



What is the cost
of producing milk?

2021

Cost shortfall in 2021 (in c/kg)

Production costs, milk prices and cost shortfall 2021 (in c/kg)

Milk production country	BE	DE	DK	FR	IE	LT	LU	NL	Ø EU***
Production costs (final result excluding net investment)	46.41	45.36	42.39	53.33	36.23	59.27	46.85	47.91	48.02
Milk price in c/kg	36.54	36.27	37.50	37.70	36.81	33.61	36.96	33.75	36.81
Shortfall in c/kg	-9.87	-9.09	-4.89	-15.63	+0.58	-25.66	-9.89	-14.16	-11.21
Shortfall as %	-21%	-20%	-12%	-29%	+2%	-43%	-21%	-30%	-23%

*All results of 2020 and 2021: trend calculations by BAL based on FADN 2019 and Eurostat

** The stated farm-gate milk prices refer either to natural fat and protein levels (according to MMO data) or to 4% fat and 3.4 % protein (with the exception of NL with 3.7% fat)

*** The results for the EU average refer to 27 EU Member States, without the United Kingdom.

Overview of costs in 2021 (in c/kg)

Overview of milk production costs in 2021 in c/kg*

Milk production country	BE	DE	DK	FR	IE	LT	LU	NL	Ø EU****
Input costs** (final result excluding net investment)	19.41	19.77	22.43	22.18	19.48	17.88	22.90	21.19	21.83
General operating costs***	15.84	22.00	23.23	24.10	15.00	23.37	24.96	21.88	20.64
Product value of beef (deduction)	-4.03	-5.68	-4.55	-6.54	-8.56	-6.04	-5.51	-2.67	-4.41
Paid costs (after deduction of production value of beef)	31.22	36.09	41.11	39.74	25.92	35.21	42.35	40.40	38.06
Income variable (for labour costs)	17.10	12.10	3.42	17.63	12.94	35.95	11.86	9.24	13.64
Total costs of milk production	48.32	48.19	44.53	57.37	38.86	71.16	54.21	49.64	51.70
CAP payments (deduction)	-1.91	-2.83	-2.14	-4.04	-2.63	-11.89	-7.36	-1.73	-3.68
Milk production costs (final result)	46.41	45.36	42.39	53.33	36.23	59.27	46.85	47.91	48.02
Net investment (Ø 2010-2019)	2.87	1.79	1.33	0.01	3.09	3.89	5.40	4.70	1.67

*All results of 2021: trend calculations by BAL based on FADN 2019 and Eurostat

** Seeds, fertilizers, plant protection products, purchased feed, maintenance of machinery & equipment and energy.

***Other specific costs for plant and animal production, all non-specific costs such as labour, overheads, wages, rent, interest, taxes (as of 2019)

**** The results for the EU average refer to 27 EU Member States, without the United Kingdom.

Actual income in 2021 (in c/kg)

Comparison of actual income with necessary adequate income 2021

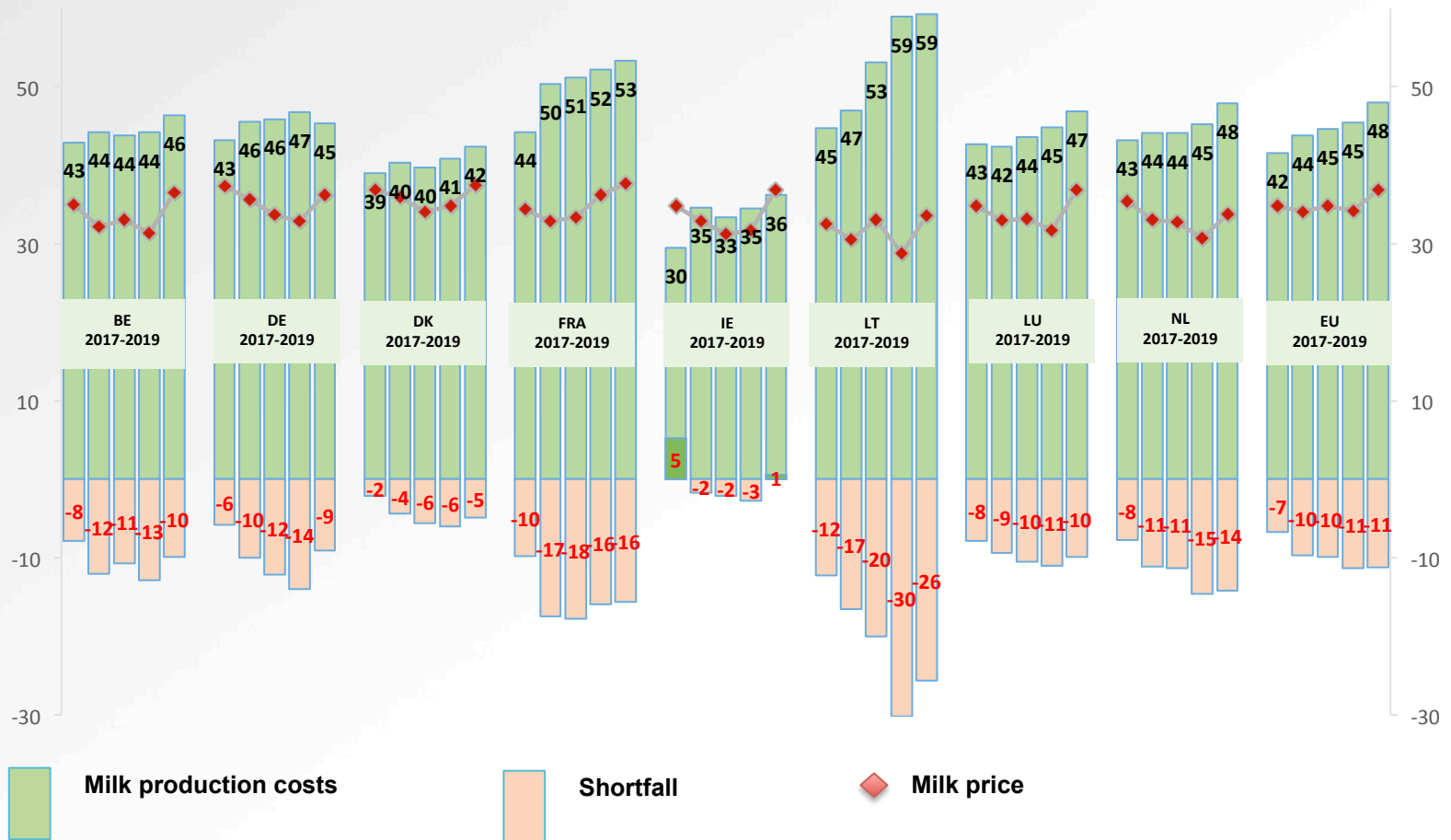
Milk production country	BE	DE	DK	FR	IE	LT	LU	NL	Ø EU****
Revenue from milk price and CAP payments (in c/kg)	38.45	39.10	39.64	41.74	38.86	45.50	44.32	35.48	40.49
- paid costs (in c/kg)	31.22	36.09	41.11	39.74	25.92	35.21	42.35	40.40	38.06
= remaining income (in c/kg)	7.23	3.01	-1.47	2.00	12.94	10.29	1.97	-4.92	2.43
Remaining income converted into EUR/h***	11.19	6.10	-	3.09	22.70	2.33	5.25	-	4.19
Adequate income in EUR/h****	26.47	24.54	30.27	27.25	22.70	8.15	31.58	24.00	23.51

*All results of 2021: trend calculations by BAL based on FADN 2019 and Eurostat

** The results for the EU average refer to 27 EU Member States, without the United Kingdom.

*** Calculation estimate based on the income variable. The income variable is calculated either to twice the national minimum wage or standard rates.

Development of costs and shortfall 2017 – 2021 in c/kg



Results 2021

- The farm-gate milk prices and CAP payments do not cover the costs of milk production. Ireland is the only exception, but here too producers are experiencing a growth in cost pressure.
- **Increase in input costs for fertilizers, feed and energy** in 2021 eat up all the additional revenues from higher farm-gate milk prices, so that the income situation has still not improved again in 2021.
- The cost shortfall will be significantly higher for the first quarter 2022 due to the dramatic increase in input costs.
- Improved farm-gate milk prices are the most important adjustment to be made for milk producers to proceed with the necessary alignments and implement the expenditure and investment for climate and environment protection as well as animal welfare.

Milk production costs EU



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	38.06	13.64	51.70	3.68	48.02	1.67	49.69
2020*	35.78	13.35	49.13	3.68	45.45		47.12
2019	35.23	13.07	48.30	3.68	44.62		46.29
2018	35.27	11.97	47.24	3.46	43.78		45.45
2017	32.72	12.38	45.10	3.55	41.55		43.22
Ø 2017-2021	35.41	12.88	48.29	3.61	44.68		



Conclusion for the EU

- In 2021, milk production costs in the EU amounted to **48.02** cents per kilogram.
- The costs have increased **by 3.4 c/kg** or 9% since 2019.
- Only 77% of the costs were covered.
- European milk producers generated income of 2.43 c/kg from the milk price and CAP payments.
- This corresponds to 18% of the income variable for appropriate labour costs or 4 € per hour (max. gross)

Milk production costs Belgium



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	31.22	17.10	48.32	1.91	46.41	2.87	49.28
2020*	29.07	17.03	46.10	1.91	44.19		47.06
2019	28.94	16.73	45.67	1.91	43.76		46.63
2018	28.82	17.46	46.28	2.05	44.23		47.10
2017	27.85	17.37	45.22	2.30	42.92		45.79
Ø 2017-2021	29.18	17.14	46.32	2.09	44.30		



Conclusion for Belgium

- In 2021, milk production costs in Belgium amounted to **46.61** cents per kilogram.
- The costs have increased **by 2.6 c/kg** or 6% since 2019.
- Only 79% of the costs were covered.
- Belgian milk producers generated income of 7.23 c/kg from the milk price and CAP payments.
- This corresponds to 42% of the income variable for appropriate labour costs or € 11 per hour (max. gross)

Milk production costs Germany



Overview of costs 2017-2021 (in c/kg)

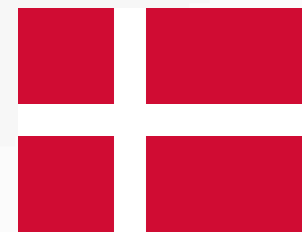
Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	36.09	12.10	48.19	2.83	45.36	1.79	47.15
2020*	37.50	12.10	49.60	2.83	46.77		48.56
2019	36.60	12.10	48.70	2.83	45.87		47.66
2018	36.34	12.14	48.48	2.91	45.57		47.36
2017	33.76	12.44	46.20	3.03	43.17		44.96
Ø 2017-2021	36.06	12.18	48.23	2.89	45.35		



Conclusion for Germany

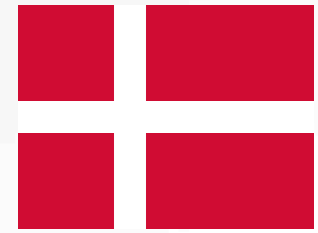
- In 2021, milk production costs in Germany amounted to **45.36** cents per kilogram.
- The costs have been on this high level already since 2019 (drought).
- Only 80% of the costs were covered.
- German milk producers generated income of 3.01 c/kg from the milk price and CAP payments.
- This corresponds to 25% of the income variable for appropriate labour costs or € 6 per hour (max. gross)

Milk production costs Denmark



Overview of costs 2017-2021 (in c/kg)

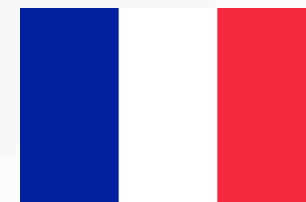
Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	41.11	3.42	44.53	2.14	42.39	1.33	43.72
2020*	39.59	3.42	43.01	2.14	40.87		42.2
2019	38.24	3.61	41.85	2.14	39.71		41.04
2018	39.2	3.54	42.74	2.42	40.32		41.65
2017	37.92	3.6	41.52	2.48	39.04		40.37
Ø 2017-2021	39.21	3.52	42.73	2.26	40.47		



Conclusion for Denmark

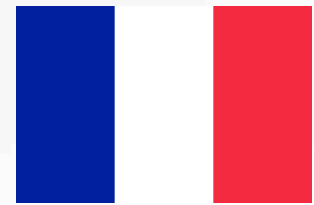
- In 2021, milk production costs in Denmark amounted to **42.39** cents per kilogram.
- The costs have increased by **2.68 c/kg** or 6% since 2019.
- Only 88% of the costs were covered.
- On average, Danish dairy farms were not able to generate any positive income from the milk price and CAP payments (39.64 c/kg) and were left with a deficit of -1.47 c/kg after deduction of the paid costs.
- Milk production already generates financial loss without even taking account of the income variable for appropriate labour costs (30.27 € max gross).

Milk production costs France



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	39.74	17.63	57.37	4.04	53.33	0.01	53.34
2020*	38.75	17.46	56.21	4.04	52.17		52.18
2019	37.93	17.25	55.18	4.04	51.14		51.15
2018	37.25	16.95	54.20	3.89	50.31		50.32
2017	34.85	13.25	48.10	3.89	44.21		44.22
Ø 2017-2021	37.70	16.51	54.21	3.98	50.23		



Conclusion for France

- In 2021, milk production costs in France amounted to **53.33** cents per kilogram.
- The costs have increased by **2.19 c/kg** or 5% since 2019.
- Only 71% of the costs were covered.
- On average, French dairy farms generated income of only 2.00 c/kg from the milk price and CAP payments.
- This corresponds to 11% of the income variable for appropriate labour costs or € 3 per hour (max. gross)

Milk production costs Ireland



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	25.92	12.94	38.86	2.63	36.23	3.09	39.32
2020*	24.37	12.81	37.18	2.63	34.55		37.64
2019	23.62	12.42	36.04	2.63	33.41		36.50
2018	25.54	11.74	37.28	2.67	34.61		37.70
2017	20.63	11.52	32.15	2.62	29.53		32.62
Ø 2017-2021	24.02	12.29	36.30	2.64	33.67		

Conclusion for Ireland



- In 2021, milk production costs in Ireland amounted to **36.23** cents per kilogram.
- The costs have increased by **2.82 c/kg** or 11% since 2019.
- The milk production costs are covered, taking account of an income variable for appropriate labour costs of 22.70 € per hour (max. gross).
- The higher milk producer prices were scarcely able to improve the financial situation of the milk producers due to the likewise increased production costs.

Milk production costs Lithuania



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	35.21	35.95	71.16	11.89	59.27	3.89	63.16
2020*	37.20	33.64	70.84	11.89	58.95		62.84
2019	33.47	31.49	64.96	11.89	53.07		56.96
2018	35.07	27.92	62.99	15.97	47.02		50.91
2017	31.14	26.47	57.61	12.86	44.75		48.64
Ø 2017-2021	34.42	31.09	65.51	12.90	52.61		

Conclusion for Lithuania



- In 2021, milk production costs in Lithuania amounted to **59.27** cents per kilogram.
- The costs have increased by **6.20 c/kg** or 17% since 2019.
- Only 57 % of the costs were covered.
- On average, Lithuanian dairy farms generated income of only 10.29 c/kg from the milk price and CAP payments.
- This corresponds to 29% of the income variable for appropriate labour costs or € 2 per hour (max. gross)

Milk production costs Luxembourg



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	42.35	11.86	54.21	7.36	46.85	5.40	52.25
2020*	40.63	11.54	52.17	7.36	44.81		50.21
2019	39.69	11.26	50.95	7.36	43.59		48.99
2018	38.28	11.45	49.73	7.35	42.38		47.78
2017	39.37	11.05	50.42	7.74	42.68		48.08
Ø 2017-2021	40.06	11.43	51.50	7.43	44.06		

Conclusion for Luxembourg



- In 2021, milk production costs in Luxembourg amounted to **46.85** cents per kilogram.
- The costs have increased by **3.26 c/kg** or 7% since 2019.
- Only 79% of the costs were covered.
- On average, dairy farms in Luxembourg generated income of only 1.97 c/kg from the milk price and CAP payments
- This corresponds to 17% of the income variable for appropriate labour costs or € 5 per hour (max. gross)

Milk production costs Netherlands



Overview of costs 2017-2021 (in c/kg)

Year	Paid costs	+ income variable	= total costs	- CAP payments	= production costs (final result)	+ net investment (Ø 2017-2021)	= costs + net investment
2021*	40.4	9.24	49.64	1.73	47.91	4.70	52.61
2020*	37.72	9.24	46.96	1.73	45.23		49.93
2019	36.56	9.24	45.8	1.73	44.07		48.77
2018	36.50	9.24	45.74	1.58	44.16		48.86
2017	35.76	9.14	44.9	1.70	43.20		47.90
Ø 2017-2021	37.39	9.22	46.61	1.69	44.91		



Conclusion for the Netherlands

- In 2021, milk production costs in the Netherlands amounted to **47.91** cents per kilogram.
- The costs have increased by **3.84 c/kg** or 9% since 2019.
- Only 70% of the costs were covered.
- On average, Dutch dairy farms were no longer able to generate any positive income from the milk price and CAP payments (-4.92 c/kg).
- Milk production already generates financial loss without even taking account of the income variable for appropriate labour costs (€ 24.00 max gross).

Update

Outlook for the first quarter of 2022

Development of important cost items such as:

- Compound feed for cattle
- Energy
- Fertiliser

Kostenentwicklung / cost development / évolution des coûts nach/after/après 2021

Vorläufige Hochrechnungen / Provisional Extrapolation / Extrapolation provisoire (Ct/kg)

Kosten für / costs for / coûts pour	DE		DK		FR	
	2021	1-2022	2021	1- 2022	2021	4- 2022
Zugekauft. Futter / Purchased feed / Achat d'aliments	10,54	11,32	16,06	17,00	10,57	14,49
Futterbau / Fodder production / Cultures fourragères (Saatgut, Dünger, Pflanzenschutzmittel, sonstige)	2,58	3,12	2,12	2,38	3,90	4,15
Unterhaltung von Maschinen und Gebäuden / Building and machinery upkeep / Entretien des bâtiments et du matériel	3,82	3,64	3,42	3,85	4,65	4,84
Energie / Energy / Energie	3,16	3,32	1,16	2,01	3,06	3,82
Differenz zu 2021 / Difference to 2021 / Différence par rapport à 2021		+ 1,30		+ 2,48		+ 5,12
Rindererlöse / production value of beef / recettes de la vente de bovins	-5,68	-6,47	-4,55	-6,08	-6,54	-9,81
Differenz zu 2021 / Difference to 2021 / Différence par rapport à 2021		+ 0,79		+ 1,53		+ 3,27
Milchpreisentwicklung im Vergleich zu 2021 Milk price development compared to 2021 Evolution du prix du lait en comparaison avec 2021		+ 5,87		+ 6,18		+4,91

Kostenentwicklung / cost development / évolution des coûts nach/after/après 2021

Vorläufige Hochrechnungen / Provisional Extrapolation / Extrapolation provisoire (Ct/kg)

Kosten für / costs for / coûts pour	IE		LU		NL	
	2021	3-2022	2021	1- 2022	2021	12-2021
Zugekauft. Futter / Purchased feed / Achat d'aliments	11,26	11,92	11,89	13,54	14,05	14,87
Futterbau / Fodder production / Cultures fourragères (Saatgut, Dünger, Pflanzenschutzmittel, sonstige)	3,7	5,63	4,54	4,41	1,82	2,13
Unterhaltung von Maschinen und Gebäuden / Building and machinery upkeep / Entretien des bâtiments et du matériel	3,03	2,58	4,62	4,65	3,14	3,22
Energie / Energy / Energie	1,7	1,92	2,28	2,68	2,21	2,74
Differenz zu 2021 / Difference to 2021 / Différence par rapport à 2021		+2,36		+ 2,08		+1,74
Rindererlöse / production value of beef / recettes de la vente de bovins	8,56	9,25	5,51	7,14	-2,67	3,63
Differenz zu 2021 / Difference to 2021 / Différence par rapport à 2021		+ 0,69		+1,63		+0,96
Milchpreisentwicklung im Vergleich zu 2021 Milk price development compared to 2021 Evolution du prix du lait en comparaison avec 2021		+ 8,62		+ 5,06		+ 4,45

Cost development after 2021 (in ct/kg)

(Cost forecast for 2022 specifically for the following input costs: bought-in feed, seeds, fertilizer and plant protection products, energy, equipment and building upkeep, and production value of beef – further cost items have not yet been taken into account)

Country	Production costs in 2021	Increase of general operating costs in sample month 2022	Cost forecast in sample month 2022
BE	46.41	<i>No data</i>	<i>No data</i>
DE*	45.36	Apr. 2022: + 2.24	Apr. 2022: = 47.60
DK	42.39	Jan. 2022: + 0.95	Jan. 2022: = 43.34
FR	53.33	Apr. 2022: + 1.85	Apr. 2022: = 55.18
IE	36.23	March 2022: + 1.67	March 2022: = 37.90
LT	59.27	<i>No data</i>	<i>No data</i>
LU	46.85	Jan. 2022: + 0.45	Jan. 2022: = 47.30
NL**	47.91	Dec. 2021: + 0.78	Dec. 2021: = 48.69
Ø EU	48.02	<i>No data</i>	<i>No data</i>

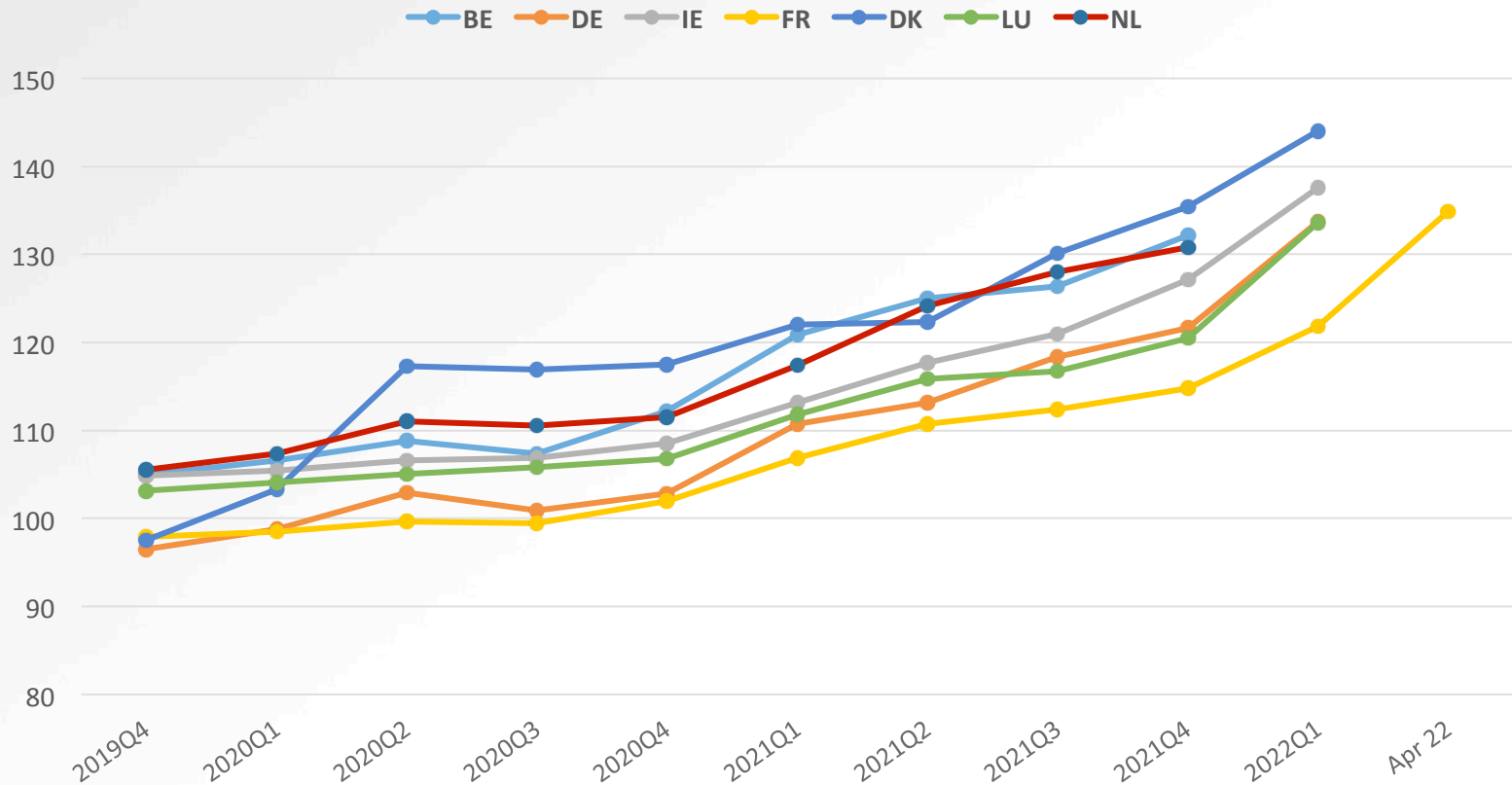
* The April 2022 cost forecast for Germany is based on INLB 2020 FADN data, so that the cost increases of the general operating costs from 2019 to 2020 are taken into account.

** For the Netherlands, extrapolations were made on the basis of price indexes for December 2021, as no data were available for 2022 that could represent the current situation.

Preisentwicklungen / price development / évolution des prix nach/after/après 2021

Mischfuttermittel Rinder/ compound feed cattle / aliments composés bovins

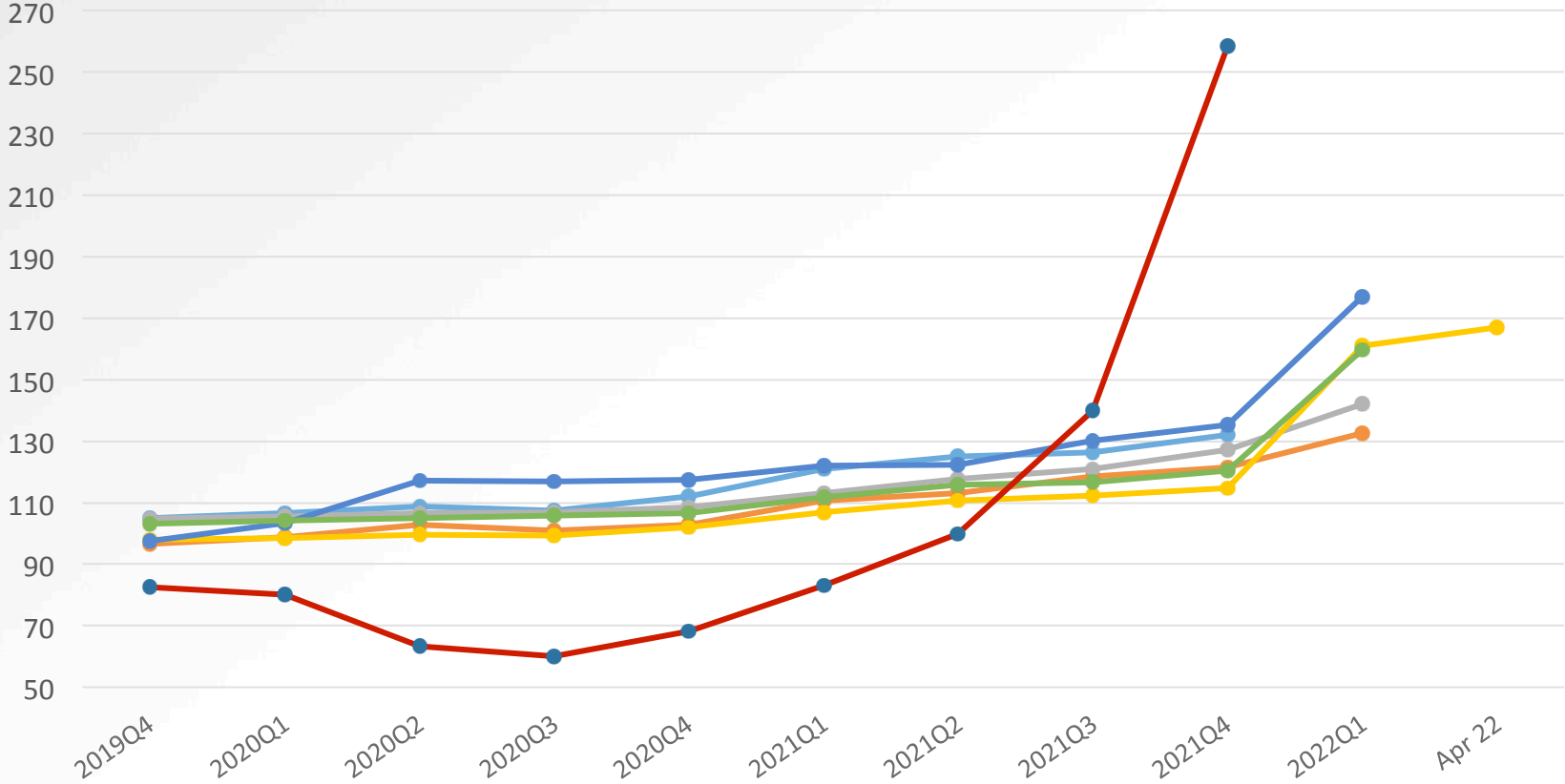
Preisindex Mischfutter Rinder (2015=100)



Preisentwicklungen / price development / évolution des prix nach/after/après 2021 Energie / energy / énergie

Preisindex Energie (2015=100)

BE DE IE FR DK LU NL

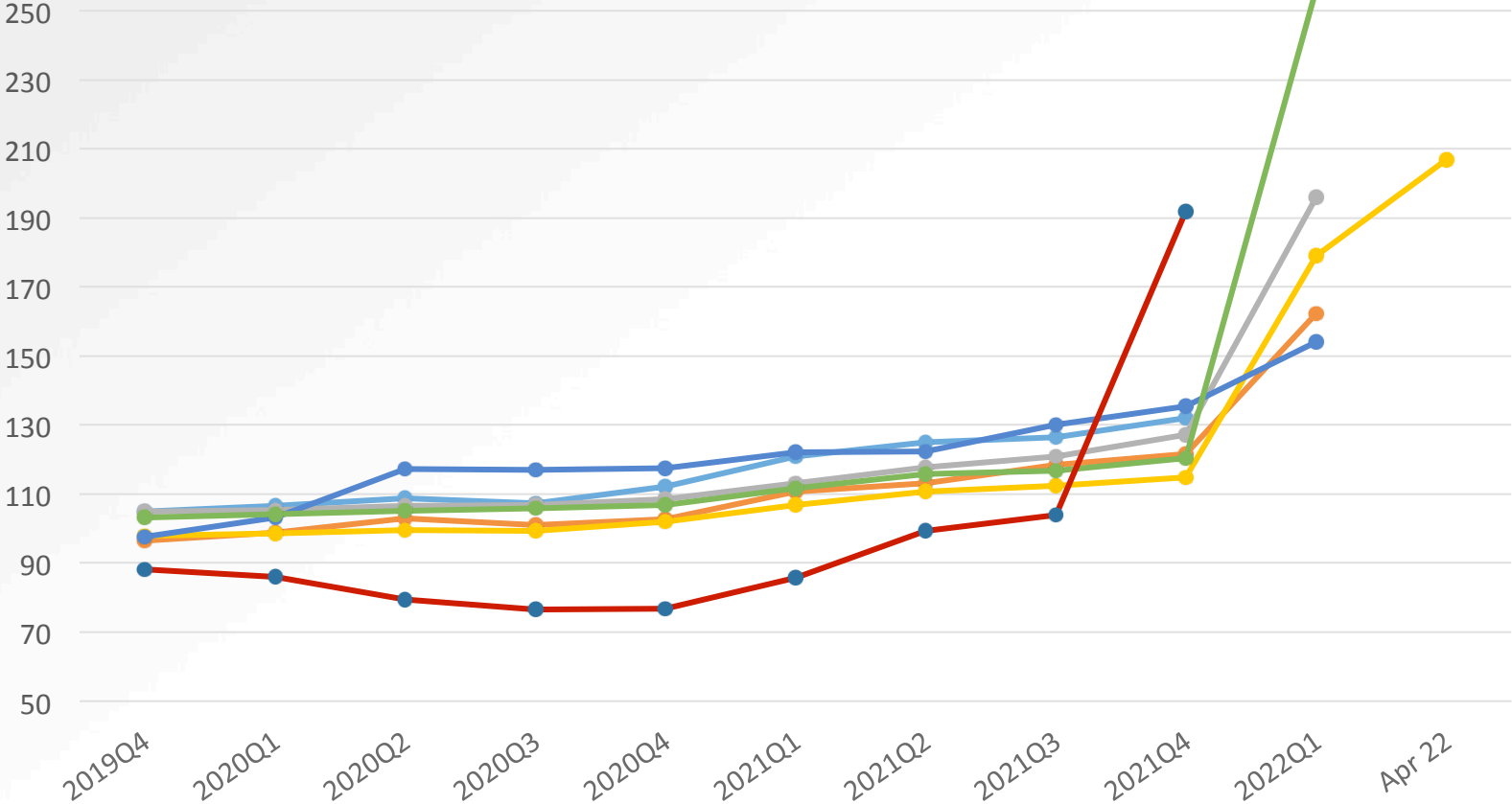


Preisentwicklungen / price development / évolution des prix nach/after/après 2021

Düngemittel / fertilizers / engrais

Preisindex Düngemittel (2015=100)

BE DE IE FR DK LU NL



Preisentwicklungen / price development / évolution des prix nach/after/après 2021

Rindererlöse/ Cattle revenue/ Revenus bovins

Preisindex Rindererzeugung (2015=100)

