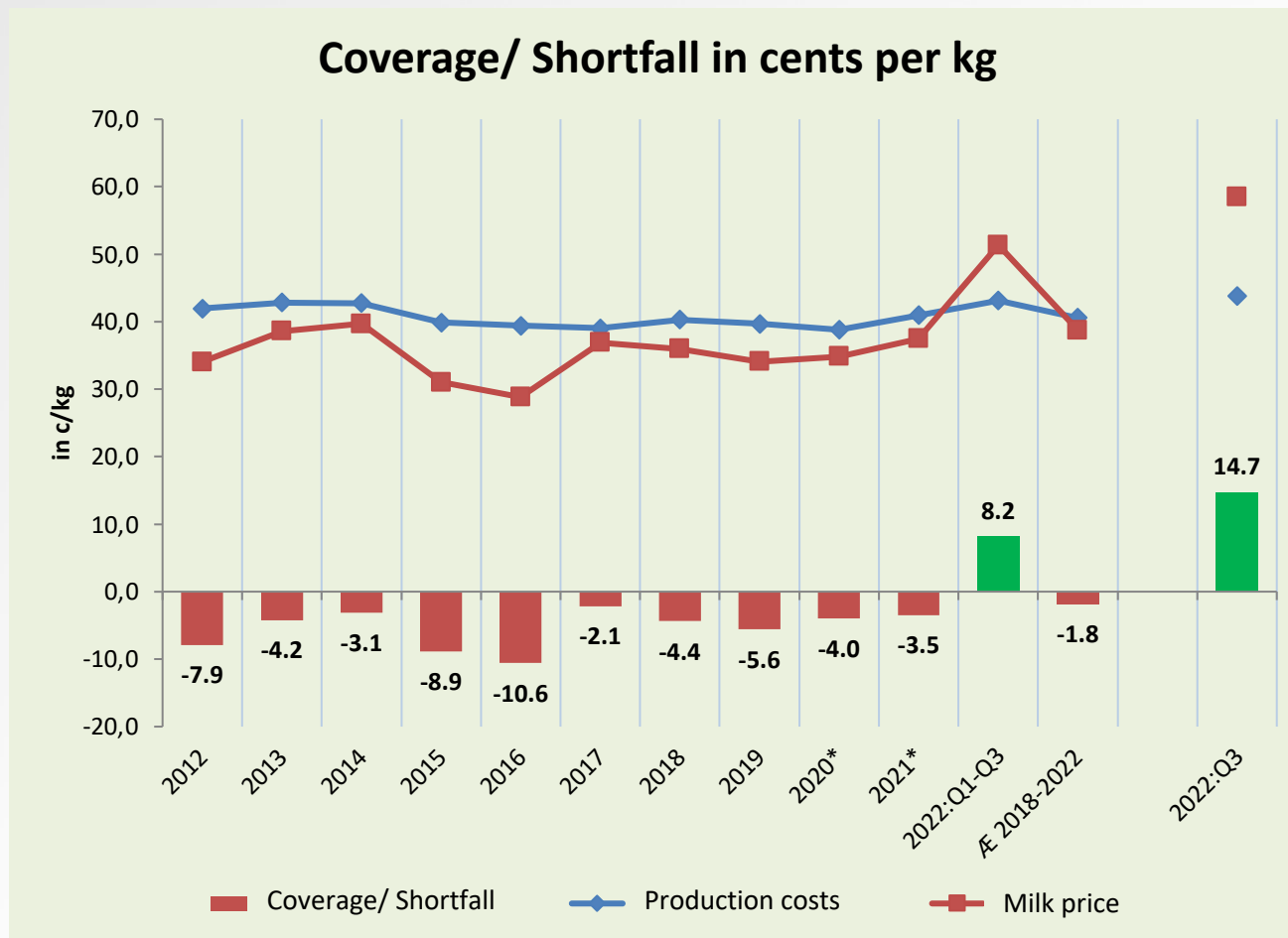
* All results of 2022: trend calculations by BAL based on FADN 2019 and Eurostat.

*** Calculation estimate based on the income variable. The income variable is calculated based on twice the minimum wage in the respective countries or on applicable collective agreements.

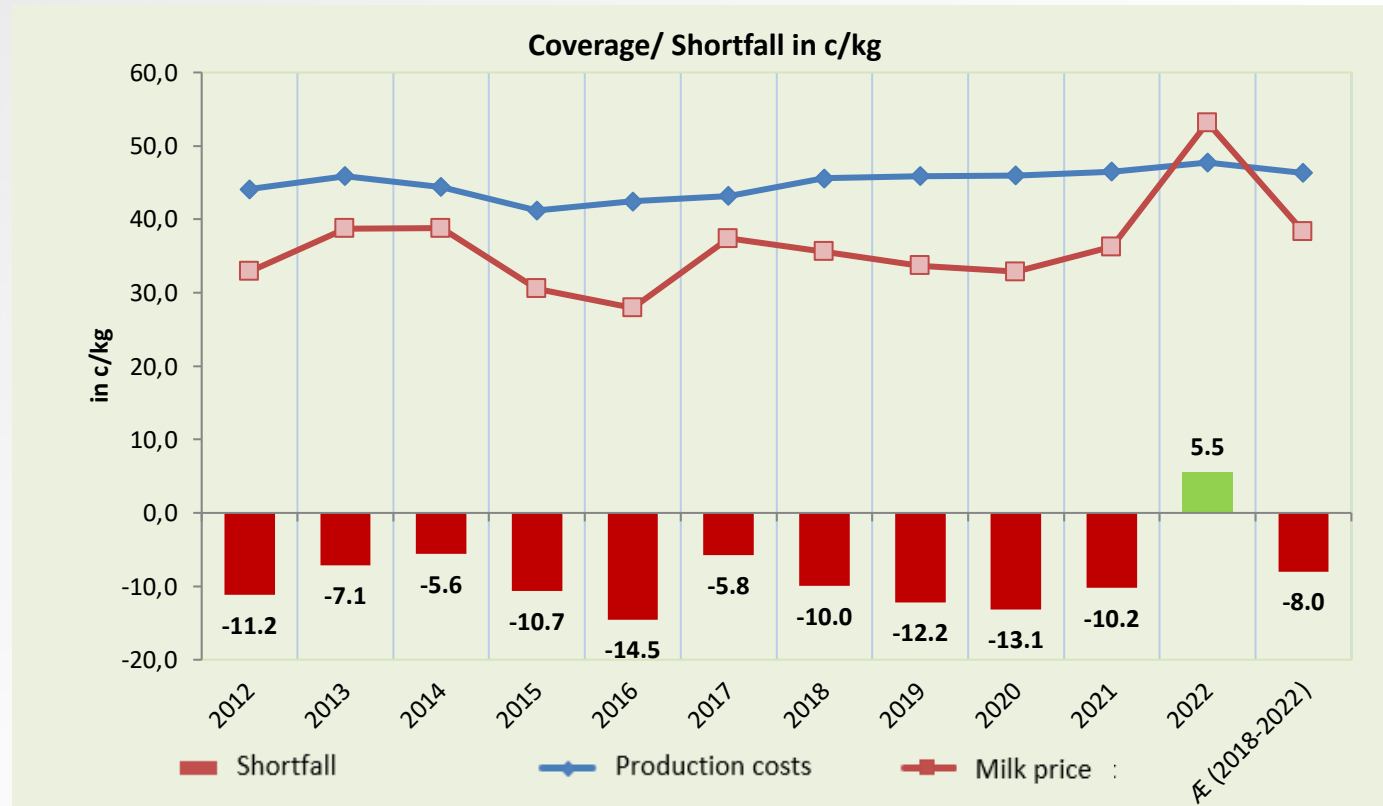
Cost development, milk price and coverage/ shortfall 2012 – 2022 in c/kg in Belgium



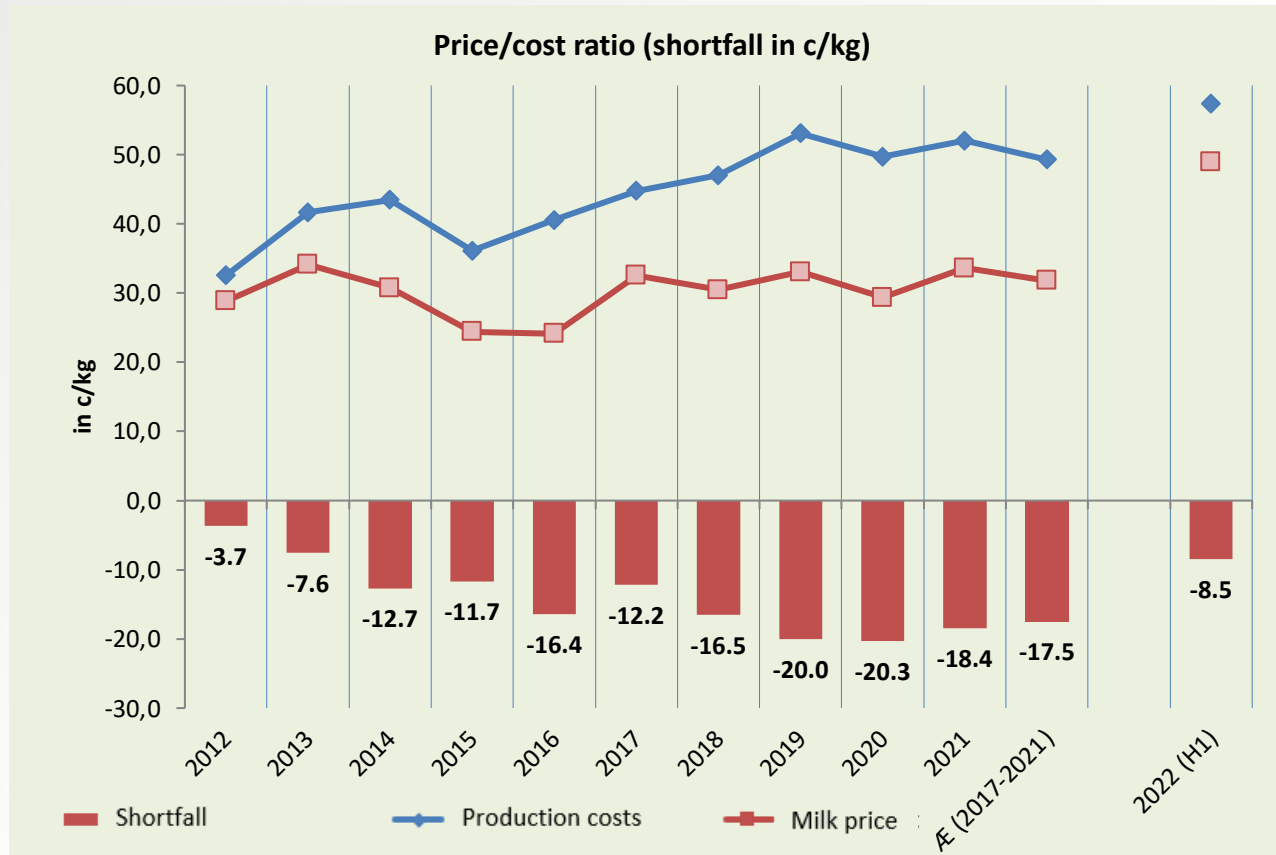
Cost development, milk price and coverage/ shortfall 2012 – 2022 in c/kg in Denmark



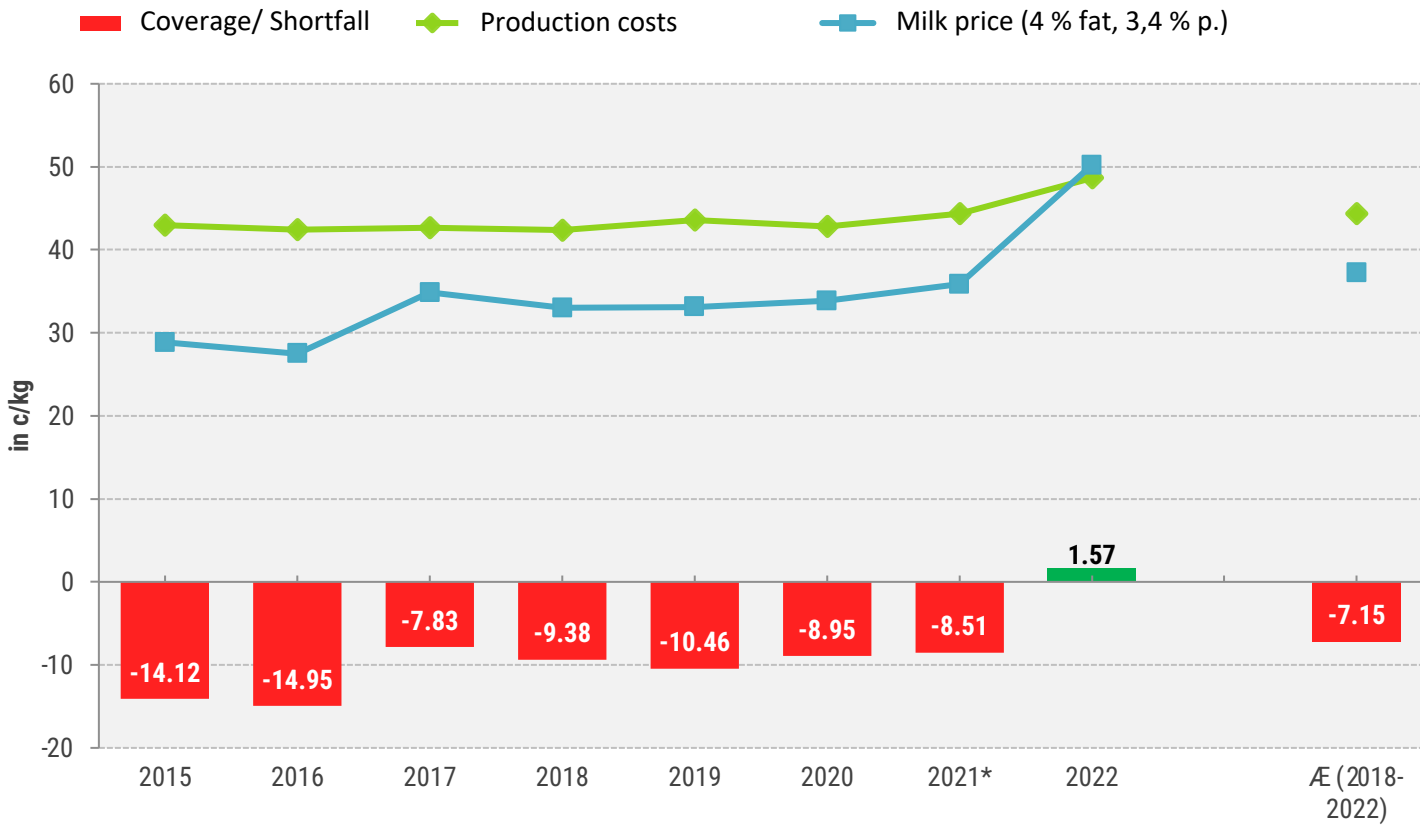
Cost development, milk price and coverage/ shortfall 2012 – 2022 in c/kg in Germany



Cost development, milk price and shortfall 2012 – 2022 in c/kg in Lithuania



Cost development, milk price and coverage/ shortfall 2015 – 2022 in c/kg in Luxembourg



Composition of costs in 2022 (in c/kg)

Country	BE	DE	DK	LU	LT (S1)
Input costs** (final result without net investments)	23.45	22.46	25.20	27.45	19.52
General operating costs***	15.54	22.13	22.26	24.18	21.66
Production value of beef (deducted)	-4.62	-6.04	-5.03	-7.21	-7.76
Paid costs (production costs after deduction of production value of beef)	34.38	38.59	42.43	44.42	33.42
Income variable (labour costs)	17.73	11.90	3.46	11.44	34.67
Total milk production costs	52.11	50.49	45.89	55.86	68.09
CAP payments (deducted)	-2.00	-2.76	-2.04	-7.22	-10.71
Milk production costs (final result)	50.11	47.73	43.85	48.64	57.38
Net investments (Ø 2011-2020)	2.86	1.79	1.37	5.78	3.31

* All results of 2022: trend calculations by BAL based on FADN 2022 and Eurostat.

** Seeds, fertilizers, plant protection products, bought-in feed, equipment & machinery upkeep and energy.

*** Other specific costs for plant and animal production and all non-specific costs like contract work, other farming overheads, paid wages, rent, interest and taxes (in 2020).



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