



CZECH AND MORAVIAN DAIRY ASSOCIATION

Dairy production in 2001

Secretariat of ČMSM
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Dairy production in 2001

I. Milk purchase

According to statistical survey (SFTR Ministry of Agriculture 6-12) total 2 512 million liters of milk were delivered to dairy industry for processing in 2001, it represents the moderate increase by 18 mil. l (0,8 %) comparing with previous year 2000.

Positive purchase index was reached in first eight months of the last year. Milk purchase in the rest 4 months of year (September –December) has slightly dropped under the level of previous year. However, the total development of milk purchase fell behind the assigned by production milk quotas. The average fat content has not changed and achieved the level 4,029 %. The average content of protein increased from 3,32 % to 3,36 %.

II. Prices

Average realization price of 1 liter raw milk increased from 7,45 CZK in 2000 to 7,80 CZK /l in 2001 (by 0,35 CZK). It represents growth 4,7 %. Milk purchase price has not very significantly increased within the period January - August (from 7,67 CZK/l to 7,73 CZK/l), in the next months grew significantly (by September 7,81 CZK/l, October 7,95 CZK/l, November 8,07 CZK/l) up to 8,13 CZK/l in December.

The growing prices of purchased raw milk have been reflected in the market prices of final products non uniformly.

In the last year came down dynamic of world annually growth of milk production and the prices of dairy products increased. Higher export of skim milk powders in the last year without subsidy and favorable prices of some other dairy products on the foreign markets increased the interest of dairies for raw milk (under stable demand on domestic market). This resulted in the growth of milk purchase price.

Table 1 Development of market prices of selected dairy products in CZK

Product	December 2000	December 2001	Difference	Index 2001/2000
Half fat milk – long life (UHT) – 1 l	11,85	11,80	-0,05	99,6
Skim milk – long life (UHT) – 1 l	11,21	11,06	-0,15	98,7
Half fat milk bag – 1 l	9,30	9,95	0,65	107,0
Cream flavoured yogurt – 150 g	-	39,02	-	-
Skim flavoured yogurt and low fat 125 g	-	42,83	-	-
Fresh butter – 250 g Al foil – 1 kg	71,83	81,64	9,81	113,66
Soft quark – 250 g Al foil – 1 kg	40,10	42,94	2,84	107,1
Edam cheese 45 % - 1 kg	88,63	111,02	22,39	125,3

Price of half fat milk UHT (its share 42 % from the total liquid milk production) stagnated and annually difference was under 0,4 %. Analogous development was by UHT skim milk, which price has declined by 1,3 % inter yearly. Price of liquid milk in PE bags increased by 7,0 % in December year-on-year.

Increased price of fresh butter from 71,83 CZK/kg to 81,64 CZK/kg made it only more real, while real costs are still higher.

Favorable prices of skim milk powders and partially also cheese on foreign market survived during period from 1. - 3. quarter of last year. It enabled possibility reconciliation of earlier underestimated market price of Edam cheese with 45 % fat in dry matter to increase it by 25,3 %.

Owing to intensive increase milk purchase prices in finish months of last year, the dairies stand before difficult aim to put through proportional increase of production prices in relation to customer market systems.

III. Liquid milk

Total production of liquid milk increased from 457 606 thousand l in 2000 to 461 490 thousand l in 2001 by 0,8 %.

Table 2 Composition of liquid milk in accordance with industrial milk treatment

Liquid milk	Production in thousand l		Share %		Index 2001/2000
	2000	2001	2000	2001	
Liquid milk total	457 606	461 490	100	100	100,8
- out of which pasteurized milk	174 691	177 967	38,2	38,6	101,9
- UHT milk	282 915	283 523	61,8	61,4	61,4

The share of UHT milk has slightly declined from 61,8 % to 61,4 %, while pasteurized milk achieved to responding moderate growth by 0,4 % to 38,6 %.

Table 3 Composition of liquid milk with different milk fat content

Liquid milk	Production in thousand l		Share %		Index 2001/2000
	2000	2001	2000	2001	
Skim milk	110 447	84 516	24,1	18,3	76,5
Half fat milk	335 583	364 581	73,4	79,0	108,6
Whole milk	11 576	12 393	2,5	2,7	71,1
Total	457 606	461 490	100	100	100,8

In category of low fat liquid milk with fat content up to 0,5 % under name „skim milk“ has reduced its production inter yearly from 110 447 thousand l to 84 516 thousand l, (from 24,1 % to 18,3 %). The share of half fat milk (the content of fat from 1,5 % to 2 %) has increased from 73,4 % to 79.0 %. The share of whole milk is stagnating and achieved only 2,7 %.

Table 4 Production of milk in different packaging

Liquid milk	Production in thousand l		Share %		Index
	2000	2001	2000	2001	2001/2000
UHT milk in cartons	282 915	283 523	61,8	61,4	102,1
Pasteurized milk in cartons	64 418	68 583	14,1	14,9	106,4
Others	110 273	109 384	24,1	23,7	95,2
Total	457 606	461 490	100,0	100,0	100,8

More than 75 % of liquid milk is packed in carton packaging. From the total production of liquid milk packed in carton 80,5 % represent UHT milk and 19,5 % pasteurized milk. Other packaging – PE pouches and plastic bottles (OLMA a.s.) compose remaining 23,7 %.

Growing import of milk and uncondensed cream in 2001 continued (item CN), it has increased from 23 505 tons in 2000 to 27 297 tons in 2001 (index 116,1). Predominant product of this import represented low fat milk UHT from Slovakia. Export of this commodity has reduced from 21 147 tons to 10 910 tons (index 51,6).

IV. Other liquid milk products

Table 5 Production of creams

Product	Production in thousand l		Share %		Index
	2000	2001	2000	2001	2001/2000
Creams including cultured creams	35 511	37 434	100,0	100,0	105,4
- out of which cultured creams	10 492	10 788	28,6	28,8	102,8
- creams with content of fat min. 30 %	18 716	18 894	52,7	50,4	101,0

The total creams production was 37 434 thousands l (index 105,4) in 2001. 10 788 thousands l cultured creams (28,8 %) and 18 894 thousands l of creams with fat content over 30 % (50,4 %) represent the share in total volume.

Table 6 Production of yogurts

Product	Production (t)		Share %		Index 2001/2000
	2000	2001	2000	2001	
Yogurts total	96 558	96 780	100,0	100,0	100,2
- out of which flavoured-yogurts	67 526	64 842	69,9	67,0	96,0
- low fat yogurts to 0,5 %	16 390+)	-	18,2+)	-	-

+) Data during period January – November 2001

Production of yogurts in 2001 stagnated and compared with the last year recorded after several very successfully years only slight increase by 221 tons to total level 96 780 tons. Limiting of yogurt production is influenced by still increasing imports. While an import of yogurt and other liquid cultured products (item CN 0403) was in 2000 25 530 tons of products total, in 2001 the import has increased to 28 498 tons (index 111,6).

In the same period was exported (the same item CN) 10 500 tons liquid cultured products (index 103), especially yogurts to Slovakia.

“Other cultured milk products” (without buttermilk) has shown slight growth of production by 2,1 % from 18 442 thousands l to 18 830 thousands l. The share of flavored liquid cultured products has moderate lowered from 36,8 % to 36.0 %.

The production of cultured buttermilk has decreased by o 0,7 % to 11 599 thousands l.

V. Production of butter

Total butter production (including production and using of all arts of butter, spread butter, butter with plant fat) has reached in 2001 (statistical report of Ministry of Agriculture 6-12), 66 732 tons, which represents the increase by 1,8 % (1 164 tons) in 2001 in comparison with 2000.

Table 7 Development of production and stock of butter

Butter	Production (t)		Difference	Index 2001/2000
	2000	2001		
Initial stock to 1. 1.	3 133	2 869	- 264	91,6
Production	65 568	66 732	1 164	101,8
Sale on domestic market	39 960	41 382	1 422	103,6
Export	21 760	22 931	1 171	105,4
Final stock to 31. 12.	2 869	2 044	- 825	71,2

Following from orientation balance final butter reserve to 31. 12. 2001 was cut from 2 869 tons down to 2 044 tons. Reduced reserves affected correction (growing) of fixed value of subsidized butter export and default of quota allocation of milk purchase. Butter reserve on the level 2000 tons is more than sufficient. Recently was the final reserve of butter already significantly lower.

Export of butter has increased by 5,4 % to total value 22 931 tons.

Table 8 Main assortment of butter production

Type of butter	Production (t)		Difference	Index 2001/2000
	2000	2001		
Fresh butter	30 091	29 254	- 837	97,2
Other (blocks)	20 116	20 975	859	104,3
Spread butter	7 510	7 640	130	101,7

Production of fresh butter has declined by 2,8 % to 29 254 t, while production of butter in blocks has increased by 4,3 % to 20 975 t.

Total sale of the butter on the domestic market has inter yearly increased by 3,6 % (1 422 tons).

VI. Quark and quark specialties

The quark and quark specialties production has shown annually growth.

Table 9 Production of Quark and quark specialties

Product	Production (t)		Difference	Index 2001/2000
	2000	2001		
Quark	28 930	30 532	1 602	105,5
Cream desserts	7 897	8 762	865	111,0
Quark desserts	4 250	n.a.	-	-
Total	41 077	n.a.	-	-

The production of quark and quark specialties has been on rise in last year after the previous downward trend in 2000 by 8,4 % in comparison with 1999. This has been caused by growth of annually quark production by 5,5 %, cream desserts production by 11 % and positive quark desserts production.

The total quark production was 30 532 tons in 2001. The share of soft quark in total production of quark amounted to 70,5 %, fine and fat quark 19,0 %, hard quark 4,2 % and others 6,3 %.

VII. Cheese production

Production of cheese, the most important assortment group, shown decrease by 3,1 %. The natural cheese took part on negative development, its volume of production has declined by 5,2 % (annual changes) from 92,406 tons in 2000 to 87 579 tons in 2001. On the contrary processed cheese have shown growth of production by 5,0 % from 24 002 tons in 2000 to 25 214 tons in 2001.

Table 10 Development of cheese production

Product	Production (t)		Difference	Index 2001/2000
	2000	2001		
Natural cheese	92 406	87 579	- 4 827	94,8
Processed cheese	24 002	25 214	1 212	105
Cheese total	116 408	112 793	- 3 615	96,9

Import of item CN 0406 – cheese and quark in 2001 has increased by 4,4 % to 17 599 tons. The share on this growing have from 43 % quark, from 31,4 % processed cheese and the rest 25,6 % compose natural cheese. Export of this item CN 0406 has increased by 3,2 % to 19 624 tons. From this value compose white cheese in brine 44 %.

VIII. Milk powders

Production of milk powders without baby and infant milk powders has increased by 0,2 % in 2001 to 58 982 tons.

Table 12 Production of milk powders

Product	Production (t)		Difference	Index 2001/2000
	2000	2001		
Milk powder without baby a. infant milk powder	58 854	58 982	128	100,2
out of which - skim milk powder	36 049	39 695	3 646	110,1
- whole milk powder	22 802	19 288	- 3 517	84,6
Export of skim milk powder.	27 583	34 496	6 913	124,8
Export of whole milk powder	17 954	15 342	- 2 612	85,5

Because the favorable price of skim milk powder continue on the world market against whole milk powder, its production has year-on-year increased by 10,1 %, from 36 049 tons to 39 695 tons, while whole milk production has declined by 15,4 % from 22 805 tons to 19 288 tons. Export of skim milk powder has grown year-on-year by 24,8 % from 27 583 tons to 34

496 tons. The export of dry whole milk powder has decreased by 14,5 % from 17 954 tons to 15 342 tons. The price level of milk powders on foreign market has significantly declined in the fourth quarter.

IX. Ice cream

The ice cream production shows permanently descending trend, has decreased by 5,0 % and fell from 7 390 tons in 2000 to 7 018 tons in 2001.

X. Conclusion

While favorable prices of skim milk powders and partially also of cheese on the world market during rather the whole last year continued, the quantity of milk purchased in our country has stagnated. Deep non filling the milk quotas in agriculture (with this value dairies has calculated in their plans) has created an atmosphere of enhanced interest of raw milk. This has shown especially in the second half year starting in September monthly jumping increasing of purchase milk price on the level 8,13 CZK/l in December 2001.

The success of dairy products on the foreign markets (except butter) is reflected in 2001 in annually export growth more as one billion CZK. The total value is more as 7,5 bill. CZK (index 117). The value of imports has reached 2,6 bill. CZK (index 114,9), it has been higher by (few as 400 mil. CZK) than in 2000. Positive balance increased annually by 750 mil. CZK to 4,9 bill. CZK (index 118,3).

*Prague, 24. January 2002
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Supplement: Production of dairy products in 2001

Product	Unit	Production 2000	Production 2001	Index 2001/2000
Milk purchase	mil l	2 493	2 512	100,8
Average content of fat	%	4,029	4,029	-
Average content of protein	%	3,32	3,35	-
Average realization price	CZK/l	7,45	7,80	104,7
Liquid milk total	thousand l	457 606	461 490	100,8
Creams including cultured creams	thousand l	35 511	37 434	105,4
Yogurts total	ton	96 558	96 780	102,3
Quark total	ton	28 930	30 532	105,5
Butter total	ton	65 568	66 732	101,8
Natural cheese	ton	92 406	87 579	94,8
Processed cheese	ton	24 002	25 214	105,0
Ice cream	ton	7 390	7 018	95,0
Milk powders total without baby milk	ton	58 854	58 982	100,2
out of which skim powders	ton	36 049	39 695	110,1

*Information Source: Statistical survey SFTR-
-Ministry of Agriculture 6-12 of Republic Czech*