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Vincent Chatellier

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# Evaluation of CAP measures applied to the dairy sector

Case study report on France

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## Executive summary

The French dairy sector has changed considerably over recent decades and especially during the period 2000-2010. These changes were influenced by public policy instruments, including those from the Common Agricultural Policy (CAP). In France, the management of milk quotas (quota transfer by administrative means and not by the market, strong association between milk quota and land, no transfer of quotas among the regions, etc.) has participated to the current structure of the dairy sector. It remains however difficult to isolate the specific influence of such or such instruments of public policy because several factors act concomitantly. Several of them have therefore fully influenced the recent dynamics of this sector: innovations in science (as, for example, genetic progress for animals and plants); improved technology in food processing industries; development of new agricultural techniques; the increasing willingness of farmers to have better working conditions; societal demands related to food safety or the environment; and the development of international markets under the influences of a growing world population and trade rules of the World Trade Organization (WTO).

Second European country after Germany, France produces about 24 million tons of milk, i.e. 17% of the European production. Despite a strong farm restructuring in recent decades and a concentration of processing companies, the dairy sector still plays a very important role in France. Dairy products account for 17% of French food companies' turnover and dairy farms account for about one quarter of all French farms. In France, this sector is particularly strategic for the land use and the environment. The dairy farms occupy a little less than 30% of the national agricultural area and half of fodder areas. The milk production is often the main farming activity in mountain areas (such as in Franche-Comté, in Auvergne and in the Alps). Given the heterogeneity of the territory (areas of plains and mountains), of the climate (drier in the south-west), of the agronomic potential (whether or not to produce grains), of the animal breeds, of the associations between dairy production and other animal products (milk and beef, milk and pigs, etc.) or of the specialization of the milk processors (PDO cheese production in, butter, powdered milk, etc.), the production systems in the dairy sector are highly diversified.

In this study, attention is paid to two geographical areas in particular. The first is West of France. It consists of three regions (Bretagne, Basse-Normandie and Pays-de-la-Loire) which produce 45% of national milk production. Production systems are usually quite intensive (high proportion of forage maize in the fodder surfaces, high livestock density, etc.). The local production is much more important than the consumption. The second studied area is the region of Franche-Comté. Located east of the country, this region accounts for 5% of the French dairy production. Dairy farms are located, to a large extent, in the mountains, where they have a harsh climate (snow in winter), a high proportion of grassland and a low level of intensification. Unlike the West of France, where the milk is still used for a significant part for producing butter and milk powder, the PDO cheese production is crucial in the region Franche-Comté. The PDO cheese production, produced in many small local cooperatives, offer to milk producers some better prices than the national average.

### ***General characteristics of dairy farming***

The French production of milk, which varies from month to month (seasonality), increased only marginally over the last ten years. Indeed, milk deliveries rose from 22.6 to 22.8 billion liters between 2000 and 2010. Direct sales of milk and milk products are very poorly developed (1.4% of total milk production), including in mountainous areas where cheese production is mainly carried out in smaller cooperatives. In 2010, mountain areas account for 21% of French dairy farms and contribute for 14% to the national milk production (but two-thirds of the production of PDO cheese). Organic farming is still undeveloped (1.65% of total herd of dairy cows).

In France, the number of dairy farms has been divided by ten in forty years and by two in fifteen years. During the period covered by this study, it decreased from 120 400 in 2000 to 78 300 in 2010 (i.e. an average decline of about 35%). This pace of restructuring is less important than that observed in most of other Member States of the European Union (EU), mainly those where milk quotas are tradable. Since 2007, the restructuring was further accelerated due to a rapid development of agricultural societies (GAEC and EARL) at the expense of individual farms (from 83 000 in 2000 to 32 700 in 2010).

The declining number of dairy farms is not homogeneous according to geographical areas: it is particularly high (8% per year) in regions where milk production coexists with cereals (Southwest, Poitou-Charentes); it is consistent with the national average in areas with high density of milk production (as in western France); it is slightly lower in the mountain regions. This is particularly the case in Franche-Comté. In addition, the local farmers' organizations try to encourage, through the rules of the management of the milk quotas, the establishment of young farmers.

The decrease in the number of farms has led to an increase in the size of the residual ones. In France, the milk quota per farm has increased, in national average, from 187 900 kg in 2000 to 318 400 kg in 2010 (an increase of 130 500 kg per farm in ten years). In 2010, the average size is close to 500 000 liters for GAEC (cooperative farm with many associates), 350 000 liters for EARL (limited liability company) and 200 000 liters for individual farms. Nearly 10% of French dairy farms have a milk quota of less than 100 000 liters; it is above 600 000 liters for just 8% of them. The average annual increase in milk quota per farm was of 7 500 liters per year over the period 2000 to 2007; it increased rapidly at the end of the decade to nearly 25 000 liters per year between 2008 and 2010. Despite the improvement in milk yield, the herd of cows per farm has increased to represent, in 2010, 47 head per farm in France, 49 in the west of France and 44 in Franche-Comté.

If production systems are generally quite intensive in the West of France (at least compared to other regions), some internal regional differences exist. In Bretagne, the animal productions (milk, pork and poultry) are highly developed and the availability of agricultural land is often limited. This situation has historically encouraged producers to increase their milk production per hectare, especially by using a high proportion of forage maize (this feeding model induces a high dependence to imports of soybeans from countries of South America). In the region Pays-de-la-Loire, most of the dairy farms have developed surfaces of cereals; this is an asset in a period characterized by increasing prices of vegetal products. In Basse-Normandie, where the animals of the breed "Normandy" are frequent, grasslands occupy a larger place in the feeding model. In Franche-Comté, dairy cows, which are essentially from the breed called "Montbéliarde", are fed exclusively on the basis of grassland (pasture and hay). Beyond the natural environment conditions (climate and agronomic potential), the production of PDO cheeses imposes strict rules in terms of feeding system and intensification level. Over the past ten years, and for each of these studied regions, the relative weight of production systems has not been deeply modified.

In both geographical areas, where there is a high density of milk production per km<sup>2</sup>, producers benefit from an important framework in terms of technical services, veterinarians, dairy processors, etc.. The strategy of producers is no longer as frequently as in the past maximize the technical performance ; they are looking more and more to find the best possible compromise between profitability, technical performance of animals and working conditions. Profound sociological changes have occurred over the past ten years: the producers are more and more associated with other partners on the same farm (GAEC and EARL); the wives of farmers work more and more outside the farm; farmers would like to increase their free time (holidays); the level of farmer training progresses; producers try to integrate better the environmental concerns into their production strategies.

### **General characteristics of dairies and dairy products**

An increasing share of the collected milk in France is used to produce cheese (38% of the collected milk in 2010) and desserts (7%). Domestic production of butter and whole milk powder has fallen, because the profitability of these products is not really good. As for farms, a concentration of agribusiness has also been observed during the period. At the processing level, the relative share of the first three groups in the dairy processing has increased. Thus, for example, they produce 88% of the packaged milk in 2008 (against 75% in 2002), 81% of the uncooked cheeses (against 75%) and 55% of the butter (against 46%). The number of establishments that collect milk has declined by just over one quarter since 2000. Among the 538 establishments, the 30 largest (over 200 million liters) account for half of the national milk collection. In contrast, the 390 smallest collect just 9%. In Franche-Comté, the number of establishments is very important (192) due to the existence of many small cooperative structures. In West of France, several mergers have been organized to optimize industrial costs and/or to improve the mix-product. This applies, for example, to the creation of *Laita* (merging of the milk activities of three Cooperatives: *Even*, *Coopagri* and *Terrena*); the takeover of *Celia* by the group *Lactalis*; the takeover of *Entremont-Alliance* by the most important cooperative group *Sodiaal*. In France, the dairy cooperatives represent 55% of the milk collection, but only 28% of domestic production of cheese.

The French trade balance in dairy products has improved (+45%), passing from 1.95 billion euros in 2000 to 2.83 billion euros in 2010. Exports of dairy products increased by a third from 4.18 billion euros in 2000 to 5,55 billion euros in 2010. These exports, which are based for 50% on cheeses, are intended for three quarters to the EU Member States. French imports of dairy products increased by 22% from 2.25 billion euros in 2000 to 2.71 billion euros in 2010 (which only 5% from countries outside the EU). They included 39% of cheeses and 20% of butter (a dairy product for which France has been in deficit for each year of the studied period). Germany is the first customer and the first supplier of France. In 2009, the trade balance of France suddenly dropped from 490 million euros compared to the previous year, for two main reasons: the international economic crisis had a negative impact on purchases of dairy products; milk price paid the producer was higher in France than in Germany (to the detriment of the competitiveness of French industry).

At the beginning of the decade (from 2000 to 2003), the price of milk paid to the French producer was quite stable from year to year. Starting in 2004, and in accordance with changes applied to the CMO milk and milk products (lower institutional price for the butter and the skimmed milk powder), milk price began a decline; this decline was offset by the granting of subsidies for all producers (35.5 €/t of milk quota just before the implementation of the single farm payment). In 2007/08, the price of milk has risen sharply to its highest level of the decade. Conversely, in 2009, the price of milk has dropped to its lowest level; this has resulted in a significant deterioration of the producer's income. The price has then increased again during the following year (2010). In Franche-Comté, where the production of PDO cheese is developed, dairy farmers receive prices well above the national average (+30 €/t over the period). In 2009, the price was 327 €/t in Franche-Comté against 265 €/t in Bretagne (or + 62 €/t).

In a given region, the price of milk varies quite widely from a milk producer to another depending on the quality of milk (fat content and protein content) and the bonuses which are sometimes granted to producers by companies. It is not uncommon to observe some differences around 20 to 30 €/t between the extremes. The bonuses granted by enterprises are given for diverse reasons: seasonality of the milk production; a special quality for the milk (organic, omega 3, etc.); the accession to a service which control the animal performances; ownership of the tank, etc. According to their mix-product (percentage of dairy products with low added value in total output), companies can implement a flexibility for the milk price. The rules of the flexibility were determined at the national level and are strictly supervised. In Franche-Comté, the milk price paid to producers also depends on technical performance of cooperatives. An important criterion is the volume of milk needed to produce one ton of cheese.

### ***The structural characteristics and economic results of dairy farms (FADN analysis)***

To study the evolution of structural and economic situation of dairy farms in France and in the two selected regions, an analysis based on the individual data of the Farm Accountancy Data Network (FADN) has been done for the period 2003 to 2007. In order to provide a reliable analysis, the indicators have been harmonized between Member States. The model used to determine the costs of production was developed by the European Commission services (DGAGRI). To discuss the heterogeneity of results, it was proposed to distinguish several size classes based on the number of dairy cows per farm.

First, this analysis shows that dairy farms have experienced an increase in their size (agricultural surface and milk quota) and an improvement of their animal performances (milk yield). The number of AWU per farm and the level of intensification have remained fairly stable. In western France, the intensification level is often limited by environmental regulations (Nitrates Directive). In Franche-Comté, the intensification is technically difficult. In the studied regions, the milk production cost has, on average, increased slightly between 2003 and 2007; the soaring prices of cereals and inputs (fertilizers and energy) have accelerated this process between 2008 and 2010. Between 2003 and 2007, the amount of subsidies per ton has increased in all the studied regions following the adoption of the reform of the CMO milk and dairy products. In 2007, the total amount of direct payments per ton of milk is higher in Franche-Comté (126 €/t) than in West of France (93 €/t), due to some significant subsidies granted in the framework of the rural development program (compensatory payments for natural handicaps and premiums for extensive production). The French modalities of the CAP health check (redistribution of subsidies between farms) should accentuate these differences in 2010. The net value added per AWU has, on average, slightly increased between 2003 and 2007; this income indicator has fluctuated widely between 2008 (very high) and 2009 (very low). Within each region, significant differences were observed between milk producers (including within the same size class).

In a second step, this analysis shows that the farm size is an important indicator (but not the sole) of the profitability. In France, large dairy farms (over 75 cows) use mainly family labour (including in the GAEC). The milk yield per cow and the intensification level (volume of milk per hectare) increase with the size. By ton, the milk production cost (specific cost + unspecific cost + depreciation + external factors) is, in the studied regions, roughly comparable from a size class to another. The larger units have better incomes due to their high level of productivity (quantity of milk per AWU). In other words, large farms do not benefit from an important phenomenon of economies of scale because they are often in a development phase which involves significant investments.

In a third time, this analysis shows that the economic net margin per ton or by farm (after taking into account the unpaid factors) is, on average, negative for all size classes.

### ***Results from survey among dairy producers***

The surveys of milk producers in West of France (30 questionnaires) and in Franche-Comté (30 questionnaires) may lead to different assessments depending on the issues. In West of France, many producers would like to produce more milk to reduce their production cost per ton, especially for their fixed charges. The three factors that most influence on their strategies are: a) the administrative management of milk quotas do not allow to produce more milk in the most competitive areas or in the most competitive farms (the milk producers are not able to really express their potential of production ); b) the environmental constraints (Nitrates Directive) already limits the expansion of farms, at least in some specific geographical areas; c) the high volatility of prices (agricultural products and inputs) modifies more and more their technical choices. In Franche-Comté, many producers consider that the central issue is the efficiency of the cheese industry. In this region, where the natural conditions to produce milk are more difficult, the main goal is to obtain a higher milk price than in the other competing regions (through differentiation of products).

In general, producers are quite critical with the changes implemented since 2003 in the framework of the CMO milk and dairy products. While accepting the idea that falling prices had a political interest to make the CAP more compatible with WTO rules, they consider that the increase in subsidies is a bad option. Milk producers thus become more vulnerable to budget negotiations within the EU. They also feel that the CAP has become progressively less protective (increasing price volatility).

For most farmers surveyed, including those which are specialized in the dairy production, the introduction of the decoupling has had little influence on their productive strategies. During the studied period, the producers' strategies have been directed by their personal preferences (working conditions), the local context of production (climate, availabilities of lands, etc.), the environmental constraints and the milk prices. For the diversified dairy farms, particularly in West of France, the decoupling (partial in France in the sectors of cereal, beef and sheep) has sometimes given to farmers some opportunities to review their initial choices (equilibrium between cereal and fodder surfaces, continuation or not of the young cattle activity, etc.). The administrative increase of the milk quota (European decisions) has been popular with producers, but its impact was low. Indeed, French authorities have not implemented the planned increase in 2009 to regulate supply in a context of low prices; during the campaign 2009-10, the national milk production was lower than the quota (around 2 billion liters). In France, unlike other countries, the increase in milk quota had no impact on their value (because they are not tradable).

In both studied regions, the question of milk prices is very sensitive. Given the significant increase in milk production costs, most of the western producers consider that the average price of milk (standard quality, not including tax) should be above 300 to 310 €/t (and at least 350 €/t in Franche-Comté depending on what kind of cheese production). For the time being, there is no consensus among producers about whether or not to adopt a dual pricing system (to allow processors to be more competitive on international markets). It is important to consider that the increase in milk prices in 2007/08 has not been verified in Franche-Comté. Milk producers in the West who have benefited from improved pricing used their additional resources to invest on the farm (land, farm equipment, buildings), to increase their wages and/or to reduce their rates of indebtedness. In France, the tax policy encourages (sometimes too much) producers to invest. The 2008 investments had a negative impact on income levels of 2009 (year when milk price fell).

The decision to abolish milk quotas after 2015 is considered by all milk producers as a major modification of the CMO. Many dairy producers fear that the end of milk quotas will induce a drastic drop in milk prices from 2015. To avoid a collapse in prices, they consider that it is necessary to create new tools to regulate the dairy supply at the national and European level. Thus, the introduction of contracts between producers and industrials is often considered as a new way to satisfy the supply control. Producers do not always agree, especially in the West, on how to implement these future contractual relationships which are now mandatory (French decree in December 2010). In Franche-Comté, the supply regulation is already provided through the operating rules of the cheese industry (definition of production area and local mechanism of supply control like the "*plaques vertes*" in the production of the Cheese "Comté").

A survey was conducted with two farmers (western France) who were milk producers at the beginning of the period, but who left the milk production since then. In both cases, the decision to stop the milk production was taken primarily for personal reasons (working conditions). The modification of the CAP instruments (introduction of the decoupling, lower institutional prices, abolishment of milk quotas in 2015, etc.) had no significant influence on these choices. In one case, the bad milk prices in 2009 have reinforced the farmer in his initial desire to stop milk production. In Franche-Comté, it is quite impossible to stop the milk production and to continue to be a farmer (due to the lack of agricultural alternatives).

### **Results from survey among processors**

For this survey among the French milk processors, many contacts were taken. Seven directors of companies (and/or their staff) were finally agreed to respond anonymously to the questionnaire structured by the European Commission services. All responses (five cooperatives and two private companies) have been provided for the company or for the group as a whole. These companies represent a total production of 6.5 billion liters, slightly less than a third of the national production. The largest company buys 3 billion liters of raw milk, while the smallest one buys just 80 million liters. Some firms are very specialized (cheese or fresh dairy products) while others are diversified.

Companies did not change the milk payment system to help farmers in a period of high price volatility. In Franche-Comté, the milk processors helped their farmers through higher milk price than the national average (especially in 2009). Indeed, in this region, the evolution of PDO cheeses prices is not really dependant on the evolution of international prices for butter and skimmed milk powder. In West France, some companies have been able to use the principle of the price flexibility: according to a compromise between French industrials, the price of milk paid to producers can be lower (but in a certain limit) in the companies where the mix-product is less favourable than the others domestic competitors.

The prices of dairy products sold by milk processors are more influenced by the competitors' strategies and the evolution of the international market than by changes of policy measures. In recent years, the measure considered the most important was the decrease in intervention prices for butter and skimmed milk powder. This decline has helped to strengthen the competitiveness of European products on international markets. Given the high volatility of international prices since 2007, it is still difficult to measure the specific impact of this measure. For some milk processors, the procedure for granting direct aid to producers (35.5 €/t of quota just before the implementation of the single farm payment) is questionable because the impact of the price drop is not uniform among them. Indeed, western producers, who were more adversely affected by this measure than those located in Franche-Comté, received the same amounts of direct aid per ton of milk. The decline of export refunds (and their suspension for butter and milk powder from 2010) had a negative impact on the evolution of prices. For half of the milk processors, the administrative increase of milk quotas has had a negative influence on price developments because the milk production has increased too much (especially in northern countries of the EU). Even if they consider that policy instruments are becoming less important, milk processors consider that the residual CAP tools provides greater stability to the sector. As the milk quotas still exist, the milk supply is limited and the transfer of quotas among producers is organized according to rules set outside their company (administrative authorities and farmers' organizations).

It was appreciated by all directors that the changes in CMO rules were applied in a progressive way, because this permits to change step by step the firms' strategies. Four out of seven enterprises have achieved some better economic results during the period 2007-2008. These companies, located primarily in the West, have used the additional resources to expand their production capacity or to modernize their production lines. These investments have also been made in view of preparing their enterprise to the end of milk quotas. They believe, in fact, that milk deliveries will increase from 2015.

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## Abbreviations

€ (EUR)	Euro
AWU	Agricultural Working Unit
CAP	Common Agricultural Policy
CDOA	Commission Départementale d'Orientation Agricole (CDOA)
CMO	Common Market Organization
EARL	Exploitation Agricole à Responsabilité Limitée (in French)
EC	European Commission
EQ	Evaluation question
Etc.	et cetera
EU	European Union
Excl.	Excluding
FADN	Farm Accountancy Data Network
FFI	Family Farm Income
FNVA	Farm net value added
GAEC	Groupement Agricole d'Exploitation en Commun (in French)
Ha	Hectare
i.e.	That is
INAO	Institut National des Appellations d'Origines (in French)
Incl.	Including
kg	Kilo gram
LFA	Least Favoured Area
LU	Livestock Unit
n° (No)	Number
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
SFP	Single Farm Payment
SMP	Skimmed milk powder
SSP	Service de la statistique et de la prospective (in French)
t	Tons
TSST	Transfert spécifique de quota sans terre
UAA	Usable agricultural Area
WMP	Whole milk powder

# 1 Introduction

## 1.1 Background

Following the implementing rules of the Financial Regulation applicable to the general budget of the European Union (Council Regulation (EC) No 1605/2002), all measures causing budgetary expenditure shall have their results evaluated in a cycle of six years. The Commission's Directorate-General for Agriculture and Rural Development (DG AGRI) is in charge of the regular evaluation of agricultural policy measures.

The multi-annual evaluation plan 2010-2012 of DG AGRI foresees an evaluation of Common Agricultural Policy (CAP) measures applied to the dairy sector. Objective of this retrospective evaluation is to analyse the economic and structural aspects of the sector, and to assess the impacts of the CAP measures applied to this sector since the 2003 CAP reform. Therefore, the first policy changes to be evaluated are those enshrined in decisions legislated in 2003, or – in a few case – decided earlier, but not implemented until after 2003. The evaluation period begins on 1 July 2004, when first cuts to intervention prices were implemented. However, in order to capture the impacts of implementing the 2003 CAP reform, data from the previous period are used to establish a reference point.

The evaluation is intended to examine the effectiveness, efficiency and relevance of the policy measures in relation to their objectives. The evaluation addresses possible unintended side-effects of the measures and deadweight. The coherence of the measures for dairy with the overall concept and principles of the 2003 CAP reform, and with rural development measures are also to be assessed. Finally, the coherence of measures financed by state aid with the CAP dairy measures is also within the scope of the assessment. Part of the evaluation is to analyse in-depth the dairy sector within selected case study areas and within the associated Member State as a whole.

This report provides the information from the French case study. It discusses the evolution of the dairy sector in France and in two regions: West of France and Franche-Comté.

## 1.2 The case study area in French agriculture

Throughout this case study report, the analysis is presented at the national level (France) or for two geographical regions with very different conditions for soil and climate (Figures 1-1 and 1-2):

**West of France.** This geographical area brings together three administrative regions:

### Basse-Normandie

Three departments: Calvados (14); Manche (50); Orne (61).

### Bretagne

Four departments: Côtes-d'Armor (22); Finistère (29); Ille-et-Vilaine (50); Morbihan (56).

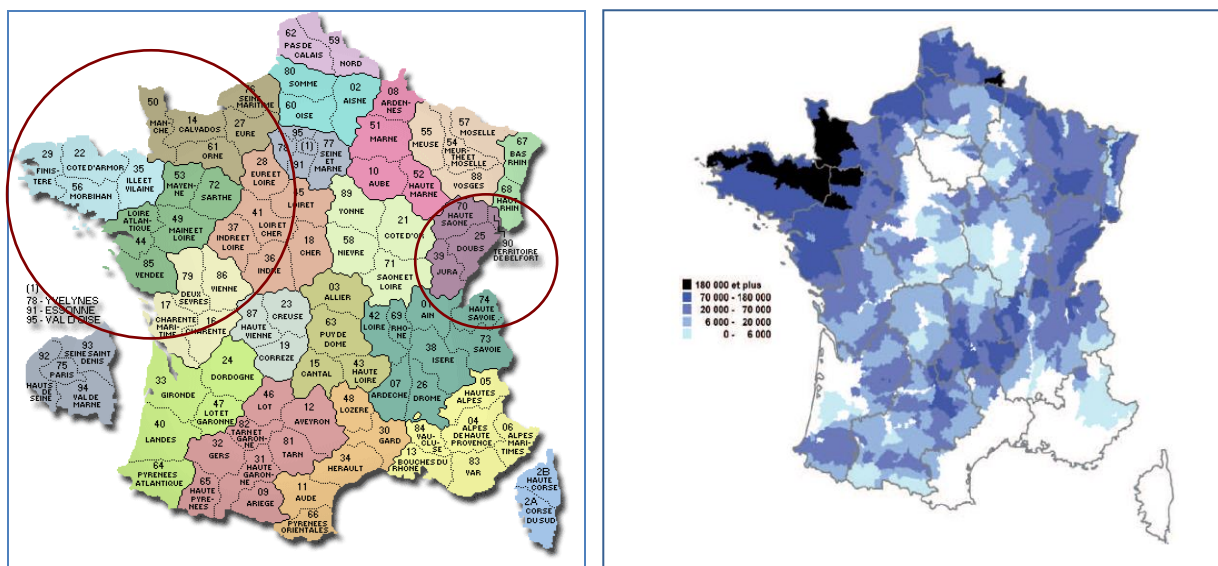
### Pays de la Loire

Five departments: Loire Atlantique (44); Mayenne (53); Maine et Loire (49); Sarthe (72); Vendée (85).

### **Franche-Comté**

Four departments: Doubs (25); Jura (39); Haute-Saône (70); Belfort (90).

The choice of these two regions was guided by the desire to highlight the existence of a diversity of situation in the French dairy sector. For these two geographical areas, the results are discussed on a regional scale. The tables (also in annexes) however are sometimes shown on a departmental scale to better reflect the more local effects.



Sources: Agreste and FranceAgriMer – Institut de l’Elevage (data 2007)

**Figure 1.1 Map of the studied regions Figure 1.2 Density of milk quota per km2**

The three western regions represent 12% of the French population (Annex 2-1), 14% of the total area, 19% of farms (all types – Table 2-1 and Annex 2-3) and 47% of the milk deliveries. The density of milk production per Km<sup>2</sup> is very high, especially in the departments located in the north of Bretagne. In West of France, production systems are generally much more intensive (high proportion of forage maize in the fodder surfaces, predominance of the Holstein breed; etc.) than in the other French regions (especially mountains areas). The climate is particularly favorable for forage production, especially forage maize which yields can easily reach 16-18 tons of dry matter per hectare. Like in many other European regions, the production systems are, however, heterogeneous: areas of grassland are, for example, much more developed in Basse-Normandie than in Bretagne (respectively 46% and 8% of the UAA – Annex 2-2). In West of France, the concentration of livestock production is important because milk production often coexists with other livestock (pigs and poultry). It follows that this region is particularly sensitive to changing environmental standards, including those regarding the Nitrates Directive.

**Table 1-1 General characteristics of the studied regions**

	Bretagne	Basse-Normandie	Pays de la Loire	Franche-Comté	France
Population 1975 (million)	2,6	1,3	2,8	1,1	53,8
Population 2009 (million)	3,2	1,5	3,5	1,2	64,7
Density of population 1975 (per Km2)	94	74	85	65	97
Density of population 2009 (per Km2)	115	83	109	72	117
Total surfaces (million hectares)	2,75	1,77	3,24	1,63	55,45
UAA (million hectares)	1,65	1,22	2,17	0,66	27,47
UAA in % of the total surface	60%	69%	66%	41%	54%
Arable land (in % of UAA)	92%	54%	75%	45%	67%
Cereals (in % of UAA)	35%	23%	31%	22%	34%
Oilseeds (in % of UAA)	2%	3%	5%	6%	8%
Annual fodder (in % of UAA)	21%	16%	13%	3%	6%
Grassland (in % of UAA)	29%	8%	24%	13%	12%
Permanent grassland (in % of UAA)	8%	46%	22%	54%	30%
Farms 2000 (all types, not only dairy farms)	51 210	35 759	53 466	12 918	694 559
Farms 2007 (all types, not only dairy farms)	37 658	24 721	39 062	9 870	527 351
Agricultural Work Unit 2000 (all types)	75 205	41 587	83 418	17 143	990 812
Agricultural Work Unit 2007 (all types)	61 553	32 347	69 404	14 631	814 821

Sources: INSEE / SSP

In Franche-Comté, the population stands at 1.2 million (less than 1.8% of France) for a total area of 1.6 million hectares (2.9% of total French), including 41% of UAA. This results in a particularly low population density (72 inhabitants per km<sup>2</sup>) compared to other French regions (Annex 2-1) or, more importantly, to other European regions. In this region, which represents 4.9% of the national milk production, areas of permanent pastures account for more than half of the UAA (Annex 2-2); dairy farms are located, for a large proportion of them, in the mountains. In Franche-Comté, dairy systems are very extensive (low number of livestock units per hectare of fodder surfaces) and they produce milk essentially for cheese production with high added value (PDO).

### 1.3 Data issues

The report uses data from national authorities and from Eurostat to build the general inventory and own primary data collected with own conducted surveys (see Chapters 4 and 5). The reader should note that different definitions are followed in each data set making it difficult to compare directly the information. This report uses information from the following sources and persons:

- Statistical data from *Eurostat* and European Commission.  
<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home>
- Statistical data from the *French Ministry of Agriculture*. In this study, some specific statistical treatments were applied to individual data of the French FADN.  
<http://www.agreste.agriculture.gouv.fr>
- Statistical data from *FranceAgriMer*. The services of this establishment produced some specific statistical treatments for this study. My thanks to: Monique Meizels, Bertrand Naturel, Mickaël Ruquois, and Yves Trégaro.  
<http://www.agreste.agriculture.gouv.fr/>
- Statistical data from *CNIEL*. The economic service also produced some specific statistical treatments for this study. My thanks to: Célia Karsenti, Anne Richard and Benoît Rouyer.  
<http://www.cniel.com>
- *Institut de l'Élevage*. My thanks to some experts for our common research work and for our discussions on the milk sector: Christophe Perrot, Gérard You and Baptiste Lelyon.  
<http://www.inst-elevage.asso.fr>
- Own primary data gathered with surveys among dairy producers and processors. While these data provide additional information, the reader should note that the sample size is small (30 active dairy farmers, 3 dairy farmers who exited the dairy sector, and 7 dairy processors). This in turn implies that the representativeness of the sample is not guaranteed.
- For the preparation of the meetings with producers in Bretagne and Franche-Comté, I would like to thank very much: Nadine Herbelin (CETA 35), Aline Loberger and Béatrice Simon (Chambre d'Agriculture 25 and 39).  
<http://www.fdceta35.com>  
<http://www.franche-comte.chambagri.fr>

### 1.4 Set-up of the report

The remaining of the report is structured as follows: the chapter 2 gives an overview of the basic characteristics of the dairy sector in France and the case study regions (West of France and Franche-Comté); the chapter 3 presents the results of an analysis of the FADN data associated with farms in France and the two selected regions; the chapters 4 and 5 discuss the results of an owned conducted survey among dairy producers and dairy processors respectively.



## 1.5 Concluding remarks

Milk production is an important agricultural activity in France, in social, territorial and economic terms (including in mountains where it is sometimes difficult to have other agricultural production). In 2010, the dairy sector regroups 78 800 dairy farms and 538 establishments of milk collection. Raw Milk sales represent over 20% of the total agriculture turnover. The trade balance of France in dairy products is positive and has improved during the studied period (2000-2010). Despite the restructuring of farms, production systems are still very diverse in terms of breeds, intensification level or association of agricultural productions. The milk processors have concentrated their activities in the objective to reduce their production costs and optimize their mix-product. In France, the diversity of dairy products (mainly for cheeses) is probably one of the most important in the European Union and in the world.

In this study, it was decided to select two very different regions for milk production (West of France and Franche-Comté). This is useful to demonstrate the high variability of production conditions and highlight the different strategies of the processors and farmers. In West of France, which produces 45% of national production, farming systems are intensive (high proportion of forage maize). The production of butter and skimmed milk powder is still important. In Franche-Comté (mountains area), farms are particularly extensive. Milk is used, in a very large proportion, to produce (PDO) cheeses with high added value.

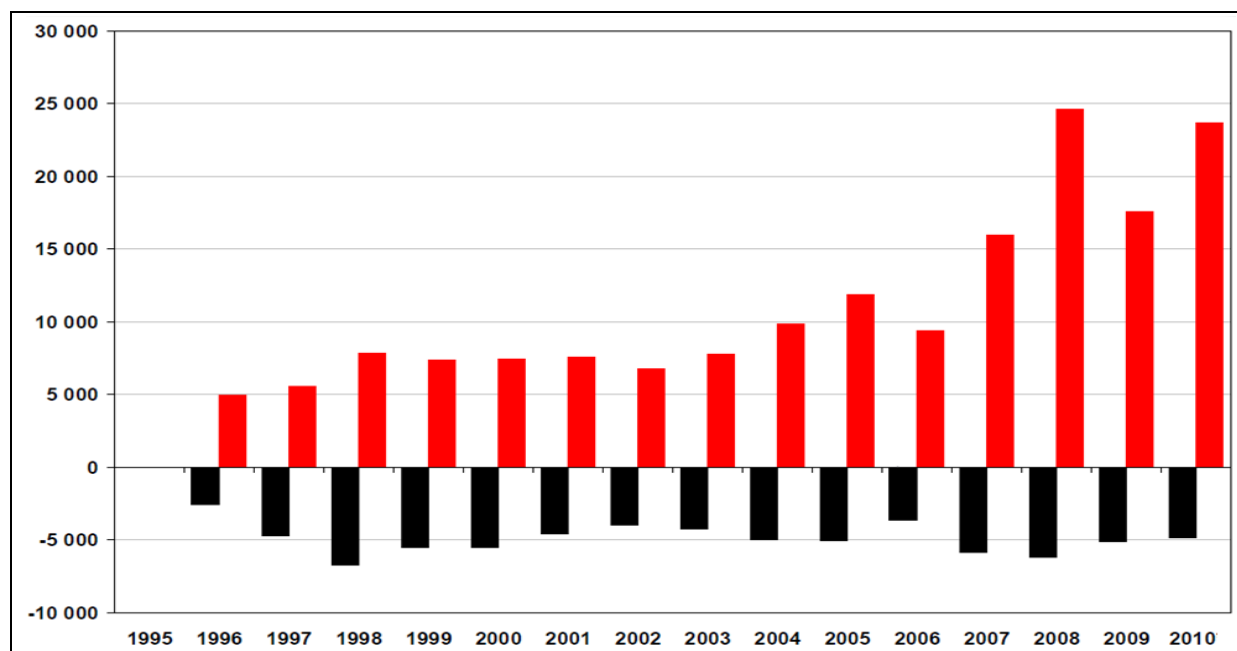
## 2 General inventory

### 2.1 Raw milk

#### 2.1.1 Farm structure

##### Number of dairy farms

According to statistical data of *FranceAgriMer*, the number of dairy farms has decreased in France, from 149 300 in 1995 to 78 300 in 2010 (i.e. -47%, -71 000 farms in fifteen years or the equivalent of -4 700 dairy farms each year of this period). Since 2007, the restructuring is accelerating: France lost, each year, around 5,000 dairy farms (see Figure 2-1 - part in black); the annual percentage (around -6% in 2010) is more important than that observed at the beginning of the decade (4% in 2000). The remaining dairy farms have, since 2007, larger increases of their milk quota: nearly 25 000 kg in 2010 against only 7 500 kg in 2000 (Figure 2-1 - red part).



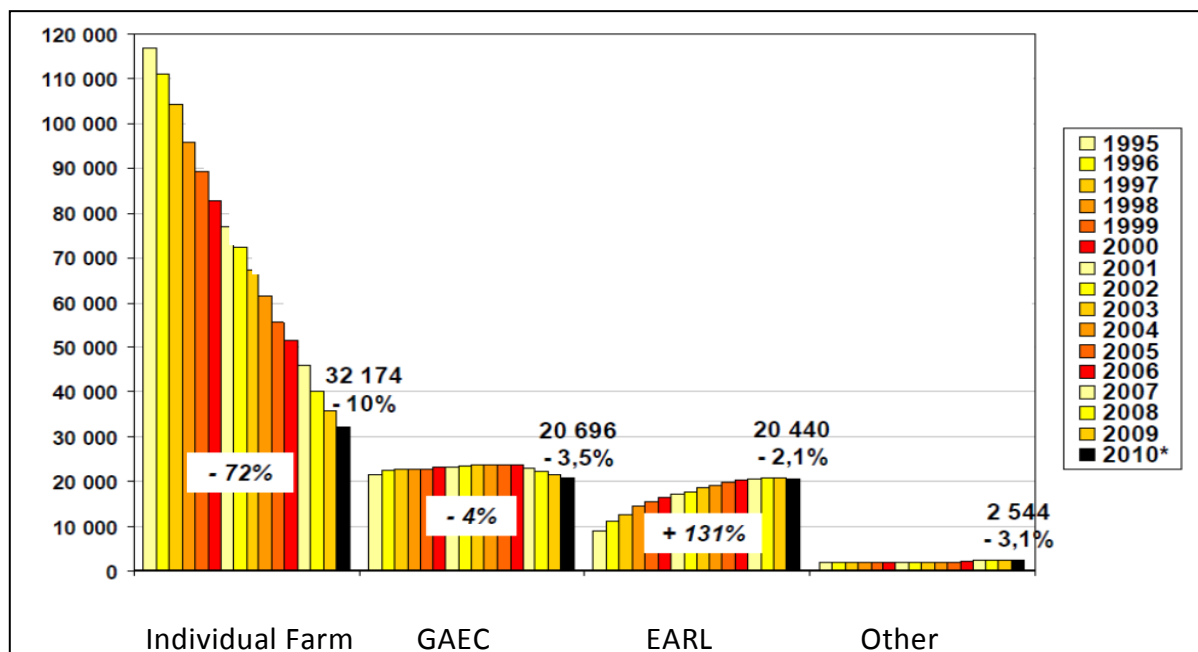
Sources: FranceAgriMer/SSP – Survey in the French milk sector (all dairy farms with deliveries)

(\*) in red: annual increase of the milk production per farm (in liters per year)

(\*\*) in black: annual decrease of the number of dairy farms

**Figure 2.1 Evolution of the number of French dairy farms and the milk per farm**

This acceleration is also related to rapid development (in proportion of the total dairy farms) of agricultural societies: *Groupement Agricole d'Exploitation en Commun* (GAEC) and *Exploitation Agricole à Responsabilité Limitée* (EARL). The GAEC is a civil society, with a legal personality, but in which members (between 2 and 10 partners maximum) retain their status as a farmer in their own name. For that, they need to participate in the farm as full time. A significant proportion of GAEC concerns an association between parents and one or two children. This legal status allows to organize a transfer of capital between generations. Members of a GAEC are paid in two separate ways: as a worker and as a contributor to the farm capital. The statutes of the GAEC fix the distribution of profits among members. Since a new law (2010), a GAEC can be formed by both spouses. The EARL is a limited liability company (French law). It can be created with a minimum capital of 7 500 € and between 1 and 10 associates. Partners' liability is limited to their contributions: their private capital is thereby protected. This status can be established between spouses.



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.2 Number of French dairy farms according to farm statutes**

The number of individual dairy farms has decreased very sharply in France over the studied period. As it was confirmed in our interviews, dairy farmers are more and more interested to have holidays (or some free time) and to share the financial risk. Therefore, the number of *GAEC* has remained stable and the number of *EARL* has increased (Figure 2-2). In 2010, the 32,174 individual farms account for 42% of the French dairy farms, but only for 26% of the national milk production. In comparison, the 20 696 *GAEC* represent 27% of the French dairy farms, but 42% of national milk production. These proportions are respectively 27% and 28% for the 20 440 *EARL*.

**Table 2-1 Evolution of the Number of dairy farms since 2000 (in %)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>West of France</b>	0,0%	-3,6%	-6,8%	-9,9%	-14,0%	-17,9%	-21,4%	-26,8%	-31,1%	-33,6%
<b>Bretagne</b>	0,0%	-2,9%	-5,9%	-9,6%	-13,5%	-17,3%	-21,1%	-26,5%	-30,0%	-32,1%
- Côtes-d'Armor	0,0%	-2,7%	-5,8%	-9,8%	-12,8%	-17,2%	-20,0%	-25,0%	-29,2%	-33,8%
- Finistère	0,0%	-3,1%	-6,3%	-10,0%	-13,3%	-17,5%	-20,5%	-24,6%	-28,9%	-29,4%
- Ille-et-Vilaine	0,0%	25,3%	-6,2%	-9,5%	-14,4%	-18,2%	-22,3%	-28,8%	-30,2%	-31,6%
- Morbihan	0,0%	-2,7%	-5,2%	-9,3%	-13,3%	-15,7%	-21,3%	-26,8%	-31,7%	-33,7%
<b>Basse-Normandie</b>	0,0%	-5,4%	-9,2%	-11,7%	-16,9%	-21,0%	-23,1%	-29,5%	-33,7%	-37,0%
- Calvados	0,0%	-5,4%	-8,9%	-12,9%	-16,1%	-20,3%	-23,6%	-29,9%	-34,4%	-38,6%
- Manche	0,0%	-6,2%	-10,0%	-11,4%	-17,9%	-22,1%	-23,5%	-30,2%	-34,1%	-37,3%
- Orne	0,0%	-3,9%	-7,6%	-11,2%	-15,4%	-19,3%	-21,8%	-27,4%	-32,1%	-34,8%
<b>Pays de la Loire</b>	0,0%	-3,2%	-6,0%	-8,9%	-12,4%	-16,2%	-20,2%	-24,9%	-30,5%	-32,7%
- Loire-Atlantique	0,0%	-3,7%	-7,2%	-10,2%	-13,9%	-17,9%	-22,1%	-26,3%	-31,3%	-30,3%
- Maine-et-Loire	0,0%	-2,9%	-5,3%	-8,3%	-12,0%	-17,8%	-20,7%	-26,0%	-31,3%	-34,8%
- Mayenne	0,0%	-3,3%	-5,8%	-8,1%	-11,2%	-13,9%	-18,7%	-23,5%	-28,7%	-31,3%
- Sarthe	0,0%	-2,0%	-4,8%	-7,7%	-11,5%	-15,8%	-19,2%	-24,2%	-28,7%	-31,8%
- Vendée	0,0%	-3,4%	-6,2%	-10,2%	-13,8%	-17,6%	-21,2%	-25,7%	-34,6%	-38,1%
<b>Franche-Comté</b>	0,0%	-2,2%	-4,4%	-6,8%	-9,8%	-13,3%	-15,3%	-18,9%	-21,5%	-24,0%
- Doubs	0,0%	-1,7%	-3,7%	-5,7%	-6,8%	-9,8%	-11,1%	-13,8%	-16,1%	-18,7%
- Jura	0,0%	-2,5%	-4,4%	-6,2%	-11,7%	-16,5%	-18,3%	-23,3%	-23,9%	-26,7%
- Haute-Saône	0,0%	-2,2%	-5,2%	-9,3%	-13,4%	-16,3%	-19,5%	-23,9%	-28,0%	-30,7%
- T. de Belfort	0,0%	-6,4%	-8,3%	-9,6%	-12,8%	-16,7%	-20,5%	-23,1%	-34,0%	-29,5%
<b>France</b>	0,0%	-3,5%	-6,7%	-10,3%	-14,4%	-18,6%	-21,7%	-27,1%	-31,4%	-34,4%

Sources: FranceAgriMer/SSP – Survey in the French milk sector (all dairy farms with deliveries)

Nationally, the number of dairy farms declined by 34% between 2000 and 2009 (the data of 2010 are not yet available by regions and departments). This rate is lower in Franche-Comté (-24%) than in West of France (-32% in Bretagne and Pays-de-la-Loire and -37% in Basse-Normandie). The situation observed in Franche-Comté is explained by two main factors: the milk price paid to farmers is, due to cheese production, regularly above the national average; the local agricultural organizations strongly favor the establishment of young farmers, through the modalities of management of milk quotas. With a low declining number of dairy farms (-18% since 2000), the department of "Doubs" is clearly distinguishable on this point. The decline of dairy farms reached 38% in the department of "Orne", where small farms were still numerous in 2000; it is also 38% in the department of "Vendée", where agricultural societies play an increasing role (Table 2-1).

**Table 2-2 Number of dairy farms (all with milk deliveries)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>West of France</b>	<b>50 864</b>	<b>49 022</b>	<b>47 426</b>	<b>45 810</b>	<b>43 729</b>	<b>41 753</b>	<b>39 992</b>	<b>37 233</b>	<b>35 037</b>	<b>33 791</b>
<b>Bretagne</b>	<b>22 097</b>	<b>21 465</b>	<b>20 796</b>	<b>19 969</b>	<b>19 109</b>	<b>18 283</b>	<b>17 427</b>	<b>16 239</b>	<b>15 471</b>	<b>14 993</b>
- Côtes-d'Armor	5 652	5 502	5 327	5 100	4 930	4 680	4 523	4 240	4 001	3 744
- Finistère	4 619	4 475	4 330	4 158	4 005	3 812	3 670	3 483	3 283	3 263
- Ille-et-Vilaine	7 087	8 877	6 647	6 415	6 066	5 795	5 506	5 046	4 950	4 844
- Morbihan	4 739	4 611	4 492	4 296	4 108	3 996	3 728	3 470	3 237	3 142
<b>Basse-Normandie</b>	<b>13 166</b>	<b>12 450</b>	<b>11 958</b>	<b>11 622</b>	<b>10 946</b>	<b>10 400</b>	<b>10 119</b>	<b>9 285</b>	<b>8 729</b>	<b>8 297</b>
- Calvados	3 065	2 901	2 791	2 669	2 572	2 443	2 342	2 150	2 010	1 883
- Manche	6 962	6 532	6 267	6 166	5 719	5 423	5 323	4 857	4 587	4 368
- Orne	3 139	3 017	2 900	2 787	2 655	2 534	2 454	2 278	2 132	2 046
<b>Pays de la Loire</b>	<b>15 601</b>	<b>15 107</b>	<b>14 672</b>	<b>14 219</b>	<b>13 674</b>	<b>13 070</b>	<b>12 446</b>	<b>11 709</b>	<b>10 837</b>	<b>10 501</b>
- Loire-Atlantique	3 470	3 343	3 220	3 115	2 987	2 849	2 702	2 556	2 385	2 418
- Maine-et-Loire	2 931	2 845	2 776	2 687	2 578	2 408	2 324	2 169	2 013	1 910
- Mayenne	5 373	5 198	5 061	4 936	4 770	4 627	4 370	4 113	3 832	3 693
- Sarthe	1 763	1 728	1 678	1 628	1 560	1 485	1 424	1 337	1 257	1 202
- Vendée	2 064	1 993	1 937	1 853	1 779	1 701	1 626	1 534	1 350	1 278
<b>Franche-Comté</b>	<b>5 903</b>	<b>5 774</b>	<b>5 646</b>	<b>5 501</b>	<b>5 323</b>	<b>5 118</b>	<b>5 002</b>	<b>4 785</b>	<b>4 636</b>	<b>4 488</b>
- Doubs	2 784	2 736	2 681	2 625	2 596	2 511	2 475	2 401	2 337	2 264
- Jura	1 532	1 493	1 465	1 437	1 352	1 279	1 251	1 175	1 166	1 123
- Haute-Saône	1 431	1 399	1 357	1 298	1 239	1 198	1 152	1 089	1 030	991
- T. de Belfort	156	146	143	141	136	130	124	120	103	110
<b>France</b>	<b>120 406</b>	<b>116 220</b>	<b>112 322</b>	<b>107 970</b>	<b>103 051</b>	<b>97 975</b>	<b>94 332</b>	<b>87 799</b>	<b>82 572</b>	<b>78 997</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector (all dairy farms with deliveries)

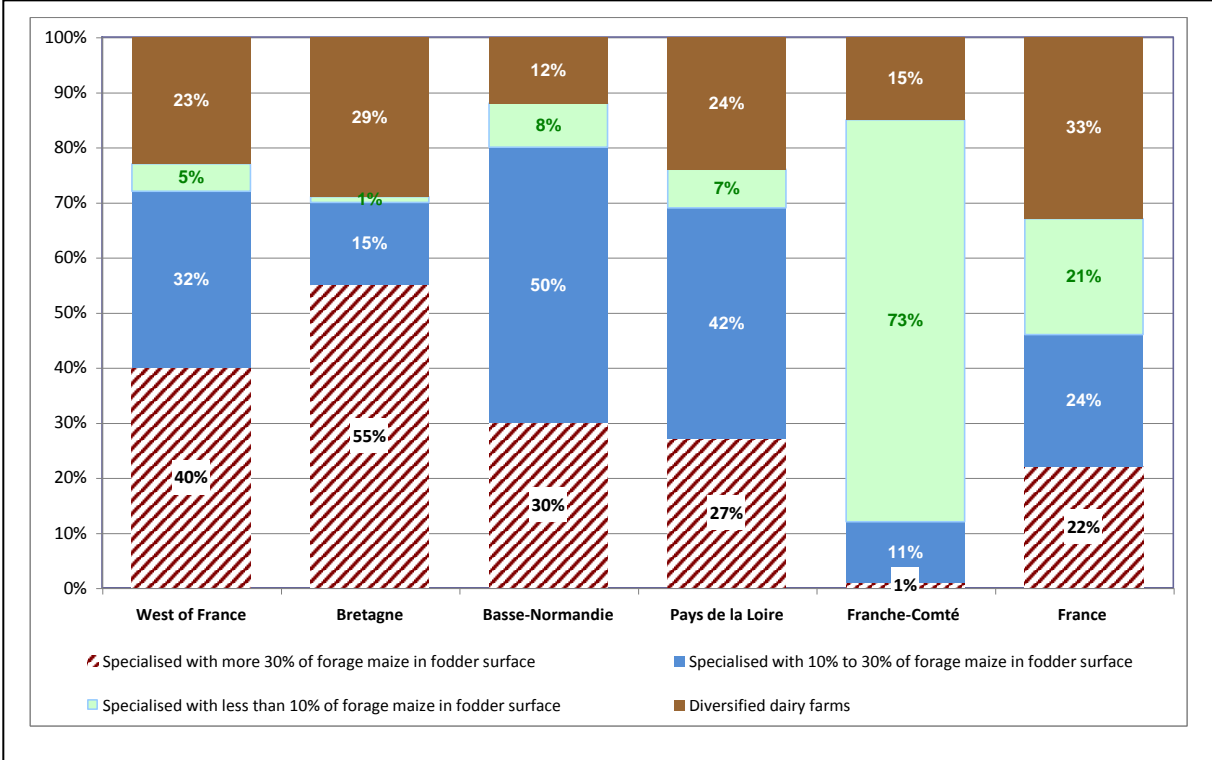
In 2009, the number of dairy farms in the three regions of West of France is 33 791 or 42% of the total national (Table 2-2 and Annex 2-4). With nearly 15,000 farms, the region Bretagne is the first French region. This region has three times more dairy farms than Franche-Comté. In Bretagne, the department of "Ille-et-Vilaine" ranks first in France, with 4,844 dairy farms (a number greater than, for example, all dairy farms in Denmark). For this reason, the choice was made to focus the surveys of producers in this department.

### Production systems

To discuss the diversity of production systems in both regions, a processing of the French Farm Accountancy Data Network (FADN) was carried out for the period 2000-2007 (on individual data). All farms with dairy cows were considered as "dairy farms" in this analysis. These dairy farms were divided into four types according to their specialization and to the proportion of forage maize in the fodder surfaces.

In France, one third of dairy farms are considered as "diversified" (Figure 2-3). This means that they are not classified in the types of farming (TF) No. 41 (specialized dairy farms) and No. 43 (dairy farms with a beef production: mainly young cattle or suckler cows) of the European classification. The diversified dairy farms are more numerous among agricultural societies and in regions where crops are developed (as in the north of France). They represent only 15% of dairy farms in Franche-Comté (in 2007) against 23% in the West of France (geographical area where diversification often involves other animal productions: beef, pork and poultry). Due to a high development of pig and poultry productions, the diversified farms are more numerous in Bretagne (29%) than in Basse-Normandie (12%).

Among the dairy farms considered as "specialized" (Type of farming No. 41 and No. 43 of the European classification), a first segmentation is used to identify farms with a high proportion of forage maize (over 30% of the total fodder surface). These intensive farms, which represent 22% of French dairy farms, are very common in the West (40%) and especially in Bretagne (55%) where the pressure on agricultural land is important. They are, however, very rare in Franche-Comté where permanent pastures are developed (Annex 2-2).



Sources: SSP – French FADN 2007

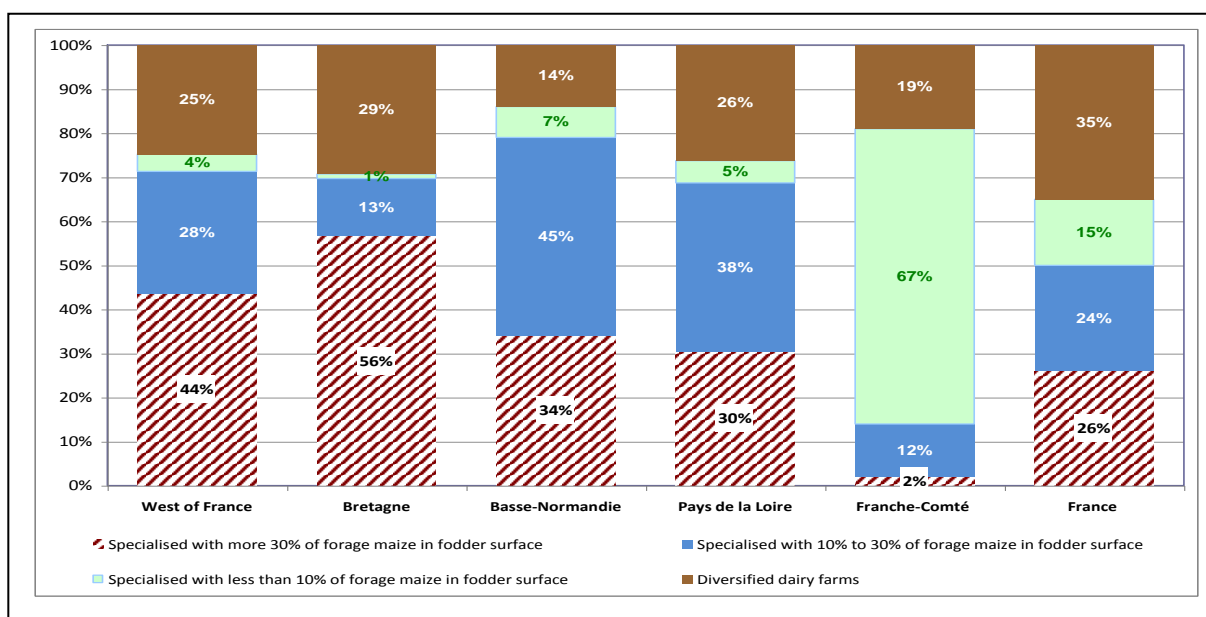
**Figure 2.3 Dairy Farms distribution according to production systems (% in each region)**

A second segmentation permits to identify specialized dairy farms with 10% to 30% of forage maize in the fodder surface. These farms represent 24% in French average, 32% in the West and only 11% in Franche-Comté. This production system is very common in Basse-Normandie (55%).

A final segmentation identifies the specialized dairy farms with less than 10% of forage maize in the fodder surfaces. In these farms, usually extensive (in terms of milk production per hectare of fodder surface or LU per hectare), the food system of cows is essentially based on pasture. This system, which is less common than the other three (21% of French dairy farms), predominates in Franche-Comté (almost three-quarters of farms). It is rare in the three western regions of France (5%), including Basse-Normandie (8%) where grasslands are more developed than in Bretagne.

The diversified dairy farms and the specialized farms with a high proportion of forage maize have, on average, a more important milk quota per farm than the two other studied systems. This implies that the contribution of the two mentioned systems above in term of milk production (in volume) is greater as that expressed in number of farms (Figure 2-4 and Annex 2-6). Thus, specialized dairy farms with less than 10% of forage maize in the fodder surface contribute to 15% of national milk production (but two thirds in Franche-Comté).

Between 2000 and 2007, the relative weight of the four studied production systems remained, in a given administrative region, nearly the same (Annex 2-5). This does not mean, however, that agricultural practices have remained unchanged. Within each production system, changes were observed, particularly in the sense of a reduction in fertilizer use (due to soaring prices). The development of agricultural societies (GAEC and ERAL) contributes, but in the long term only, to an increasing of the share of diversified dairy farms.



Sources: SSP – French FADN 2000-2007

**Figure 2.4 Dairy production according to production systems (% in each region)**

### Size of farms

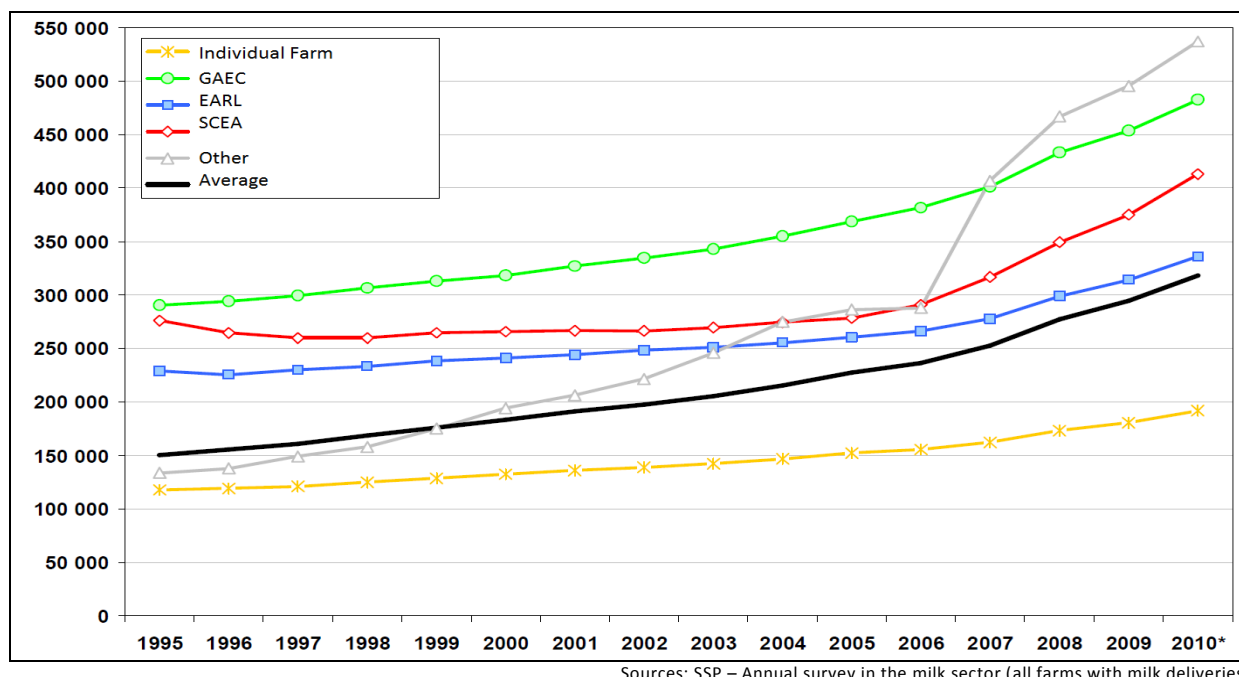
The size of dairy farms has increased, but with different rates according to departments (Table 2-3). Thus, the average number of dairy cows per farm was 34.9 heads in 2000 and 47.3 in 2009 (i.e. +13 heads per farm during this period). Dairy farms in West of France have, on average, 49.2 dairy cows in 2009 (+13 heads since 2000), a herd slightly higher than that observed in Franche-Comté (44.5 dairy cows and +9 heads since 2000), where the proportion of individual farms, however, is stronger. This increase in herd size is lower than what is observed in the Northern countries of the European Union. For identical reasons to those indicated previously, the fastest growth is in the department of "Vendée" (+20 heads per farm to reach a herd average of 60 cows) while the lowest is the department of "Doubs" (+6 heads).

**Table 2-3 Number of dairy cows per dairy farm**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>West of France</b>	<b>36,0</b>	<b>37,7</b>	<b>38,7</b>	<b>39,0</b>	<b>40,1</b>	<b>41,5</b>	<b>42,7</b>	<b>46,4</b>	<b>49,0</b>	<b>49,2</b>
<b>Bretagne</b>	<b>35,5</b>	<b>36,6</b>	<b>37,5</b>	<b>38,3</b>	<b>39,4</b>	<b>40,9</b>	<b>41,9</b>	<b>45,5</b>	<b>47,5</b>	<b>47,6</b>
- Côtes-d'Armor	35,4	36,4	37,5	38,8	38,9	40,6	41,1	44,2	46,5	48,0
- Finistère	38,3	39,7	40,3	41,5	42,7	45,1	45,8	48,2	51,1	50,2
- Ille-et-Vilaine	34,7	28,1	36,9	36,6	38,6	39,9	41,1	46,1	46,2	45,7
- Morbihan	34,2	34,7	35,8	37,1	37,9	38,7	40,3	43,6	47,2	47,3
<b>Basse-Normandie</b>	<b>37,9</b>	<b>40,5</b>	<b>42,2</b>	<b>42,0</b>	<b>43,6</b>	<b>45,5</b>	<b>45,9</b>	<b>50,0</b>	<b>52,7</b>	<b>53,4</b>
- Calvados	38,5	41,5	43,2	44,3	44,7	46,6	47,9	50,7	53,4	54,9
- Manche	37,7	40,1	42,1	41,2	43,4	45,5	45,4	50,4	53,0	53,7
- Orne	37,8	40,4	41,6	41,6	43,1	44,5	45,0	48,6	51,3	51,5
<b>Pays de la Loire</b>	<b>35,2</b>	<b>36,9</b>	<b>37,6</b>	<b>37,4</b>	<b>38,2</b>	<b>39,1</b>	<b>41,2</b>	<b>44,8</b>	<b>48,3</b>	<b>48,3</b>
- Loire-Atlantique	36,7	38,4	39,6	39,6	40,7	41,9	44,6	47,9	51,9	49,6
- Maine-et-Loire	33,0	35,0	35,9	34,6	35,9	37,6	38,9	43,0	46,4	47,5
- Mayenne	32,6	34,6	34,7	34,4	34,7	34,8	37,0	40,3	42,7	43,0
- Sarthe	37,7	38,5	39,2	39,4	39,9	41,2	43,0	47,6	49,5	50,1
- Vendée	40,6	41,9	42,8	44,5	44,9	46,1	48,2	52,0	59,3	60,6
<b>Franche-Comté</b>	<b>35,7</b>	<b>36,8</b>	<b>37,4</b>	<b>38,5</b>	<b>38,3</b>	<b>39,5</b>	<b>39,6</b>	<b>41,8</b>	<b>43,8</b>	<b>44,5</b>
- Doubs	35,1	35,9	36,3	36,2	36,4	37,4	36,9	39,0	40,7	41,1
- Jura	35,2	36,7	37,8	41,1	39,9	40,9	41,2	43,8	45,8	47,0
- Haute-Saône	36,9	37,8	38,5	39,8	40,4	41,7	43,0	45,2	47,7	48,8
- T. de Belfort	39,1	43,2	42,7	42,1	41,6	43,0	45,4	46,3	53,4	49,1
<b>France</b>	<b>34,9</b>	<b>36,2</b>	<b>37,2</b>	<b>37,8</b>	<b>38,9</b>	<b>40,4</b>	<b>41,1</b>	<b>44,1</b>	<b>46,7</b>	<b>47,3</b>

Sources: SSP – Annual survey in the milk sector (all farms with milk deliveries) and Annual agricultural statistic

The increase in the number of cows per farm and the improvement of animal performance (milk production per cow) has contributed to an increase in milk quota per farm. The pace of this increase, which has accelerated in recent years, is faster in agricultural societies than in individual farms (Figure 2-5).



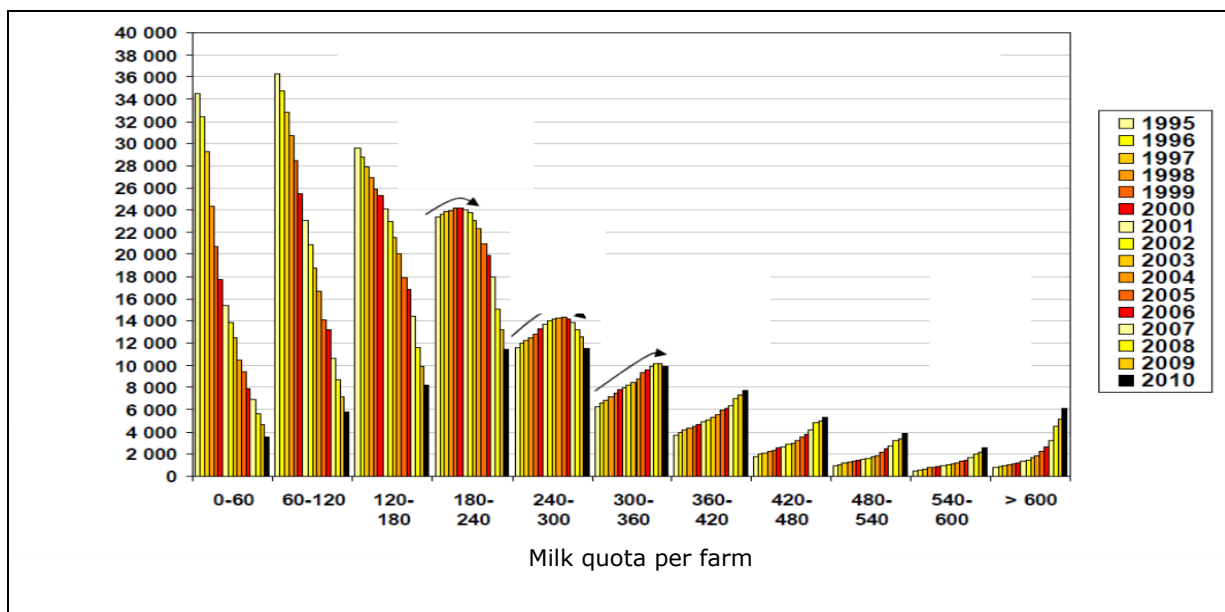
**Figure 2.5 Milk quota reference per farm according to the statutes (France – Kg per year)**

On a national average, the milk quota per farm increased from 187 900 kg in 2000 to 318 400 kg in 2010, i.e. +130 500 kg (or +70%) in ten years. The increase in milk quota per farm (average +13 000 kg per farm per year over the studied period) is, however, faster since 2007 (Figure 2-3). In 2010, the average milk quota per farm is close to 500 000 kg in *GAEC* compared to 200 000 kg in individual farms and 350 000 kg in *EARL*.

For each year of the studied period, the distribution of the French dairy farms according to the classes of milk quota (in thousands of liters of milk per farm) clearly highlights the changes in term of farm size (Figure 2-6).

The number of dairy farms with a milk quota lower than 300 000 liters per year fell sharply between 2000 and 2010. For example, the number of farms with a milk quota less than 60 000 liters was divided by more than four (from 18 000 to 4 000). The situation is similar for farms with a quota of between 60 000 liters and 120 000 liters. The milk historically produced in these very small structures has been transferred (for free) to larger farms. In these small holdings, the abandonment of dairy farming has been accelerated by the increasing environmental standards and, sometimes, by the demands of processors regarding milk quality in terms of bacterial and somatic cell counts. In 2010, France has 18 000 dairy farms (24% of the total) with a milk quota of less than 180,000 liters per year (a significant proportion of them has an individual statute and is located in the mountains).

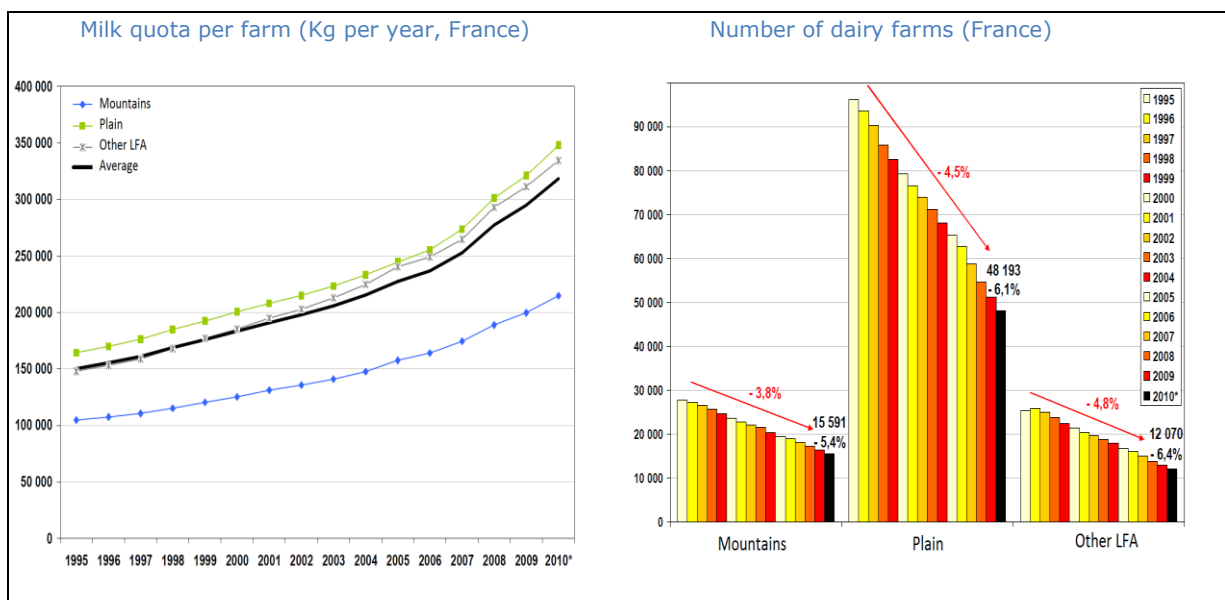
In contrast, the number of farms with more than 300 000 liters rose sharply during the period. They represent, in 2010, 46% of French dairy farms. The farms with a large milk quota (more than 600 000 liters) account for 8% of all French farms. This proportion is significantly lower than that observed in most Northern countries of the European Union, where the development of new technology for milking cows (robot) is also more intense. These large farms are almost all agricultural societies (*GAEC* and to a lesser extent *EARL*). The desire expressed by some farmers to have more free time and to acquire new technologies (robot) lead sometimes to merge two or three individual holdings in a larger collective structure. The issue of human resource management is often central to the future success of this kind of project.



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.6 Number of French dairy farms (all) per milk quota classes (France)**

Another way to discuss the heterogeneity of the dairy farms size is to consider their development according to different geographical areas (Figure 2-7). The pace of restructuring of dairy farms is slower in the mountain areas (-3.8% per year over the period 1995-2010) than in plains (-4.5% per year) and the other disadvantaged areas (- 4.8% per year). This is due, for a part, to a more rapid development of societies (GAEC and EARL) in plains and to a stop of the milk production in many farms where milk is in competition with grain production (as in parts of Central France or South-West). The milk quota per farm has increased everywhere but it still exist some significant differences between geographical areas in terms of farms size: the milk quota per farm is on average (2010) close to 350 000 liters in plains and in other disadvantaged areas compared with only 220 000 liters in mountains.



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.7 Milk quota per farm and number of farm according to geographical area**

In both studied regions, the average milk deliveries per farm has increased, but with a faster pace in the West of France than in Franche-Comté (Table 2-4). In 2009, the milk deliveries per farm were nearly two times more important in the department of "Vendée" than in "Doubs".



**Table 2-4 Milk deliveries per farm (liters per year)**

	2000	2001	2002	2003	2004	2005	2006	2 007	2 008	2 009
<b>West of France</b>	<b>206 300</b>	<b>214 500</b>	<b>224 200</b>	<b>227 100</b>	<b>235 600</b>	<b>251 400</b>	<b>258 400</b>	<b>281 000</b>	<b>316 300</b>	<b>309 400</b>
<b>Bretagne</b>	<b>213 200</b>	<b>220 800</b>	<b>228 300</b>	<b>233 700</b>	<b>241 400</b>	<b>258 100</b>	<b>267 600</b>	<b>289 800</b>	<b>321 900</b>	<b>311 000</b>
- Côtes-d'Armor	211 000	217 300	225 200	231 600	234 500	253 700	260 400	280 800	314 000	310 400
- Finistère	233 200	242 600	250 900	258 600	264 200	282 800	292 200	307 600	344 100	326 300
- Ille-et-Vilaine	202 200	163 200	218 500	220 800	232 600	248 600	256 100	286 000	311 200	297 300
- Morbihan	212 900	218 800	224 900	231 400	240 500	253 400	269 300	288 500	325 700	317 000
<b>Basse-Normandie</b>	<b>188 800</b>	<b>198 100</b>	<b>212 100</b>	<b>211 400</b>	<b>224 300</b>	<b>238 200</b>	<b>242 000</b>	<b>267 400</b>	<b>297 800</b>	<b>296 100</b>
- Calvados	192 900	200 500	217 200	219 300	228 000	241 100	248 500	271 700	300 200	303 300
- Manche	183 000	194 300	207 100	203 600	219 500	234 400	237 900	264 600	295 800	292 900
- Orne	197 800	204 100	218 200	221 300	231 000	243 400	244 800	269 400	299 900	296 400
<b>Pays de la Loire</b>	<b>211 300</b>	<b>219 100</b>	<b>228 300</b>	<b>230 600</b>	<b>236 700</b>	<b>252 500</b>	<b>258 900</b>	<b>279 400</b>	<b>323 000</b>	<b>317 500</b>
- Loire-Atlantique	219 400	228 500	239 700	243 900	249 800	269 600	278 000	298 700	342 300	318 200
- Maine-et-Loire	204 900	213 300	221 000	224 500	229 800	251 100	254 500	271 900	316 000	321 200
- Mayenne	191 200	198 300	205 400	205 400	209 300	218 400	226 600	244 800	283 700	276 800
- Sarthe	220 700	225 800	239 500	240 100	248 000	262 800	269 200	291 100	327 800	325 800
- Vendée	250 600	260 500	270 100	276 300	288 000	309 600	311 400	340 800	406 700	420 700
<b>Franche-Comté</b>	<b>186 100</b>	<b>185 500</b>	<b>194 200</b>	<b>192 300</b>	<b>199 100</b>	<b>210 900</b>	<b>211 900</b>	<b>219 700</b>	<b>231 800</b>	<b>243 000</b>
- Doubs	183 300	182 000	188 600	185 700	189 300	199 600	197 200	203 500	216 700	227 400
- Jura	193 900	191 200	203 700	206 700	216 100	228 500	232 000	244 000	263 100	267 200
- Haute-Saône	183 800	185 500	194 700	189 700	201 100	215 100	220 000	228 200	230 200	250 900
- T. de Belfort	187 800	195 700	203 200	208 600	210 100	225 200	233 900	240 700	281 400	263 500
<b>France</b>	<b>187 900</b>	<b>194 000</b>	<b>204 300</b>	<b>207 900</b>	<b>215 900</b>	<b>231 700</b>	<b>235 600</b>	<b>254 000</b>	<b>280 000</b>	<b>281 400</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

The restructuring of dairy farms is strongly influenced by the rules adopted for the management of milk quotas. In France, the implementation of the milk quota regime is based on two main points: it is impossible to sell milk quota directly from one farmer to another (like in Netherlands for example); the transfer of milk quota is strictly organized by administrative rules at the department level, especially to avoid a geographical concentration of dairy production in the more competitive ones. With the abolition of milk quotas in 2015, the size of French dairy farms should continue to grow in the years to come. This size increase could permit to reduce the milk production costs by ton (especially for the fixed costs).

**Total sales of milk at the farm level (in value)**

The value of raw milk sales (at the farm level) is, in 2010, 6.6 billion euros for France (compared to 7.4 billion euros in 2000). This decrease is partly due to lower milk prices occurred following the CMO reform in 2003 (indeed, direct payments granted to compensate the price cut are not included).

**Table 2-5 Milk production of cows in value at the farm level (millions euros)**

	2000	2001	2002	2003	2004	2005	2006	2 007	2 008	2 009
<b>West of France</b>	<b>3 393</b>	<b>3 521</b>	<b>3 448</b>	<b>3 328</b>	<b>3 218</b>	<b>3 170</b>	<b>2 981</b>	<b>3 253</b>	<b>4 003</b>	<b>3 042</b>
<b>Bretagne</b>	<b>1 506</b>	<b>1 570</b>	<b>1 528</b>	<b>1 483</b>	<b>1 430</b>	<b>1 414</b>	<b>1 329</b>	<b>1 451</b>	<b>1 782</b>	<b>1 310</b>
- Côtes-d'Armor	380	393	381	377	355	353	333	364	445	320
- Finistère	346	362	348	341	337	334	316	342	415	307
- Ille-et-Vilaine	451	473	467	448	433	426	396	438	547	408
- Morbihan	329	342	332	317	306	302	285	307	375	275
<b>Basse-Normandie</b>	<b>845</b>	<b>865</b>	<b>866</b>	<b>832</b>	<b>821</b>	<b>808</b>	<b>762</b>	<b>823</b>	<b>1 008</b>	<b>800</b>
- Calvados	203	205	206	198	196	192	180	194	236	187
- Manche	437	450	450	432	426	420	399	432	532	423
- Orne	206	210	209	203	199	196	184	197	240	191
<b>Pays de la Loire</b>	<b>1 042</b>	<b>1 086</b>	<b>1 054</b>	<b>1 013</b>	<b>967</b>	<b>948</b>	<b>890</b>	<b>979</b>	<b>1 213</b>	<b>932</b>
- Loire-Atlantique	242	253	249	241	232	231	218	239	300	232
- Maine-et-Loire	188	198	193	186	179	177	167	184	225	174
- Mayenne	323	336	326	308	287	275	257	284	353	267
- Sarthe	125	130	124	120	118	115	108	118	146	113
- Vendée	163	169	161	156	151	150	140	155	189	146
<b>Franche-Comté</b>	<b>391</b>	<b>394</b>	<b>400</b>	<b>382</b>	<b>376</b>	<b>375</b>	<b>359</b>	<b>370</b>	<b>419</b>	<b>415</b>
- Doubs	187	187	188	180	178	178	169	175	200	204
- Jura	103	104	107	102	100	100	98	98	106	119
- Haute-Saône	91	92	95	91	88	88	83	88	102	84
- T. de Belfort	10	10	10	10	9	9	9	9	11	9
<b>France</b>	<b>7 443</b>	<b>7 703</b>	<b>7 596</b>	<b>7 339</b>	<b>7 105</b>	<b>7 018</b>	<b>6 589</b>	<b>7 055</b>	<b>8 480</b>	<b>6 684</b>

Sources: SSP – Comptes de l'agriculture

The contribution of each region in the national total sales value is fairly stable over the studied period. The three Western regions represent 45% of the national total compared to 5% for Franche-Comté. In 2009, the drastic fall in the milk price has led to a sharp decline in value of production in Western France (where the production of butter and skimmed milk powder still represents an important part). In Franche-Comté, the total sales of milk for 2009 remained, however, close to 2008. Cheeses with high added value have been insensitive to the deterioration of international prices of basic industrial dairy products; this situation induced better prices for milk producers because the link between raw milk and final dairy products is very close in this region.

### Share of farm income in the total household income

In France, the available statistics refer exclusively to the farm income and not to the household's income (farms income + other income of the household like for example the wages of the farmer's spouses, etc.). From a methodological point of view, a scientific INRA article has addressed this issue, but only for the period 1991-1997. This work merged data issued from the FADN and from tax declarations (by respecting the rules of statistical confidentiality). According to this study and to expert consensus, the farm household income is significantly higher than the farm income in about one quarter of dairy farms. These surpluses are particularly linked to the salary of the spouse, lease of land in property (in the case of GAEC), rental of real estate or tourism activities.

In the dairy sector, the farm managers who receive additional income (other than agricultural income) are rare. The increase in farm size and the time constraints in this specific sector do not allow these managers to develop another activity. With the development of agricultural societies and the decline of individual farms, wives of farmers are participating less and less to the tasks of the farm (especially for younger generations of farmers). It is increasingly common for them to find a job outside the farm (this depends also on the availability of employment in the rural environment). This is often considered, at least at the beginning of a career, as a useful supplement of income for the family

## 2.1.2 Production, revenue and income

### Quantity of milk production

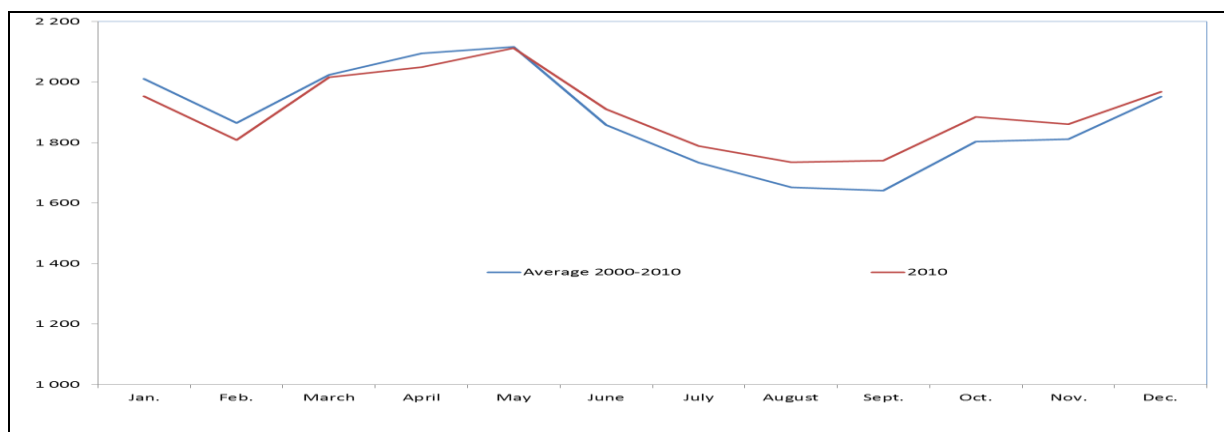
In France, as in all administrative regions, the total volume of milk deliveries has not changed (or just a little) between 2000 and 2009 (Table 2-6 and Annex 2-7). The rules of milk quota management have contributed to a considerable extent to this situation. In France, milk deliveries represent 22.2 billion liters (2009), including 10.4 billion in the three Western regions of France (47%) and 1.1 billion liters in Franche-Comté (5%). France occupies the second rank of European countries, behind Germany, for its volume of milk production.

**Table 2-6 Milk deliveries of cows (millions liters)**

	2000	2001	2002	2003	2004	2005	2006	2 007	2 008	2 009
<b>West of France</b>	<b>10 494</b>	<b>10 516</b>	<b>10 635</b>	<b>10 403</b>	<b>10 305</b>	<b>10 495</b>	<b>10 336</b>	<b>10 461</b>	<b>11 081</b>	<b>10 455</b>
<b>Bretagne</b>	<b>4 712</b>	<b>4 739</b>	<b>4 749</b>	<b>4 667</b>	<b>4 613</b>	<b>4 718</b>	<b>4 664</b>	<b>4 706</b>	<b>4 981</b>	<b>4 664</b>
- Côtes-d'Armor	1 192	1 196	1 199	1 181	1 156	1 187	1 178	1 191	1 256	1 162
- Finistère	1 077	1 085	1 086	1 075	1 058	1 078	1 072	1 071	1 130	1 065
- Ille-et-Vilaine	1 433	1 449	1 453	1 417	1 411	1 441	1 410	1 443	1 541	1 440
- Morbihan	1 009	1 009	1 010	994	988	1 013	1 004	1 001	1 054	996
<b>Basse-Normandie</b>	<b>2 486</b>	<b>2 466</b>	<b>2 537</b>	<b>2 457</b>	<b>2 455</b>	<b>2 477</b>	<b>2 449</b>	<b>2 483</b>	<b>2 599</b>	<b>2 457</b>
- Calvados	591	582	606	585	586	589	582	584	603	571
- Manche	1 274	1 269	1 298	1 256	1 255	1 271	1 266	1 285	1 357	1 279
- Orne	621	616	633	617	613	617	601	614	639	607
<b>Pays de la Loire</b>	<b>3 296</b>	<b>3 311</b>	<b>3 350</b>	<b>3 279</b>	<b>3 236</b>	<b>3 300</b>	<b>3 222</b>	<b>3 272</b>	<b>3 501</b>	<b>3 334</b>
- Loire-Atlantique	761	764	772	760	746	768	751	763	816	769
- Maine-et-Loire	601	607	613	603	592	605	591	590	636	613
- Mayenne	1 027	1 031	1 039	1 014	999	1 011	990	1 007	1 087	1 022
- Sarthe	389	390	402	391	387	390	383	389	412	392
- Vendée	517	519	523	512	512	527	506	523	549	538
<b>Franche-Comté</b>	<b>1 099</b>	<b>1 071</b>	<b>1 096</b>	<b>1 058</b>	<b>1 060</b>	<b>1 079</b>	<b>1 060</b>	<b>1 051</b>	<b>1 075</b>	<b>1 091</b>
- Doubs	510	498	506	487	491	501	488	489	506	515
- Jura	282	277	285	273	272	275	275	268	268	282
- Haute-Saône	278	268	276	268	268	274	267	266	271	265
- T. de Belfort	29	29	29	29	29	29	29	29	29	29
<b>France</b>	<b>22 618</b>	<b>22 556</b>	<b>22 951</b>	<b>22 424</b>	<b>22 241</b>	<b>22 666</b>	<b>22 235</b>	<b>22 312</b>	<b>23 122</b>	<b>22 201</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

The data mentioned in Table 2-6 correspond to deliveries of milk by farmers to the processing companies. The production is slightly higher than this level because a part (but very low: about 2%) of milk products are sold directly by farmers.



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.8 Seasonality of the milk production in France (millions liters per month)**

Like in many other countries, the milk production varies according to season (Figure 2-8 and Annex 2-9). On average for the last ten years, the milk production is around 20% higher in May than in September. This seasonality has some important economic implications for processors (in terms of staff management, etc.).

### Quality of milk production

The fat and protein contents are two indicators commonly used to measure the quality of milk. The level of these rates has a direct impact for producers (through the milk price) and for processors (through the technological ability of the raw material). These indicators vary from one dairy cow to another depending mainly on the breed (Annex 2-13), the genetic potential of animals and the feeding system.

**Table 2-7 Fat content and protein content (g/L)**

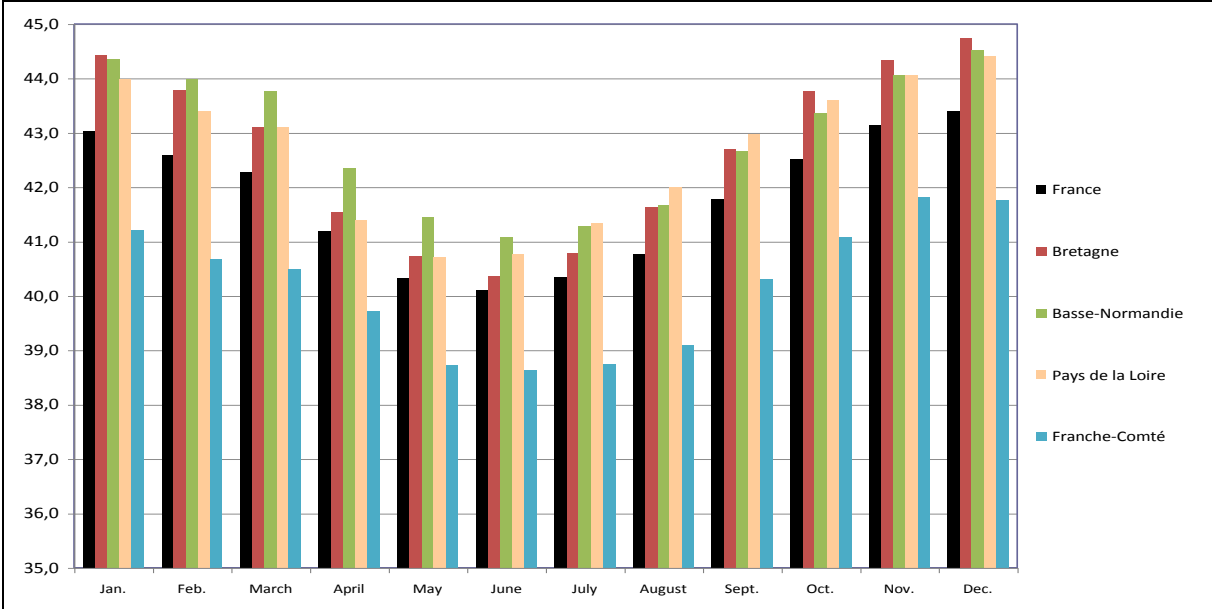
	2000	2001	2002	2003	2004	2005	2006	2 007	2 008	2009	2010
Fat contents											
Bretagne	43,1	43,3	43,0	43,0	42,8	42,6	42,5	42,2	42,3	42,1	42,2
Basse-Normandie	43,5	43,4	43,3	43,3	43,2	42,8	42,7	42,4	42,5	42,2	42,3
Pays de la Loire	42,9	43,2	43,0	42,7	42,8	42,7	42,5	42,4	42,2	42,0	42,6
Franche-Comté	40,1	40,3	40,3	40,1	40,1	40,4	40,2	40,2	39,9	40,1	40,4
France	42,0	42,1	42,0	41,9	42,0	41,8	41,7	41,5	41,5	41,4	41,7
Protein contents											
Bretagne	33,0	32,9	33,0	33,0	33,3	33,1	33,1	33,3	33,2	32,9	33,2
Basse-Normandie	33,5	33,5	33,8	33,8	34,1	33,9	33,9	34,1	33,9	33,6	33,9
Pays de la Loire	33,0	33,0	33,2	33,3	33,5	33,5	33,5	33,6	33,4	33,1	33,8
Franche-Comté	33,4	33,3	33,6	33,4	33,7	33,8	33,5	33,8	33,8	33,4	33,8
France	32,8	32,8	33,0	33,0	33,3	33,2	33,1	33,3	33,2	33,1	33,4

Sources: FranceAgriMer/SSP – Survey in the French milk sector

On average for the studied period (2000-2010), the fat content of milk is 41.8 g/l at national level. This rate is lower in Franche-Comté (40.2 g/l), a region where the "Montbéliarde" breed predominates. It is near the national average in Bretagne (42.6 g/l) and in Pays-de-la-Loire (42.6 g/l) where the Holstein breed is very frequent. In Basse-Normandie, this rate is higher (42.9 g/l) due to numerous cows of the "Normande". In general, the fat content of milk decreased slightly between 2000 and 2010 in West of France and remained stable in Franche-Comté.

On average for the studied period (2000-2010), the protein content is 33.1 g/l at the national level. This rate varies little over time and between regions. Some internal disparities, however, must be mentioned: the rate is generally higher for the breed "Normande" (34.4 g/l at national level) than for breeds "Montbéliarde" (32.7 g/l) and Holstein (31.9 g/l).

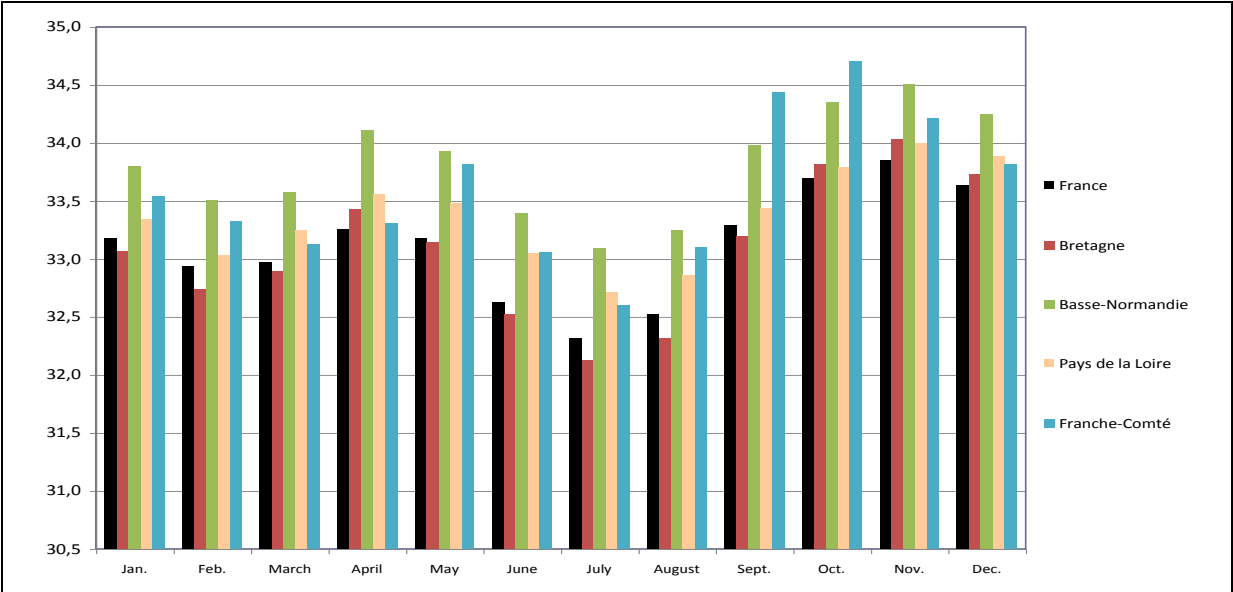
For a given year, the average fat content varies from one month to another. In all regions, this rate is higher in winter and lower in summer (the monthly calculations of Figure 2-9 are made for an average of 11 years: from 2000 to 2010).



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.9 Seasonality of the fat content in France and regions (g/L, average 2000-2010)**

Like for the fat content, the average protein content varies from one month to another. In all regions, this rate is higher during the autumn months and lowest in July (the monthly calculations of Figure 2-10 are made for an average of 11 years: from 2000 to 2010).



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.10 Seasonality of the proteins contents (g/L, average 2000-2010)**

To measure the milk quality, another indicator may also be considered: the number of somatic cells and bacterial count. According to statistics published by "France Contrôle Laitier", 41% of French dairy farms have in 2009, and for all examinations, a score below 300 000 cells (Annex 2-12). This proportion was slightly higher in 2004 (43%). At the other extreme, the proportion of dairy farms with more 800 000 cells (for at least two examinations) has increased from 14% in 2004 to 17% in 2009. It is therefore difficult to conclude definitely, in this case, to an improvement or a deterioration of the situation.

### Share of direct sales

The information relating to direct sales of cow milk are available only nationally. According to statistics from the European Commission (Table 2-8), the milk quota for direct sales represents, in France, 1.4% of total milk quota. According to these statistics, it fell slightly between 2000 (420 million liters) and 2010 (360 million liters). Direct sales have become marginal. This is particularly the case in the plain areas like in West of France.

**Table 2-8 Milk quota in France (deliveries and direct sales)**

Dates	Milk deliveries quotas	Direct sales quotas
01/04/1999 to 31/03/2000	23 816	420
01/04/2000 to 31/03/2001	23 832	404
01/04/2001 to 31/03/2002	23 844	391
01/04/2002 to 31/03/2003	23 854	382
01/04/2003 to 31/03/2004	23 854	382
01/04/2004 to 31/03/2005	23 872	364
01/04/2005 to 31/03/2006	23 880	356
01/04/2006 to 31/03/2007	24 000	nd
01/04/2007 to 31/03/2008	24 135	343
01/04/2008 to 31/03/2009	24 742	349
01/04/2009 to 31/03/2010	24 982	360

Sources: European Commission

### Region's share of national milk production (and cows)

As already mentioned above, the three western regions of France represent 47% of national cow milk production (Table 2-9). The region Franche-Comté accounts for 4.9%.

**Table 2-9 Contribution of the selected regions to French milk deliveries of cows**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>West of France</b>	<b>46,4%</b>	<b>46,6%</b>	<b>46,3%</b>	<b>46,3%</b>	<b>46,3%</b>	<b>46,2%</b>	<b>46,5%</b>	<b>46,9%</b>	<b>47,9%</b>	<b>47,0%</b>
<b>Bretagne</b>	<b>20,8%</b>	<b>21,0%</b>	<b>20,7%</b>	<b>20,8%</b>	<b>20,7%</b>	<b>20,8%</b>	<b>21,0%</b>	<b>21,1%</b>	<b>21,5%</b>	<b>21,0%</b>
- Côtes-d'Armor	5,3%	5,3%	5,2%	5,3%	5,2%	5,2%	5,3%	5,3%	5,4%	5,2%
- Finistère	4,8%	4,8%	4,7%	4,8%	4,8%	4,7%	4,8%	4,8%	4,9%	4,8%
- Ille-et-Vilaine	6,3%	6,4%	6,3%	6,3%	6,3%	6,3%	6,3%	6,5%	6,7%	6,5%
- Morbihan	4,5%	4,5%	4,4%	4,4%	4,4%	4,5%	4,5%	4,5%	4,6%	4,5%
<b>Basse-Normandie</b>	<b>11,0%</b>	<b>10,9%</b>	<b>11,1%</b>	<b>10,9%</b>	<b>11,0%</b>	<b>10,9%</b>	<b>11,0%</b>	<b>11,1%</b>	<b>11,2%</b>	<b>11,1%</b>
- Calvados	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%
- Manche	5,6%	5,6%	5,7%	5,6%	5,6%	5,6%	5,7%	5,8%	5,9%	5,8%
- Orne	2,7%	2,7%	2,8%	2,7%	2,8%	2,7%	2,7%	2,8%	2,8%	2,7%
<b>Pays de la Loire</b>	<b>14,6%</b>	<b>14,7%</b>	<b>14,6%</b>	<b>14,6%</b>	<b>14,5%</b>	<b>14,5%</b>	<b>14,5%</b>	<b>14,7%</b>	<b>15,1%</b>	<b>15,0%</b>
- Loire-Atlantique	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,4%	3,5%	3,5%
- Maine-et-Loire	2,7%	2,7%	2,7%	2,7%	2,7%	2,7%	2,7%	2,6%	2,8%	2,8%
- Mayenne	4,5%	4,6%	4,5%	4,5%	4,5%	4,5%	4,5%	4,5%	4,7%	4,6%
- Sarthe	1,7%	1,7%	1,8%	1,7%	1,7%	1,7%	1,7%	1,7%	1,8%	1,8%
- Vendée	2,3%	2,3%	2,3%	2,3%	2,3%	2,3%	2,3%	2,3%	2,4%	2,4%
<b>Franche-Comté</b>	<b>4,9%</b>	<b>4,8%</b>	<b>4,8%</b>	<b>4,7%</b>	<b>4,8%</b>	<b>4,8%</b>	<b>4,8%</b>	<b>4,7%</b>	<b>4,6%</b>	<b>4,9%</b>
- Doubs	2,3%	2,2%	2,2%	2,2%	2,2%	2,2%	2,2%	2,2%	2,2%	2,3%
- Jura	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,3%
- Haute-Saône	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%
- T. de Belfort	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
<b>France</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

Due to the French milk quota system, the contribution of regions and departments to national milk production is stable over the studied period.

## Pricing policy, strategy and practice regard to raw milk

In France, each producer receives a milk price which depends on collective rules defined at a regional level (Centre Régional Interprofessionnel de l'Économie laitière - CRIEL) and national level (by the Centre National Interprofessionnel de l'Économie Laitière - CNIEL). CNIEL is a private association, composed of representatives of the three founding associations: the National Federation of Milk Producers (NPFL), the National Federation of Dairy Cooperatives (FNCL) and the National Federation of Dairy Industry (FNIL). CNIEL resources come from mandatory contributions, required by law, paid by producers and processors. They are based on quantities of milk collected or used.

A basic price of the milk (and also its seasonality) is determined at the regional level for all farmers; the principal payment rules to the quality and composition of fat and protein content are also determined at this level. Since 1998, the CNIEL makes recommendations for the basic price to CRIEL on the basis of indicators related to trends of dairy markets. In the future (decree December 2010, see after), the indicators developed by CNIEL could be used as possible contractual references for determining the basic milk price.

The milk price paid to each producer depends also on his own situation: production area (region), quality of the milk (fat content, protein content, bacteriological), specific criteria of quality (cheese production, agriculture Organic, Omega 3, etc.). The price also depends on the company to which the farmer delivers milk. Indeed, companies grant premiums to encourage producers to supply milk with certain specific qualities (in relation to industrial needs). Similarly, a system of price flexibility is possible for companies with a high proportion of butter and milk powder in the mix-product). This system allows them to pay the milk at a lower price.

### There are three kinds of contracts between producers and enterprises

During the studied period, there were three types of contractual relationships in the dairy sector.

- The first is a contract between a producer of milk (or farmer) and its cooperative. This type of contract represents nearly half of milk production in western France and even more in Franche-Comté. This contract involves the commitment for the farmer to use the services of the cooperative. The statutes of the cooperative determine the terms and duration of this commitment (usually 3 to 5 years or more). The contract terms are supplemented by the rules of the cooperative and its board of directors.

- The second type is a just "verbal" contract. This contract, which associates a milk producer to a private enterprise, is still very common. This type of contract is indefinite which means that each party may terminate it at any time but nevertheless with the respect of some delays.

- The written contract. The relationship between the producer and its private dairy can be formalized by a written contract. The contract has to mention the rights, the obligations and the conditions.

### A new decree to apply written contracts between producers and enterprises

Following the crisis in the European dairy sector in 2009 and the discussions of the High Level Group (HLG), a new decree (December 2010) aims to establish, in France, an obligation to sign a written contract, for a minimum of 5 years, between milk producers and enterprises (buyers). It requires for dairies to offer to their dairy farmers a written contract before 1 April 2011. The minimum contract is 5 years with a notice cancellation of at least 12 months.

The contract must include mandatory clauses covering: the volumes of milk delivered by the producer during the year (established by reference to the individual quota of the producer until the end of milk quotas) ; the characteristics of milk to be delivered; the rules applicable when the producer does not meet the defined volumes or when the buyer fails to meet its commitments to purchase; the technical conditions for the milk collection (access, frequency, slots ...); the terms of pricing: criteria, references, indicators taken into account to determine the base price of milk; the billing terms of milk by the producer; the arrangements for review or termination of the contract (written agreement) by either party, including the period of notice of failure that cannot be less than 12 months.

## Milk producer prices

The price of milk paid to French producers is, averaged over the 11 year period from 2000 to 2010, 295 €/t (Table 2-10). This price is expressed in current currency for a standard milk quality (38 g/l for fat content and 32 g/l for the protein content). It does not include any bonuses paid by processors (premiums for seasonality or a special milk quality, etc.), or direct aid granted in consideration of lower institutional prices. The price of milk, which was historically fairly stable from year to year, has had more variation since 2005 (application of lower institutional prices), but especially between 2007 and 2010. The price of milk has reached its maximum in 2008 (336 €/t), due to soaring international prices. It reached its minimum the following year (275 €/t in 2009), i.e. a decrease of almost 20% compared to 2008. In 2009, the income of milk producers has been the worst of the last fifteen years because the decline in milk prices has occurred concomitantly with a significant increase in production costs. In 2010, the price of raw milk was 301€/t on French average (i.e. above the long-term trend). We must however take into account in our reflection the inflation on eleven years and the significant rise in input prices over this period (such as fertilizer).

**Table 2-10 Milk producer prices (euros per ton)**

	Bretagne	Basse-Normandie	Pays de la Loire	Franche-Comté	France
2000	295,1	299,8	296,1	323,3	299,0
2001	307,5	311,2	307,7	334,8	310,7
2002	297,0	301,1	297,6	329,1	300,7
2003	292,4	297,5	293,3	325,5	296,7
2004	282,0	289,3	282,9	319,8	287,3
2005	273,5	282,0	275,2	308,5	279,1
2006	263,2	271,0	264,1	299,3	267,8
2007	285,5	290,7	286,3	311,0	289,1
2008	330,9	337,5	333,8	357,0	336,5
2009	265,2	277,2	271,7	327,4	275,1
2010	296,3	301,5	297,7	344,2	301,7

Sources: FranceAgriMer/SSP - Survey in the French milk sector

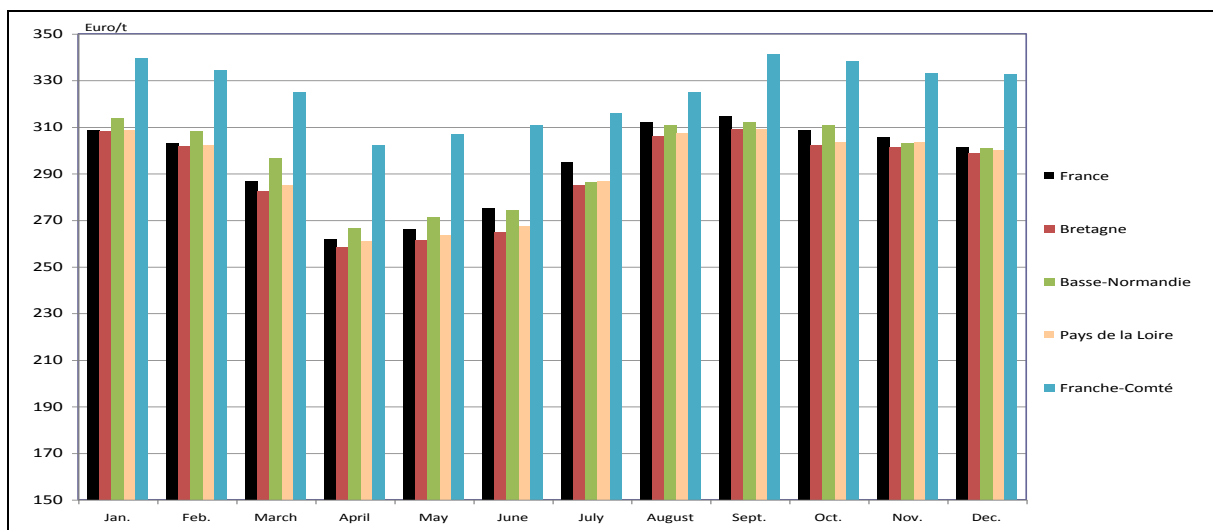
On average over the decade 2000-2010, the price of milk paid to producers was 290 €/t in Bretagne (and only 263 €/t in 2009), 291 €/t in Pays-de-la-Loire and 296 €/t in Basse-Normandie. In Franche-Comté, the cheese production with high added value is a positive factor for the price of milk paid to producers (325 €/t). The difference with the average French price was 30 €/t over the period 2000-2010. Low in 2000 (8 €/t), this gap had become very important in 2009 (52 €/t) due to the big drop of butter and skimmed milk powder prices.

**Table 2-11 Distribution of farms according to milk prices in Franche-Comté in 2009**

Euros per liter	Doubs		Jura		Haute-Saône & T. de Belfort		Franche-Comté	
	Number	%	Number	%	Number	%	Number	%
Less than 0,390	841	34,5%	165	19,3%	759	100,0%	1 765	43,6%
From 0,390 to 0,400	215	8,8%	198	23,2%	0	0,0%	413	10,2%
From 0,400 to 0,410	245	10,1%	161	18,8%	0	0,0%	406	10,0%
From 0,410 to 0,420	525	21,6%	124	14,5%	0	0,0%	649	16,0%
From 0,420 to 0,430	368	15,1%	89	10,4%	0	0,0%	457	11,3%
More than 0,430	241	9,9%	118	13,8%	0	0,0%	359	8,9%
<b>Total</b>	<b>2 435</b>	<b>100,0%</b>	<b>855</b>	<b>100,0%</b>	<b>759</b>	<b>100,0%</b>	<b>4 049</b>	<b>100,0%</b>

Sources: SSP – Annual survey in the milk sector, 2009

In Franche-Comté, the price of milk varies quite widely from a milk producer to another depending on the types of manufactured milk products (cheese) and the technical performance of dairies (generally some small cooperatives with a very limited number of producers). Thus, for example in 2009, the price of milk has reached 415 €/t for the producers whose milk was used for the cheese "Comté" (Annex 2-18). Thus, nearly 45% of dairy farmers had a milk price higher than 400 €/t (Table 2-11).



Sources: SSP – Annual survey in the milk sector

**Figure 2.11 Seasonality of milk price in France and regions (€/t, average 2000-2010)**

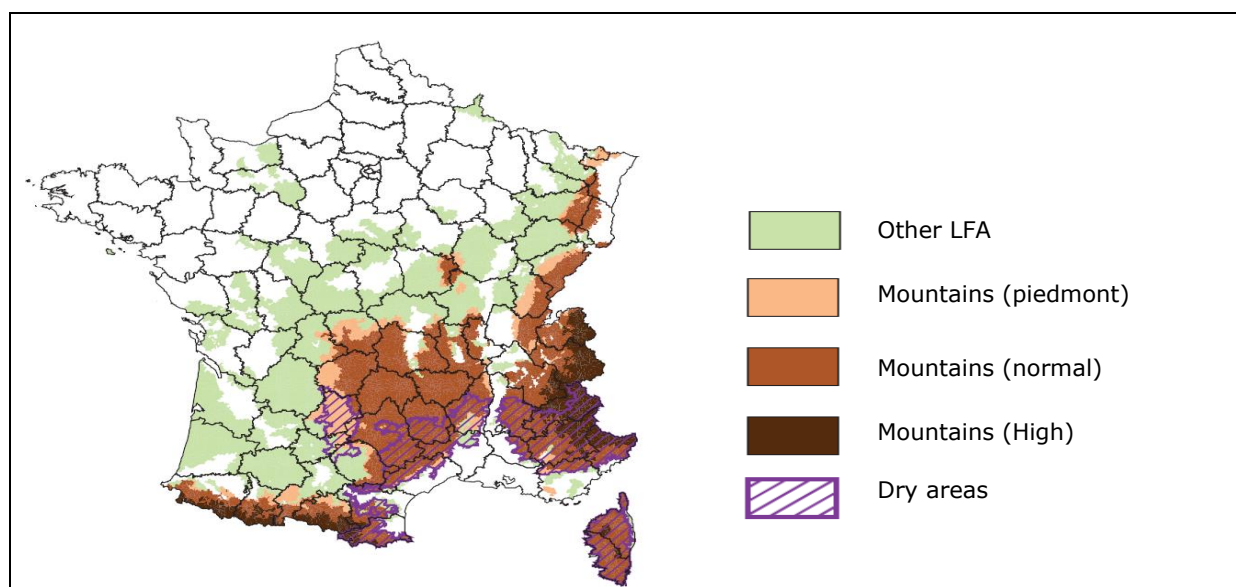
On average over the eleven year period 2000-2010, the price of milk in France varies from 315 €/t in September to 261 €/t in April (Figure 2-11). The seasonality of milk prices, which is verified in all studied regions (Annex 2-15 and Annex 2-17), can influence the producer's strategies.

### 2.1.3 Specific regional characteristics

In this subsection, some information are provided on the conditions of milk production in France and in the selected regions in terms of location (plain / mountain / other LFA), quality of products (the protected designation of origin) and production systems in organic farming.

#### Share of less favoured area and non-less favoured area

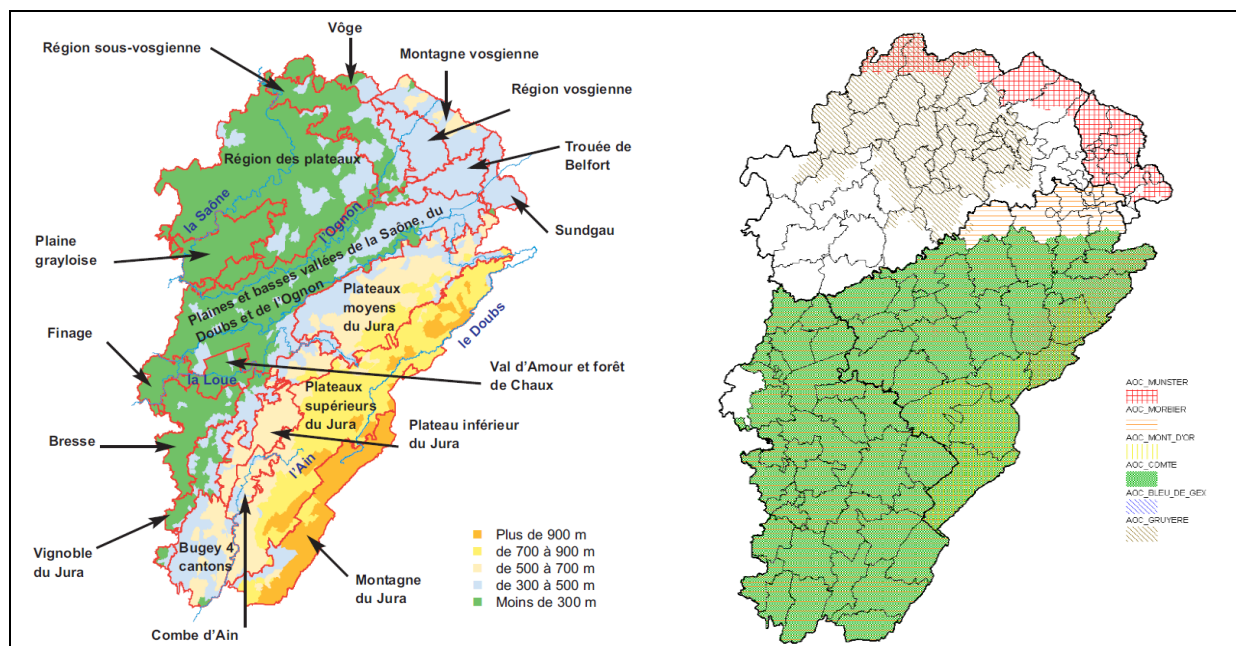
In 2010, 21% of French dairy farms and 14% of the cow milk production are located in mountain areas. These mountain farms are located mainly in "Auvergne", "Franche-Comté", "Alps" and, more marginally in "Pyrénées" (Figure 2-12). The other less favoured areas represent 16% of dairy farmers and 17% of dairy production. The Western regions of France are not classified as less favoured areas.



Sources: French agricultural ministry

**Figure 2.12 Less favoured Areas (plains, mountains, Other LFA)**





Sources: DRAAF Franche-Comté - INAO

**Figure 2.13 Altitude in Franche-Comté (map 1) and areas of cheese PDO (map 2)**

In Franche-Comté, dairy farms are located, for a very large part, in the mountain areas of the departments of Doubs and Jura. In the south of this region, the altitude is often greater than 900 meters although it remains below 300 meters in the department of Haute-Saône (Figure 2-13 - Map 1). PDO areas for cow's milk cheeses cover a large part of the territory (Figure 2-13 - Map 2).

**Table 2-12 Characteristics of French dairy farms (all and specialized) according to LFA**

	All dairy farms (France)				Specialized dairy farms (TF 41, France)			
	Plain	Mountain	Other LFA	Total	Plain	Mountain	Other LFA	Total
Number of farms	55 740	21 700	12 850	90 300	29 330	17 070	6 120	52 520
Agricultural work unit	1,93	1,71	2,00	1,89	1,77	1,67	1,69	1,73
- % of employees (AWU)	9%	6%	12%	9%	6%	6%	6%	6%
Agricultural surface (UAA in ha)	92	76	120	92	70	74	91	74
Fodder surface (FS in ha)	53	64	74	58	53	64	74	59
Fodder surface (FS in % UAA)	57%	85%	62%	63%	75%	87%	81%	80%
- Fodder maize (% FS)	30%	6%	18%	21%	30%	6%	17%	19%
- Temporary pastures (% FS)	32%	25%	19%	28%	39%	25%	17%	31%
- Permanent pastures (% FS)	37%	68%	62%	50%	30%	69%	66%	49%
Milk quota per farm (L.)	295 700	198 500	288 300	271 300	296 700	212 100	282 500	267 500
Milk quota per AWU (L.)	153 200	116 100	144 200	143 500	167 600	127 000	167 100	154 600
Milk quota per ha of UAA (L.)	3 220	2 630	2 390	2 950	4 240	2 880	3 010	3 630
Milk quota per ha of fodder surface (L.)	5 620	3 110	3 890	4 650	5 630	3 310	3 820	4 540
Herbivorous LU	91	69	101	87	88	67	97	82
Herbivorous LU per ha of fodder	1,74	1,08	1,36	1,50	1,67	1,05	1,31	1,40
Dairy cows	45,7	36,4	47,2	43,7	47,8	39,2	48,9	45,1
Milk per cow (L. per year)	6 460	5 450	6 110	6 210	6 200	5 410	5 770	5 920
Agriculture production per farm (euros)	191 500	101 100	176 000	167 600	149 800	99 000	139 000	132 100
Production per AWU (euros)	99 200	59 100	88 000	88 700	84 700	59 300	82 200	76 300
- % of milk	51%	65%	52%	53%	66%	72%	66%	68%
Subsidies per farm (euros)	35 100	26 800	39 400	33 700	26 600	25 400	28 200	26 400
Subsidies per AWU (euros)	18 200	15 700	19 700	17 800	15 000	15 200	16 700	15 300
Subsidies per ha of UAA (euros)	383	355	327	367	381	344	309	358
Gross added value / Production	32%	27%	29%	31%	34%	28%	31%	32%
Farm income per farm (euros)	52 200	23 800	45 800	44 500	43 400	22 300	35 500	35 600
Farm income per Family AWU (euros)	29 800	14 900	25 900	26 000	26 100	14 200	22 300	22 000

Sources: SSP - French FADN 2007

Given the heterogeneity of production conditions (climate, topography, soil quality, etc.), the French dairy farms have structural and economic characteristics quite different from one region to another. Using FADN data for the year 2007 (Table 2-12), a distribution of dairy farms is carried out according to the specialization (to identify the highly specialized units) and location (plain, mountains and other areas).

In French average, the dairy farms located in mountains have a lower income per annual work unit (AWU) than those located in the plains. With a low quantity of milk per hectare, the mountains farms are economically penalized by lower labour productivity (milk production per AWU). In Franche-Comté, the mountain dairy farms are more economically profitable than those of the region "Auvergne", where milk prices are lower.

### Protected designation origin (PDO) / Protected geographical indication (PGI)

According to estimates by the "National Institute of Origin Denominations" (INAO), 9% of national milk production is used for dairy products with a PDO quality label recognised at EU level. These products cover 20% of French milk producers (for all or a part of their production). Dairy products with PDO are: 29 cheeses, 2 butter ("Isigny" and "Charentes-Poitou" and 1 cream ("Isigny" in the region of Basse-Normandie).

**Table 2-13 PDO cheeses production with milk of cows in France (tons, in 1999 and 2009)**

	1999		2009			1999		2009	
	Tons	%	Tons	%		Tons	%	Tons	%
<b>Soft cheese (total)</b>	<b>42 400</b>	<b>27,41%</b>	<b>36 230</b>	<b>22,75%</b>	<b>Uncooked pressed</b>	<b>50 113</b>	<b>32,40%</b>	<b>53 972</b>	<b>33,90%</b>
- Brie de Meaux	7 504	4,85%	6 475	4,07%	- Cantal	18 257	11,80%	14 786	9,29%
- Brie de Melun	254	0,16%	215	0,14%	- Laguiole	632	0,41%	737	0,46%
- Camembert Normandie	12 696	8,21%	4 464	2,80%	- Morbier	0	0,00%	7 638	4,80%
- Chaource	1 659	1,07%	2 445	1,54%	- Reblochon	16 940	10,95%	15 206	9,55%
- Epoisses	573	0,37%	1 094	0,69%	- Saint-Nectaire	13 069	8,45%	13 122	8,24%
- Langres	308	0,20%	435	0,27%	- Salers	1 215	0,79%	1 622	1,02%
- Livarot	1 116	0,72%	1 122	0,70%	- Tome des bauges	0	0,00%	861	0,54%
- Maroilles	1 984	1,28%	4 024	2,53%	<b>Veined cheese</b>	<b>16 470</b>	<b>10,65%</b>	<b>13 873</b>	<b>8,71%</b>
- Mont d'Or	3 291	2,13%	4 341	2,73%	- Bleu d'auvergne	7 679	4,96%	6 409	4,03%
- Munster	8 589	5,55%	7 462	4,69%	- Bleu du haut-Jura	490	0,32%	558	0,35%
- Neufchâtel	914	0,59%	1 512	0,95%	- Bleu des Causses	1 153	0,75%	649	0,41%
- Pont l'évêque	3 512	2,27%	2 641	1,66%	- Bleu du Vercors	92	0,06%	194	0,12%
<b>Cooked pressed (total)</b>	<b>45 689</b>	<b>29,54%</b>	<b>55 149</b>	<b>34,64%</b>	- Fourme d'Ambert	7 056	4,56%	5 599	3,52%
- Abondance	948	0,61%	1 958	1,23%	- Fourme Monbrison		0,00%	464	0,29%
- Beaufort	4 132	2,67%	4 512	2,83%					
- Comté	40 609	26,25%	46 738	29,35%	<b>Total PDO cheese</b>	<b>154 672</b>	<b>100,0%</b>	<b>159 224</b>	<b>100,0%</b>
- Gruyère	0	0,00%	1 941	1,22%					

Sources: INAO

The French production of PDO cheeses, which was 154 000 tons in 2009, represents 9% of French cheese production. This production has increased by 4 550 tons between 1999 and 2009, or 3% (Table 2-13). In France, approximately 70% of PDO cheeses are produced in mountain areas. Three quarters of the PDO cheese production are sold in supermarkets and hypermarkets. The price of PDO cheese is, on an average, 53% higher than that of non-PDO cheese.

In Franche-Comté, PDO cheeses represent more than two-thirds of local milk production (and more than 85% in the department of "Jura"). These cheeses are the following (see the Annex 2-19 for the location of this cheese production):

**"Comté".** PDO since 1952, this cheese is the first French PDO cheese (52 900 tons or approximately 30% of total PDO cheeses in France). It is produced in the departments of "Doubs" (32 000 tons in 2009, against 28 800 tons in 2000 and 17 500 tons in 1975) and "Jura" (20 500 tons in 2009, against 18 300 tons in 2000 and 18 800 tons in 1975). This cheese manufactured by 175 (small) cooperatives or private enterprises uses 80% of the milk produced in "Jura" and 65% of milk produced "Doubs".

**"Morbier".** PDO since 2000, the production was 7 640 tons in 2009. This cheese is produced essentially in Franche-Comté (Doubs and Jura) by 40 cooperatives or private enterprises.

**"Munster".** PDO since 1969, the production was 7 460 tons in 2009. This cheese is produced primarily in the region "Lorraine" and more marginally in Franche-Comté, by 7 cooperatives or private enterprises.

“Mont d'Or”. PDO since 1981, the production was 4 340 tons in 2009. This cheese is produced primarily in the department of Doubs by 11 cooperatives or private enterprises.

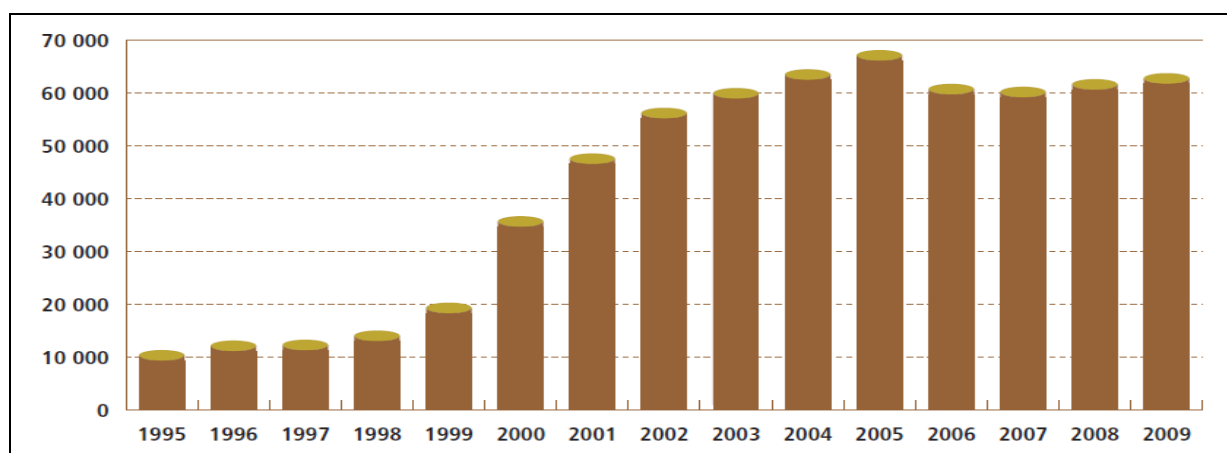
“Gruyère”. PDO since 2007, the production was 1 950 tons in 2009. This cheese is also produced in the region “Rhone-Alpes” by 12 cooperatives or private enterprises

« Bleu du Haut-Jura ». PDO since 1977, the production was 558 tons in 2009. This cheese is produced in the department of Jura by 4 cooperatives or private enterprises

Contrary to the previous region (Franche-Comté), dairy products with a PDO play a marginal role in the West of France: they represent less than 1% of the milk deliveries (they are even absent in many departments). PDO cheeses are mainly located in Basse-Normandie : “Camembert de Normandie” (PDO since 1983), “Pont l'Evêque” (PDO since 1972) and “Livarot” (AOC since 1975).

### Organic dairy farms

In France, organic farming covers about 61 700 dairy cows, or 1.65% of the national herd. The number of cows involved in organic farming has tripled between 1999 and 2003, afterwards it remained stable (Figure 2-14).



Sources: AgenceBio

**Figure 2.14 Number of dairy cows in organic farms in France**

The number of dairy cows in organic farms represents 2.1% of the total number of dairy cows in West of France and 3.2% in Franche-Comté (Table 2-14). In the latter region, the traditional production systems are often not far from the specifications of organic farming (no cereal, forage maize or pesticides, etc.).

**Table 2-14 Organic farms and dairy cows in France and in the selected regions**

	Number of dairy farms			Number of dairy cows		
	Organic	Total	Organic in %	Organic	Total	Organic in %
West of France	695	33 791	2,06%	34 823	1 663 861	2,09%
Bretagne	255	14 993	1,70%	12 590	7 134	1,76%
Basse-Normandie	167	8 297	2,01%	8 454	443 466	1,91%
Pays de la Loire	273	10 501	2,60%	13 779	507 022	2,72%
Franche-Comté	156	4 488	3,48%	6 391	199 600	3,20%
<b>France</b>	<b>1 437</b>	<b>78 997</b>	<b>1,82%</b>	<b>61 753</b>	<b>3 733 009</b>	<b>1,65%</b>

Sources: AgenceBio and SSP

In France, the organic milk production represents 264 million tons in 2009, or 1.1% of the domestic milk production. The dairy products made with raw milk produced in organic farms are the followings: 130 million liters of packaged milk; 19 800 tons of yoghurt; 1 650 tons of desserts; 1 110 tons of cream; 5 100 tons of butter and 7400 tons of cheese (i.e 20 times less than the PDO cheese production).

## 2.2 Processing Industry

This section provides information on processing industries (number, concentration ratio, share of cooperative/private) and on the market of milk products (production, prices, exports, imports, etc.) in France for the period 2000 to 2010.

### 2.2.1 Company and industry structure

#### Number of firms

In France, the number of establishments which collect milk fell by 25% in ten years: from 710 in 2000 to 538 in 2009. Among these establishments, some are very small, as it is the case for the small cooperatives. The top 30 of French dairy companies is presented in Table 2-15. The first three companies, in terms of turnover (not in term of collected milk), have some significant international activities. Lactalis (private) is the number one in France for the milk collect. Its turnover is realized for around 60% abroad.

**Table 2-15 The French enterprises in the milk sector (2009)**

Name	Total turnover(including abroad activities) (2009, million €)	Export turnover (2009, million €)	Export / Turnover (%)	Collect of milk France and foreign countries (million de litres)	Number of employees (inc. foreign countries)
Danone (fresh dairy products)	8 555	---	---	1 000	---
Lactalis	8 500	4 760	56%	9 250	37 000
Bongrain	3 280	2 105	64%	3 000	17 700
Sodiaal	2 486	336	14%	2 200	3 475
Fromageries Bel	2 221	---	---	---	11 500
Entremont Alliance	1 528	619	41%	1 820	4 200
Groupe Senoble	1 100	649	59%	---	3 400
Laïta	1 100	---	---	1 200	1 935
Novandie	750	---	---	---	1 500
Glac	650	---	---	1 050	1 200
3A	650	104	16%	662	2 180
Eurial	600	135	23%	900	1 450
Société des caves	491	104	21%	---	1 351
Groupe Ermitage	386	61	16%	---	966
Ingrédia	327	184	56%	347	402
Sill	280	50	18%	350	750
Maîtres laitiers du Cotentin	274	47	17%	342	701
Coralis	266	---	---	---	---
Laiterie Triballat	263	65	25%	---	1 450
Laiterie Saint Denis	257	17	7%	210	430
Coopérative Isigny	178	63	35%	210	505
Epi ingrédients	177	133	75%	---	27
Flécharde SAS	145	42	29%	50	134
Coopérative beurrière VPM	125	---	---	183	198
Laiterie de Saint Père	122	---	---	136	264
Fromagerie Henri Hutin	101	---	---	147	315
Alsace lait	99	---	---	150	---
Bonilait Protéines	97	48	49%	---	218
Laiterie de Montaigu	96	25	26%	149	190
Régilait SAS	77	31	40%	---	137

Sources: Revue Française Laitière

The distribution of French establishments according to the volume of the milk collection shows a strong heterogeneity (Table 2-16). In 2007 (latest year available), 30 French establishments have collected more than 200 million liters of milk (as against 22 in 2000) and 390 establishments have collected less than 25 million liters (against 508 in 2000).

**Table 2-16 The number of establishments according to the quantity of milk collection**

1000 liters per year	2000	2001	2002	2003	2004	2005	2006	2007
500 et less	58	46	51	49	48	45	43	39
500 to 1 000	41	46	43	37	34	31	32	31
1 000 to 5 000	263	252	231	227	220	206	198	200
5 000 to 10 000	75	69	70	63	73	74	72	63
10 000 to 25 000	71	65	67	67	63	66	63	57
25 000 to 50 000	59	57	58	55	51	53	43	46
50 000 to 75 000	43	36	36	36	34	27	28	23
75 000 to 100 000	28	24	23	21	23	22	14	13
100 000 to 200 000	50	40	38	38	38	39	35	36
More than 200 000	22	22	25	24	23	26	30	30
<b>Total</b>	<b>710</b>	<b>657</b>	<b>642</b>	<b>617</b>	<b>607</b>	<b>589</b>	<b>558</b>	<b>538</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

The very small establishments are located, for a high proportion, in Franche-Comté. This region has 192 establishments (132 cooperatives and 60 private enterprises), i.e 35% of the total national with just 5% of the French milk production (Table 2-17).

**Table 2-17 Number of establishments (dairies) in Franche-Comté**

	Doubs	Jura	Haute-Saône	Territoire de Belfort	Franche-Comté
Cooperatives	79	50	3	0	132
Privates	33	16	10	1	60
<b>Total</b>	<b>112</b>	<b>66</b>	<b>13</b>	<b>1</b>	<b>192</b>
Collect of milk, no processing	5	2	4	0	11
Cheese "Comté" (only)	63	34	0	0	97
Cheese "Emmental" (only)	1	0	0	0	1
Cheese "Comté" + Other products	33	21	0	0	54
Cheese "Emmental" + Other products	2	0	3	1	6
Cheese "Bleu Haut-Jura" + Other products	0	3	0	0	3
Others products	8	6	6	0	20

Sources: FranceAgriMer/SSP – Survey in the French milk sector

### Share of cooperative dairies

In France, the cooperatives play an important role in the dairy sector, but with some significant regional disparities. The 260 French cooperatives with an activity in the dairy sector collected in 2010, 55% of the national milk production (with approximately 45 000 producers). With 20,000 employees and a turnover estimated at 7.1 billion Euros, they generate 28% of the national production of cheese compared to 26% for yoghurts, 50% for butter, 47% for skimmed milk powder and liquid milk. They are, on average, less oriented on products with high added value (except the case of PDO cheeses). The big cooperatives are: Sodiaal, Laita, 3A, Eurial and Glac.

**Table 2-18 Milk deliveries in private enterprises and cooperatives (% of the region)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>West of France</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Private enterprises	60,9%	60,9%	60,8%	60,8%	60,5%	59,2%	56,2%	55,6%	55,4%	55,2%
- Cooperatives	39,1%	39,1%	39,2%	38,9%	39,4%	40,8%	43,8%	44,3%	44,6%	44,8%
<b>Bretagne</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Private enterprises	68,1%	68,1%	68,1%	67,4%	68,2%	69,5%	64,3%	64,0%	63,2%	63,1%
- Cooperatives	31,9%	31,9%	31,8%	32,0%	31,8%	30,5%	35,7%	36,0%	36,7%	36,9%
<b>Basse-Normandie</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Private enterprises	53,0%	52,8%	51,6%	52,3%	52,9%	53,0%	51,8%	51,4%	49,8%	49,9%
- Cooperatives	47,0%	47,2%	48,4%	47,7%	47,1%	47,0%	48,2%	48,5%	50,2%	50,1%
<b>Pays de la Loire</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Private enterprises	57,7%	57,5%	58,6%	58,9%	56,4%	50,8%	49,2%	47,6%	49,6%	49,2%
- Cooperatives	42,3%	42,5%	41,4%	41,1%	43,3%	49,2%	50,8%	52,1%	50,4%	50,8%
<b>Franche-Comté</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>
- Private enterprises	38,5%	37,8%	37,1%	36,9%	37,7%	38,3%	38,0%	38,9%	38,4%	37,6%
- Cooperatives	61,5%	62,2%	63,0%	63,1%	62,3%	61,7%	62,0%	61,1%	61,6%	62,3%

Sources: FranceAgriMer/SSP – Survey in the French milk sector

According to calculations made by experts of FranceAgriMer specifically for this study, the contribution of cooperatives to the collect of milk is, on average, in 2009 less important in West of France (45%) than in Franche-Comté (62%). According to these statistics, the weight of cooperatives remained stable in Franche-Comté over the studied period; it increased slightly in the West of France (Table 2-18).

### Concentration ratio

The concentration of the milk collection in the largest establishments has increased over the decade. Thus, establishments with a milk collection of more than 200 million liters, which represent 5.6% of the total number in 2007 (against 3.1% in 2000), regroup 50.9% of the French milk collection (against 26.1 % in 2000). Of the 538 establishments, about sixty of them realize the three-quarters of the French milk collection (Table 2-19). At the other extreme, establishments with a collection of milk less than 25 million liters (72% of the total) regroup 8.6% of the milk collection.

**Table 2-19 The distribution of establishments and collected milk according to the size**

1000 liters per year	2000	2001	2002	2003	2004	2005	2006	2007
Distribution of the establishments								
500 et less	8,2%	7,0%	7,9%	7,9%	7,9%	7,6%	7,7%	7,2%
500 to 1 000	5,8%	7,0%	6,7%	6,0%	5,6%	5,3%	5,7%	5,8%
1 000 to 5 000	37,0%	38,4%	36,0%	36,8%	36,2%	35,0%	35,5%	37,2%
5 000 to 10 000	10,6%	10,5%	10,9%	10,2%	12,0%	12,6%	12,9%	11,7%
10 000 to 25 000	10,0%	9,9%	10,4%	10,9%	10,4%	11,2%	11,3%	10,6%
25 000 to 50 000	8,3%	8,7%	9,0%	8,9%	8,4%	9,0%	7,7%	8,6%
50 000 to 75 000	6,1%	5,5%	5,6%	5,8%	5,6%	4,6%	5,0%	4,3%
75 000 to 100 000	3,9%	3,7%	3,6%	3,4%	3,8%	3,7%	2,5%	2,4%
100 000 to 200 000	7,0%	6,1%	5,9%	6,2%	6,3%	6,6%	6,3%	6,7%
More than 200 000	3,1%	3,3%	3,9%	3,9%	3,8%	4,4%	5,4%	5,6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Distribution of the collected milk								
500 et less	0,1%	0,0%	0,1%	0,1%	0,0%	0,0%	0,0%	0,0%
500 to 1 000	0,1%	0,2%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
1 000 to 5 000	2,9%	2,9%	2,6%	2,6%	2,5%	2,4%	2,3%	2,3%
5 000 to 10 000	2,4%	2,2%	2,2%	2,0%	2,3%	2,2%	2,2%	1,9%
10 000 to 25 000	5,2%	4,8%	4,8%	4,8%	4,6%	4,8%	4,7%	4,3%
25 000 to 50 000	9,3%	8,8%	8,9%	8,5%	8,2%	8,6%	7,1%	7,6%
50 000 to 75 000	11,9%	10,0%	9,7%	10,2%	9,6%	7,7%	8,0%	6,5%
75 000 to 100 000	10,7%	9,2%	8,7%	8,3%	9,1%	8,4%	5,6%	5,0%
100 000 to 200 000	31,4%	25,3%	23,3%	24,1%	24,6%	24,0%	21,5%	21,3%
More than 200 000	26,1%	36,7%	39,6%	39,3%	39,0%	41,7%	48,4%	50,9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

Another way to discuss the concentration of industrial activities (not the milk collection) is to consider the national role played by the three first French milk groups in terms of milk processing (*Lactalis*, *Sodiaal*, *Bongrain*). It is important to consider that a milk group can have many societies and/or establishments. These main three groups produce (2008 data) 88% of the packaged milk, 87% of the veined cheese, 81% of the uncooked pressed cheese, 71% of the whey powder, 69% of the soft cheese, 65% of the ultra fresh dairy products, 56% of the conditioned cream, 55% of the butter, 53% of the milk powder and 42% of the cooked pressed cheese. Among these ten products, the level of concentration has increased for seven of them between 2002 and 2008 (Table 2-20). Considering the ten most important French groups/enterprises, the level of concentration is even higher.

**Table 2-20 The concentration of French dairy products in the main dairy groups (%)**

	3 first dairy enterprise (groups)			10 first dairy enterprise (groups)		
	2002	2008	Variation	2002	2008	Variation
Packaged milk	75	88	13	89	98	9
Ultra fresh dairy products	58	65	6	86	98	13
Conditioned cream	60	56	-5	84	87	4
Butter	46	55	9	82	85	3
Milk powder	40	53	13	83	94	11
Soft cheese	65	69	3	85	85	=
Cooked pressed cheese	44	42	-2	71	73	2
Uncooked pressed cheese	75	81	6	95	98	3
Veined cheese	89	87	-2	99	99	=
Whey powder	68	71	3	95	98	3

Sources: FranceAgriMer/SSP – Survey in the French milk sector

The industrial concentration in the dairy sector can also be considered by taking into account the contribution of major industrial manufacturing sites to the domestic production of various types of dairy products. This work was carried out by experts of FranceAgriMer for 2002 and 2008. Methodologically, a given dairy group (for exemple Lactalis or Bongrain) may have several industrial sites (Table 2-21).

**Table 2-21 The concentration of French dairy products in the industrial sites (France)**

	Number of industrial sites in France in 2008	% of the 3 first industrial sites (2008)	% of the 10 first industrial sites (2008)	% of industrial sites open in 2002 but closed in 2008
Packaged milk	54	21	55	30
Ultra fresh dairy products	80	24	57	18
Conditioned cream	120	29	69	31
Butter	121	35	79	30
Milk powder	41	21	53	31
Soft cheese	158	18	47	17
Uncooked pressed cheese	154	23	52	23
Cheese Emmental	34	44	88	40
Veined cheese	26	65	95	23
Whey powder	35	32	67	26

Sources: FranceAgriMer/SSP – Survey in the French milk sector

On the basis of a FranceAgriMer report, a synthesis of the evolution of the industrial concentration in the French milk sector can be given for the some dairy products (see Annexes 1-20 to 1-27):

Packaged milk. The first three groups (Sodiaal, Lactalis and Glac) produce 88% of the French production compared to 75% in 2002. Among the 54 French industrial sites, the first three regroup 21% of the total (against 55% for the top ten). About 30% of the industrial sites that were functioning in 2002 have been closed since then.

Ultra fresh dairy product. The first three groups (Danone, Lactalis and Andros) produce 65% of the French production compared to 58% in 2002. Among the 80 French industrial sites in 2008, the three first regroup 24% of the total (against 57% for the top ten). About 18% of the industrial sites that were functioning in 2002 have been closed since then.

Butter. The first three groups (Lactalis, Sodiaal and Laïta) produce 55% of the French production compared to 46% in 2002. Among the 121 French industrial sites in 2008, the three first regroup 35% of the total (against 79% for the top ten). About 30% of the industrial sites that were functioning in 2002 have been closed since then.

Soft cheese. The first three groups (Lactalis, Bongrain-Sodiaal and Ermitage) produce 69% of the French production compared to 65% in 2002. Among the 158 French industrial sites in 2008, the three first regroup 18% of the total (against 47% for the top ten). About 17% of the industrial sites that were functioning in 2002 have been closed since then.

Uncooked pressed cheese. The first three groups produce 81% of the French production compared to 75% in 2002. Among the 154 French industrial sites in 2008, the three first regroup 23% of the total (against 52% for the top ten). About 23% of the industrial sites that were functioning in 2002 have been closed since then.

Cooked pressed cheese. The first three groups (Group Bel, Lactalis and Entremont-Alliance) produce 42% of the French production compared to 44% in 2002. For the Cheese "Comté", the first three groups (Lactalis, Fruitière du Massif Jurassien et Entremont Alliance) produce only 14% of the French production compared to 13% in 2002. This is due to a high proportion of small cooperatives (called in French "frutières"). In term of marketing, the concentration is more important (cheeses are previously sold to refiners by cooperatives).

Milk powder. The first three groups (Lactalis, Entremont-Alliance, Laïta) produce 53% of the French production compared to 40% in 2002. Among the 41 French industrial sites in 2008, the three first regroup 21% of the total (against 53% for the top ten). About 31% of the industrial sites that were functioning in 2002 have been closed since then.

Whey powder. The first three groups (Lactalis, Entremont-Alliance, 3A) produce 71% of the French production compared to 68% in 2002. Among the 35 French industrial sites in 2008, the three first regroup 32% of the total (against 67% for the top ten). About 26% of the industrial sites that were functioning in 2002 have been closed since then.

## Export and import of milk products in France

During the studied period, French exports of dairy products increased by 1.37 billion euros between 2000 (4.18 billion euro) and 2008 (5.55 billion euro). Exports are mainly destined for other Member States of the European Union (72% in 2000 and 77% in 2010). Germany is the largest customer and largest supplier of France. As regards exports to third countries, this concerns mainly Asia (339 million euro in 2010, representing 6% of total), NAFTA (172 million euro), North Africa (171 million euro) and the Middle East (145 million Euros). In 2009, exports have declined significantly compared to the previous year (-618 million euros, Table 2-22 and Annex 2-29) because of the global economic crisis and also because the price paid to producers was higher in France than in Germany.

The French imports of dairy products also increased during the studied period: from 2.22 million euro in 2000 (93% from EU member states) to 2.71 million euros in 2010 (95% from the EU). The imports from Oceania represent only 16 million euros (0.5% of total imports in 2010 compared to 1.7% in 2010).

**Table 2-22 French trade of dairy products per country (total, millions euros)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Trade balance</b>											
<b>European union</b>	<b>939</b>	<b>1 085</b>	<b>1 245</b>	<b>1 372</b>	<b>1 382</b>	<b>1 572</b>	<b>1 588</b>	<b>1 610</b>	<b>1 917</b>	<b>1 594</b>	<b>1 661</b>
<b>No EU countries</b>	<b>1 016</b>	<b>968</b>	<b>929</b>	<b>789</b>	<b>812</b>	<b>823</b>	<b>802</b>	<b>970</b>	<b>1 053</b>	<b>886</b>	<b>1 171</b>
NAFTA	159	156	166	169	195	192	180	177	181	161	169
Middle East	286	233	191	119	114	123	117	110	120	114	144
CEI	-17	-16	3	13	17	28	37	62	74	60	108
North Africa	229	237	209	152	135	124	110	153	192	123	171
Sub-Saharan Africa	86	92	79	76	73	74	66	67	73	65	85
Southern Africa	14	18	15	13	16	16	18	18	29	24	28
Southeast Asia	50	54	62	55	62	69	65	97	86	73	134
North Asia	107	111	130	125	129	131	144	189	172	163	204
Oceania	-31	-30	-29	-37	-38	-32	-36	-26	-3	-6	2
Mercosur	16	19	12	8	5	10	16	22	23	17	21
Africa Caribbean Pacific	101	112	92	87	83	85	78	80	90	79	102
<b>World</b>	<b>1 955</b>	<b>2 053</b>	<b>2 174</b>	<b>2 161</b>	<b>2 193</b>	<b>2 396</b>	<b>2 390</b>	<b>2 580</b>	<b>2 970</b>	<b>2 480</b>	<b>2 832</b>
<b>Export</b>											
<b>European union</b>	<b>3 019</b>	<b>3 237</b>	<b>3 219</b>	<b>3 326</b>	<b>3 427</b>	<b>3 554</b>	<b>3 675</b>	<b>4 098</b>	<b>4 317</b>	<b>3 879</b>	<b>4 255</b>
<b>No EU countries</b>	<b>1 160</b>	<b>1 100</b>	<b>1 048</b>	<b>915</b>	<b>926</b>	<b>941</b>	<b>924</b>	<b>1 106</b>	<b>1 189</b>	<b>1 009</b>	<b>1 295</b>
NAFTA	160	160	167	170	199	193	181	186	190	162	172
Middle East	286	233	192	120	114	123	118	111	121	114	145
CEI	8	9	12	20	25	37	44	67	76	64	111
North Africa	229	237	209	152	135	125	110	153	193	123	171
Sub-Saharan Africa	87	93	79	76	73	74	67	67	73	65	85
Southern Africa	15	18	15	13	16	16	18	19	29	24	28
Southeast Asia	50	54	62	55	62	69	65	98	86	73	134
North Asia	108	112	130	126	130	131	146	190	174	163	205
Oceania	9	6	6	6	6	9	8	13	23	15	17
Mercosur	17	19	12	8	6	10	17	22	23	17	21
Africa Caribbean Pacific	102	112	93	88	84	85	78	81	91	79	102
<b>World</b>	<b>4 180</b>	<b>4 337</b>	<b>4 267</b>	<b>4 241</b>	<b>4 353</b>	<b>4 496</b>	<b>4 598</b>	<b>5 203</b>	<b>5 506</b>	<b>4 888</b>	<b>5 550</b>
<b>Import</b>											
<b>European union</b>	<b>2 080</b>	<b>2 153</b>	<b>1 974</b>	<b>1 954</b>	<b>2 045</b>	<b>1 982</b>	<b>2 087</b>	<b>2 488</b>	<b>2 400</b>	<b>2 285</b>	<b>2 594</b>
<b>No EU countries</b>	<b>144</b>	<b>132</b>	<b>118</b>	<b>126</b>	<b>115</b>	<b>118</b>	<b>122</b>	<b>135</b>	<b>136</b>	<b>123</b>	<b>124</b>
NAFTA	1	3	2	1	4	1	1	8	9	1	2
Middle East	1	0	1	1	0	0	0	1	1	1	1
CEI	25	24	9	7	8	9	7	5	2	3	3
North Africa	0	0	0	0	0	0	0	0	0	0	0
Sub-Saharan Africa	0	0	0	0	0	0	0	0	1	0	0
Southern Africa	1	0	0	0	0	0	0	0	0	0	0
Southeast Asia	0	0	0	0	0	0	0	0	0	0	0
North Asia	1	1	1	1	1	1	2	2	2	0	2
Oceania	39	36	35	43	45	41	44	39	26	21	16
Mercosur	0	0	0	0	2	1	0	0	0	0	0
Africa Caribbean Pacific	1	0	0	1	0	0	0	1	1	0	0
<b>World</b>	<b>2 225</b>	<b>2 285</b>	<b>2 093</b>	<b>2 080</b>	<b>2 160</b>	<b>2 100</b>	<b>2 209</b>	<b>2 623</b>	<b>2 536</b>	<b>2 408</b>	<b>2 718</b>

Sources: DGDDI (Douanes)

The dairy industry plays an important role, together with the wine and cereal sectors, in the positive trade balance of France in the food industry. The trade balance in dairy products has improved from 877 million euros between 2000 (1.95 billion euro) and 2010 (2.83 billion euro). The balance is positive with the EU (1.66 million euro) and with third countries (1.17 billion euro). The French imports of dairy products from third countries are ten times lower than French exports to these countries.



**Table 2-23 French trade of dairy products in value 2000-2010 (million euro)**

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Import												
Milk and cream (solid, fat content <1.5 %)	Intra-EU	180,1	126,8	83,2	64,6	138,9	75,3	71,5	87,2	71,5	47,2	52,4
	Extra EU	9,9	7,2	2,0	2,7	1,4	0,0	0,1	0,0	0,3	0,6	1,0
	Total	189,9	134,0	85,2	67,3	140,2	75,3	71,6	87,2	71,8	47,8	53,4
Milk and cream (not concentr., no added sugar)	Intra-EU	451,3	466,2	350,7	344,8	304,8	274,5	304,5	399,6	386,8	398,8	434,7
	Extra EU	0,1	0,1	0,1	0,0	0,1	1,0	0,2	0,1	0,3	0,2	0,3
	Total	451,3	466,2	350,8	344,9	304,9	275,4	304,7	399,7	387,1	399,0	435,0
Cheese & Curd	Intra-EU	646,6	681,2	674,3	684,7	697,6	762,3	796,8	846,4	980,8	966,7	1 009,6
	Extra EU	60,7	55,7	48,4	50,9	39,2	38,1	34,4	31,6	34,7	41,4	43,2
	Total	707,3	736,9	722,8	735,6	736,7	800,4	831,2	878,1	1015,6	1008,1	1052,8
Butter (incl. fats & oils)	Intra-EU	425,4	404,3	358,7	373,0	415,5	385,5	408,2	480,3	410,5	361,4	517,8
	Extra EU	2,0	2,6	2,7	2,7	3,5	0,7	0,3	4,4	3,9	0,1	2,1
	Total	427,4	406,9	361,4	375,7	419,0	386,2	408,5	484,8	414,3	361,6	519,9
WMP	Intra-EU	19,3	31,4	30,2	31,5	35,0	29,5	36,9	52,0	43,8	43,4	57,5
	Extra EU	0,6	0,8	0,5	2,0	0,1	0,0	0,5	0,0	0,2	0,3	0,8
	Total	19,9	32,2	30,7	33,5	35,0	29,5	37,4	52,1	44,0	43,8	58,2
Export												
Milk and cream (solid, fat content <1.5 %)	Intra-EU	127,0	98,3	146,4	129,7	96,9	123,9	152,4	180,7	189,2	155,1	255,4
	Extra EU	64,1	27,9	46,5	44,6	24,0	27,2	18,8	44,4	90,6	60,0	150,3
	Total	191,1	126,2	192,9	174,3	120,9	151,1	171,2	225,1	279,8	215,1	405,7
Milk and cream (not concentr., no added sugar)	Intra-EU	388,8	434,0	376,0	375,9	388,1	401,6	390,8	488,6	500,7	415,8	454,8
	Extra EU	41,8	45,2	50,4	53,9	58,0	53,6	60,3	68,3	76,1	73,5	85,2
	Total	430,6	479,2	426,4	429,8	446,1	455,2	451,1	556,9	576,8	489,3	540,0
Cheese & Curd	Intra-EU	1492,6	1552,5	1566,9	1678,2	1780,6	1811,6	1868,4	1964,3	2139,2	2027,9	2104,9
	Extra EU	447,2	436,8	434,6	410,1	414,0	403,3	423,5	445,9	471,9	459,2	534,0
	Total	1939,8	1989,3	2001,6	2088,3	2194,5	2214,9	2291,9	2410,2	2611,1	2487,1	2639,0
Butter (incl. other fats & oils)	Intra-EU	135,0	139,6	131,1	143,9	142,7	144,8	125,4	152,5	159,2	140,5	194,4
	Extra EU	59,4	58,6	60,3	54,4	69,1	76,6	58,8	64,4	77,3	66,8	100,6
	Total	194,3	198,3	191,4	198,3	211,8	221,4	184,3	216,9	236,5	207,3	295,0
WMP	Intra-EU	113,6	148,4	129,6	131,9	148,4	128,8	109,7	130,8	170,0	99,6	136,4
	Extra EU	376,4	334,9	263,7	178,9	158,7	154,2	121,2	128,8	144,3	93,9	96,4
	Total	490,0	483,3	393,3	310,8	307,1	283,0	230,8	259,6	314,2	193,5	232,8

Sources: Eurostat

The improvement of the French trade balance for dairy products is mainly due to the dynamism of the cheese industry (Table 2-23). French cheese exports rose from 700 million euro between 2000 and 2010 while imports increased, in parallel, to 345 million euro. In 2010, the trade balance for cheeses reached 1.58 billion euro (against 1.23 billion euro in 2000). Exports of PDO cheeses are globally low, except in countries near France (like Switzerland). The trade balance has also increased for yoghurts and desserts and for packaged. Exports of packaged milk (859 000 tons in 2010) remained fairly stable while imports decreased by nearly 40% since 2000. The trade balance is also in surplus for the milk powder where its competitive advantages are however lower than other countries such as those of Oceania (Australia and New Zealand). For butter, France has a deficit (-76 000 tons) with imports of 128 000 tons in 2010 (fairly stable over the period) and exports of 52 000 tons in 2010 (against nearly double in 2000).

**Table 2-24 French trade of dairy products 2000-2010 (thousand tons)**

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cheese												
Trade balance		302	314	309	330	368	342	346	356	344	306	366
Export		514	524	509	538	576	566	582	605	603	592	640
Import		212	210	200	208	208	224	236	249	259	286	274
Milk powder (bulk)												
Trade balance		2	-13	50	48	-19	25	40	56	92	93	159
Export		86	45	96	84	54	67	77	85	117	115	182
Import		84	58	46	36	73	42	37	29	25	22	23
Whole milk powder												
Trade balance		97	87	86	96	83	97	64	68	119	55	52
Export		104	95	95	106	93	106	76	84	133	73	74
Import		7	8	9	10	10	9	12	16	14	18	22
Butter												
Trade balance		-79	-76	-61	-61	-82	-79	-99	-87	-70	-69	-76
Export		43	42	46	46	44	42	42	41	45	48	52
Import		122	118	107	107	126	121	141	128	115	117	128
Liquid milk												
Trade balance		47	196	177	185	300	493	448	562	573	467	447
Export		774	881	721	741	802	900	907	1045	962	896	859
Import		727	685	544	556	502	407	459	483	389	429	412

Sources: DGDDI (Douanes)

In 2010, exports represent the equivalent of 35% of the French cheese production (in volume). This share is 15% for butter, 60% for skimmed milk powder and 65% for the whey powder. Thus, despite high levels of dairy consumption per capita (about 370 kg of standard milk), France has some large surplus of dairy products.

## 2.2.2 Production

### Product mix

In France, the milk delivered by producers is used by processing companies to produce cheese (38% of the French milk collection), butter (20%), packaged milk (12%), skim milk powder (12%), yoghurts and desserts (7%), cream (6%), whey powder (4%) and casein (2%).

The three Western regions of France (47% of the milk collection) are strongly oriented towards butter (69% of the national production), cream (68%) and milk powder (65%). They produce just 21% of yogurt and desserts, 24% of fresh cheeses and 30% of packaged milk. They also produce 45% of cheese, but with a greater specialization for the uncooked pressed cheese (69%). In Pays-de-la-Loire and in Bretagne, firms are often oriented towards industrial dairy products (bulk butter, skimmed milk powder); in Basse-Normandie, they are more oriented towards dairy products with higher value added (like cheese and cream).

**Table 2-25 Milk products in Franche-Comté (tons)**

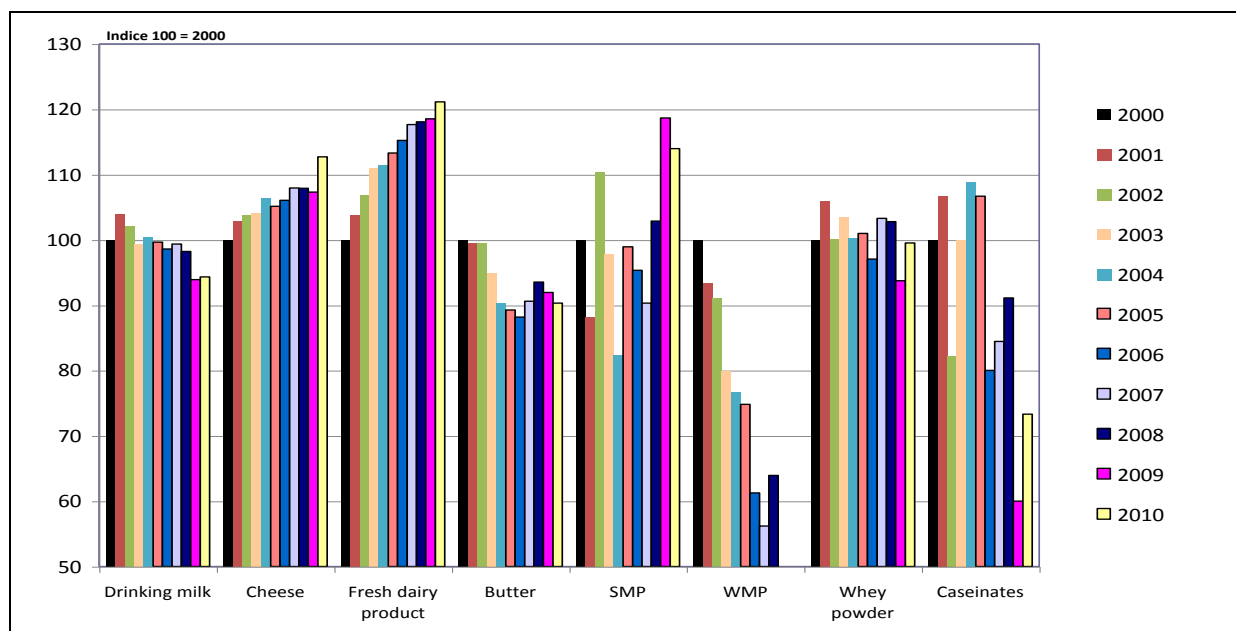
	1990	2000	2007	2008	2009
Butter	26 622	28 449	993	1 016	979
Fresh dairy products	4 321	4 369	3 750	3 826	3 720
Fresh cheese	150	320	261	330	312
Soft cheese	6788	12 034	14 541	14 517	14 564
- Mont d'Or	820	3 079	4 186	4 160	4 336
Uncooked pressed cheese	6 145	12 193	15 211	18 606	18 840
- Morbier	2 603	5 199	7 751	9 053	8 582
- Raclette	2 980	6 441	6 897	8 729	9 548
Cooked pressed cheese	81 817	77 337	75 966	77 182	80 271
- Emmental	45 355	27 128	25 324	23 726	23 969
- Comté	35 351	47 138	47 753	49 285	52 903
Veined cheese	387	325	392	395	348
Total cheese (cows)	95 287	102 209	106 371	111 031	114 335
Melted cheese	51 923	73 390	75 873	76 620	78 657

Sources: FranceAgriMer/SSP – Survey in the French milk sector (unfortunately no information yet for 2010)

In Franche-Comté (Table 2-25), the milk is used exclusively to produce cheese (6.3% of national production). The regional production of cheese increased by 20% between 2000 (95 300 tons) and 2008 (114 300 tons, including 45% of cheese "Comté"). The other dairy products occupy a marginal place in the use of milk: 3 720 tons of fresh milk products and 979 tons of butter (0.3% of national total).

## Production quantities of dairy products

In France, the production of cheese and fresh dairy products grew fairly steadily over the studied period (Figure 2-15 and Annex 2-40 to Annex 2-48). For the skimmed milk powder, the increase mainly concerns the years 2009 and 2010. In contrast, production of packaged milk, butter, whole milk powder and casein decreased.



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Figure 2.15 Production of milk products in France from 2000 to 2010 (index 100 = 2000)**

Between 2000 and 2010, the French cheese production has increased by 12% (i.e. +209 000 tons) and fresh dairy products by 21% (455 000 tons). On the contrary, the production decreased by 5% for packaged milk, 10% for butter and 52% for whole milk powder (Table 2-26).

**Table 2-26 French production of dairy products (thousand tons)**

	Drinking milk	Cheese	Fresh dairy products	Butter	SMP	WMP	Whey powder	Caseinates
2000	3 799	1 599	2 154	372	279	258	609	45
2001	3 951	1 646	2 236	370	246	241	645	48
2002	3 878	1 659	2 301	370	308	235	610	37
2003	3 777	1 666	2 391	353	273	206	630	45
2004	3 818	1 702	2 401	336	230	198	611	49
2005	3 785	1 681	2 440	332	276	193	615	48
2006	3 746	1 696	2 482	328	266	158	591	36
2007	3 774	1 726	2 534	337	252	145	629	38
2008	3 732	1 725	2 543	348	287	165	626	41
2009	3 568	1 716	2 553	342	331	123	571	27
2010	3 583	1 802	2 609	336	318	123	606	33
Average 2000-2010	3 765	1 693	2 422	348	279	186	613	41

Sources: FranceAgriMer/SSP – Survey in the French milk sector

In West of France, the milk processing companies have sought, throughout the decade, to develop more products with high added value. This has resulted in an important industrial restructuring. In 2009, the industrial activities of three western cooperatives (Even, Coopagri and Terrena) were merged to create the Group Laïta (with a milk collection of 1.2 billion liters). In addition, the company Sodiaal recently bought the company Entremont Alliance. At the same time, the two leaders (Lactalis and Bongrain), which play a major role in cheese, developed their activities on foreign markets.

## Sales prices of dairy products

The prices of dairy products are available at a national scale and not at a regional scale. For some specific regional dairy products (like for example the cheese "Comté"), some statistics are nevertheless given at a regional scale. For the studied period, data are available monthly (see Annex 2-49 to 2-54).

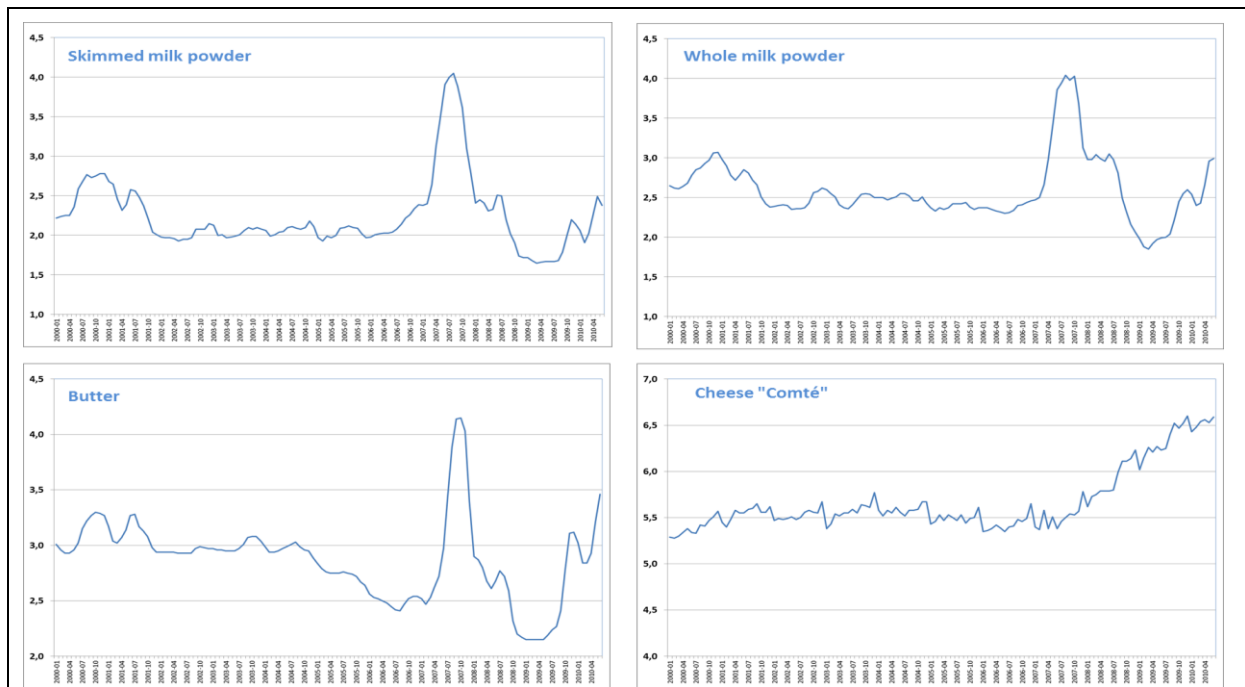
**Table 2-27 Prices of dairy products (euros per kg)**

	Pasteurized butter in bulk	Skimmed milk powder for human consumption	Skimmed milk powder for animal consumption	Whole milk powder	Whey powder for animal consumption	Cheese "Comté"
2000	3,11	2,53	2,44	2,81	0,51	5,39
2001	3,11	2,40	2,28	2,71	0,53	5,55
2002	2,95	2,01	1,93	2,43	0,44	5,53
2003	3,00	2,04	1,98	2,49	0,35	5,56
2004	2,97	2,08	2,00	2,49	0,41	5,58
2005	2,74	2,03	1,92	2,38	0,55	5,50
2006	2,49	2,13	2,05	2,37	0,72	5,43
2007	3,24	3,28	2,93	3,39	1,00	5,50
2008	2,61	2,21	1,96	2,73	0,44	5,90
2009	2,41	1,79	1,72	2,12	0,48	6,33
2010	3,30	2,21*	2,03*	2,73*	0,68	6,60

(\*) average from January to October

Sources: Agreste, INSEE, DGPAAT

The French prices of the skimmed milk powder, the whole milk powder and the butter (bulk) have evolved quite similar during the studied period. After several years with a stable price (2000-2004), a slight decrease was observed from 2005 until early 2007 (in relation to the decisions taken in the context of the CMO reform). In a very brutal way, a price spike occurred between 2007 and 2008. This price increase is consistent with changes at international level. In 2009, a drastic fall in prices was observed. Prices then started to increase in 2010.



Sources: Agreste, INSEE, DGPAAT

**Figure 2.16 Prices of dairy products in France (euros per kg)**

For cheese "Comté", so strategic for milk producers of Franche-Comté, the price has improved significantly since 2008, after a rather stable period.

## 2.3 Quota administration

This section presents a short overview over the milk quota implementation in France, the administrative system applied to transfer the milk quota between producers (not tradable in France) and the share of quota fulfilment.

### 2.3.1 Quota policy implementation

Milk quotas were introduced in 1984 under the CMO in milk and dairy products.

As part of the reform of the Common Agricultural Policy (CAP), the EU has implemented a gradual increase in quotas by 1% per year from 2009/2010 to 2013/2014, that is to say until their abolition in 2015 (EC Regulation No. 72/2008 of 19 January 2009). The French quota is thus increased to 25 595 thousand tons in the 2010/11 campaign, reaching 25 851 thousand tons in 2011/12, 26 110 thousand tons in 2012/13 and 26 371 thousand t until the end of regime quotas (Table 2-28).

**Table 2-28 Milk quota (total) in France and other European countries (thousand tons)**

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
France	24 236	24 236	24 357	24 478	25 091	25 342	25 596	25 852	26 110	26 371	26 371
EU-27	128 376	138 062	138 543	143 061	146 411	148 316	149 686	151 070	152 468	153 880	153 880

Sources: European Commission

In France, the management of milk reference quantities (or milk quotas), unlike other EU Member States, is based on non-market mechanisms. According to the French administrative rules, a transfer of milk quota from a farmer to another induces also a transfer of the land (used to produce the milk). This system has two objectives: maintain a reasonable growth of farms; strengthen the position of producers in place or install of young farmers.

Sections R-654-101 R654-114 of the Rural Code governing the transfer of milk quotas were revised (Decree No. 2005-230 of 11 March 2005 and Decree No. 2010-316 of 22 march 2010) to adapt dairy farms to the new context of CAP reform. Changes or movements of reference quantities are administered by *FranceAgriMer* (Agricultural ministry), under regulations, and in coordination with the decentralized departments of the agricultural Ministry.

The total quotas is divided in "deliveries" and "direct sales"; as it was mentioned before, the quota "direct sales" is very low compared to the quota "deliveries". Producers may have either one or two individual quotas, one for deliveries and the other for direct sales. A producer's quantities may be converted from one quota to the other only by the competent authority of the Member State, at the duly justified request of the producer. Where a producer has two quotas, his contribution to any surplus levy due shall be calculated separately for each.

The quota device consists to apply, for a period of twelve months (1 April to 31 March) called "campaign", a financial sanction ("penalties") if the collected milk is more important than a national thresholds called "total guaranteed quantities". In case of exceeding their reference quantity at the end of the campaign, the producer is liable for the levy (penalties) to an amount calculated from the difference between his output and his reference amount. The amount of the levy corresponds to 286.6 €/t ton of milk in 2010-2011. The tax base shall be reduced, if necessary, by donations made by the milk producer in the limit of 3000 liters. The total national donations of milk that can be taken into consideration may not exceed 25 000 tons.

In 2010, when a producer does not use, for two consecutive quota years, at least 85% of his individual quota (deliveries or direct sales), a fraction of the unused quota is allocated, the following year, to the national reserve.

### 2.3.2 Functioning of administrative reallocation schemes and land

The transfer rules for milk quota are the same for references in deliveries and direct sales. The milk quota is tied to land. Thus, any transfer of land with quota (installation of a young farmer, expansion, creation of individual farms,...) can lead to a prior request for transfer of milk references by the buyer (if he is a milk producer).

In some cases, the milk quota transfer is made without levy

- *The installation of a new farmer on a pre-existing farm.* There is no levy on the transfer, in the case of a full installation (all the land, farm buildings and dairy cattle) by a farmer who already has no milk quota, and who continues to produce milk.
- *The creation of an agricultural society (in France: GAEC, EARL, SCEA) from a pre-existing individual farm.* The individual operator that creates a society from its existing farm is not subject to levy.
- *The creation of a GAEC and the entry of an associate producer of milk in a GAEC.* The principle of "transparency" applied to GAEC leads to link the milk quotas to individual producers (associates). Thus, the creation of a GAEC and the entry of a partner in a GAEC are not subject to levy.
- *The change of legal form (other than the case of a GAEC).* The new legal entity must, nevertheless, request a transfer milk reference within 6 months after the effective date of the new structure. In this case only, the additional allocations made to the former are considered historical quotas for the new company, and the reference of the company is diluted over the entire UAA transferred.
- *The creation of a civil dairy society (called in France: SCL or société civile laitière).* During the creation of a civil society Dairy (SCL), there is a transfer of references to each shareholder of SCL without levy. There is no levy following the exit of a partner or after the dissolution of the SCL beyond five years of existence.
- *The land transfers between spouses.* When there is replacement of one spouse by another as chief operating on the same farm (equivalent area), there is continuity of the farm.

Milk quota transfers with levy

In the case of a merging of dairy farms or dividing, the reference quantity of milk is transferred to the producer (natural or legal person) who takes it and continues to milk production, with application of regulatory levies. The amounts collected are allocated to a "reserve". If land is taken over by someone who does not continue milk production, the milk quota tied to that land is allocated directly to the reserve.

Any transfer, not including installation of a dairy farmer, leads to a levy under existing regulations. All or part of the levy may lead to a reallocation, under the conditions defined by the departemental agricultural project.

Basic levy: all milk quota allocation made within the last five years; a linear levy of 5% is applied to the fraction of the quota which exceed 250 000 liters after transfer; It is important to notice that before the decree of 22 March 2010 (ie during the period 2005-2010) this rate was 10% and the threshold was 150 000 liters.

Additional levy: it is applied on the transferred quota (after the basic levy). It corresponds to 30% on the fraction of the quota sold between 400 000 and 500 000 liters (it was between 300 000 and 400 000 liters before the new 2010 decree) ; 40%, on a fraction of the quota assigned greater than or equal to 500 000 liters (it was 400 000 liters before the new 2010 decree).

In the following cases, some levies are applied.

- *The constitution of an EARL or a SCEA on the basis of several farms.* The constitution of an EARL or a SCEA, including between spouses, is considered like a merging of farms. It is accordingly subject to levies when it is appropriate.

- *The entry of a new partner in an EARL or SCEA.* The entry of a partner which holds a milk quota in an existing farm is treated like a merging of farms. It is subject to some levies.
- *The exit of a member of an EARL or SCEA.* In cases where a partner would withdraw without land, the milk quota of the company remains unchanged. If an associate leaves with land, the quota will be shared between the partners in proportion to the surfaces.
- *The dissolution of an EARL or a SCEA.* In case of dissolution of the company, the transfer of milk quota is determined for producers in proportion to the surface. The basic levy is applied if the shareholder does not have milk quotas elsewhere. If he has a milk quota, the basic levy and the additional levy are applied. If a partner stops to produce milk, the milk quota related to the land is donated back to the reserve.
- *The withdrawal of a partner of GAEC.* In case of transfer of land available: i) if the buyer already has a milk quota and takes all or part of the milk reference of the outgoing partner, the basic levy and the additional levy are applied; ii) if the buyer within the GAEC does not have milk reference, the reference of the departing partner is totally transferred.

#### The different ways to obtain more milk quota in a French farm

- The additional allocations of milk reference related to land acquisition (i.e. land with milk attached). In some cases, which also depend on departmental rules, a levy is applied (see above).
- *Allocations to producers, following the "Health Check" of CAP* (increase of milk quotas of member states by 1% per year for 5 years, starting in the 2009/2010 season). In France, this volume has not been redistributed over the 2009/2010 season. So for the campaign 2010/2011, an increase of 2% of the national quota is available for redistribution.
- *The additional grants for young farmers*, at the time of their installation.
- *The additional allocations in favour of established producers.* These allocations may be added in the case of struggling farmers, whose situation has been recognized by the departmental board of agriculture policy (CDOA).
- The additional allocations (from the departmental reserve) in favour of a tenant evicted, as defined in Articles D.654-106 and 107 of the Rural Code.
- In departments that have implemented the system, farmers can exchange, in certain administrative conditions, their suckler cow premiums against milk quota and vice versa. The final decision is taken by the decentralized services of agricultural ministry and the departmental board of agriculture policy (CDOA).
- In the French departments that have implemented the device called "TSST" (specific transfer of quota without land) by prefectural decree, it is possible for producers to buy some milk quotas directly to the administration. This measure funds a portion of the subsidies granted to producers who would like to stop milk production. The milk quotas are sold to some of the interested farms after investigation by the decentralized services of agricultural ministry in department and the departmental board of agriculture policy (CDOA). Producers whose applications have been accepted shall make the payment for the purchase of reference quantities. The price per kg will decrease between 2010 and 2014: 0.15 € per liter in 2010-2011, 0.11 € per liter in 2011-2012, 0.075 € in 2012-2013 and 0.037 € in 2013-2014. All dairy producers can access this device, under certain conditions: meet environmental standards, and specifically the Nitrate Directive.

#### **2.3.3 Share of quota fulfilment**

In 2009-2010, and for the second consecutive year, in all EU Member States an increase of 1% of the milk quota was implemented, according to decisions taken at EU level (process called as "soft landing"). In 2009-2010, the milk deliveries quota of the EU-27 was 144.9 million tons (including 24.9 million tons for France). Given the very low prices in 2009, milk production remained in 2009-2010 well below the quota reference. The under achievement has reached a record: 10 billion liters. Only three countries (Netherlands, Denmark and Cyprus) have exceeded their quota, but only marginally (Annex 2-56).

This phenomenon of under achievement has been mitigated by the modification of the correction for fat content. This correction works now in both directions. Previously, countries were penalized only if their production was above their reference; since 2009-2010, a reserve of production is provided for each country where the fat content is below the standard.

**Table 2-29 Production of milk and the milk quota in France (thousand tons)**

	National milk reference quantity (A)	Collected milk	Correction for fat	Collected milk after the fat correction (B)	Balance (B - A)	Balance (B - A) in %
1993/1994	23 710	23 017	489	23 507	- 203	-0,9%
1994/1995	23 775	23 262	437	23 699	- 75	-0,3%
1995/1996	23 812	23 393	577	23 971	158	0,7%
1996/1997	23 830	23 108	689	23 798	- 32	-0,1%
1997/1998	23 840	23 173	638	23 812	- 27	-0,1%
1998/1999	23 855	23 040	715	23 755	- 99	-0,4%
1999/2000	23 868	23 201	560	23 761	- 106	-0,4%
2000/2001	23 869	23 150	556	23 707	- 162	-0,7%
2001/2002	23 878	23 231	625	23 857	- 21	-0,1%
2002/2003	23 895	23 379	538	23 918	22	0,1%
2003/2004	23 900	23 030	515	23 545	-354	-1,5%
2004/2005	23 904	23 155	486	23 642	-261	-1,1%
2005/2006	23 906	23 102	470	23 572	-333	-1,4%
2006/2007	24 028	23 099	292	23 391	-637	-2,7%
2007/2008	24 136	23 492	302	23 794	-343	-1,4%
2008/2009	24 741	23 260	290	23 550	-1 192	-4,8%
2009/2010	24 982	22 785	-1	22 794	- 2 188	-8,8%

Source: FranceAgriMer

In France, the national authorities have decided, in 2009-2010, not to increase the milk quota of 1% (as it was permitted by the EU legislation). In a context of crisis in international prices of dairy products (Figure 2-17), the French strategy was to control the volume of production (at least to contribute to do so at national level). Similarly, the provisional allocations for end of season have not been allocated. The price of milk paid to French producers has remained, during this period, higher than that observed in other big producing Member States (e.g. Germany). Thus, the under-achievement of France in 2009-2010 was 2.18 billion liters of milk, or -8.8% of the milk quota (Table 2-29). The under-achievement was also significant in 2008-2009 (1.19 billion liters, or -4.8%).

### 2.3.4 Quota tradability, quota prices and amount of quota trade

In France, as it is mentioned above, milk quotas are not tradable. The French milk producers are not allowed to buy milk quotas from other farmers. The management of milk quotas is organized by the administration through agreed rules with agricultural organizations. If the milk quotas have no market value, agricultural lands with linked quota have generally a higher value. Therefore, the value of milk quotas is more or less integrated into the land prices. During the decade 2000-2010, the value of agricultural land has increased with about 3% per year in France. The price of land (about 5000 € per hectare in average) remains considerably lower than that observed in most other EU Member States.

## 2.4 State aid and rural development measures applicable for dairy

In France, the total budgetary support allocated to French agriculture (all farms, not only dairy farms) is 12.3 billion euro in 2010 (Table 2-30); this amount has remained relatively stable during the studied period. These supports are funded 79% by the EU and 21% by the national budget. They include 10.3 billion Euros for market and income support measure and 1.6 billion Euros for rural development. Between 2000 and 2010, and according to the implemented reforms, the amount of direct payments has increased (especially between 2004 and 2006 because of the dairy reform), while market support measures decreased (including in the dairy sector). The single farm payment is, in 2010, 7.2 billion Euros, or 58% of the total budgetary support to French agriculture.



**Table 2-30 The budgetary support (EU and national) to French agriculture (million €)**

(all farms, not only dairy)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Markets and farm incomes</b>	<b>10 330</b>	<b>10 028</b>	<b>9 999</b>	<b>10 179</b>	<b>9 852</b>	<b>10 069</b>	<b>10 848</b>	<b>9 347</b>	<b>9 321</b>	<b>10 042</b>	<b>10 326</b>
Coupled direct payments	7 018	6 942	7 023	7 187	7 394	7 713	3 302	2 596	2 644	2 453	1 051
Single payments and Art 68	0	0	0	0	0	0	5 677	5 741	5 864	5 738	7 237
Market regulation	2 330	2 016	1 970	1 710	1 338	1 364	1 049	788	624	485	449
Supply control	528	586	571	594	473	587	118	-294	-379	377	96
Organization and modernization	101	129	187	151	180	136	180	95	122	100	214
Promotion and product quality	90	120	109	104	98	80	77	77	88	92	121
Food aid	131	128	95	107	106	90	87	86	76	114	101
Hazard management & cost	133	108	45	326	264	99	358	259	282	683	1 058
<b>Rural Development</b>	<b>1 469</b>	<b>1 864</b>	<b>1 986</b>	<b>2 232</b>	<b>2 109</b>	<b>2 229</b>	<b>2 240</b>	<b>1 808</b>	<b>1 679</b>	<b>1 486</b>	<b>1 601</b>
Installation, modernization	365	367	394	489	377	459	464	524	503	359	349
Cessation of activity in agriculture	201	146	120	106	102	89	81	75	69	82	54
Compensation natural handicaps	3	425	449	462	489	528	516	535	518	524	565
Agri-environmental measures	291	327	458	602	542	552	576	414	380	373	448
Protection of rural areas	385	394	363	381	400	366	408	188	52	89	113
Processing & marketing products	81	60	75	53	65	50	144	15	99	4	22
Equestrian activities	143	146	128	140	134	186	50	58	58	56	52
<b>Safety of plants and animals</b>	<b>146</b>	<b>420</b>	<b>432</b>	<b>399</b>	<b>296</b>	<b>375</b>	<b>401</b>	<b>355</b>	<b>430</b>	<b>434</b>	<b>413</b>
<b>Total</b>	<b>11 944</b>	<b>12 311</b>	<b>12 416</b>	<b>12 809</b>	<b>12 256</b>	<b>12 672</b>	<b>13 488</b>	<b>11 509</b>	<b>11 428</b>	<b>11 962</b>	<b>12 340</b>

French Ministry of Agriculture, 2011

Based on the same table structure, but considering this time only the national funds (and not the EU funds), the French government finance 2.7 billion Euros for its agriculture, with 1.58 billion Euros for market and income support and 781 million Euros for rural development (Table 2-31).

**Table 2-31 The budgetary support (national funds) to French agriculture (million €)**

(all farms, not only dairy)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Markets and farm incomes</b>	<b>1 106</b>	<b>1 052</b>	<b>866</b>	<b>915</b>	<b>842</b>	<b>829</b>	<b>1 036</b>	<b>874</b>	<b>840</b>	<b>1 243</b>	<b>1 580</b>
Coupled direct payments	274	405	337	252	225	245	314	199	229	264	209
Single payments and Article 68	0	0	0	0	0	0	0	0	0	0	0
Market regulation	458	256	262	124	164	304	218	253	133	144	203
Supply control	28	23	17	28	27	64	14	40	46	27	31
Organization and modernization	101	92	83	62	47	26	44	34	62	38	41
Promotion and product quality	84	115	105	98	88	73	70	70	79	65	78
Food aid	30	53	17	25	27	18	18	19	10	22	9
Hazard management & cost	131	108	45	326	264	99	358	259	281	683	1 009
<b>Rural Development</b>	<b>1 026</b>	<b>1 238</b>	<b>1 254</b>	<b>1 313</b>	<b>1 153</b>	<b>1 135</b>	<b>994</b>	<b>944</b>	<b>919</b>	<b>820</b>	<b>781</b>
Installation, modernization	346	264	244	340	236	289	308	346	305	204	199
Cessation of activity in agriculture	167	122	105	95	89	76	70	65	64	79	52
Compensation natural handicaps	0	211	229	231	245	265	255	240	233	235	252
Agri-environmental measures	144	177	253	324	288	265	235	186	174	169	147
Protection of rural areas	160	267	263	164	139	43	42	35	48	79	74
Processing & marketing products	67	52	32	19	22	12	35	15	37	0	6
Equestrian activities	143	146	128	140	134	186	50	58	58	56	52
<b>Safety of plants and animals</b>	<b>144</b>	<b>420</b>	<b>413</b>	<b>362</b>	<b>266</b>	<b>349</b>	<b>371</b>	<b>329</b>	<b>359</b>	<b>341</b>	<b>391</b>
<b>Total</b>	<b>2 277</b>	<b>2 710</b>	<b>2 533</b>	<b>2 590</b>	<b>2 260</b>	<b>2 313</b>	<b>2 401</b>	<b>2 146</b>	<b>2 119</b>	<b>2 404</b>	<b>2 752</b>

French Ministry of Agriculture, 2011

The measures of the CAP second pillar (compensatory payment to natural handicap and agri-environmental measures) do not play an important role in farms located in West of France (Table 2-32). In Franche-Comté, and especially for dairy farms, these payments are very important.

**Table 2-32 Direct payment to farms (all farms) in the selected French regions (million €)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total direct payment (pillar 1 and 2) to farms (all farms, not only dairy farms)										
Bretagne	419	459	461	477	515	561	603	585	606	605
Basse-Normandie	275	315	326	334	360	390	405	400	402	406
Pays de la Loire	600	663	681	690	706	752	778	752	764	761
Franche-Comté	130	142	148	183	167	181	202	190	189	191
France	7 654	8 316	8 811	9 588	8 975	9 401	9 629	9 312	9 506	9 409
Direct payment from pillar 2 to farms (all farms, not only dairy farms)										
Bretagne	7	8	13	24	18	15	11	7	9	8
Basse-Normandie	11	13	17	24	22	23	25	19	13	17
Pays de la Loire	15	19	31	41	31	34	37	27	24	27
Franche-Comté	36	38	42	52	49	52	56	51	46	46
France	655	755	938	1099	1046	1100	1118	975	880	888
Compensatory payment to natural handicap (all farms, not only dairy farms)										
Bretagne	0	0	0	0	0	0	0	0	0	0
Basse-Normandie	2	2	2	2	2	2	2	4	2	2
Pays de la Loire	0	0	1	1	1	2	2	2	2	1
Franche-Comté	19	20	23	22	23	25	25	25	24	24
France	374	419	448	447	475	508	514	528	503	509
Premium for grassland (all farms, not only dairy farms)										
Bretagne	1	1	0	1	1	1	1	1	0	0
Basse-Normandie	4	4	4	5	5	5	5	5	5	5
Pays de la Loire	4	5	4	4	4	3	3	3	3	3
Franche-Comté	14	13	12	19	18	18	20	20	19	17
France	190	184	163	218	212	209	219	244	236	221

French agricultural ministry – SSP

A portion of the funds allocated under the National Rural Development Plan for 2007-2013 (13.7 million euro) was allocated to the dairy sector (Annex 2-56). The most important national aids granted to the dairy sector are: compensation of natural handicaps; agri-environmental measures; coupled direct payment for forage maize and cereals; support in favour of installation and modernization. National aids to the dairy sector (farms and enterprises) represent (expert estimation) around 25% to 35% of all national funds granted to French agriculture.

## 2.5 Concluding remarks

The French production of milk increased only marginally over the last ten years. Direct sales of milk and milk products are very poorly developed (1.4% of total milk production), including in mountainous areas. In 2010, mountain areas account for 21% of French dairy farms and contribute for 14% to the national milk production (but two-thirds of the production of PDO cheese). Organic farming is still undeveloped (1.65% of total herd of dairy cows). In France, the number of dairy farms decreased by 35% between 2000 and 2010. The declining number of dairy farms is not homogeneous according to geographical areas: it is consistent with the national average in areas with high density of milk production (as in western France); it is slightly lower in the mountain regions like in Franche-Comté.

In France, an increasing share of the collected milk is used to produce cheese and desserts (domestic production of butter and whole milk powder has fallen). The number of enterprises and industrial sites has decreased over the studied period. In Franche-Comté, the number of establishments is rather big due to the existence of many small cooperative structures. In West of France, several mergers have taken place with the aim to optimize industrial costs and/or to improve the product mix.

The French trade balance in dairy products has improved (+45%), passing from 1.95 billion euros in 2000 to 2.83 billion Euros in 2010. At the beginning of the decade (from 2000 to 2003), the price of milk paid to the French producers was quite stable from year to year. Starting in 2004, milk price began a decline; In 2007/08, the price of milk has risen sharply to its highest level in the decade. Conversely, in 2009, the price of milk has dropped to its lowest level; this has resulted in a significant deterioration of the producer's income. The price has then increased again during the following year (2010). In Franche-Comté, where the production of PDO cheese is developed, dairy farmers receive prices well above the national average (+30 €/ton on average over the period). In a given region, the price of milk varies quite widely from a milk producer to another depending on the quality of milk (fat content and protein content) and the bonuses which are sometimes granted to producers by companies.

### 3 Cost and income analysis

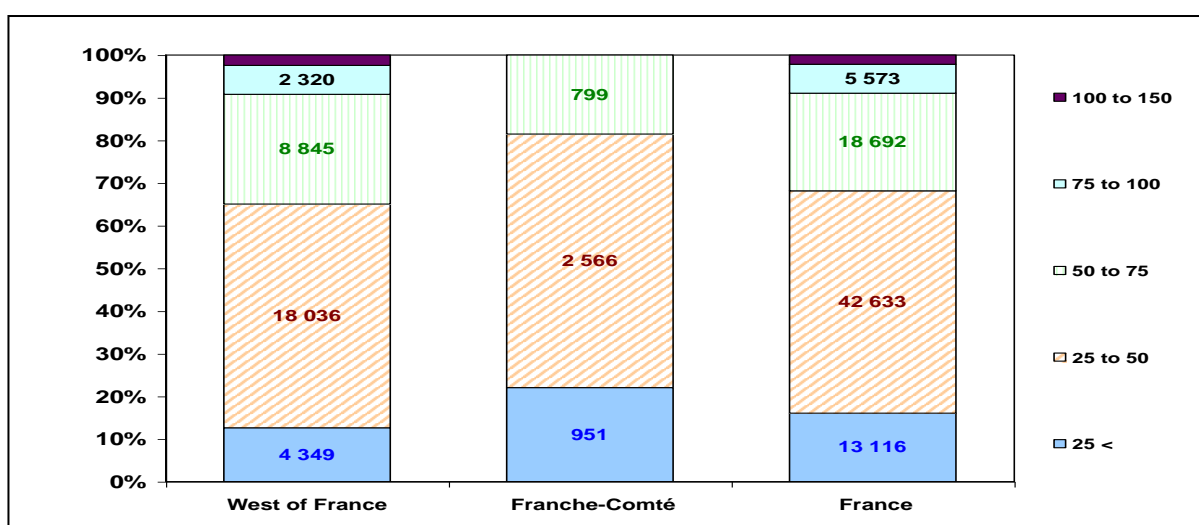
#### 3.1 Introduction

For the case study areas an in-dept analysis of the dairy branch of farms is realised. A simulation model developed in the RICA unit of the EU Commission has been modified and applied to calculate costs and margins of milk production as well as income shares of the dairy branch. Reallocation of costs to the dairy sector is based on output or livestock shares. The model should only be applied for specialised dairy farms. FADN data of the years 2003 to 2007 are used, of which unbalanced samples of specialised farms are selected. Calculations are based on the level of individual farms, but results are aggregated by different criteria, of which only regions, farm size (expressed by number of dairy cows) and Less Favoured Area categories are used<sup>1</sup>. In the following main results for the two case study regions of France – West of France (Bretagne, Basse-Normandie and Pays de la Loire) and Franche-Comté – are briefly described.

#### 3.2 Structural characteristics and development of productivity indicators

In this study, are considered as "dairy farms", all farms with dairy cows which are in the following four types of farming of the European classification: TF N°41 (specialized milk farm), N°43 (milk farm with beef production), N°71 (dairy farms with other livestock production), N°81 (dairy farms with other livestock and crops productions). This definition allows taking into account the vast majority of dairy farms and not only those highly specialized in milk production. In 2007, among the 82 041 French dairy farms, 34 418 are located in western France (42% of the national total) and 4 620 in Franche-Comté (5%). During the previous decade, the decline of dairy farms has been an average of about 4% per annum, a rate which is below that observed in other EU Member States Europe.

The distribution of dairy farms by size class (number of cows per farm) indicates that large farms (over 100 dairy cows) are still uncommon in France (Annex 3-1, Annex 3-10 and Figure 3-1). Thus, according to FADN, only 1,749 farms (2%) have more than 100 dairy cows in 2007 against 1039 in 2003. In France, the upper class (more than 150 dairy cows) is not a statistically representative. The intermediate classes are much more represented: nearly half of French dairy farms have a herd between 25 and 50 cows. Very small farms (less than 25 cows) represent 16% of the total. Between 2003 and 2007, the average number of cows per farm increased from 40 to 46 in Western France (Annex 3.17), it increased from 40 to 42 in Franche-Comté (in this region, the three classes above 75 cows are not representative). The intermediate class (25 to 50 cows) represents 52% of dairy farms in West of France and also Franche-Comté.

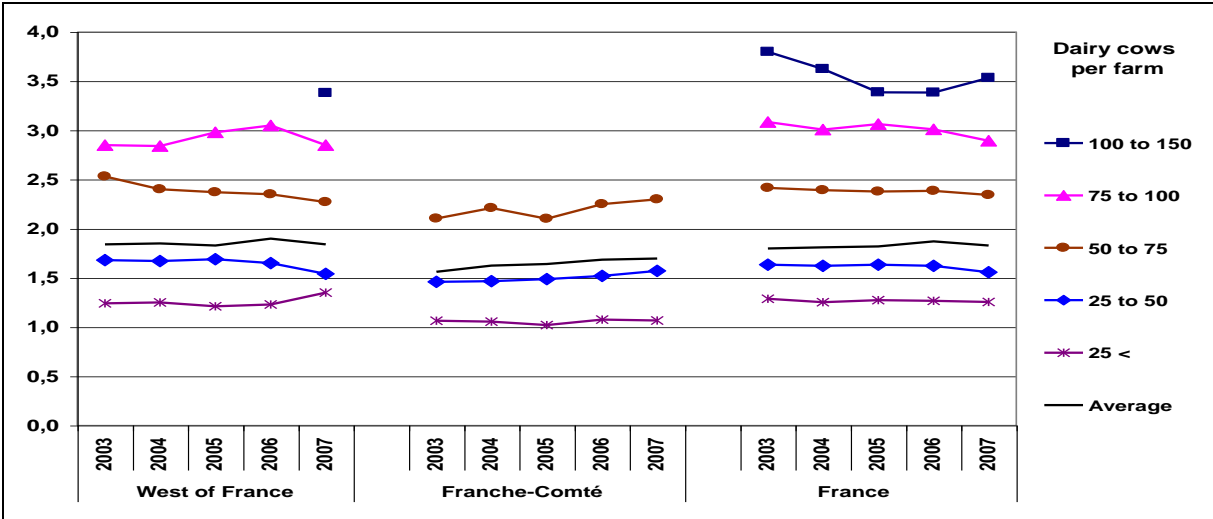


Source: DGAGRI - EU FADN 2007 – French milk farms

Figure 3.1 Number of milk farms according to size (number of dairy cows per farm)

<sup>1</sup> Groups with less than 15 observations are not shown due to reasons of confidentiality.

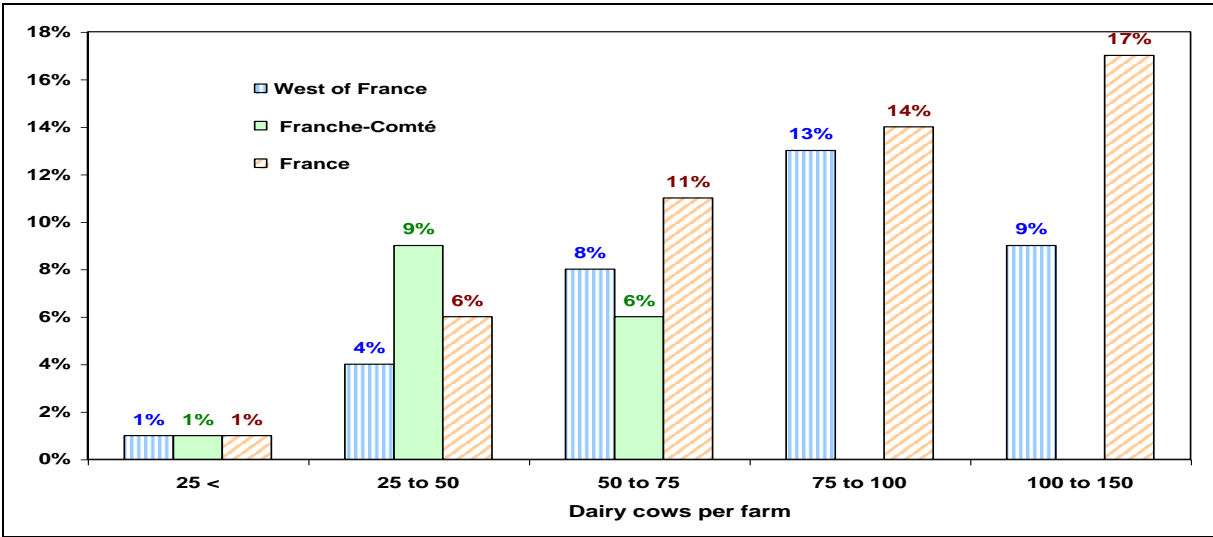
The French dairy farms have, in 2007 average, 1.83 agricultural work units (1.84 AWU in west of France and 1.70 AWU in Franche-Comté), with a slight increase over the studied period (Annex 3-11). The rapid development of agricultural societies (*GAEC* and *EARL*) contributes to this trend; several farmers/workers on a same farm allow to go in that direction. In all regions, the number of jobs per farm increases with farm size (Figure 3-2).



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.2 Agricultural work unit (AWU) per farm**

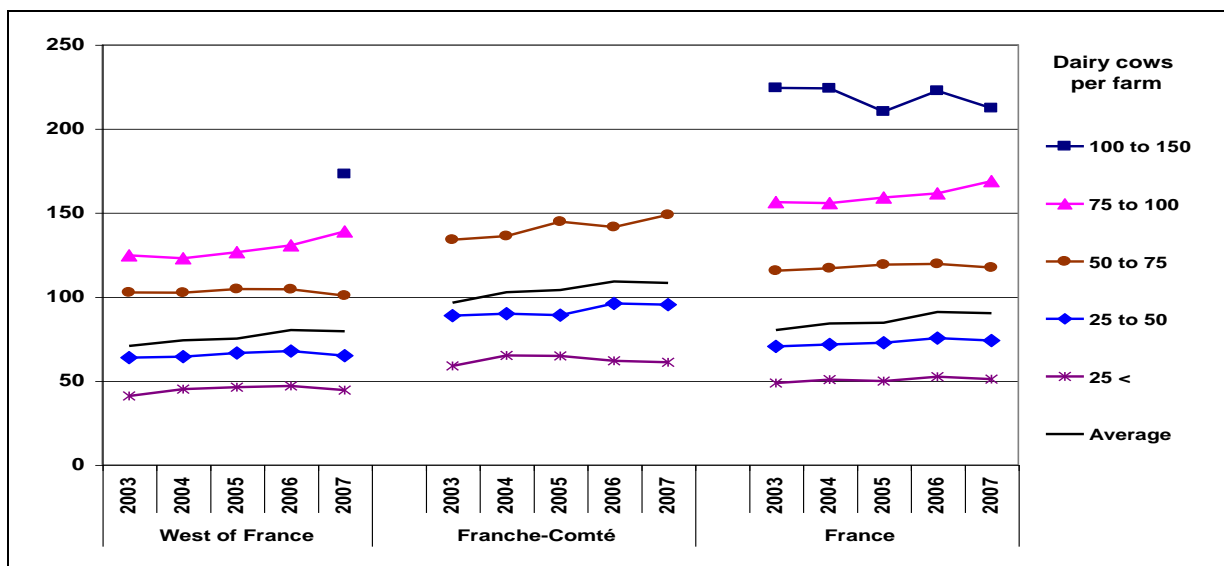
The wage labor is not widespread in French milk farms, including in large holdings. It represents, on average, between 5% and 8% of total employment in the regions studied, reaching 17% in farms with 100 to 150 cows (Figure 3-3 and Annex 3-12).



Source: DGAGRI - EU FADN 2007 - French milk farms

**Figure 3.3 Salaried AWU in % of the total AWU**

The usable agricultural area (UAA) of French dairy farms has increased, on average, from 80 hectares in 2003 to 90 hectares in 2007 (+ 10 ha). The UAA progressed more rapidly in Franche-Comté (96 to 108 hectares) than in western France (71 to 79 hectares), where land pressure is particularly important due to environmental constraints (nitrate directive), high number of farmers and an important diversity of agricultural production (pigs, poultry). The UAA per holding increases with herd size (Figure 3-4 and Annex 3-13): units of more than 100 cows have 212 hectares (French average) compared to 51 hectares for those of the lower class (less than 25 cows).

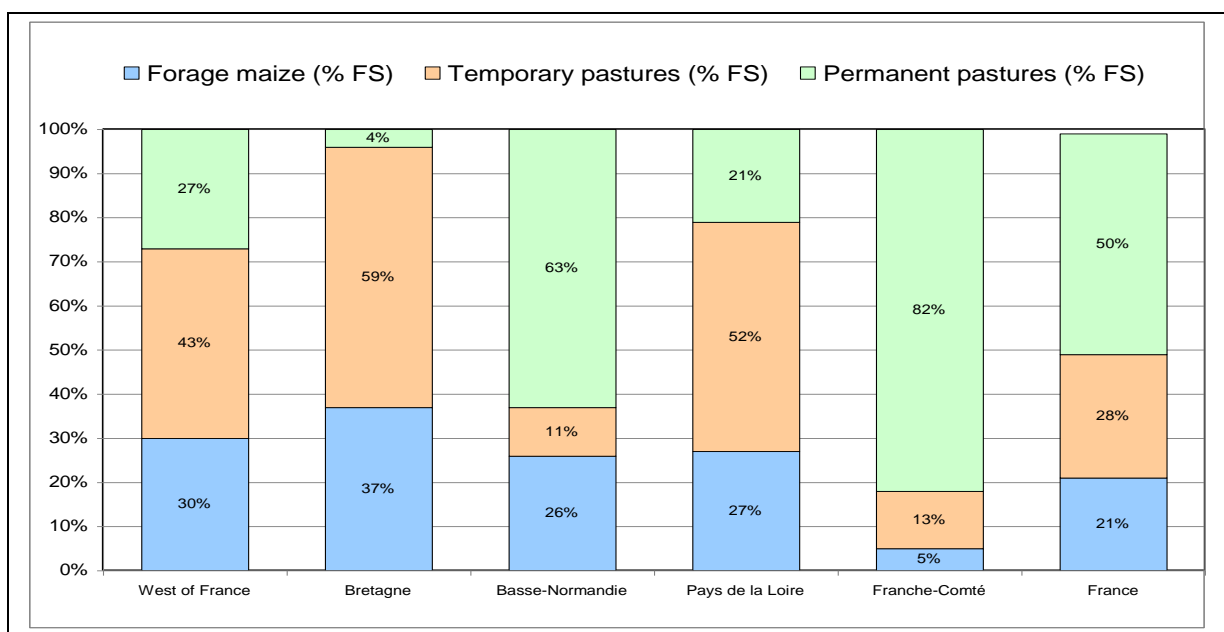


Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.4 Usable agricultural area (UAA) per farm (hectares)**

Agricultural land per AWU increased slightly between 2003 and 2007 (Figure 3-4 and Annex 3-14): from 38.5 to 43.2 hectares in western France and from 61.7 to 63.8 hectares in Franche-Comté. In the largest French farms (100 to 150 cows), the UAA by AWU reached 60.1 hectares against 40.6 in units of less than 25 cows (Annex 3-14). The differences are lower than those expressed in hectares per farm.

Fodder surfaces represent 70% of UAA in western France. The surfaces of cereals are mainly developed in the region of Pays-de-la-Loire, where the availability of agricultural lands is higher than in Bretagne. While grain yields are lower than those obtained in the specialized cereal regions, but it is economically interesting to produce cereals when prices are high as in 2007-2008 and 2010-2011. The surfaces of forage maize are particularly well developed (about 30% of the forage area) in the West (Figure 3-5), notably in Bretagne, where they account for just over a third of the forage area. The surfaces of permanent grassland represent, on average, a quarter of forage areas in western France, but nearly two-thirds in the region "Basse-Normandie" where systems are often more extensive. Therefore, West of France is not a homogeneous region in terms of production systems.



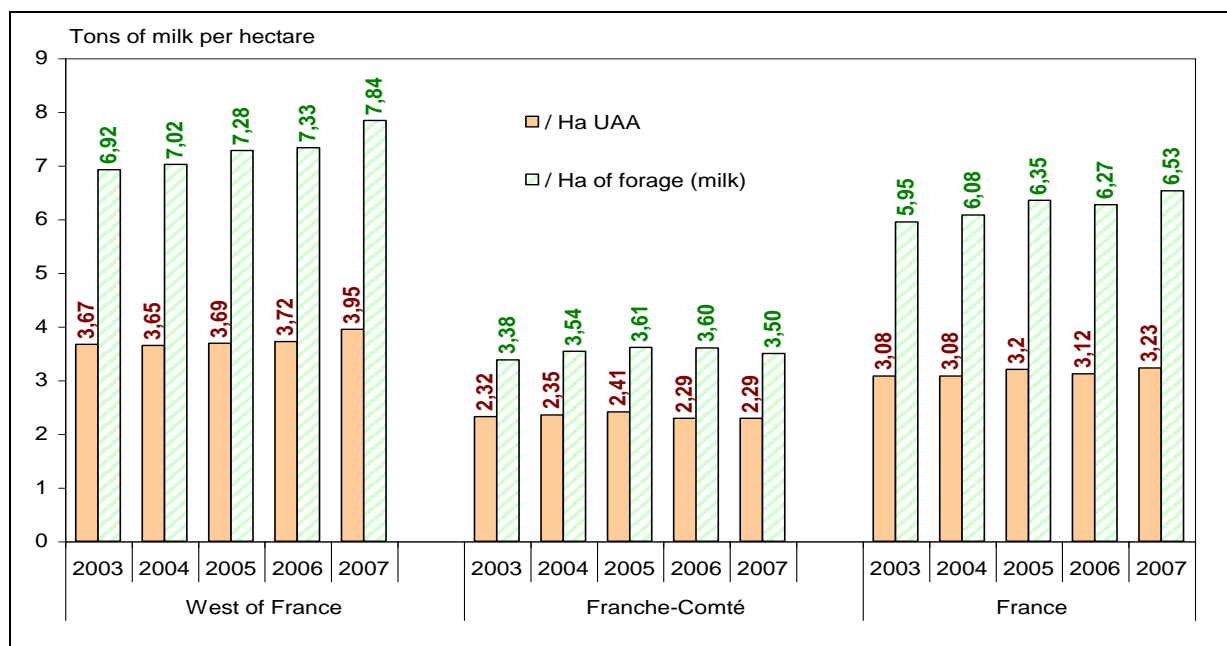
Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.5 Grassland and forage maize in the fodder surfaces (%)**

In Franche-Comté, the forage areas represent, on average, nearly 80% of the UAA. They are mainly permanent grassland (82% forage areas). The forage maize is marginal in this region and it is not compatible with the production rules for AOC cheeses. In this region, nearly 40% of dairy farms are located in mountain areas where the forage areas represent the total UAA (Annex 3-1). For other farms located in disadvantaged areas (excluding mountains), the rate is 71%.

In west of France, the proportion of fodder surface in the UAA slightly decreases with the size of farms (Annex 3-15). It is, on average, 66% for farms with between 75 to 100 cows against 76% for those below 25 cows. This reflects the fact that larger structures are generally due to agricultural societies (GAEC) in which diversification of activities is greater. For a given size class, this proportion remains relatively stable from year to year.

In West of France, the level of intensification (measured by the quantity of milk produced per hectare of UAA or per hectare of forage area devoted to milk production) slightly increases during the studied period (Figure 3-6). This is mainly due to the increased productivity of dairy cows (animal genetics) and higher yields of forage crops. In Franche-Comté, the intensification level remains fairly stable over the period; it remains at a level among the lowest of all European regions. In this region, with difficult weather and territorial conditions, the rules applied for cheese production contribute to this situation. In the case of cheese "Comté", which values a little more than half of the regional milk production, dairy producers must comply with particular rules: the grassland area must be at least equal to one hectare per cow; the number of LU should not exceed 1.3 per hectare of forage area; complementary foods (including soya) are capped at 1,800 kg per cow per year; silages and fermented foods are forbidden in the feeding of the dairy herd (cows and heifer).

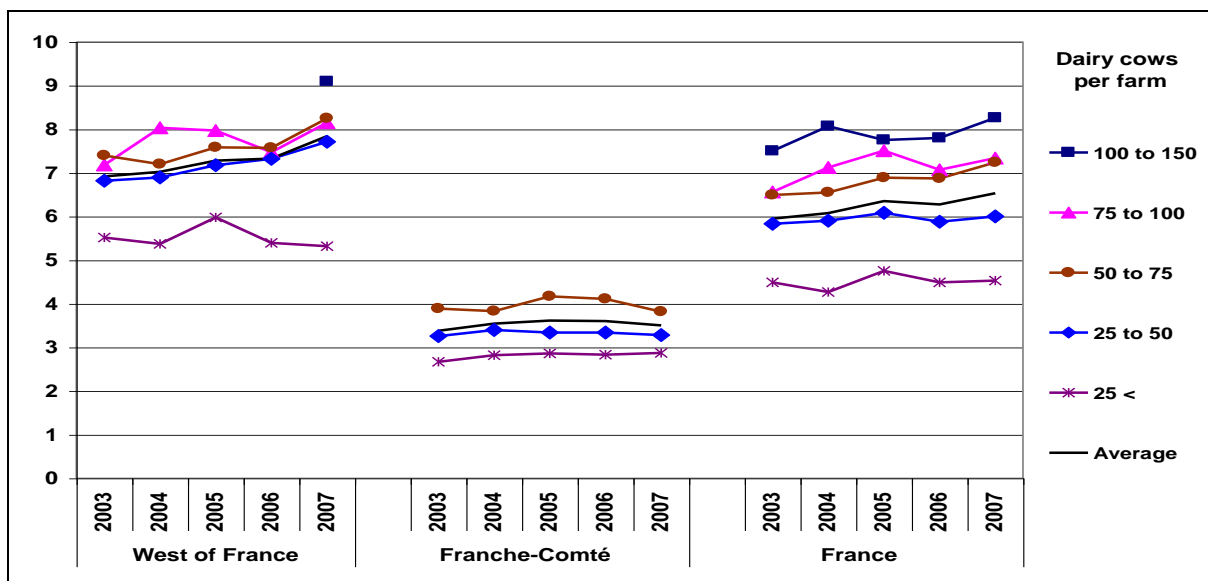


Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.6 Milk production per hectare of UAA and (milk) forage area (tons)**

In West of France, a large gap exists between the quantity of milk produced per hectare of forage area and that expressed per hectare of UAA. In favourable situation for the milk price and with no milk quota after 2015, this indicates that these farms are able to produce more milk with constant surface of agricultural lands. This would induce an increasing specialization in dairy production at the expense of other agricultural productions (pigs, poultry, cereals, etc.). In Franche-Comté, the productivity reserves are generally lower because the forage areas occupy already a substantial part.

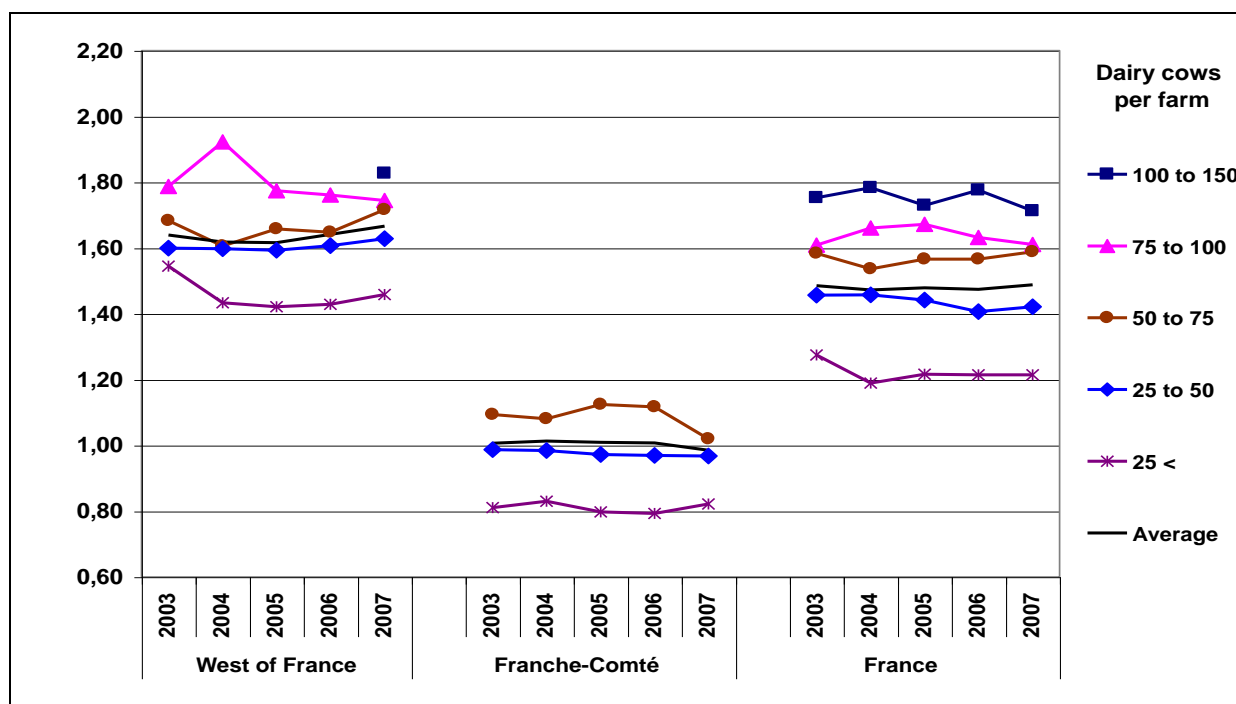
Milk production per ha of UAA or per hectare of forage area (devoted to milk) increases with farm size (Annex 3-23 and 2-24). It is, for example in West of France, 9 100 kg per hectare in farms with more than 100 cows against 7 710 kg for the middle class (25 to 50 cows). This is also true in Franche-Comté, although with fewer differences (Figure 7).



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.7 Milk production per hectare of (milk) forage (tons)**

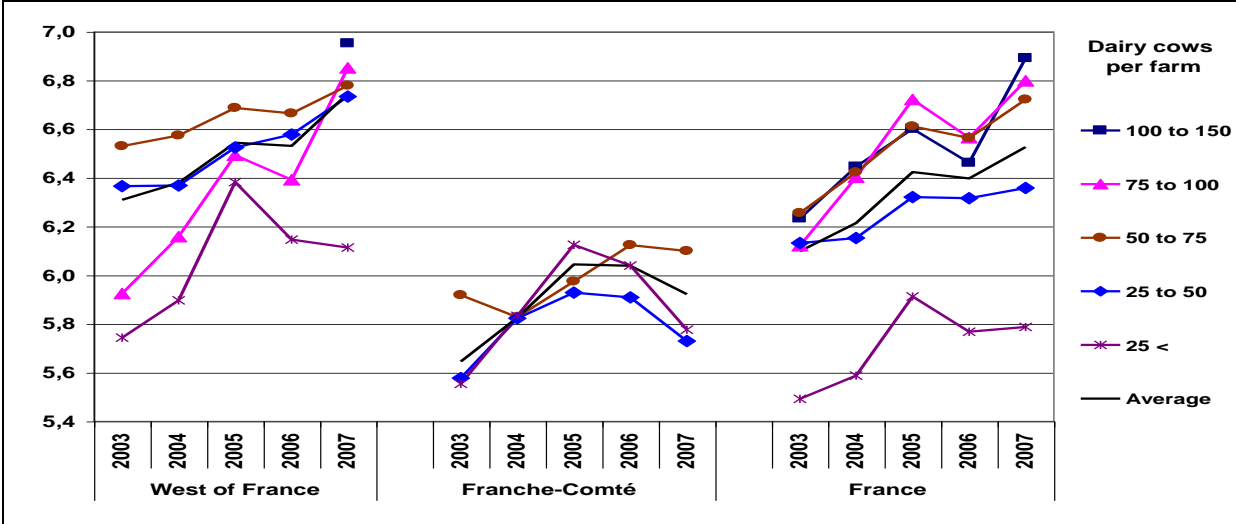
The livestock density (grazing LU per hectare of fodder surfaces) is another indicator that can be used to address the issue of intensification. Unlike the previous indicator (Figure 3-7), it is here more difficult to prove an upward trend over the period studied. This reinforces the idea that increased milk production per hectare is primarily due to growth in milk yield per cow. Once again, the livestock density increases with farm size (Figure 3-8 and Annex 3-19). For the same reasons as mentioned above, the gap between the two studied areas is very important. The national average (1.49 LU / ha of fodder surfaces) is significantly lower than that observed in most of the northern European basins, where the population density and agricultural land prices are much higher.



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.8 Grazing LU per hectare of fodder surfaces**

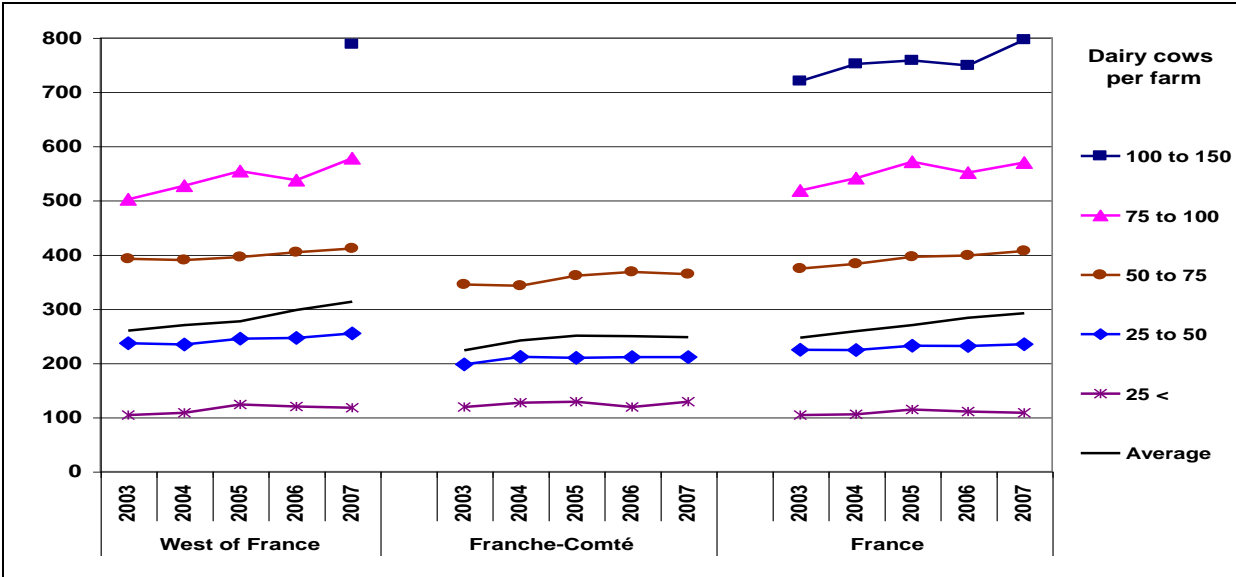
According to FADN data, milk yield per cow has increased (on French average) of 430 kg between 2003 and 2007, the equivalent of 107 kg per year. This increase, which is due for a significant part to the effects of genetic selection, is also verified in West of France (440 kg over the period) and in Franche-Comté (270 kg). The average yield per cow is highest in the West (6 750 kg in 2007) where the breed "Holstein" has a very important place. In Franche-Comté, the breed "Montbéliarde" is dominant (with the obligation to use it to produce cheese "Comté"). In West of France, milk yield per cow is higher in large farms; the impact is, however, less evident in Franche-Comté (Figure 3-9 and Annex 3-20).



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

Figure 3.9 Milk production per cow per year (tons)

According to FADN data, milk production per farm rose, in national average, from 247 tons in 2003 to 292 tons in 2007 (Figure 3-10 and Annex 3-21), an increase of 45 tons (or + 11 250 kg per year). The restructuring rate was faster in West of France (260 to 313 tons) than in Franche-Comté (223 to 248 tons). In the French milk Farms located in Mountains (Annex 2-3), the milk production per farm is much smaller (207 tons in average) than in lowland farms (320 tons); these last ones are also more diversified and more intensive.



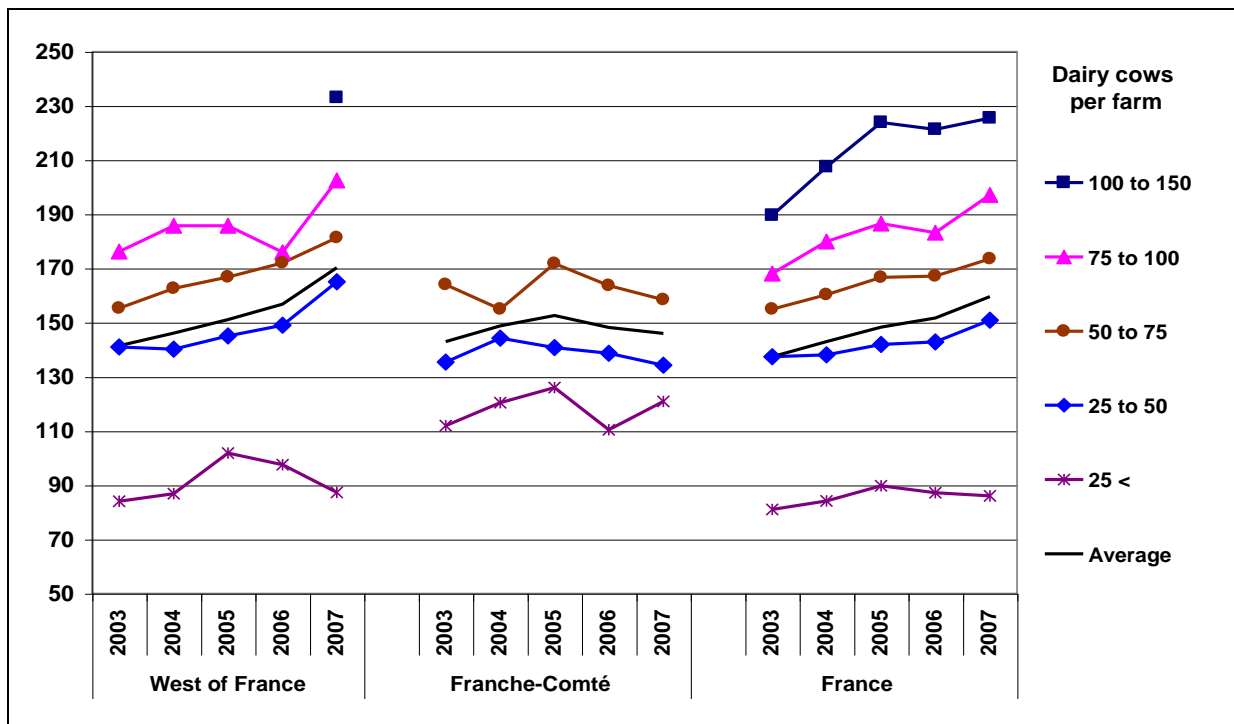
Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

Figure 3.10 Milk production per farm per year (tons)



In France, the increase of milk production per farm is lower than that observed in most other Member States of the European Union. This is mainly due to the fact that milk quotas are not tradable; the volume growth for each farm is strictly governed by public policies that seek to avoid the territorial concentration of supply in the most competitive areas. Milk production per farm naturally increases with the size, especially since milk yield is greater in large units.

Given the differences in legal status among the French dairy farms, it is particularly important to measure the quantity of milk produced by agricultural work unit (Figure 3-11 and Annex 3-22) and not just by holding. In France, the number of individual farms is declining rapidly due mainly social expectations expressed by young farmers. In a context where their spouses work more and more outside the farm, young farmers are wishing to improve their living conditions (holidays) and they also intend to share with other farmers the financial risks related to investments. Individual farms produced 60% of the French milk in 1995 against only 38% in 2008 (40% in the GAEC, 24% in the EARL and 3% in other types of companies). The share of individual farms is lower in West of France than in Franche-Comté.

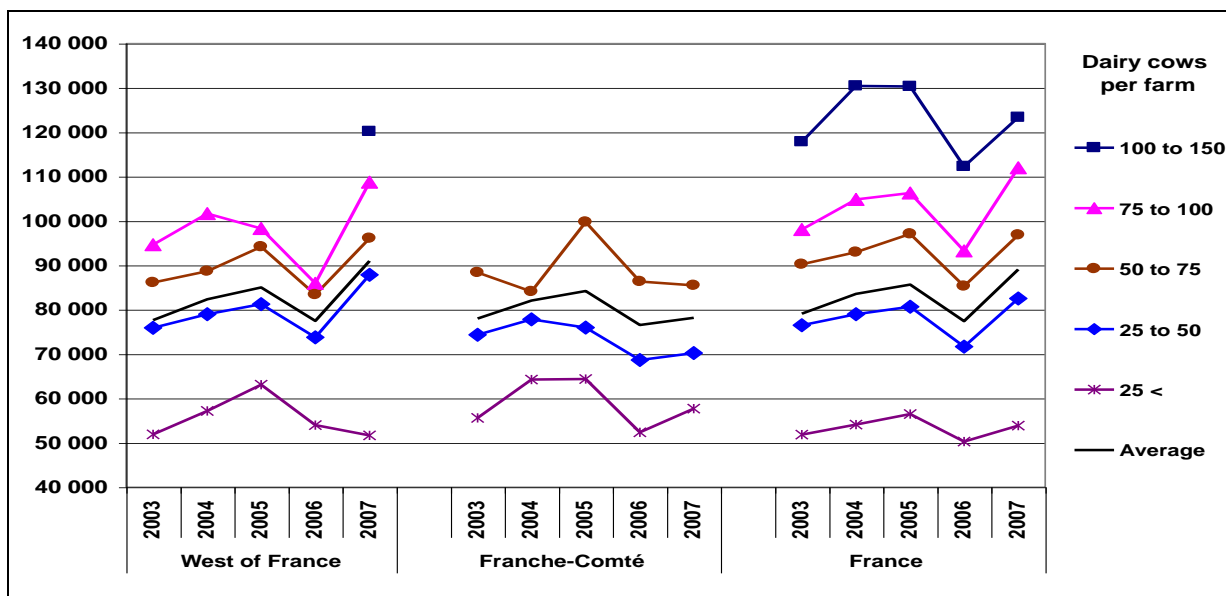


Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.11 Milk production per AWU per year (tons)**

The milk produced by AWU is, on national average, 160 tons in 2007; it has increased by 23 tons over 2003. With 233 tons of milk per AWU in large farms in the West (over 100 cows), this volume remains lower than that observed in most dairy farms located in United Kingdom, Netherlands or Denmark. However, these farms are often less specialized in milk production and have, as it has been shown, very large areas. In 2007, milk production per AWU is 170 tons in West of France against 146 tons in Franche-Comté. In this last region, this low productivity (in volume) is attenuated when the value is considered because the milk price is often much higher (especially since 2009). For a given size class, milk production per AWU does not always increase from one year to another, especially because some farms have moved from one class to another over time.

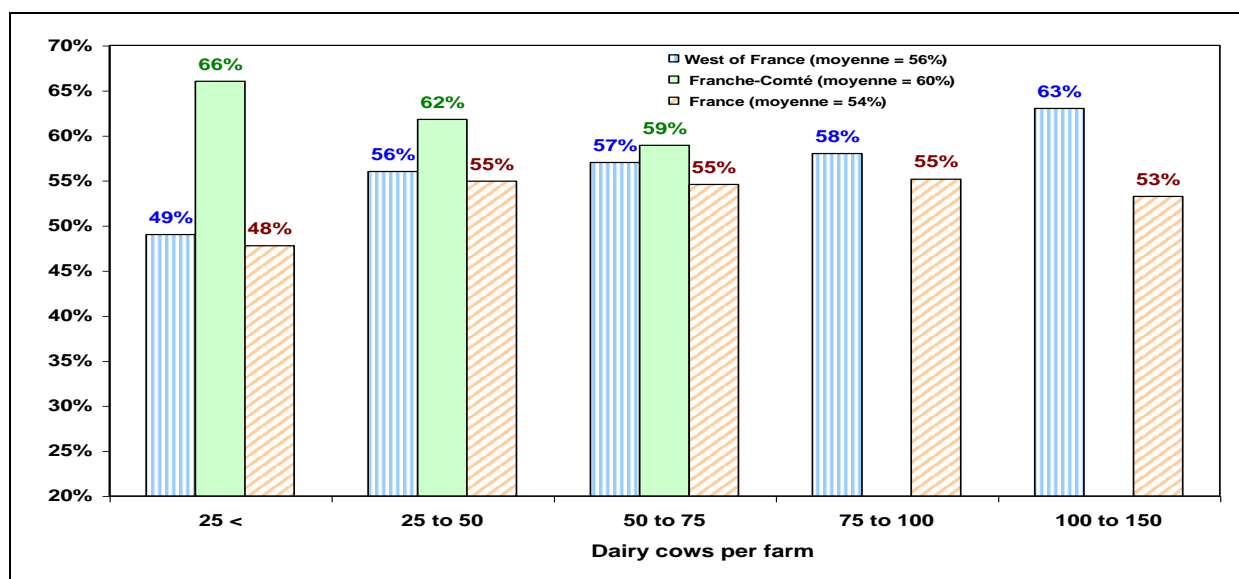
The turnover (total output including coupled direct payments) of the French dairy farms is 162,800 € (Annex 3-25), the equivalent of 89,100 € per AWU. It is higher in the West of France (167,400 € per farm and 90,900 € per AWU) than in Franche-Comté (132,700 € per farm and 78,200 € per worker). From one year to another, this indicator varies irregularly due to its high sensitivity to the pricing environment (milk price but also prices of the other agricultural products). In larger farms (over 100 cows), the turnover reached 123 000 € per AWU on French average (Figure 3-12).



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.12 Total output per AWU (€)**

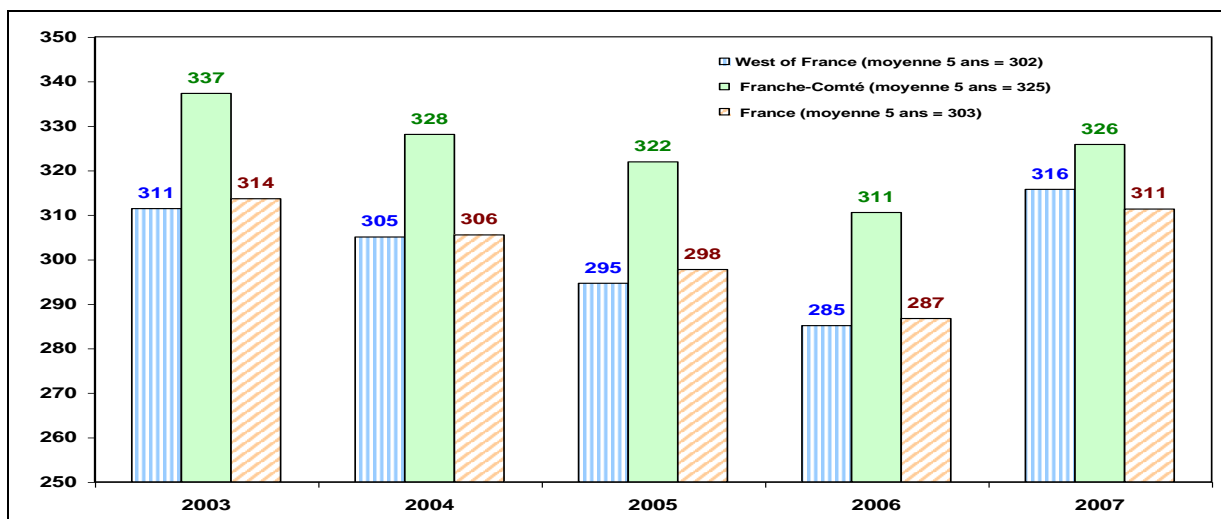
The share of turnover which is strictly issued from the sale of milk is higher in Franche-Comté (60% on average for the years 2003 to 2007) than in the West regions (55%), where some dairy farms have also other agricultural productions: often pigs and poultry in Bretagne; beef and cereals in Pays de la Loire. The level of specialization varies little according to size classes (Figure 3-13 and Annex 3-27).



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.13 Milk output in % of the total output (average 2003 to 2007)**

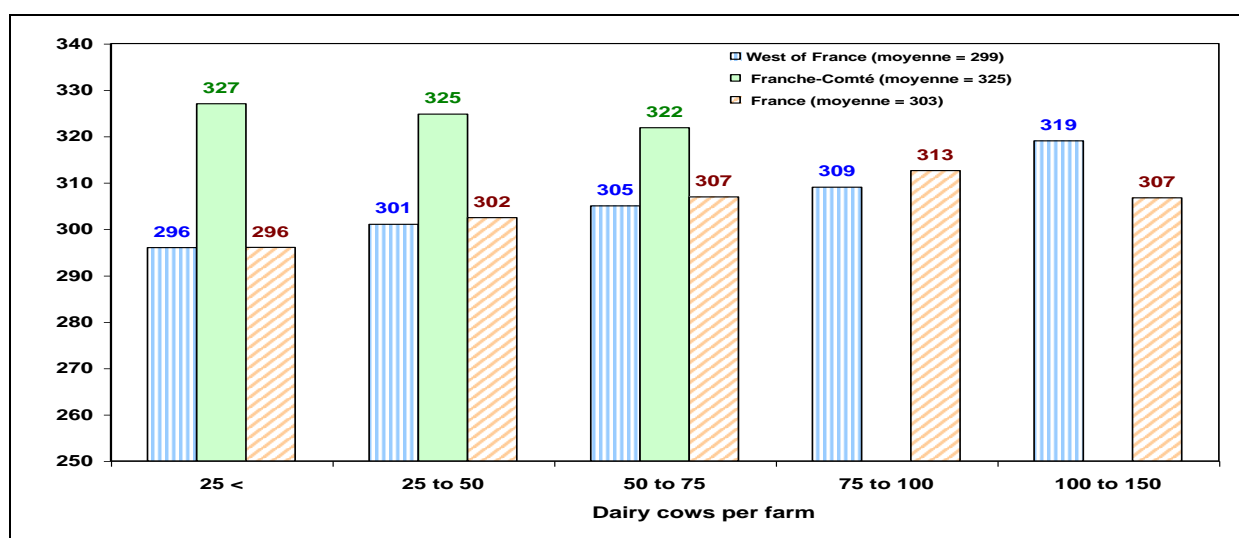
According to the FADN, the price of milk paid to producers (excluding coupled subsidies) was 303 €/t (on a national average) over the five years 2003 to 2007. It reached a maximum of 314 € in 2003 and a minimum of 287 € in 2007. For each studied year (Figure 3-14 and Annex 3-3), the price of milk was higher in Franche-Comté due to the high quality of dairy products (cheese). In West of France, where a significant part of the milk is used for butter and milk powder, the price was just 302 € per ton. The price difference between the two studied regions was 26 € in 2003 and 10 € in 2007. Since then, the price of milk varied widely, including a very bad situation in 2009 (275 € per ton on a national average for standard for milk). The price gap between these two regions has increased sharply to 62 €/t in 2009 and 48 €/t in 2010.



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

**Figure 3.14 Milk price per ton (€)**

In France, as in the western regions, the price of milk paid to producers (average 2003 to 2007) is higher in large farms. This was mainly due to a better quality of milk and not due to the payment of premiums for milk deliveries. On French average, the difference in price is 11 € per ton between larger and smaller units (Figure 3-15 and Annex 3-26).



Source: DGAGRI - EU FADN 2003 to 2007 - French milk farms

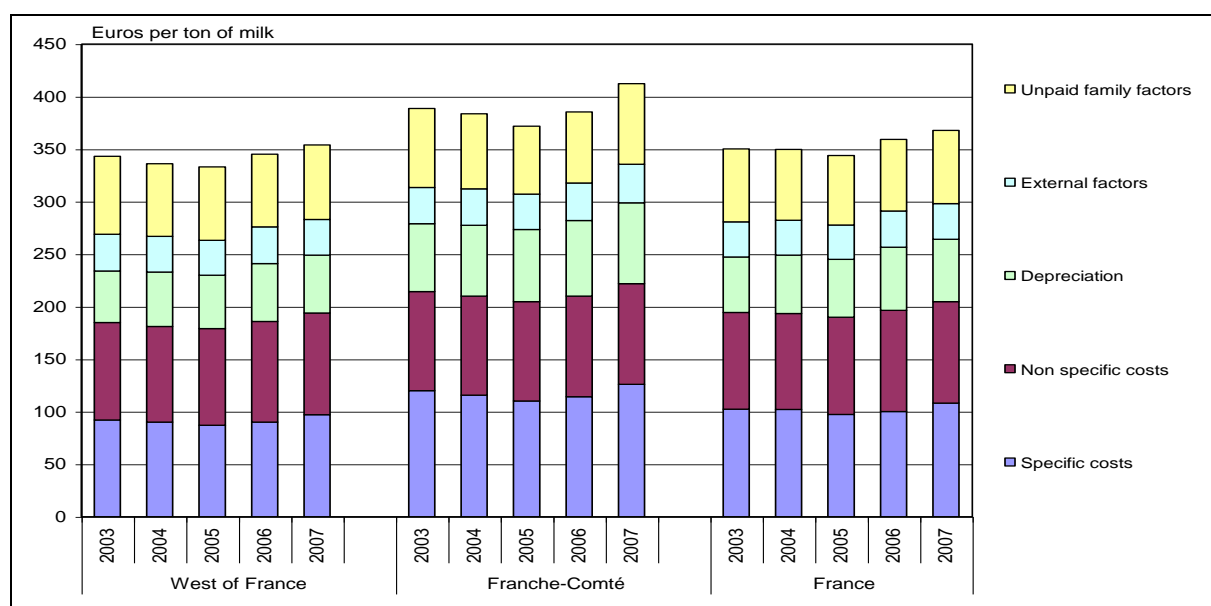
**Figure 3.15 Milk price per ton (€, average 2003-2007)**

The price of milk is higher in mountain areas of Franche-Comté, where it reached 343 € per ton (average over 5 years). These areas are also strongly oriented to the production of high quality cheese (*Comté, Morbier, Mont d'Or, Bleu du Haut Jura*).

### 3.3 Cost of production and economic performance

The calculation of production costs for the French dairy farms has been made from the model developed by the European Commission. This model determines, with certain assumptions, the production costs of dairy farms. Four major categories of costs are distinguished in the following analysis: the specific costs, which relate mainly to food costs; the unspecific costs (maintenance of buildings and equipment, energy, taxes, insurance, etc.); depreciation; external factors (salaries, rent, and interest on loans). With some theoretical assumptions, an additional category is also considered to reflect the cost for the property of capital (labor, land and capital).

The production cost is calculated per ton of milk to make comparisons between farms categories. As shown in Figure 3-16, the average cost of milk production slightly increased between 2003 and 2007 (values are in nominal). This trend has increased since then due to the soaring price of cereals and, to a lesser extent, of energy.



Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.16 Milk cost structure (€ per ton) according to years**

The amount of specific costs is 102 €/t of milk (national average for 5 years: 2003-2007), of which 45€/t for feed concentrates and 25 €/t for fodder production cost (Annex 3-4 and Annex 3-28). These costs are higher in Franche-Comté (especially in mountain areas) than in the West of France, due to a greater use of concentrated feed: 66 €/t in the mountain farms of Franche-Comté against 37 €/t in the Western regions.

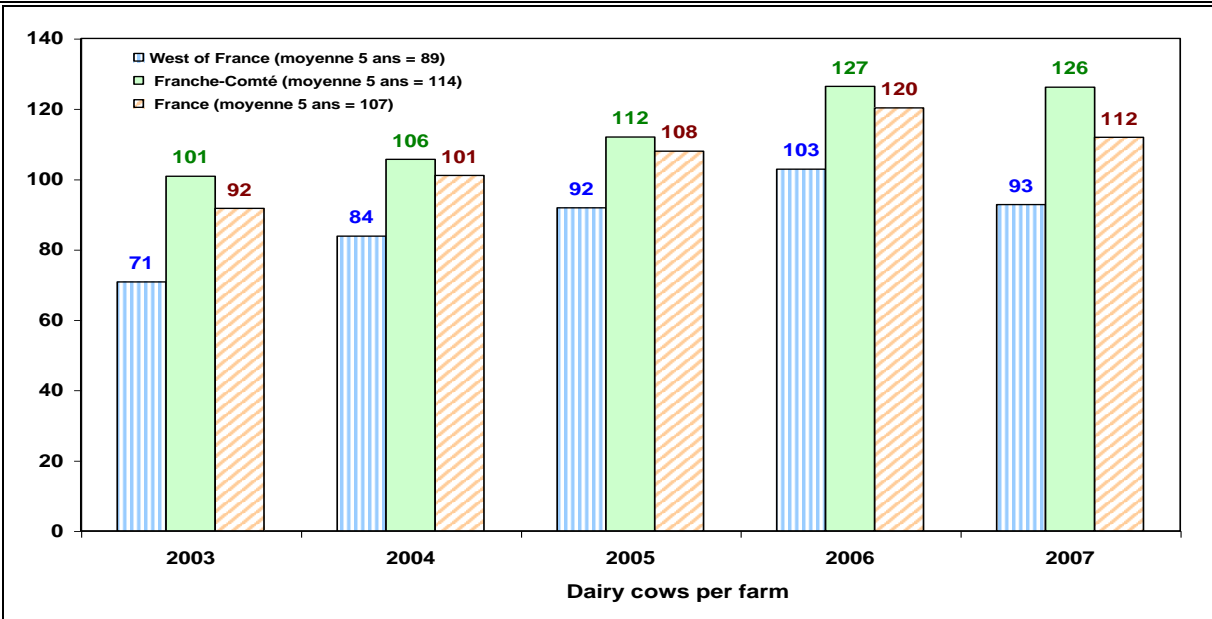
The amount of unspecific costs is 94 € per ton (national average for 5 years: 2003-2007), of which 19€/t for the maintenance of equipment and buildings, 13 €/t for energy, 25 €/t for contract work, 4 €/t for taxes and 33 €/t for other non-specific costs (Annex 3-5 and Annex 3-30). These amounts have remained relatively stable from year to year. They are generally quite similar to those observed in the two studied regions. In Franche-Comté, maintenance costs for buildings are higher than in the West because of more difficult climatic conditions (because of snow, the animals remain permanently in buildings during the winter months). The cost of contract work are, however, lower (20 €/t) than in the West (29 €/t) where the harvest of grain and forage maize is often expensive.

The amount of depreciation cost (Annex 3-31) is 52 €/t in France (averaged over five years), 50 €/t in the West and 70 €/t in Franche-Comté (79 €/t in the mountain areas of this region). This reinforces the arguments about the high cost of buildings in disadvantage areas. To meet environmental requirements, the French dairy farmers have invested during the previous decade. For many farms, particularly in the West of France, these investments give today the opportunity to envisage a growth in milk production without the necessity to invest in new buildings (the increase in milk yield also contributes to that situation).

The external cost is 33 €/t (national average for 5 years: 2003-2007). The amount is nearly the same in the two studied regions (Annex 3-32) and remains quite constant over the period. As it has been mentioned on the structure of the workforce, the wages cost is very low (4 €/t). The rent cost (19 €/t in France) is greater in Franche-Comté (26€/t). This is mainly due to a high proportion of rent land, especially in agricultural societies (in the case of the *GAEC*, the farmer which is the owner of the land can rent his lands to the society). Financial charges (10 €/t) represent a fairly modest amount compared to some other countries (including Denmark). The falling of interest rates contributed to this situation.

The production cost per ton of milk (i.e. with the four categories mentioned above and excluding the estimated costs of own factors) is 285 €/t in France (average for 5 years). It increased 6% between 2003 (280 €/t) and 2007 (298 €/t). The production cost is lower in western regions (271 €/t) than in Franche-Comté (317 €/t). The gap between these two regions (46 €/t) are mitigated by the fact that in Franche-Comté, dairy farms receive a better price for milk (particularly since 2009) and receive direct payments for rural development (subsidies for natural handicaps, premiums for extensive areas of grassland).

The total amount of subsidies (CAP pillar I and II), is on average (5 years), 27 800 € per dairy farm in Franche-Comté, or 114 € per ton of milk (including 35 €/t for the compensatory payment granted to milk sector which is now in the single farm payment). In West of France, this amount is 25 550 € per farm or 89 € per ton of milk (Figure 3-17 and Annex 3-41); it is important to notice that a significant part of these subsidies are granted for cereals surfaces.



Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.17 Total subsidies (CAP Pillars I and II) per ton of milk (€)**

The total production cost per ton of milk (this time by integrating the estimated costs for the own factors) increases of around 70 euros; it is fairly homogeneous among the studied regions. This indicator is particularly sensitive to assumptions for its calculation.

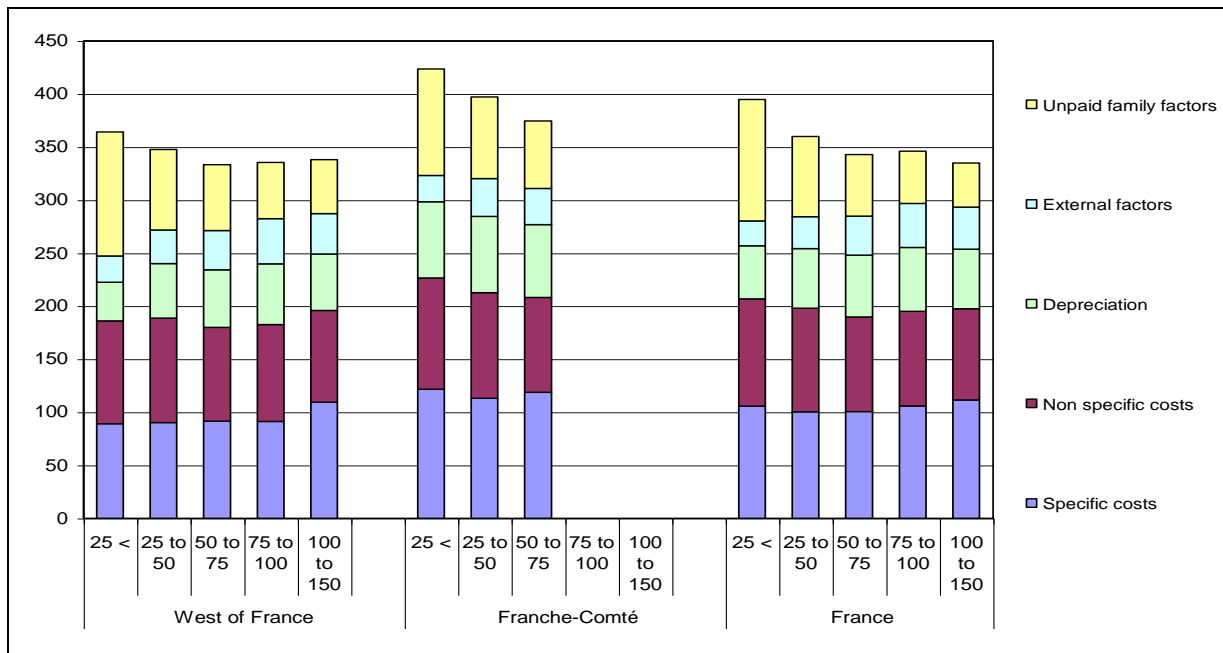
In French dairy farms, it is quite difficult to demonstrate a phenomenon of economies of scale (Figure 3-18). The production cost (excluding remuneration of labor inputs, land and capital) per ton of milk is 293 €/t (average 2003-2007) in the units with more than 100 dairy cows compared to 280 – 285 €/t in the first three size classes. In western regions, this observation is identical.

In terms of specific costs, the amount of concentrated feed is, for example, 48 €/t in the farms with more than 100 cows (2007, West of France) against 41 €/t in those with 25 to 50 dairy cows (Annex 3-29). In larger units, the food model is often based on greater use of forage maize (and soya), so that grasslands plays a more prominent place in small structures (notably those of the Basse-Normandie). In West of France, the use of forage maize is often regarded by farmers as a security; the technical systems based on pasture are often less costly economically, but they are considered more technically demanding.

Regarding unspecific costs, the phenomenon of economies of scale is very light (Annex 3-30), even for energy and buildings upkeep.

For the depreciations (Annex 3-31), the differences are also very small between classes. The large structures are more indebted to the extent that they often made recent investments and where the proportion of young farmers is higher.

Costs related to external factors are more important in larger units (41 €/t in the French holdings with more 100 cows against 30 €/t for units between 25 and 50 cows). To cope with a lot of work, large farms outsource more tasks (including crops).



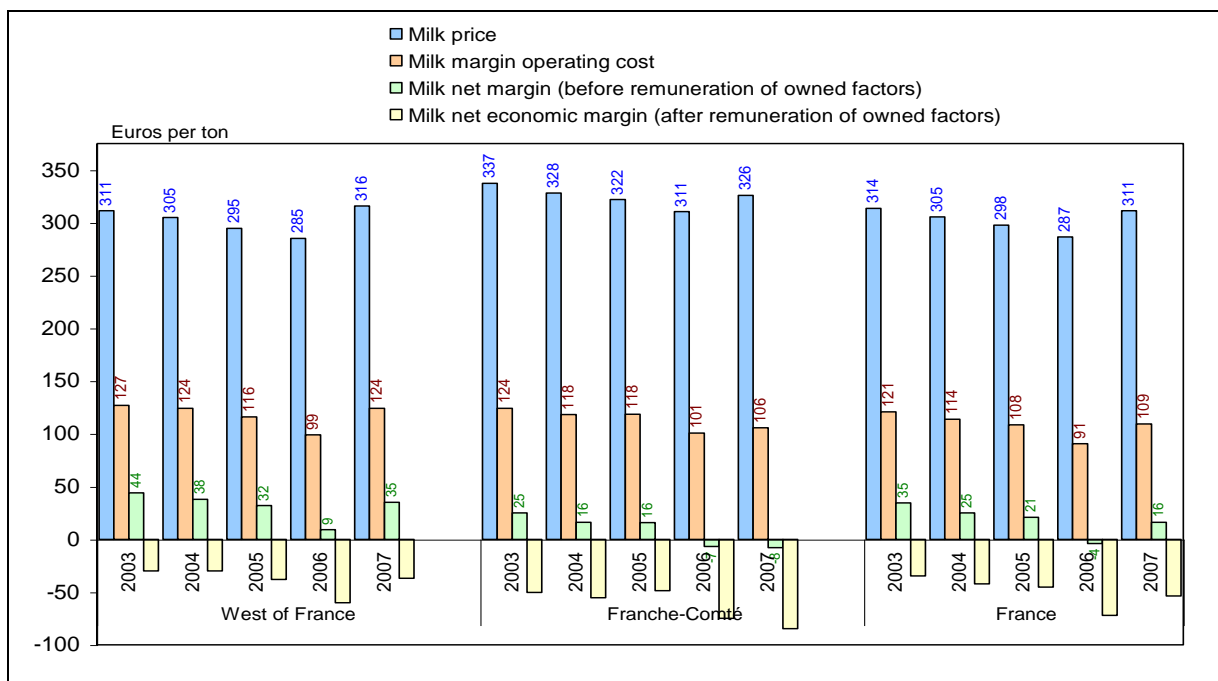
Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.18 Milk cost structure (€ per ton, average 2003 to 2007) according to size**

The cost for own factors (labour, land and capital) per ton of milk declines significantly with farm size (Annex 3-33). In French average (five years: 2003-2007), this cost is estimated at 41 €/t for large farms (over 100 cows) against 114 €/t for very small units (less than 25 cows). This gap, which is confirmed at the regional level, is mainly due to the labour factor.

In the assumptions used by the European Commission, the estimated cost of labour is performed by multiplying the family employment (expressed in AWU) by an hourly cost (based on the remuneration cost for salaried). This way of calculation immediately leads to a high cost of labour per ton of milk on farms where labour productivity (milk production per AWU) is low (Annex 3-34). The impact of the remuneration of the land factor (Annex 3-35) is quite marginal compared to the overall cost (less than 5 €/t in the vast majority of dairy farms) for two reasons: the property of the land represents a low proportion of the UAA; the price for land rent is, in France, quite low, particularly for grasslands. The estimate of the capital remuneration (Annex 3-36) per ton is, for a given region, very similar among different size classes. This amount is between 10 and 15 €/t ton in most dairy farms.

After the deduction of specific and unspecific costs, the gross margin (or margin on operating cost) is, on a national average for 5 years, 109 €/t (118 €/t for the West of France and 113 €/t for Franche-Comté). The year 2006 was the worst for the two studied regions (Figure 3-18); the best one was 2003. In Franche-Comté, farms have better milk price than in the West of France, but also higher costs (both specific and unspecific). Even if there is a strong internal disparity of milk margin, it is worth to notice the very close proximity between the average score of the two regions.

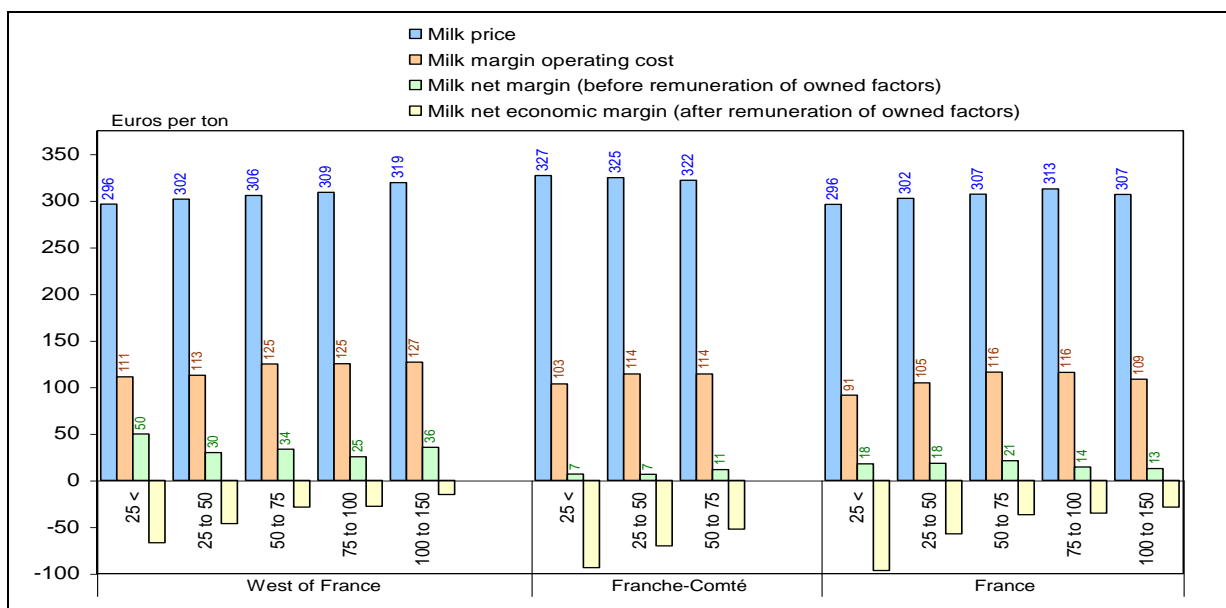


Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.19 Milk price and margins per ton of milk (€)**

On the basis of the gross margin, and after the deduction of depreciations and costs related to external factors (wages, rent, interest on loans), the net margin is, on a national average for 5 years, 18 €/t (Annex 3-38). This margin is higher in the West of France (32 €/t) than in Franche-Comté (9 €/t) where the depreciation costs are proportionally more important. The net margin was positive for each year in the Western regions; it became negative in 2006 and 2007 in Franche-Comté (Figure 3-19), but, since then, the increase in milk prices observed since 2009 has likely contributed to improve the situation.

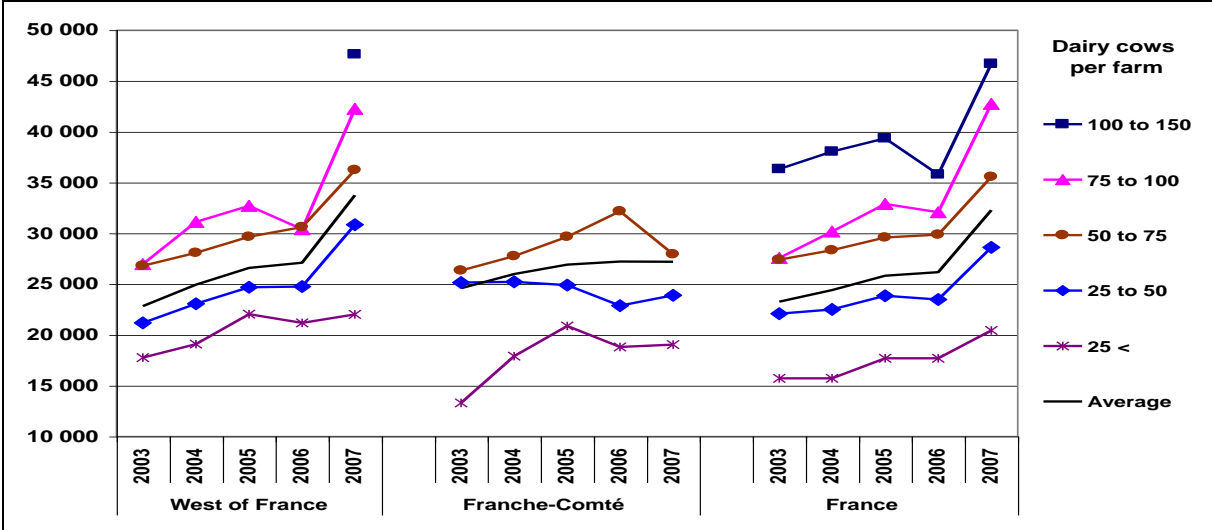
On the basis of the net margin, and after the deduction of the remuneration of own factors (labor, land and capital), the economic net margin is negative: -50 €/t on a national average (for the studied period). This margin, determined on a theoretical basis, is also negative for all years and all regions (Annex 3-39).



Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.20 Milk price and margins per ton of milk (€, average 2003-07)**

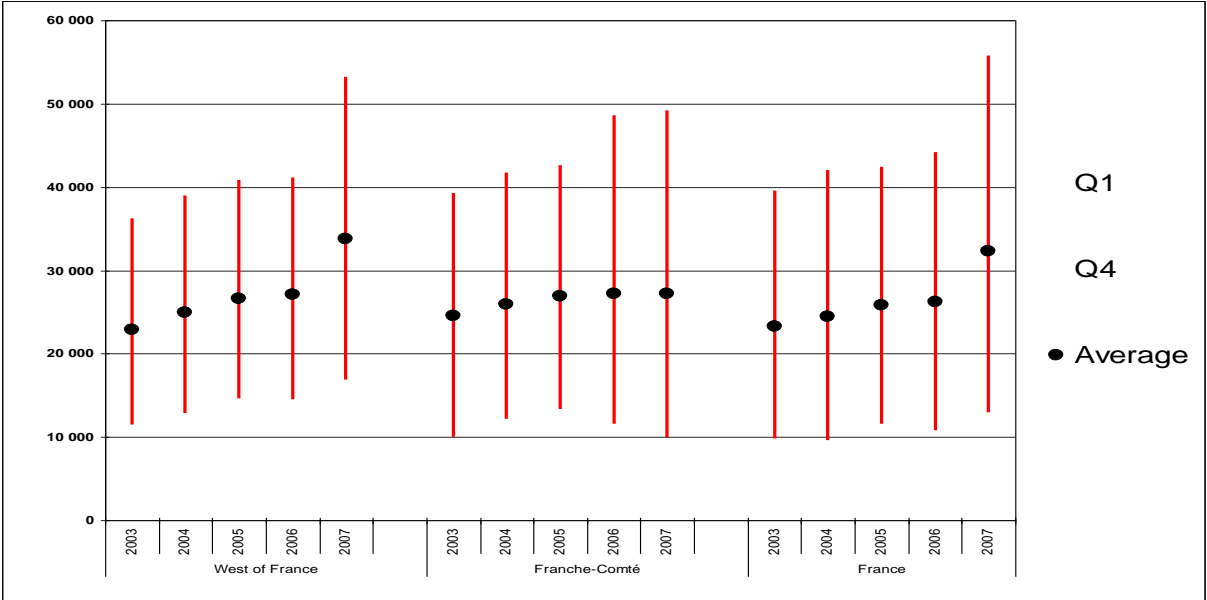
In a given region, the gross margin per ton is quite similar among size classes (Annex 3-37). In French average (for 5 years), this margin is 109 €/t in larger units (more than 100 cows) and 105 €/t in farms with 25 to 50 cows. If these last ones receive a milk price slightly lower, they have, however, less specific and unspecific charges (Figure 3-20). The net margin per ton of milk (Annex 3-38) is also quite stable from one size class to another. For larger farms, this margin is 36 €/t in the West of France against 13 €/t in French average. The economic net margin (after deducting the cost of factors in property) is negative for all the studied classes (Annex 3-39). However, the large units have a better situation due to the method used to calculate the labour cost (see above).



Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.21 Farm net value added per AWU (€) in French milk farms**

For all regions and all size classes, the net added value per AWU<sup>2</sup> increases with farm size. As mentioned before, this is more related to a "volume" effect than a better margin per ton of milk (Figure 3-21, Annex 3-8 and Annex 3-40).



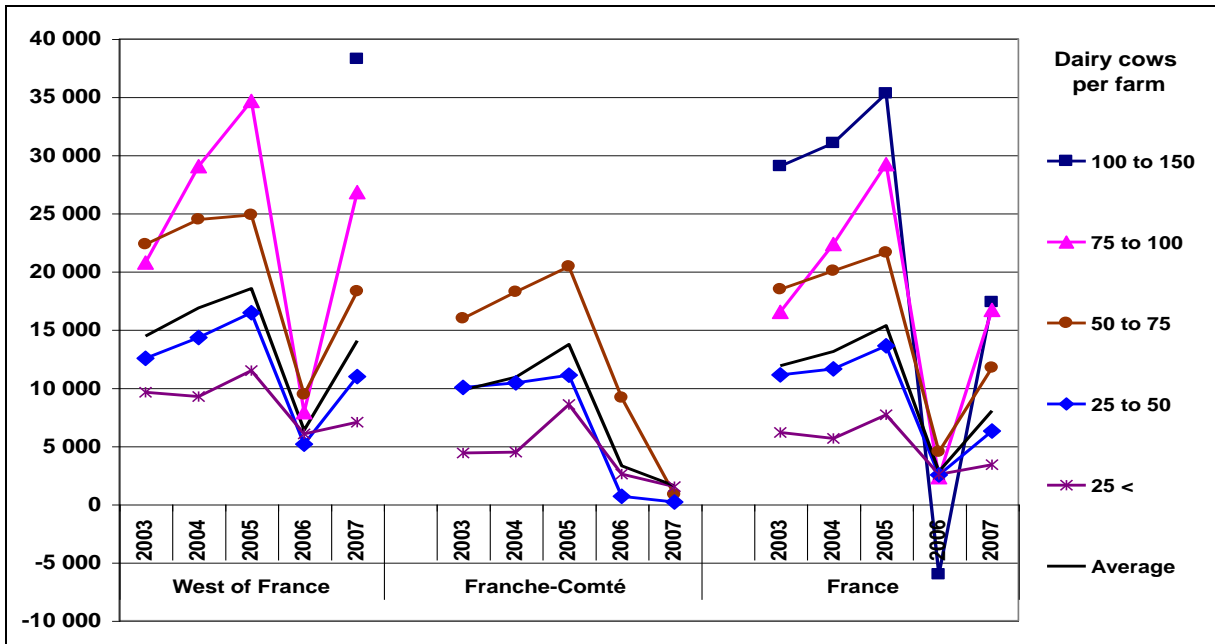
Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

**Figure 3.22 Distribution of the farm net value added per AWU (€)**

<sup>2</sup> For more information concerning the definition of indicators used in this study, see the following report : [http://ec.europa.eu/agriculture/rca/pdf/dairy\\_report\\_2010.pdf](http://ec.europa.eu/agriculture/rca/pdf/dairy_report_2010.pdf)



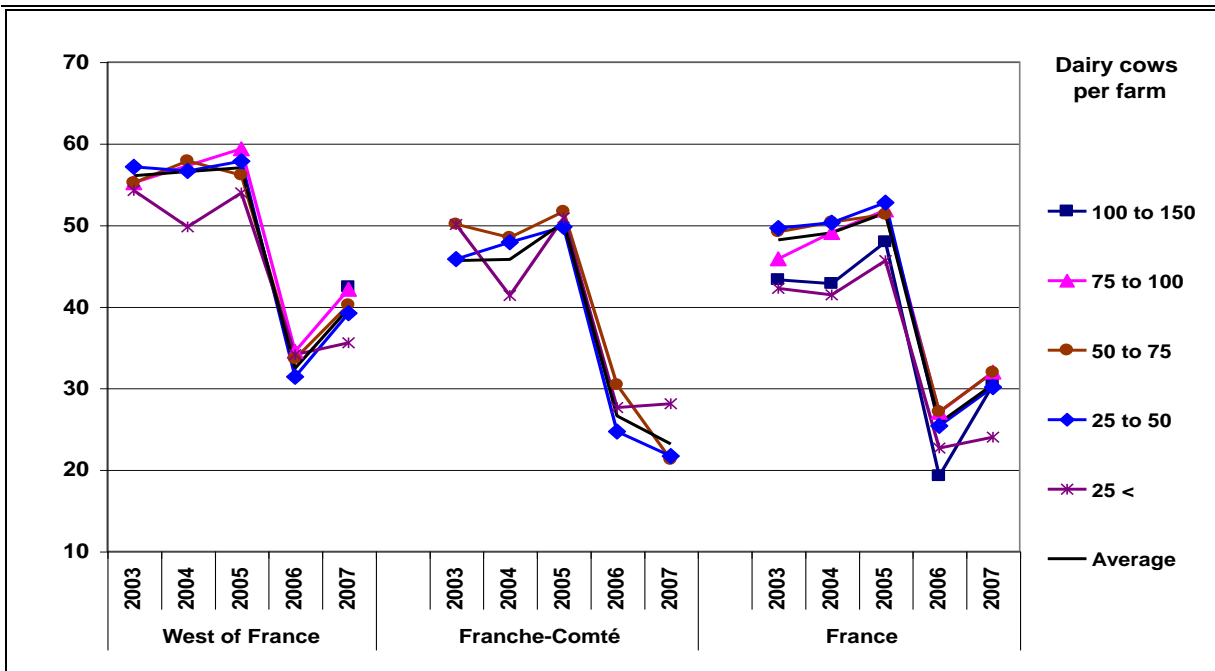
In each region and for each year, the distribution of this economic indicator (which covers all agricultural activities and not only the milk) is particularly strong. This is also the case within each size class. Some large farms fail to generate more income by AWU than the small ones (Figure 3-22).



Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

Figure 3.23 Milk FFI (estimation) per farm (€)

An estimation of the specific contribution of the milk sector to the global economic performance of each farm is achieved through several indicators. In this sense, a Family farm income issued from the dairy sector is calculated per farm (Figure 3-23, Annex 3-9 and Annex 3-43) or per ton of milk (Annex 3-42). It shows first that it is complex not to consider a farm as a whole (with direct subsidies and the associated beef production).



Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 - French milk farms

Figure 3.24 Milk FNVA (estimation) / Total FNVA

The contribution (in percentage) of the dairy sector to the Farm net value added (FNVA) is not so different between size classes (Figure 3-24 and Annex 3-44). It seems to be very low, especially in Franche-Comté where the rural development subsidies are not integrated here in the calculations.

### 3.4 Concluding remarks

This analysis shows that dairy farms have experienced an increase in their size (agricultural surface and milk quota) and an improvement of their animal performances (milk yield). The number of AWU per farm and the level of intensification have remained fairly stable. In the studied regions, the milk production cost has, on average, increased slightly between 2003 and 2007. Between 2003 and 2007, the amount of subsidies per ton has increased in all the studied regions following the adoption of the reform of the CMO milk and dairy products. In 2007, the total amount of direct payments per ton of milk is higher in Franche-Comté (126 €/t) than in West of France (93 €/t), due to some significant subsidies granted in the framework of the rural development program (some subsidies in favour of mountains areas and grassland are granted in Franche-Comté but not in West of France). The net value added per AWU has, on average, slightly increased between 2003 and 2007; this income indicator has fluctuated widely between 2008 (very high) and 2009 (very low). Within each region, significant differences were observed between milk producers (including within the same size class).

This analysis also shows that the farm size is an important factor (but not the sole) of profitability. In France, the milk yield per cow and the intensification level increase with the size. By ton, the milk production cost (specific cost + unspecific cost + depreciation + external factors) is, in the studied regions, roughly comparable from a size class to another. The larger units have better incomes due to their high level of productivity (quantity of milk per AWU). In other words, large farms do not benefit from an important phenomenon of economies of scale because they are often in a development phase which involves significant investments.

As in many other EU countries, this analysis shows that the economic net margin per ton or by farm is, on average, negative for all size classes. This is mainly due to hypothesis made for the calculation of the unpaid factors.

## 4 Results from questionnaires among producers

### 4.1 Introduction

This chapter presents the results of a survey of dairy farmers in two French administrative regions: Bretagne and Franche-Comté. The questionnaire is common to all countries included in this evaluation of the CMO milk and dairy products. All interviews with farmers were face-to-face.

Farms were selected in collaboration with local agricultural organizations. In Western of France, these surveys were conducted in collaboration with the "CETA 35" (department of Ile-et-Vilaine). In Franche-Comté, they were done in collaboration with the services of "Chambre d'agriculture" and "Contrôle laitier" (departments of Doubs and Jura). The objective was not really to have a representative statistical sample but, more modestly, to collect the opinions of different milk producers (in terms of size, legal status, technical systems: organic or not...).

### 4.2 Results from questionnaires among producers in West of France

In total, 32 surveys were conducted in West of France (Bretagne): 30 with active milk producers and 2 interviews with farmers who have decided to stop producing milk (but who are still farmers).

#### 4.2.1 Farm background

The people surveyed were aged, on average, 45 years. This age is close to the average observed through the regional statistics. The person was the manager of the farm or one on the associates. In the case of GAEC (also called cooperative farms), the interviewee was most often the oldest person on the farm (because this survey was for the past period: 2003-2010).

Between 2003-04 and 2009-2010, the size of dairy farms (in terms of number of cows and hectares of agricultural area) has increased, but in a heterogeneous way. Some farms have changed little, while others have increased their size significantly, particularly through mergers of individual farms. The average milk quota per farm has increased from 347 100 kg in 2003-04 to 460 900 kg in 2009-10 (+ 113 800 kg over the period or + 18 800 kg per year). The average increase in milk quota is slightly higher than that observed through representative regional statistics (see Chapter 1). Farm size is also larger due to a higher proportion of societies (GAEC and EARL). The number of dairy cows has also increased (from 51 to 65 cows), but less than proportionately because of higher milk yield. The direct sales milk quota applies only to a few farms (Table 4-1).

**Table 4-1 Basic data of dairy farms (Bretagne)**

	Number of cows	Quota in kg	Quota per cow in kg	Direct quota in kg	Direct quota per cow in kg
2003/04	51	347 072	6 805	20 000	392
2009/10	65	460 935	7 091	60 000	923

The usable agricultural area (UAA) increased from 75 to 101 hectares per farm between 2003-04 and 2009-10 (+34%). The amount of milk produced per hectare of UAA decreased from 4630 kg to 4560 kg. In this region, where environmental restrictions are often important, farmers seek to increase their surfaces. After the abolition of milk quotas (2015), this strategy could enable them to increase their milk production under better conditions. The grassland for milk production represents a fairly stable proportion of the UAA (44%); the forages represent about 30% of the UAA at the beginning as at the end of the period (Table 4-2). This confirms that the level of intensification of fodder areas remained almost the same between 2003 and 2010. The standards of the Nitrates Directive (170 unit of organic nitrogen per ha) play an important role in limiting the intensification.

The share of the UAA that is rented has increased over the period from 63% to 83%. This increase is artificial because more and more farmers can lease their own land to the company in the case of societies (GAEC and EARL).

**Table 4-2 Land use of dairy farms (Bretagne)**

Year	Total utilized agricultural area (UAA)	Share grassland for milk production (%)	Share fodder crops for milk production (%)	Share of rented land (%)
2003/2004	75	44.4	29.9	63.2
2009/2010	101	43.7	31.8	82.7

Among the farms covered by this survey, 18 are in GAEC (cooperatives), 6 are in EARL (partnership) and 6 are in an individual form. In West of France, the individual dairy farms are becoming less frequent. The young producers prefer to produce milk in a society (like in a GAEC). The GAEC gives the opportunity to share the financial risks and, also, to have better working conditions (holidays, leisure). This social demand of young producers is also reinforced by the fact that their spouses work more outside the farm.

The Western departments of France are not classified as less favoured areas. Most of the producers do not receive subsidies from the rural development program. The surveys were conducted, for a significant part in the department of "Ille-et-Vilaine". With around 1.5 billion liters of milk per year, this department is the first in France. It is also an area where climatic conditions are particularly favorable to dairy production. The forage maize yield (dry matter) reaches sometimes 20 tons per hectare. In the north of this department, the density of milk production per km<sup>2</sup> is the highest in the French territory.

In this sample, the farms mainly have a conventional production system. Only two farms are producing organically. According to statistics, just 1.7% of dairy cows in Bretagne are located in organic farms. Notice that, in our selection plan, we have decided to find two organic farms.

The farms located in West of France are not concerned by the EU-quality schemes of Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI). It is exactly the contrary in Franche-Comté (see after) where cheese production is very developed.

For a large majority of farms, the question of succession is not really raised in the short term (Table 4-3). In societies, the departure of the senior farmer is not always a problem because the associates' young farmers consider that they will be able to do the work without them in the future (with some appropriate investments). Producers younger than 55 years often consider that they still have time to decide. Persons who indicated that succession was uncertain are aged over 50 years. For the individual farms or EARL, some producers think about two options for the future: transfer the farm to a young farmer (most of them would appreciate this way but it is not always easy to find someone, especially for the small farms; sell the farm to a society (GAEC). The financing terms will be essential to the final choice. In most of the GAEC, the renewal is often already done.

**Table 4-3 Succession of dairy farm (Bretagne)**

Succession is...	Number	Because...					
		Manager still young	Easy to hire new manager	Farm will close anyhow	Stay in milk production	Stay not in milk production	Uncertain future
Still uncertain	6						
Not an issues yet	21	17	3	1			
Succession is clear	3				3	0	0

#### 4.2.2 Production to/demand by dairies

In general, the policy decisions taken since 2003 have not had a significant influence on the strategies of dairy farms in West France (Table 4-4). The volume of production (milk) per farm depends mainly of the possibilities or not to get more milk quota. In France, milk quotas are not tradable and cannot be purchased directly between producers. They are provided to farms by a departmental administrative Commission and according to rules set in advance (see Chapter 1). Thus, the decision in 2003 to maintain milk quotas until 2015 had no significant impact on production decisions of farmers.

**Table 4-4 Incentives to deviate from production level (Bretagne)**

Policy/Policy change	Not relevant	Incentive to... milk production			
		Stop	Decrease	Continue current level	Increase
Decision taken in 2003 to maintain milk quotas until 2015	5	1	0	22	2
Introduction of Milk Premium	16	0	1	13	0
Introduction of Single Farm Payments	17	0	1	12	0
Decoupling of Milk Premium	20	1	1	7	1
Confirmation in 2008 to abolish milk quotas in 2015	1	1	0	14	13
Rural Development Aids	26	0	0	4	0
State Aids	24	0	0	4	2
Annual quota expansion	0	0	0	0	30

The introduction of the dairy premium in the milk sector (11 €/t in 2004-05, 24 €/t in 2005-06, 35.5 €/t in 2006-07) did not, either, had an impact on the productive strategy of dairy farms. In France, the decoupling of direct payments (including premiums to the dairy sector) was adopted in 2006. Certain categories of direct payments (including the premium for suckler cows and 25% of subsidies to areas of cereals) were maintained coupled (at least until 2010, before the adoption of the CAP health check measures). The decoupling of direct payments had no influence on milk supply. In areas where cereal yields are low, decoupling may induce the farms to develop the grassland areas (because aid is no longer dependent on the cereals production). In some farms, decoupling has led producers to abandon the production of young cattle (male).

The confirmation in 2008 of the abolition of milk quotas in 2015 has prompted nearly half of producers to expand production. In other words, many producers have already anticipating the end of milk quotas. This does not mean they have already obtained the volume of milk they wanted; the availability of milk quotas is often low in the west of France from the expectations expressed by the producers. This shows that anticipating the end of milk quotas is likely to generate, after 2015, a sharp acceleration of the phenomenon of restructuring.

Rural development subsidies are particularly low in the West of France. Due to a high level of intensification (compared to other French dairy farms), the beneficiaries of agri-environmental measures are rare. Similarly, direct aids allocated strictly by the state are not important compared to the EU budget (including the single farm payment). So, the influence of these aids is not important for most of the studied farms.

All farmers surveyed consider that the annual quota expansion has had an influence on milk production in their farm. Assuming that this increase would have been more important, many farmers would have been able to produce more milk.

The abolition of milk quotas in 2015 (and the present increase of milk quota) led many dairy farms (22 of 30) to increase (or try to) their milk production. Among farms that responded negatively, most of them have already reached a significant level of production relative to their agricultural surfaces. Due to the environmental constraints, they are no longer able to increase milk volumes with present surfaces.

Among the 30 farmers, 6 have seriously considered abandoning milk production. The main factor cited is the low price of milk (6) and / or its excessive fluctuation (1). This was particularly true in 2009 when the price of milk was particularly bad. In this region, where milk production plays a very important role and where land pressure is high, stop the milk production often means abandoning the profession. Given the investments made, it is often very difficult economically for a farmer to stop the milk production.

**Table 4-5 Factors for continuing milk production (Bretagne)**

Factor	Not important at all	Less important	Important	More important	Very important
Personal preferences	0	3	7	5	15
Historic reason	5	6	4	11	4
Recent investments in on-farm dairy facilities	2	4	11	9	4
Prices sufficient to cover milk production costs	0	2	9	12	7
Policy support	6	7	11	5	1
Lack of other agricultural alternatives	4	14	7	4	1
No alternative off-employment	13	10	6	1	0
Other	1	1	0	2	4

For two-thirds of the farmers, the "personal preferences" are an important (or a very important) motivation to continue to produce milk (Table 4-5). Many farmers believe that their job requires a lot of passion and involvement in everyday life. The historical also play an important role reasons (their parents were also farmers on the same farm). Nevertheless, the development of GAEC allows to integrate more and more young producers whose parents were not themselves farmers. The investments made in the past force producers to remain in the dairy sector, including when prices are inadequate to properly pay the work. The price level is naturally an important factor to continue to produce milk. The two last considerations ("Lack of other agricultural alternatives" and "No alternative off-employment") are deemed less critical of their choice.

**Table 4-6 Effects on herd size (Bretagne)**

How many cows would you keep today if...	Compared to current level				
	-20 %	-10 %	Same	+10 %	+20 %
...milk prices had been 20 % higher than 2003/04	0	2	26	1	1
...milk quota had not increased 2006/07, 2007/08, 2008/09	0	12	17	1	0
...milk quota had not prolonged until 2015	0	0	11	8	11
...milk would not be phased out in 2015	0	3	26	1	0

For the following question "How many cows would you keep today if...", it was difficult to obtain a quick answer from all producers (Table 4-6). If the price had been 20% higher than 2003-2004, producers would have benefitted from increased income, but they would not have necessarily been able to increase the herd size (due to the milk quota). The increase in milk quota (CAP decisions) during the years from 2006 to 2009 was very modest. Given the improved performance of dairy cows, this growth has generally been performed at constant herd (12 producers said: -10%). If the milk quota had not been prolonged until 2015, some farmers consider that it would have been possible to increase their production. If the milk quota had not been prolonged until 2015, some farmers imagine that it would have been possible for them to increase their production. It is not sure, because without milk quota, the dairy processors would have implemented milk contracts to regulate the supply.

**Table 4-7 Constraints against investments in herd size or production system (Bretagne)**

Constraints	Herd size	Production system
In general	26	20
Lack of credit	2	9
Lack of qualified workers	0	1
Uncertainty about future dairy policies	5	3
Milk price insecurity	8	8
Low level of milk prices	7	12
Non-availability of milk quota	22	14
Milk quota to expensive	0	0
Cross Compliance	0	-
Environmental restrictions	10	3
Alternative farm activities became more profitable	0	-
Difficulty of getting more land	14	8
Other	1	1

As mentioned in Table 4-7, a very high proportion of dairy farmers in Bretagne (26 of 30) had hoped to further increase the size of their herds since 2003. The first blocking factor was clearly the “non-availability of milk quota”. The growth of milk volume is even more difficult as the number of producers is high and needs (in milk quota) are big. In this region, the environmental constraints are also very important. The Nitrates Directive limits the growth in production volume to one third of farms. This factor is also strongly correlated with low availability of agricultural land (14 responses out of 30). Without an augmentation in agricultural land, farms cannot increase their milk production because it would lead to excessive production of organic nitrogen in relation to thresholds set by the Nitrates Directive. This is especially the case in the dairy farms with an additional production of pigs. The low level of prices and price volatility are also mentioned, but in smaller proportions. For many producers, volume growth would permit to reduce the cost of milk production per ton (particularly for fixed costs where some economies of scale can be considered). An additional question is whether producers have wanted to invest more in their production system since 2003. Two-thirds answered positively. The hierarchy of explanatory factors is approximately the same; here, they emphasize more on the “lack of credit”.

### 4.2.3 Producer price

According to this survey, the milk price for December 2010 was 0.326 Euro per kg in Bretagne (with VAT but without the quality premiums, Table 4-8). To have better representative statistics on milk price, please see chapter 1 of this report. In our sample, the price ranged from 0.315 Euro per kg to 0.474 Euro per kg (note that this high price concerns an organic farm). The average protein content was 3.63% and the average fat content was 4.3% (see also tables in chapter 1).

**Table 4-8 Average milk price and milk contents for December 2010 (Bretagne)**

	Value	Minimum	Maximum
		Euro/kg with VAT	
Milk price	0.326	0.315	0.474
		Percent	
Fat content	0.431	0.417	0.430
Protein Content	0.361	0.348	0.340

When you ask to farmers this next question (“What is the long-term price for you to stay in the future in milk production under current costs?”), you are sure to open a large debate! It was not always easy to transform this debate in a quantitative answer...The answers to this question are obviously fragile because producers want also to develop the idea that current prices are not enough remunerative. After this useful precaution, two-thirds of the producers believe that price should be between 0.30 and 0.35 € per kg. They also said that it will depend a lot about the future price of energy and feed. The response “more than 0.45 € per kg” corresponds to an organic farm.

For all producers, the payment system regarding the milk quality seems to have an influence on their production strategies (Figure 4-1). However, due to differences in milk quality between farms, the milk price varies, within each enterprise, around 20 to 30 Euro per t between the best and worst farms. The producers also believe that the quality of milk will be criteria even more important in the future, after the abolition of milk quotas. The main points taken into account by farmers are: the fat content, the protein content and the bacteriological quality. The payment system regarding the quantity is also important but indirectly through the fat content.

In addition to the above criteria (quality of milk), producers receive a milk price which varies with the seasons (seasonality). In Bretagne and in France more generally, companies do not grant premiums for the quantities of milk deliveries per farm (that is to say that the price is the same regardless of the size of farm). Similarly, there is also not a price adjustment based on delivery time (the milk is usually delivered every 48 hours). For organic farm (1.7% of dairy cows in Bretagne), the payment system for the milk is specific: the price of milk is naturally higher and was less volatile during the recent period. Milk producers of Bretagne, like in other French regions, receive a premium when they adhere to “*Contrôle laitier*” (a farm organization responsible for the verification of technical performance of livestock). In some cases, bonuses are also granted to producers who own the milk tank (Table 4-9). Several companies have implemented a premium to use foods (flax) having a positive impact on the content of omega 3 (premium is 7 €/t).

**Table 4-9 Additional payments offered by dairies (Bretagne)**

Premium for...	Number
seasonal adjusted milk delivery	30
large milk deliveries	0
longer delivery times	0
organic production	2
special qualities	7
Other	6

Regarding the question "do you have the choice to deliver to different dairies?", the answer was apparently positive because each farmer has theoretically this possibility (26 out of 30). But, in reality, they consider that it is not possible to change. The producers who have changed of dairy processors during the past decade are rare. This is possible essentially when two dairy farms merge in one. In general, the milk collectors agree on the fact that producers cannot change companies. In the case of mergers or acquisitions of companies, producers usually become suppliers of the new structure.

The competition between milk processors is oriented mainly on the differentiation of dairy products (innovation, research) and their ways of commercialization. Up to now, there is no competition between companies for the selection of the "best producers" (producers near the industrial site, producers with low production costs, producers with high volume of milk quota). However, with the abolition of milk quotas, this situation is subject to some changes; the establishment of contracts between producers and processors is enforced by a new French decree issued in December 2010.

All milk producers (other than organic) in Bretagne reported having benefited from an improvement in their income between 2007 and 2008. Besides the large increase in milk prices (in Bretagne), this period was also characterized by a temporary change in the rules of milk quota management. During this dairy campaign, the Minister of Agriculture has provided an opportunity for producers to increase their milk production by 15%. Indeed, France was unable to achieve its national milk quota. This temporary increase in milk production was possible in the dairy farms of this region for two main reasons: the forage stocks were good; farmers were highly motivated (some of them have even practiced milking three times per day to be able to produce the additional volume).

When you ask to farmers: "How did you use the extra revenue that were gained from the price peak", over half of them reply that they have invested to repair or replace equipment related to milk production (Table 4-10). This choice demonstrates the incentives for producers to remain in this production and to expand their farm (in the perspective of the end of milk quota). Nevertheless, they have not invested in increasing the size of their herds because milk quotas still exist. A majority also benefited from the good economic situation to increase their private withdrawals (25 of 30) or to save money (17 of 30). The debt reduction was also cited (16 of 30), especially for younger farmers for whom the recent investments have been particularly important.

**Table 4-10 Usage of extra revenues from high milk prices in 2007/08 (Bretagne)**

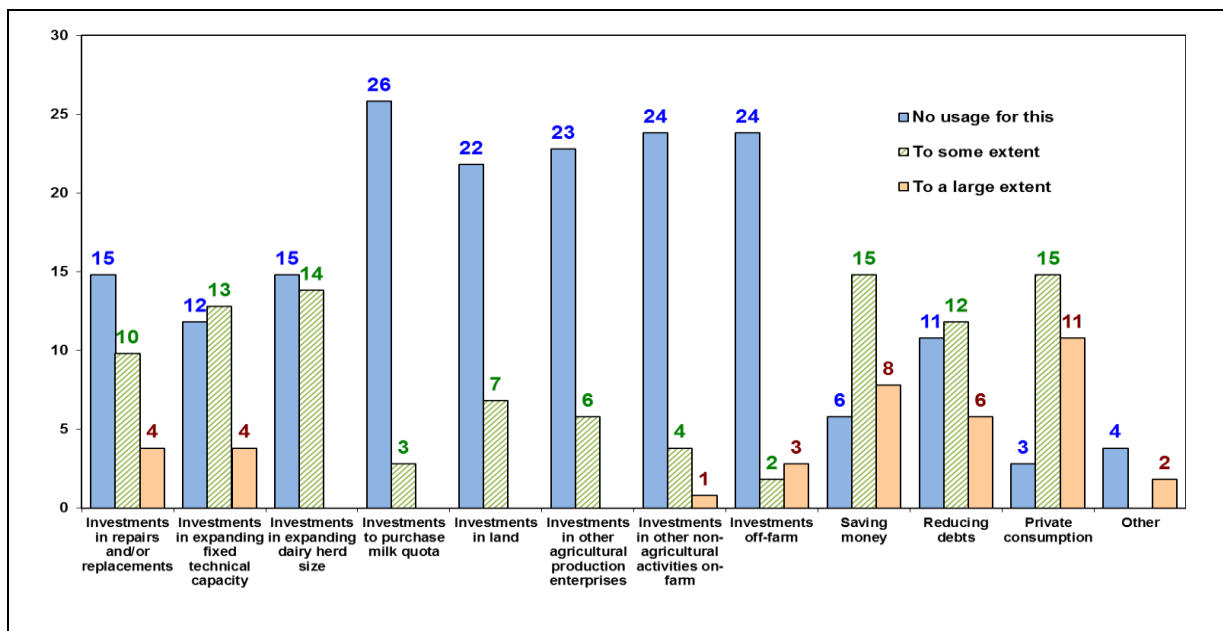
Higher revenues: 28 farms

No higher revenues: 1 farm

Usage for...	No usage for this	To some extent	To a large extent
...investments in repairs and/or replacements with regard to milk production	10	12	6
...investments in expanding fixed technical capacity of milk production	17	9	2
...investments in expanding dairy herd size	24	4	0
... investments to purchase milk quota	25	5	1
...investments in land	23	0	5
...investments in other agricultural production enterprises	26	2	0
...investments in other non-agricultural activities on-farm	27	0	1
...investments off-farm	26	0	2
...saving money	11	9	8
...reducing debts	12	11	5
...private consumption	3	16	9
...other	8	0	2



Concerning the following supplementary question: "In the case of a new phase of high price, I would use the Revenue for ...", the answers are heterogeneous among producers (Figure 4-1). The main question for them is that they do not know if they will have, in parallel, the possibility (or not) to develop the milk production (after the abolition of milk quotas). Due to this doubt, rare are those who stated that these economic gains would be oriented in favour of a livestock growth. For older farmers, priority is often given to increasing private withdrawals or, sometimes, to investments in non-agricultural activities (real estate, for example). For younger farmers, especially those where significant investments have been made recently, the first priority would be given to debt reduction (18 of 30).



**Figure 4.1 Usage of extra revenues in case of high milk prices in future (Bretagne)**

In this region, which is strongly specialized in dairy production, rare are the producers who would invest in other agricultural production (than milk): the low availability of land (and the modest yields of grain) does not allow these farmers to become specialized producers of grains; the development of the productions of pigs and poultry is today difficult for economic reasons (return on investment) and for environmental reasons (standards and pressure from citizens); farmers are also passionate by the milk production (it is not only an economic opportunity, it is also a personal choice).

#### 4.2.4 Producer income

Generally, milk producers are perfectly aware that direct payments contribute today significantly to their income. For 19 out of 30 producers, the single farm payment (SFP) is considered as "very important" (Table 4-11). In Bretagne, the SFP concerns the dairy sector, but also areas of cereals (including forage maize) and production of young male cattle (a production which is quite common on these farms). In Bretagne, the producers are not concerned by direct aids allocated for disadvantaged areas. Due to a high level of intensification, they are rarely the beneficiaries of agri-environmental measures.

**Table 4-11 Importance of policy payments for farm revenue (Bretagne)**

Payment	Not receiving	Not important at all	Less important	Important	More important	Very important
Decoupled Direct Payments	0	0	0	8	2	19
Agri-Environmental Payments	16	3	5	3	1	1
Less Favoured Area Payments	29	0	1	0	0	0
Coupled and Complementary National DP	20	3	2	2	1	1
Other						

Dairy producers consider that the requirements for the conditionality of aid did not have a direct impact on their milk costs of production (23 of 30). They have however some difficulties to quantify the phenomenon. They generally consider that it is not always an additional cost, but also sometimes a shortfall (blocking factor of the development of their farm).

- For rules "animal welfare" and "animal identification", all producers agree on the idea that the requirements of European regulations are now considered normal. With the exception of certain measures (such as box for calves), these standards did not justify high investments and are now integrated in the basic thinking of the farmer (in fact they are not considered as additional costs).
- For the Directive "pesticides", a vast majority of producers have invested to build a specific room for storage of pesticides. This cost (per hectare or per cow) remains modest and is not to be renewed each year. Several producers have also invested in more modern equipment for spraying pesticides. In this case, they consider that the investment cost has to be considered with the positive impact induce by the use a more efficient equipment.
- In Bretagne, the Nitrates Directive is by far the most restrictive of all the rules listed in the questionnaire. Just over half of the interviewed producers cannot increase their milk production because of this Directive. This directive does not require investment in farms, but it causes a loss by limitation of milk production development. The producers have also raised the issue of harmonization of this standard (170 units per hectare of organic nitrogen in Brittany) between European countries.

Concerning the following question "How many hours did your farm spend last year for administrative tasks?", the answer was not totally obvious because it is sometimes difficult to define the boundary between a work for the farm (information on the fertilization, recording practices ...) and a work dedicated specifically to the CAP (statements useful in obtaining direct aids). This issue was a great opportunity for producers to say how much administrative work (for the CAP or not) occupied a growing share in their schedule (20 out of 30). It was, also, a good opportunity to speak about agricultural policies. According to the responses, two thirds of the producers consider that the time devoted to the CAP has increased over recent years (mainly for the pesticides regulation). For the 4 farmers who responded negatively, this is explained in two ways: the development of information technology improves, year after year, the effectiveness of this administrative work; some farmers use outside services to perform these tasks.

**Table 4-12 Revenues from other on-farm and/or off-farm activities (Bretagne)**

Additional revenues	Number
No	3
Yes, from...	26
...crop farming	6
...beef production	10
...other animal production	0
...biogas production	0
...other renewable energies	1
...farm tourism	1
...off-farm activities	0
...other	7

For 14 dairy farmers surveyed in Bretagne, milk sales represent over 75% of the farm revenues. Holdings within the intermediate class (50-75%) often associate to milk some productions of cereals or beef (Table 4-12). They are also more frequent among the GAEC where the available workforce is more important. The level of specialization was less than 50% in an only one farm (a GAEC with several associates and several productions).

#### 4.2.5 Producers' competitiveness and market orientation

For all holdings (except one), the milk quota in 2009-2010 is higher than in 2003-2004 (Figure 4-1-10). This observation is logical since the producers have all benefited from an administrative augmentation of their quota in response to European decisions. For the farm where the answer is negative, this reflects a change in the legal status (number of associates).

For the two-thirds of surveyed farms, milk production has remained, for each year of the studied period, below the level of milk quota. Given the tax applied, farmers consider it undesirable to go beyond the milk quota. For the third of farmers who have exceeded the milk quota, most of them did not have that strategy at the beginning. Overtaking is consistently very low (less than 5%). It was sometimes less than 1%, but penalties have nevertheless been applied. For the only one farm with

The reduction of the super levy over time was not a motive for excess deliveries. Only one farmer stated this as reason for his over production.

Milk producers have been somewhat surprised by the question "importance of annual milk quota increase to staying in milk production". The desire to stay in the dairy sector depends on many other factors: investments made, lack of alternatives, passion for this job, etc. They were satisfied with the (administrative) increase in milk quota, but it had no influence on their decision to remain producer.

In Bretagne, a little less than two-thirds of farmers surveyed (18) were not satisfied by the transfer system of milk quotas. This concerns mainly those who consider that it is too difficult to obtain an increase in production volume on their farm. A significant portion of milk quotas of the farmers who are getting retired are given by administration to young producers. Therefore, farmers aged between 35 and 50 years are often blocked in the growth of their production volumes. The administrative management of milk quotas is considered by those producers, as too rigid, especially in intensive areas (where the environmental constraints also limit the development). These farmers want to increase their milk production to reduce their production costs per ton of milk and become more competitive at the European level. Given their actual milk quota, many farmers cannot envisage the acquisition of new milking technologies (robots, etc.), because these technologies require the availability of a minimum herd size. A large proportion of these farmers do not fear the removal of dairy quotas. They think that it will give new development opportunities to the most competitive producers, particularly in Bretagne where the climate and agronomic advantages are important. They all recognize the necessity of finding new forms of supply management to avoid overproduction, which would negatively affect the price of milk. The new contracts between producers and milk processors are a possible way to achieve this.

Conversely, one third of farmers are satisfied with the current transfer system of milk quotas. These producers have often benefited from additional milk quota during the last decade, especially when integrating into a society (GAEC) of a young producer. They consider that the existing rules are fair and clear as they promote equitable growth in production volumes between dairy farms. Similarly, they are often opposed to the introduction of a system favouring the sale of quotas between farms. This would have social effects to the detriment of the most vulnerable farmers. These farmers often fear that the end of milk quotas leads to a restructuring of farms at the expense of jobs and the environment.

### **4.3 Results of questionnaires to farmers who stopped milk production**

Two surveys were conducted with farmers who decided to stop the milk production over the studied period (but who are still farmer in 2011 because they have decided to continue their job with another agricultural production). Given the high proportion of dairy farms in Bretagne and due to investments made by farmers in this specific production (buildings), the abandonment of this activity (for developing an alternative agricultural production) is a rare phenomenon (also because it is difficult to buy large surfaces of land). In Franche-Comté, it was just not possible to find such a farm. In this region, giving up milk production means almost the abandonment of farming.

The first farm (F1) was stopped dairy production in 2006 (with 270 000 kg of milk per farm or 7 500 kg per cow). Milk sales were less than 50% of total turnover. On the retirement of his parents, the son (a young farmer in GAEC with his parents) decided to continue to work on the farm, but alone. He decided to stop producing milk to specialize the farm in hog production (to be clear: milk production was more the passion of his parents). The pig production was already present on the farm and corresponded better to his personal expectations. The milk production needs more labor intensive and could not be maintained in the absence of his parents. The young farmer could seek a partner to create a new GAEC, but this does not seem compatible with his personal wish.

The second farm (F2) stopped dairy production in 2009. This farm, in GAEC (4 associate members), had a milk quota of 345,000 kg and a milk yield per cow of 7650 kg (Table 4-13). As in the previous farm, the total sales of milk cow were less than 50% of total turnover. The farm had, in parallel, a herd of goat milk. The choice to abandon cow milk production for developing goat milk has been taken by considering three main factors: the specialization in a single production should improve the working conditions of associate members; the profitability of goat milk was higher than that of cow's milk (at least at the time of the decision in 2009, which was a particularly bad year for milk cows); due to low availability of land, it was preferable to choose the path of the intensification in the goat sector.

**Table 4-13 Basic data of farm milk production**

Year	Organizational form	Average number of cows	Average quota in kg	Quota per cow in kg
Farm 1				
2003/04	GAEC	38	270 000	7 105
Exit (2006)	Individual	36	270 000	7 500
Farm 2				
2003/04	GAEC	40	298 000	7 450
Exit (2009)	GAEC	45	345 000	7 650

When asked "Which of the followings policy changes made a difference in the decision to stop milk production?" (Table 4-14), the first farmer (F1) has clearly stated that these factors did not had influence. His decision was based on personal considerations and due mainly to a significant change in the available labor on the farm. The second farmer (F2) mentioned a positive impact of the decoupling of direct aids (even if this factor is less important than others). The decoupling of direct payments gives the opportunity to keep subsidies even if you will not continue to produce milk of cows in the future.

**Table 4-14 Policy change - Incentives to deviate from decision to stop milk production**

Policy/Policy change	Farm 1		Farm 2	
	No incentive to stop	Incentive to stop	No incentive to stop	Incentive to stop
Decision taken in 2003 to prolong the milk regime only until 1 <sup>st</sup> April 2015	1	--	1	--
Introduction of Milk Premium	1	--	1	--
Introduction of Single Farm Payments	1	--	1	1
Decoupling of Milk Premium	1	--	1	1
Introduction of Cross Compliance	1	--	1	--
Rural Development Programmes	1	--	1	--
Annual quota expansion	1	--	1	--
Confirmation in 2008 of the decision to abolish milk quotas in 2015	1	--	1	--
Other(*)	--	1	--	1

When asked "Which of the followings factors were an incentive when deciding to stop milk production?", the first farmer has considered that these factors did not, either, had an impact. The second farmer has indicated that the low milk price in 2009 was an important factor in the decision to stop the milk of cow for developing the milk of goat. The production of goat milk was more profitable (Table 4-15).

**Table 4-15 Incentives to deviate from decision to stop milk production**

	Farm 1		Farm 2	
	No incentive to stop	Incentive to stop	No incentive to stop	Incentive to stop
Changes in quota regulation	1	--	1	--
Quota prices	1	--	1	--
Problems in liquidity	1	--	1	--
Alternative farm activities became more profitable	--	--	--	1
Other off-farm become more profitable	1	--	1	--
Increased fluctuation of milk prices	1	--	1	--
Low milk prices	1	--	--	1
Availability of milk quota	1	--	1	--
Environmental regulations	1	--	1	--
Other	--	1	1	--

When asked the question "Would you still produce milk if...", the two farmers said "no" to the four proposed options. The farmer 2 hesitates a little for the option 1 (milk price 20% higher than 2003-04), but he finally said "no" because one other motivation is also to find better working conditions for the GAEC associate members.

The first farmer was unhappy with the transfer system of milk quotas because it clearly limits the development of production. The second farmer was favourable to this system for two reasons: the redistribution of the quota is good for young farmers and small farms; the system has prevented an increase of production costs (no tradable quota).

## 4.4 Results from questionnaires among producers in France-Comté

### 4.4.1 Introduction

In total, 30 surveys were conducted with active milk producers in Franche-Comté. Located more than 800 km from the other studied region (Bretagne), the region "Franche-Comté" has very different characteristics. This region includes extensive dairy farms, located for a high proportion in the mountains. The food system of dairy cows (breed "Montbéliarde") is based mainly on grassland and the milk is used mainly in high value-added cheeses. Milk production occupies a central place in local agriculture. In this part, we sometimes repeat the same arguments developed for Bretagne to give the possibility to read these two parts separately.

### 4.4.2 Farm background

The farmers surveyed were aged, on average, 46 years. This age is close to the average observed through the regional statistics. The person who replies to this questionnaire was the manager of the farm or one on the associates. In the case of GAEC (also called cooperative farms), the interviewee was most often the oldest person on the farm (because this survey was for the past period: 2003-2010).

The size of dairy farms (number of cows and hectares of agricultural area) has increased during the studied period, but in a heterogeneous way. The average milk quota per farm has increased from 274,100 kg in 2003-04 to 330,200 kg in 2009-10 (+ 56 100 kg over the period or + 9 350 kg per year). The average increase in milk quota is lower than in Bretagne, where the proportion of societies (GAEC) is more important (Table 4-16). The number of dairy cows has also increased (from 44 to 52 cows), as the milk yield per cow (from 6 230 kg to 6 350 kg).

**Table 4-16 Basic data of dairy farms (Franche-Comté)**

Year	Number of cows	Quota in kg	Quota per cow in kg	Direct quota in kg	Direct quota per cow in kg
2003/04	44	274 100	6 230		
2009/10	52	330 200	6 350		

The usable agricultural area (UAA) increased (on average) from 103 to 123 hectares per farm between 2003-04 and 2009-10 (+19%). The amount of milk produced per hectare of UAA is very low compared to other European regions (2 680 kg in 2009-10). For the cheese "Comté" which represent nearly half of the regional milk production, the rules of production are very strict. The production of milk per hectare devoted to feeding dairy herd is capped at 4 600 liters; the herbivorous livestock unit per hectare has to be lower than 1.3. The grassland for milk production represents a stable proportion of the UAA (85%); the forages represent about 5% of the UAA at the beginning as at the end of the period (Table 4-17). This confirms that the low level of intensification of fodder areas remained almost the same between 2003 and 2010. The Nitrates Directive is clearly not a problem in this region (a very big difference with Bretagne).

The share of the UAA that is rented is stable over the period (89%).

**Table 4-17 Land use of dairy farms (Franche-Comté)**

Year	Total utilized agricultural area (UAA)	Share grassland for milk production (%)	Share fodder crops for milk production (%)	Share of rented land (%)
2003/2004	103	85	5	89.2
2009/2010	123	84	4	89.5

Among the farms covered by this survey, 17 are in GAEC (cooperatives), 4 are in EARL (partnership) and 6 are in an individual form. The individual dairy farms are becoming less frequent in Franche-Comté. The young producers prefer to produce milk in a society (like in a GAEC); The GAEC gives the opportunity to share the financial risks and, also, to have better working conditions (holidays, leisure). This social demand of young producers is also reinforced by the fact that their spouses work more outside the farm.

The high majority (93%) of dairy farms in Franche-Comté are located in disadvantaged areas. Most of the producers receive subsidies from the rural development program. The surveys were conducted, for a half in the department of "Jura" and for a half in the department of "Doubs". With around 1.0 billion liters of milk per year, Franche-Comté represents around 4% of the national milk production. It is also an area where climatic conditions are difficult (snow in winter).

In this sample, all the farms have a conventional production system. Due to a very low level of intensification, their production systems are, in fact, not very far from what we called "organic farm". Approximately 2% of the dairy cows in this region are in real "organic farms".

The farms located in Franche-Comté are really involved (28 out of 30) in the EU-quality schemes of Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI). It is exactly the opposite situation of Bretagne (see chapter 3). The milk in this region is used in a large proportion to produce high quality cheese (*Comté, Morbier, Mont d'Or, Bleu du Haut Jura*).

For a half of the studied farms, the question of succession is not an issues yet (Table 4-18), especially because the farmers are too young to think about it. In societies, the departure of the senior farmer is not always a problem because the associates' young farmers consider that they will be able to do the work without them in the future (with some appropriate investments).

**Table 4-18 Succession of dairy farm (Franche-Comté)**

Succession is...	Number	Because...					
		Manager still young	Easy to hire new manager	Farm will close anyhow	Stay in milk production	Stay not in milk production	Uncertain future
Still uncertain	8						
Not an issues yet	14	13	1	0			
Succession is clear	8				6	0	2

Producers with less than 55 years often consider that they still have time to decide. Persons who indicated that succession was still uncertain are generally in individual farms.

#### 4.4.3 Production to/demand by dairies

The policy decisions taken since 2003 have not had a significant influence on the productive strategies of dairy farmers (Table 4-19). Farmers often hesitate in their answers between "not relevant" and "continue at the current level". The milk quota per farm depends mainly of the possibilities or not to get more. In Franche-Comté, like in other French regions, milk quotas are not tradable and cannot be purchased directly between producers. They are provided to farms by a departmental administrative Commission and according to rules set in advance (see Chapter 1). Thus, the decision in 2003 to maintain milk quotas until 2015 had no significant impact on production decisions of farmers.

**Table 4-19 Incentives to deviate from production level (Franche-Comté)**

Policy/Policy change	Not relevant	Incentive to... milk production			
		Stop	Decrease	Continue at current level	Increase
Decision taken in 2003 to maintain milk quotas until 2015	9	0	0	15	6
Introduction of Milk Premium	18	0	0	11	1
Introduction of Single Farm Payments	13	1	0	14	2
Decoupling of Milk Premium	19	0	0	11	0
Confirmation in 2008 to abolish milk quotas in 2015	9	0	0	16	5
Rural Development Aids	3	1	0	16	7
State Aids	11	0	0	18	1
Annual quota expansion	2	0	0	5	23

The introduction of direct aids in the milk sector (11 €/t in 2004-05, 24 €/t in 2005-06, 35.5 €/t in 2006-07) did not, either, had an impact on the productive strategy of dairy farms. The decoupling of direct payments had no influence on milk supply in this region because milk producers cannot stop milk to choose another agriculture production (the diversification is complex due to the climate and agronomic conditions).

For 5-6 producers, they said that the perspective of the end of the milk quota has encouraged them to buy land with associated milk quota. This is also a way to prepare for the future, especially when they plan to transfer the farm to their children.

Rural development payments are important in Franche-Comté (especially those granted in favour of mountains areas). Due to a low level of intensification, the beneficiaries of agri-environmental measures (premiums for extensive fodder surfaces, called in France "PHAE") are numerous. Without these subsidies, the family farm income would be very low (sometimes negative when the milk price is low like, in this region, in 2006).

A large majority (23 out of 30) of the surveyed farmers consider that the annual quota expansion has had an influence on milk production in their farm. Assuming that this increase would have been more important, many farmers would have been able to produce more milk.

Concerning the next question "Are the announcement of the abolition of milk quotas in 2015 and the present increases in milk quota" likely to affect your decision in the next few years (i.e. 2011-2014)? 18 farmers out of 30 replies "yes, increase". This question is quite ambiguous because it raises two questions in one. Among farms that responded negatively (11), most of them have already reached a significant level of production relative to their agricultural surfaces.

Among the 30 farmers, just 3 have seriously considered abandoning milk production (3-20). Each of these farmers has his own reason: environmental regulation (he was obliged to invest a lot in a new building in order to respect the environmental rules); other off-farm activities became more profitable; alternative farm activities became more profitable.

For 80% of the farmers, the "personal preferences" are an important (or a very important) motivation to continue to produce milk (Table 4-20). Many farmers believe that their job requires a lot of passion and involvement in everyday life. The historical reasons (inheritance to relatives on the same farm) play also a role, but probably less than in the past. The price level is, off course, a very important factor to continue to produce milk. If farmers know that direct payments contribute significantly to their income, they would not want to say that they are producers just because some subsidies are granted to them. The consideration ("Lack of other agricultural alternatives") is more important here than in Bretagne.

**Table 4-20 Factors for continuing milk production (Franche-Comté)**

Factor	Not important at all	Less important	Important	More important	Very important
Personal preferences	0	1	5	9	15
Historic reason	3	6	9	9	3
Recent investments in on-farm dairy facilities	4	7	12	3	4
Prices sufficient to cover milk production costs	0	0	2	14	14
Policy support	4	10	12	3	1
Lack of other agricultural alternatives	7	5	8	4	6
No alternative off-employment	22	3	4	0	1
Other	0	0	0	1	7

For the following question “How many cows would you keep today if...”, it was difficult to obtain an quick answer from all producers (Table 4-21). If the price had been 20% higher than 2003-2004, producers would have benefit from increased income, but they would not have necessarily been able to increase the herd size (due to the milk quota). The increase in milk quota (CAP decisions) during the years from 2006 to 2009 was very modest. Given the improved performance of dairy cows, this growth has generally been performed at constant herd (11 producers said -10%). If the milk quota had not been prolonged until 2015, some farmers consider that it would have been possible to increase their production. It is not sure, because without milk quota, the dairy processors would have implemented milk contracts to regulate the supply.

**Table 4-21 Effects on herd size (Franche-Comté)**

How many cows would you keep today if...	Compared to current level				
	-20 %	-10 %	Same	+10 %	+20 %
...milk prices had been 20 % higher than 2003/04	0	0	30	0	0
...milk quota had not increased 2006/07, 2007/08, 2008/09	0	11	19	0	0
...milk quota had not prolonged until 2015	0	0	20	6	4
...milk would not be phased out in 2015	0	0	29	0	1

Less than half of dairy farmers in Franche-Comté (13 of 30) had hoped to increase more the size of their herds since 2003 (Table 4-22). The blocking factor was essentially the “non-availability of milk quota”. The growth of milk volume per farm is difficult because, in this region, a high priority is given by administration and agricultural organizations to young producers in the redistribution of the milk quotas. In this region, the environmental constraints are not important (an important difference with Bretagne).

**Table 4-22 Constraints against investments in herd size or system (Franche-Comté)**

Constraints	Herd size	Production system
In general	13	14
Lack of credit	1	8
Lack of qualified workers	0	0
Uncertainty about future dairy policies	1	1
Milk price insecurity	0	2
Low level of milk prices	1	2
Non-availability of milk quota	11	7
Milk quota too expensive	0	0
Cross Compliance	1	-
Environmental restrictions	2	0
Alternative farm activities became more profitable	0	0
Difficulty of getting more land	7	2
Other	1	2

An additional question is whether producers have wanted to invest more in their production system since 2003. Half of producers answered positively. The hierarchy of explanatory factors is not the same; here, they emphasize more on the criteria of “lack of credit”.

#### 4.4.4 Producer price

According to this survey, the milk price for December 2010 was 0.452 Euro per kg (see chapter 1 for the average milk price in Franche-Comté). This amount is calculated with VAT and with all quality premiums (Table 4-23). For a high majority of farms in Franche-Comté, especially those which deliver the milk to very small cooperatives (to produce cheese), it is impossible to know the milk price without quality premiums. The minimum price (0.332) concerns just one farm which sells the milk not for the cheese production. The high level (0,504) concerns a farm where the milk is sold to a small cooperative with a high technical (cheese process) and economic (markets) performances. Each farmer has invested in his small cooperative and receives a milk price which depends directly on its performance.



**Table 4-23 Average milk price and milk contents for December 2010 (Franche-Comté)**

	Value	Minimum	Maximum
	Euro/kg with VAT		
Milk price	0.452	0.332	0.504
	Percent		
Fat content		4.22	4.45
Protein Content		3.38	3.68

When you ask to farmers the next question ("What is the long-term price for you to stay in the future in milk production under current costs?"), you are sure to open an endless debate...Two-thirds of the producers in Franche-Comté (21 out of 30) believe that price should be between 0.40 and 0.45 € per kg (and more than 0.45 € per kg for 6 of them). More generally, they accept the idea that the level of the current milk price in Franche-Comté is quite good since two years. In 2007-2008, the gap with other French regions (Bretagne, for example) was too low (especially because milk producers in Franche-Comté have to respect restrictive technical rules to produce high quality cheese). This is not the case since the peak of milk commodities prices. In this region, milk producers were not concerned by the price crisis in 2009 (see chapter 1).

For all producers, the payment system regarding the milk quality has a very important influence on their production strategies; this is even more in this region with high proportion of cheese production. However, due to differences in milk quality between farms and to the performances of cooperatives (see above), the milk price per ton varies around 20 to 60 Euro between the best and the worst farms. Producers also believe that the quality of milk will remain a key factor in the future. The main points taken into account by farmers are: the fat content, the protein content and the bacteriological quality.

In addition to the above criteria (quality of milk), producers receive a milk price which varies with the seasons (seasonality). In some cases (Table 4-24), bonuses are also granted to producers who own the milk tank or who adhere to "Contrôle laitier" (a farm organization responsible for the verification of technical performance of livestock). Some farms receive premiums to use feeds (flax) which have a positive impact on the content of omega 3 (this premium is about 22 €/t, much more than in Bretagne).

**Table 4-24 Additional payments offered by dairies (Franche-Comté)**

Premium for...	Number
seasonal adjusted milk delivery	30
large milk deliveries	0
longer delivery times	0
organic production	0
special qualities	7
other	28

Regarding the question "do you have the choice to deliver to different dairies?", the answers were always (29 out of 30) "no" (except one reply from a farmer who is not located in a disadvantaged area). The main reasons are the followings : all milk producers hold shares in the small cooperative to which they deliver their milk ; they sign a contractual commitment over several years ; as the milk is collected every 24 hours (in some farms this is two times a day), it is necessary to live not very far from the enterprise ; for a cooperative and/or a milk processor of the cheese "Comté", the milk collection area may not extend beyond the boundaries of a circle of 25 kilometers in diameter (the enterprise must be located within that circle).

Unlike most of their European colleagues, the year 2007-2008 was not economically good for the milk producers in Franche-Comté. The selling price of milk has increased since 2009 (Table 4-25).

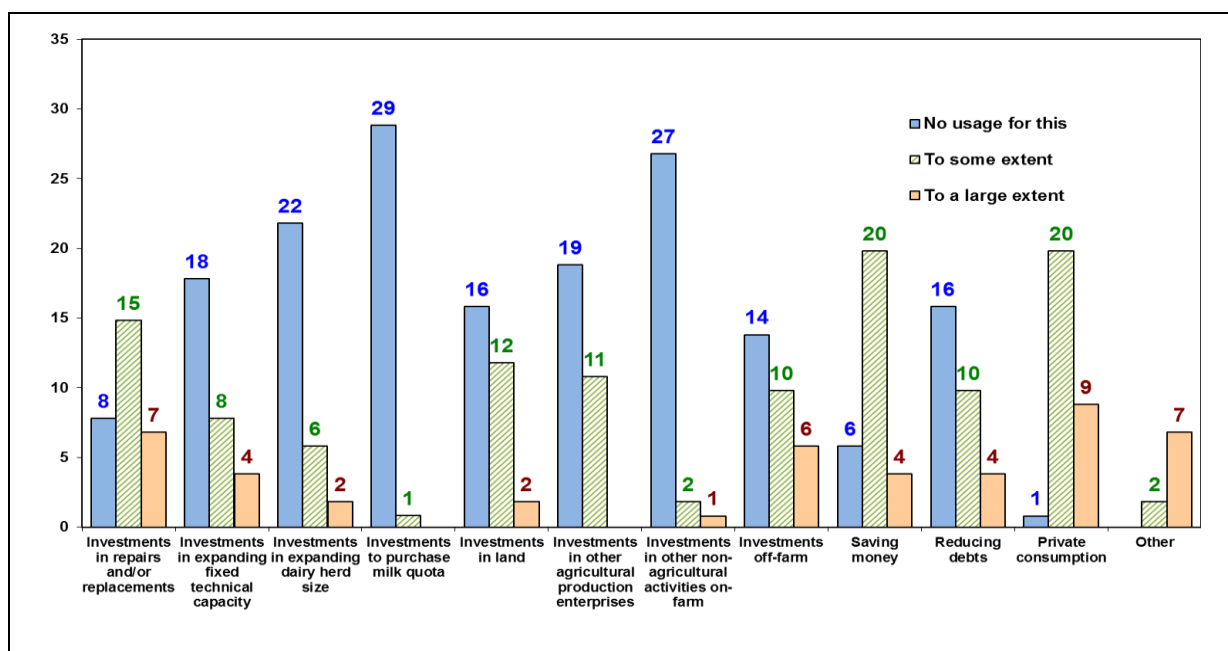
**Table 4-25 Usage of extra revenues from high milk prices in 2007/08 (Franche-Comté)**

Higher revenues: 1 farm

No higher revenues: 28 farms

Usage for...	No usage for this	To some extent	To a large extent
...investments in repairs and/or replacements with regard to milk production	0	1	1
...investments in expanding fixed technical capacity of milk production	2	0	0
...investments in expanding dairy herd size	2	0	0
... investments to purchase milk quota	2	0	0
...investments in land	2	0	0
...investments in other agricultural production enterprises	1	1	0
...investments in other non-agricultural activities on-farm	2	0	0
...investments off-farm	2	0	0
...saving money	0	2	0
...reducing debts	1	1	0
...private consumption	1	1	0
...other	0	0	0

Concerning the following supplementary question: "In the case of a new phase of high price, I would use the Revenue for ...", the answers are heterogeneous among producers (Figure 4-2). The main question for them is that they do not know if they will have, in parallel, the possibility (or not) to develop the milk production (after the abolition of milk quotas). Due to this doubt, rare (6 out of 30) are those who stated that these economic gains would be oriented in favour of a livestock growth. They would invest for repairing or replacing some equipment in the milk sector for half of them or they would invest in land (12 out of 30). Two-third of them would increase their wages or save some money.



**Figure 4.2 Usage of extra revenues in case of high milk prices in future (Franche-Comté)**

#### 4.4.5 Producer income

Milk producers are perfectly aware that direct payments (and the rural development subsidies) contribute today significantly to their income. For 20 out of 30, the single farm payment (SFP) is considered as "important" or "very important" (Table 4-26).

More than half of dairy producers consider that the requirements for the conditionality of aid did not have an impact on their milk costs of production (17 out of 30). The other producers consider the contrary. They have however some difficulties to quantify the phenomenon.

**Table 4-26 Importance of policy payments for farm revenue (Franche-Comté)**

Payment	Not receiving	Not important at all	Less important	Important	More important	Very important
Decoupled Direct Payments	0	0	3	7	9	11
Agri-Environmental Payments	1	1	3	8	14	3
Less Favoured Area Payments	7	1	1	6	11	4
Coupled and Complementary National DP	3	3	5	10	7	2
Other	0	1	1	0	0	0

For rules "animal welfare" and "animal identification", all producers agree on the idea that the requirements of European regulations are now totally integrated to their production strategies. These standards did not justify high investments and are now integrated in the basic thinking of the farmer (in fact they are not considered as additional costs). For the Directive "pesticides", this is not a problem in Franche-Comté because cereals are not developed in dairy farms (lands are essentially used for grasslands). The directive "Nitrates" is also not a difficulty for these farms. The 13 farmers who reply "yes" to this question think essentially to the buildings costs. Due to weather conditions (snow), the animals remain a big part of the time indoors during the winter months. Given this constraint and environmental rules applied to the effluent storage, investment in buildings are costly.

The following question "How many hours did your farm spend last year for administrative tasks?" was also interesting to debate about how they consider the CAP. The answer was not totally obvious because it is sometimes difficult to define the boundary between a work for the farm (information on the fertilization,...) and a work dedicated specifically to the CAP (statements useful in obtaining direct aids). Around two thirds of the producers (19) consider that the fulfilling administrative requirements as increased over recent years (animal identification, environmental rules). For the 8 farmers who responded that the time dedicated for CAP tasks has decreased, this is explained by the development of information technology (computers) and by the fact that farmers have more and more habits to fill the papers.

For all dairy farmers surveyed in Franche-Comté, milk sales represent over 50% of the farm revenues. For the intermediate class 50-75% (11 producers), the proportion is generally near 65-70%, due to the beef production issued from the dairy herd.

**Table 4-27 Revenues from other on-farm and/or off-farm activities (Franche-Comté)**

Additional revenues	Number
No	12
Yes, from...	18
...crop farming	4
...beef production	1
...other animal production	0
...biogas production	0
...other renewable energies	3
...farm tourism	1
...off-farm activities	2
...other	5

Of the 30 farms, 18 have a diversification: 4 in vegetal production (for farms which are not located in the mountains), 1 in beef production and 3 in renewable energy production (wood). Despite the advantages of this region, only one farm has developed a tourism activity; 5 farmers have an additional professional activity (cut of wood, clean snow-covered roads, etc.).

#### 4.4.6 Producers' competitiveness and market orientation

For all holdings (except one), the milk quota in 2009-2010 is higher than in 2003-2004. This observation is logical since the producers have all benefited from an administrative augmentation of their quota in response to European decisions. For the farm where the answer is negative, this reflects a change in the legal status (number of associates).

For the one third of surveyed farms, milk production has been (at least one year during the studied period) above the level of milk quota. The excess level is consistently low (less than 5%). Generally, and given the tax applied, farmers consider it undesirable to go beyond the milk quota. The reduction of the super levy over time was not a motive for excess deliveries. Only 4 farmers stated this as reason for his over production.

Like in Bretagne, milk producers have been somewhat surprised by this question "Importance of annual milk quota increase for staying in milk production". The desire to stay in the dairy sector depends on many other factors: investments, lack of alternatives, passion for this job, etc. They enjoyed the (administrative) increase in milk quota, but it had no influence on their decision.

In Franche-Comté, the regulation of the milk supply is done on the one hand, by the milk quotas regime and, on the other hand, by internal choices in cooperatives (contracts with producers to limit the cheese production). Cooperatives are not interested to collect an excessive quantity of milk (to prevent a further fall in the price of cheese). Around two-thirds of farmers (18/30) are satisfied about the transfer system of milk quotas in Franche-Comté. For them, this system permits to keep a large number of farmers by encouraging the establishment of young farmers and the development of smaller farms. For 12 farmers, however, the analysis is more critical. They consider that the current system is not good for the development of larger structures and more competitive farms in term of production costs.

Milk producers of Franche-Comté are agree on the fact that the end of milk quotas (2015) should not fundamentally change their situation because the milk supply will remain dependent on the needs expressed by the processors of the cheese industry. They also consider that their region will remain no competitive to produce industrial dairy products with low added value (butter, milk powder, etc.) for international markets.

#### **4.4.7 Concluding remarks**

For most farmers surveyed, the introduction of the decoupling has had little influence on their productive strategies. For the diversified dairy farms, particularly in West of France, the decoupling has sometimes given to farmers some opportunities to review their initial choices (equilibrium between cereal and fodder surfaces, continuation or not of the young cattle activity, etc.). The administrative increase of the milk quota has been popular with producers, but its impact was low. Indeed, French authorities have not implemented the planned increase in 2009 to regulate supply in a context of low prices; during the campaign 2009-10, the national milk production was lower than the quota (around 2 billion liters).

The increase in milk prices in 2007/08 has not been verified in Franche-Comté. Milk producers in the West who have benefited from improved pricing used their additional resources to invest on the farm, to increase their wages and/or to reduce their rates of indebtedness. The question of milk prices is very sensitive. Given the significant increase in milk production costs, most of the western producers consider that the average price of milk (standard quality, not including tax) should be above 300 to 310 €/t (and at least 350 €/t in Franche-Comté depending on what kind of cheese production).

In West of France, many producers would like to produce more milk to reduce their production cost per ton, especially for their fixed charges. The three factors that most influence on their strategies are: a) the administrative management of milk quotas do not allow to produce more milk in the most competitive areas or in the most competitive farms (the milk producers are not able to really express their potential of production ); b) the environmental constraints (Nitrates Directive) already limits the expansion of farms, at least in some specific geographical areas; c) the high volatility of prices (agricultural products and inputs) modifies more and more their technical choices. In Franche-Comté, many producers consider that the central issue is the efficiency of the cheese industry.

The decision to abolish milk quotas after 2015 is considered by all milk producers as a major modification of the CMO. In Franche-Comté, the supply regulation is already provided through the operating rules of the cheese industry.

## 5 Results from questionnaires to dairy processors

### 5.1 Dairy company background

These interviews were conducted with seven French dairy processors. To preserve anonymity, there will be no reference to the name of the firms in the following pages.

The objective was to obtain responses from enterprises of various legal statutes (cooperatives and private companies) and different size. All responses were given for the entire company and / or group and not just for a particular industrial site. Some companies have a regional focus (especially in Franche-Comte), while others have a national focus (some of their production plants are located in one of the two studied regions). Given the ambition of this questionnaire, these responses were provided by the Director of the company (in medium or small companies) or sometimes by one or more employees in larger businesses. Some companies did not wish, for strategic reasons or simply lack of time, to answer this questionnaire. Of the seven firms surveyed, 5 are cooperatives and 2 are private companies.

The seven companies buy milk. For two of them, they also buy semi-processed milk products (like skimmed milk powder, lactose, whey protein concentrate, milk protein concentrate, serum, etc.). Purchases of raw milk are made directly from the producers of milk for each of the seven companies. For three of them, they also buy some milk from other milk processors.

The size of the firms is very heterogeneous (Table 5-1). The largest company (DP3) buys 3 billion liters/year of milk while the smallest (DP2) buys only 80 million liters of milk/year. In total, the seven companies bought 6.48 billion liters of milk in 2009-2010 (of which 90% are processed into dairy products) against 6.02 billion liters of milk in 2003-2004 (of which 90% are processed into dairy products). For two large companies (DP3 and DP1), the milk comes from several French regions and not only from the two studied geographical areas. The share of milk collected by the company which is then transformed by the same company ranged from 51% (DP7) to 100% (DP5).

**Table 5-1 Deliveries of raw milk and processed quantity**

	Delivery of raw material in kg		Processed raw material kg	
	2003-04	2009-2010	2003-04	2009-2010
DP1	1 010 000 000	1 100 000 000	920 000 000	850 000 000
DP2	73 000 000	80 000 000	64 000 000	41 000 000
DP3	2 900 000 000	3 000 000 000	2 600 000 000	2 750 000 000
DP4	1 200 000 000	1 208 000 000	1 150 000 000	1 180 000 000
DP5	308 300 000	353 600 000	305 920 000	353 900 000
DP6	325 000 000	452 000 000	297 000 000	415 000 000
DP7	210 000 000	289 000 000	117 000 000	196 000 000

The product mix is very different from one company to another (Table 2). The company "DP1" produced exclusively yoghurts and desserts for the whole studied period. Two companies (DP2 and DP6) are highly specialized in cheese production. Two other companies (DP3 and DP7) are specialized in drinking milk (also, for "DP3", with 20% of yoghurts and desserts). The company "DP5" mainly produces fresh cheeses (59%). For the company "DP4", located mainly in west of France, the results are given in tons and not in percentage of volume of milk processed. The product mix is diversified for this company. It is also the company that has experienced the strongest change between 2003 and 2010 (increased production of cheeses and desserts).

**Table 5-2 Product mix**

	DP1 (%)		DP2 (%)		DP3 (%)		DP4 (* = in tons)		DP5 (%)		DP6 (%)		DP7 (%)	
	2003 -04	2009 -10	2003 -04	2009 -10	2003 -04	2009 -10	2003 -04	2009 -10	2009 -10	2003 -04	2009 -10	2003 -04	2009 -10	2009 -10
Cheese	0	0	85	85	19	15	30	55	13	8	98	96	0	0
Fresh cheese	0	0	0	0	0	0	0	0	51	59	0	0	0	0
Butter	0	0	0	0	3	6	35	40	9	3	0	0	4	2
S. milk powder	0	0	0	0	10	3	50	44	4	0	0	2	0	0
Drinking milk	0	0	0	0	50	50	6	6	3	5	0	0	71	66
Yoghurt & dessert	100	100	0	0	20	19	40	60	0	0	0	0	0	0
Cream	0	0	5	1	0	0	10	10	19	25	2	2	2	1
Whey powder	0	0	1	0	0	0	4,8	8,8	1	0	0	0	0	0
Casein	0	0	0	0	0	0	4	3,3	0	0	0	0	0	0
Other	0	0	9	14	0	5	15	15	0	0	0	0	24	31

(\* ) For DP4, the unit is tons and not %

For four enterprises, more than 90% of the processed products are sold to the wholesaler. For one enterprise (DP4), 40% of the processed products are sold to food processing industry. For the enterprise "DP5", 16% of the processed products are sold to food processing industry and 40% directly to industrial catering (Table 5-3).

**Table 5-3 Customer of dairy products**

	Wholesaler	Milk broker	Processing company	Other
DP1	100	0	0	0
DP2	85	0	15	0
DP3	90	0	10	0
DP4	60	0	40	0
DP5	48	0	16	36
DP6	98	2	0	0
DP7	95	5	0	0

According to our questionnaire, four enterprises (among seven) export some dairy products outside the European Union (Table 5-4). For two of them, the export volumes exceed the threshold of 10% (DP3 and DP4). Exports to the EU member states are more frequent (six companies). They represent over a quarter of production for both companies (DP1 and DP4). For the two smallest firms (Table 5-1), total exports (to EU member states or third countries) are zero (DP7) or very low (DP2).

**Table 5-4 Destination of dairy products**

	France	Other EU-countries	Outside EU
DP1	75%	25%	0%
DP2	96%	4%	0%
DP3	80%	10%	10%
DP4	60%	26%	14%
DP5	81%	18%	1%
DP6	83%	15%	2%
DP7	100%	0%	0%

## 5.2 Prices of milk products

Three out of seven companies have changed the payment system of milk during the studied period. The changes introduced are mainly the premium paid for fat content (Table 5-5). This is particularly the case in West of France, but not in Franche-Comté where the milk price is closely linked with cheese production.

**Table 5-5 Change of payment system due to policy decisions**

Change	Number
No	4
Yes	3

Five companies provide premiums for the seasonality (the milk prices change according to the period). The terms of this bonus have been adapted during the studied period. In France, the price of milk does not vary from one farm to another depending on the volume of milk delivered per farm (at least for the time being). Similarly, there are no bonuses awarded based on time deliveries of milk. Three out of seven companies give bonuses for milk production in organic farming. Five companies give a special premium for the fat content, and similarly, four companies give a special premium for the protein content and for low bacteria contents (Table 5-6). According to the responses, it seems that the milk payment system applied by enterprises was not very sensitive to policy instruments changes.

**Table 5-6 Change of additional payments due to policy decisions since 2003**

Premium for ...	We do not pay	No change	Yes, we changed	Up	Down
...seasonal adjusted milk delivery	2	2	3	2	0
...large milk deliveries	6	1	0	0	0
...longer delivery times	6	1	0	0	0
...for organic production	4	1	2	2	0
...special fat content	2	3	2	1	1
...special protein content	3	3	0	0	0
...low bacteria content	3	4	0	0	0
Other premiums <sup>1)</sup>	6	1	0	0	0

Note: <sup>1)</sup> Farmers which are concerned by "France Contrôle laitier".

Six enterprise out of seven reported not having changed their milk payment system to assist producers in the context of high price volatility. The company which has given a positive response (DP4) has recently introduced an experimental system of flexibility for the milk price. This system was introduced mainly in order to prepare a new form of supply management in the context of the abolition of milk quotas in 2015.

Three firms reported that price volatility had an impact on the demand for dairy products. In fact, buyers were more sensitive than before to balance prices between milk proteins and vegetable proteins.

For the surveyed companies, it was sometimes difficult to estimate the time spent on administrative tasks related to European policies measures. For five companies, the time spent on these tasks has remained constant over the period 2003-2010. For two other companies (DP1 and DP4), time spent on these tasks has decreased due to lower export refunds.

Concerning the next question "to what extent the following elements affect the prices of your dairy products?", the responses were generally similar (Table 5-7). They all consider that the competitors and the wholesalers have a negative influence on the price of their dairy products. On the contrary, they consider (6 out of 7) that the milk producers contribute to increase the price of their dairy products. Four enterprises out of seven consider that the EU policy measures do not have influence on the price; two others consider that EU policy measures have a negative influence.

**Table 5-7 Effects of elements/groups of agents on prices**

Element/group of agents	No price effect	Price increase	Price decrease
EU policy measures	4	1	2
Competitors	1	0	6
Wholesalers/Milk broker	0	0	7
Milk producers	1	6	0
Others	-	-	-

To complement the general analysis above, a following additional question was asked for each category of dairy products (drinking milk, butter, skimmed milk powder, whole milk powder, cheese, cream): « how did the following policy measures affect your dairy product prices since 2003? ». Companies have responded only when they were involved in the dairy product (therefore the number of responses is sometimes less than seven).

All the surveyed enterprises consider that the prices of their dairy products were not positively influenced by one of the mentioned policy measures.

A large majority of the interviewed dairies consider that the following measures have had a little (or no) impact on the dairy products prices: "Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015"; "Changes in the regulation of milk quota transfer"; "Adjustment of the fat correction coefficient in 2009".

They all agree on the fact that "the Reduction of trigger intervention price level from 2004/05 until 2007/08" is the most important measure (negative impact of the prices). The "annual milk quota increases since 2006-2007", the "adjustment of the fat correction coefficient in 2009" and "the suspension of export refunds for butter and skimmed milk powder" play also a negative role for the dairy products prices, especially for in West of France where industrial milk products are more developed.

The next question is "What effects have the changes of policy instruments of the EU milk market regulation on the stability of your dairy product prices?" According to our surveyed enterprises, the policy instruments had no negative effect on stability. Three of them contribute clearly to more stability: "milk quota", "private storage aid" and "import duties". The respondents consider that the following instruments had no particular effect on the price stability: « public intervention"; "welfare milk scheme"; "national aids in the milk sector"; "state aids"; "rural development programmes".

**Table 5-8 Effect of changed policy instruments on the price stability**

EU-policy instruments	No effect	More stability	Less stability
Milk quota	1	4	0
Public intervention	4	0	1
Private storage aid	0	4	1
Aids in the milk and milk product sector	1	3	1
Butter, concentrated butter and cream withdrawal scheme	1	3	1
Welfare milk scheme	4	0	0
National aids in the milk product sector	4	1	0
Licence system	2	2	1
Tariff rate quotas	3	2	0
Import duties	1	4	0
State aids	4	1	0
Rural development programmes	5	0	0
School milk programme	4	0	0
Export refunds	1	3	1
Others	-	-	-

Among the seven companies, three said that they did not obtain an improvement of their profits during the 2007-2008 period (rising prices of dairy products). This is mainly the case for firms with a high production of cheeses (including those located in the Franche-Comté) or yogurts. For four enterprises out of seven, however, the period 2007-2008 has been conducive to profits; this is especially true for firms which produce industrial dairy products (milk powder and butter). For these companies, profits have been invested mainly to repair/replace some equipment or to develop some new production lines (Table 5-9).

**Table 5-9 Use of extra profits**

Higher profits	No	3	
	Yes	4	
Used for ...	Not at all	To some extent	To a large extent
...investments in repairs and/or replacements	0	2	1
...investments in expanding fixed technical capacity of processing	1	1	1
...investments in expanding the company	3	0	1
...investments in new production lines	1	2	0
...reducing debts	2	0	1
...increase of capital resources	0	1	1
Other	-	-	-

### 5.3 Market balance

The next question is "How did the following policy measures influence the demand and supply for your products since 2003?". All respondents consider that the (mentioned) EU policy measures (including the "reduction of trigger intervention price level from 2004/05 until 2007/08") did not have influence on the dairy products demand (Table 5-11). They consider that the demand depends on other more important factors like the purchasing power of households, innovation, competition between food products, etc.



None of the policy measures have negatively influenced the dairy products supply. Some of them induce an increasing of the supply, especially the three following measures: "the adjustment of the fat correction coefficient in 2009"; "the suspension of export refunds for butter and skimmed milk powder" and, obviously, "the annual increase in milk quotas (from 2006-2007)". In France, however, this impact has been limited because milk production has remained below the authorized level of the quota. This measure led to an increasing production of cheese and milk packaged in competing countries.

**Table 5-10 Effects of EU policy measures on demand and supply**

Effect		Supply		Demand	
yes	No	increase	decrease	increase	decrease
Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015					
0	7				
Confirmation in 2008 of the decision to abolish milk quotas in 2015					
2	5	1 Higher imports of conditioned milk	0 -	0 -	0 -
Annual milk quota increases since 2006/07					
7	0	7 Cheese, more cheese from north European countries	0 -	0 -	0 -
Changes in the regulation of milk quota transfer					
1	6	1	0 -	0 -	0 -
Adjustment of the fat correction coefficient in 2009					
3	4	3 Milk, cheese, butter, powder	0 -	0 -	0 -
Reduction of trigger intervention price level from 2004/05 until 2007/08					
2	4	2 More cheese and less SMP	0 -	0 -	0 -
Abolition of the private storage aid for cheese in 2009					
1	6	1 Cheese "spot"	0 -	0 -	0 -
Suspension of the processing aid for skimmed milk to casein					
2	5	2 Milk, cheese "spot", butter, powder	0 -	0 -	0 -
Reduction of the payments of the withdrawal scheme for butter and cream to zero in 2007					
1	6	1 Milk, cheese, butter, powder	0 -	0 -	0 -
Abolition of the withdrawal scheme for butter, concentrated butter and cream in 2009					
2	5	2 Milk, cheese "spot", butter, powder	0 -	0 -	0 -
Suspension of export refunds for butter and skimmed milk powder since 2010					
3	4	3 More cheese and less SMP, Butter powder	0 -	0 -	0 -

For five firms out of seven, the reduction of the over-quota levy had no influence on the amount of delivered milk. For two of them, they consider a slight positive influence. For the seven surveyed dairies, the private storage aid for butter had no influence on their production decision in 2009-2010 (only one firm used the storage aid for the butter). For the two dairies, the confirmation in 2008 to abolish milk quotas in 2015 and the annual 1% increase of milk quota had no real effect on their decision regarding milk processing. For the five others, this measure influences them positively to increase processing capacity.

Concerning the next question "do you expect higher raw milk deliveries to your company after the abolition of milk quotas in 2015", six dairies out of seven consider that it will be the case. The estimation of the additional volumes of milk is very difficult to predict because it depends on the evolution of the dairy market and the competition between companies and between countries. The directors of companies believe that the end of milk quotas should encourage many producers to produce more milk, but the introduction of contracts should contribute to regulate supply. For a company, located in Franche-Comté, the answer to that question is "no". This company, very specialized in cheese production, does not seek to collect more milk than what the market permits.

Concerning the question "did the recent (last four years) excess capacity in your individual production lines changed in comparison to 2003", the answers are quite heterogeneous across firms and dairy products. For the skimmed milk powder and the whole milk powder, no company has responded "yes, capacity increase". It is the case just for the cheese (DP4 and DP6) and the butter (DP4 and DP5), i.e. for milk products with a better added value.

## 5.4 Structure of processing industry

The first question in this section is “how did the following policy measures on the market regulation influenced structural developments in your company”? According to interviewees, the structural development of their company is primarily explained by factors not directly related to actions taken under the CMO milk and dairy products. The most important factors are: investment strategies, innovation in dairy products, quality of industrial processes, business impact of competitors, etc. The agricultural policy measures, however, affect the number of milk producers and the competition with international firms (mainly through tariffs). For at least six out of seven companies, the following measures had no impact on their structural development: private storage aid; butter, concentrated butter and cream withdrawal scheme; welfare milk scheme; school milk programme. For three enterprises out of seven, several measures had a positive impact on their development: the public intervention (especially for firms located in West of France); aids to the milk sector (in Franche-Comté the milk producers receive some important funds through the rural development program); import duties (protection against the international market); export refunds (only for firms which export on international market). For four enterprises out of seven, the milk quota system had a positive impact on their development. It has fostered stability in the sector (supply and price) and permitted to limit competition between companies (no trade of milk quota).

**Table 5-11 Impact of policy measures of market regulation on structural development**

EU-policy instruments	No impact	Company increased	Company decreased
Milk quota	2	4	1
Public intervention	4	3	0
Private storage aid	6	1	0
Aids in the milk and milk product sector	4	3	0
Butter, concentrated butter and cream withdrawal scheme	6	1	0
Welfare milk scheme	6	1	0
National aids in the milk product sector	4	3	0
Licence system	5	2	0
Tariff rate quotas	5	1	1
Import duties	4	3	0
State aids	5	2	0
Rural development programmes	5	2	0
School milk programme	7	0	0
Export refunds	4	3	0

The next question is complementary: “which of the following policy change since 2003 affected structural developments in your company” (Table 5-12). For most of the measures, the impact is considered low or zero. The two measures that had the most impact are: annual milk quota increases since 2006/07 (four enterprises out of seven: higher milk deliveries); confirmation in 2008 of the decision to abolish milk quotas in 2015 (anticipation of some investments to prepare the future). For two enterprises, located in West of France, the following measures play also a role on their structural development (less production of skimmed milk powder and development of cheese): reduction of trigger intervention price level from 2004/05 until 2007/08; suspension of the processing aid for skimmed milk to casein.

**Table 5-12 Effects of policy changes since 2003 on structural developments**

Policy measure	No effect	Effect
Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015	7	0
Confirmation in 2008 of the decision to abolish milk quotas in 2015	3	4
Annual milk quota increases since 2006/07	3	4
Changes in the regulation of milk quota transfer	7	0
Adjustment of the fat correction coefficient in 2009	6	1
Reduction of trigger intervention price level from 2004/05 until 2007/08	5	2
Abolition of the private storage aid for cheese in 2009	5	2
Suspension of the processing aid for skimmed milk to casein	5	2
Reduction of the payments of the withdrawal scheme for butter, concentrated butter and cream to zero in 2007	7	0
Abolition of the withdrawal scheme for butter, concentrated butter and cream in 2009	7	0
Suspension of processing aid in 2008	7	0
Suspension of export refunds for butter and skimmed milk powder since 2010	5	2

In France, there is no milk quota trade. So, all the enterprises reply “no” to the next question “did milk quota lead to reallocation of production plants operating by your company?”.

## 5.5 Competitiveness on international market

Only one dairy (out of seven) specifically produced skimmed milk powder for public intervention. For this enterprise, located in West of France, the intervention represents just 3% of the total production. In other words, it appears clearly that the system of public intervention does not play an important role in the commercial strategies of the surveyed dairy companies.

Between campaigns 2003-2004 and 2006-2007, three companies received export refunds, mainly for cheese and skimmed milk powder. This number declined in 2007-2008 (two companies) and in 2009-2010 (one). The decline of export refunds, which is part of the process of adapting the CAP to the multilateral rules of the WTO, is now integrated into the strategic thinking of the surveyed firms (Table 5-13). To adapt to this phenomenon, companies are looking to develop more differentiated dairy products to find clients without having to benefit to such public support. The growth of world demand, the soaring international prices and the reduction of price differentials between the EU and the main exporting countries (including New Zealand and Australia) permit to EU firms to develop their export without export refunds.

**Table 5-13 Application for export refunds**

Application for export refunds	Number	Butter	SMP	Cheese	Other
No	4	7	6	5 or 6	6
Yes					
2003/04	3	0	1	2	1
2004/05	3	0	1	2	1
2005/06	3	0	1	2	1
2006/07	3	0	1	2	1
2007/08	2	0	1	2	0
Since 2009/10	1	0	0	1	0

According to the surveyed dairies, some EU policy tools (Table 5-14) contributed to improve their competitiveness. In Franche-Comté (where we find a high proportion of cheese) and for the enterprise specialized in yoghurt, these measures seem to be not really important. For the other enterprises, the most important measures are: milk quota system, private public intervention, import duties and national aids in the milk sector (especially measures of the rural development program). Concerning the competitiveness on the international markets, just three enterprises replied (the others are not concerned). They consider that most of the mentioned measures have had a positive impact (notably export refunds), with the exception of two of them where the impact is neutral: welfare milk scheme, school milk programme.

**Table 5-14 Impact of policy on competitiveness on national and/or international markets**

EU-policy instruments	Competitiveness on National market			Competitiveness on International markets		
	Positive Impact	No Impact	Negative Impact	Positive Impact	No Impact	Negative Impact
Milk quota	3	3	0	2	0	1
Public intervention	3	3	0	2	1	0
Private storage aid	4	2	0	2	1	0
Aids in the milk and milk product sector	2	4	0	2	1	0
Butter, concentrated butter and cream withdrawal scheme	2	4	0	1	2	0
Welfare milk scheme	0	6	0	0	3	0
National aids in the milk product sector	3	3	0	3	0	0
Licence system	2	4	0	2	1	0
Tariff rate quotas	2	4	0	2	1	0
Import duties	3	3	0	2	1	0
State aids	2	4	0	2	1	0
Rural development programmes	3	3	0	3	0	0
School milk programme	0	6	0	0	3	0
Export refunds	0	6	0	3	0	0

Generally, the surveyed dairies believe that the policy changes applied since 2003 had no direct impact (or so low) on their exports of dairy products (Table 5-15). For that point, the most important measure is the reduction in institutional prices for butter and milk powder. The confirmation in 2008 of the decision to abolish milk quotas in 2015 invited some of them to increase their export. One enterprise, located in West of France, considers that the suspension of export refunds for butter and skimmed milk powder since 2010 had a negative impact for its exportations.

**Table 5-15 Effect of policy changes since 2003 on export volumes**

Policy measure	No effect	Increased exports	Decreased exports
Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015	3	1	0
Confirmation in 2008 of the decision to abolish milk quotas in 2015	3	1	0
Annual milk quota increases since 2006/07	4	0	0
Changes in the regulation of milk quota transfer	4	0	0
Adjustment of the fat correction coefficient in 2009	3	0	0
Reduction of trigger intervention price level from 2004/05 until 2007/08	2	2	0
Abolition of the private storage aid for cheese in 2009	4	0	0
Suspension of the processing aid for skimmed milk to casein	4	0	0
Reduction of the payments of the withdrawal scheme for butter, concentrated butter and cream to zero in 2007	4	0	0
Abolition of the withdrawal scheme for butter, concentrated butter and cream in 2009	3	1	0
Suspension of processing aid in 2008	3	1	0
Suspension of export refunds for butter and skimmed milk powder since 2010	3	0	1

The last question of this section is: "regarding policy payments which of the following policy measures contribute most to the competitiveness of your company since 2003?" (Table 5-16).

**Table 5-16 Impact of policy payments on competitiveness of the company**

Policy measure/ payment	Impact	
	No	Yes
Public intervention	0	3
Export refunds	0	3
Private storage aid	0	2
Direct payments for farmers	0	4
State aids	0	4
Rural development aids	0	2

All companies who responded to this question consider that the mentioned measures had a positive impact on the competitiveness of their company. According to the interviewed dairy representatives, it seems that direct payments to farmers play the most important economic role. Without the benefit of these subsidies, and taking into account production costs, it would be necessary to pay more for the delivered milk. In the region "Franche-Comté", more than in West France, aids granted under the Rural Development Program are essential to the income of producers. The measures to support the markets (export refunds, private storage and public intervention) are also an important issue for the sector's competitiveness.

## 5.6 Concluding remarks

It was appreciated by all representatives of the dairies participating in this survey that the changes in CMO rules were applied in a progressive way, because this permits to change step by step the firms' strategies. Four out of seven enterprises have achieved some better economic results during the period 2007-2008. These companies, located primarily in the West, have used the additional resources to expand their production capacity or to modernize their production lines. These investments have also been made in view of preparing their enterprise to the end of milk quotas. They believe, in fact, that milk deliveries will increase from 2015. As the milk quotas still exist, the milk supply is limited and the transfer of quotas among producers is organized according to rules set outside their company (administrative authorities and farmers' organizations).

The prices of dairy products sold by milk processors are more influenced by the competitors' strategies and the evolution of the international market than by changes of policy measures.

In recent years, the policy measure considered the most important was the decrease in intervention prices for butter and skimmed milk powder. This political decision has influenced some enterprises (mainly in West of France) to produce more and more other dairy products (especially cheese and dessert) with better added value. The decline of export refunds had a negative impact on the evolution of prices. Even if they consider that policy instruments are becoming less important, milk processors consider that it is necessary to maintain a safety net (intervention prices at a low level).

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## 7 Annex

### 7.1 Cost aggregation and income criteria

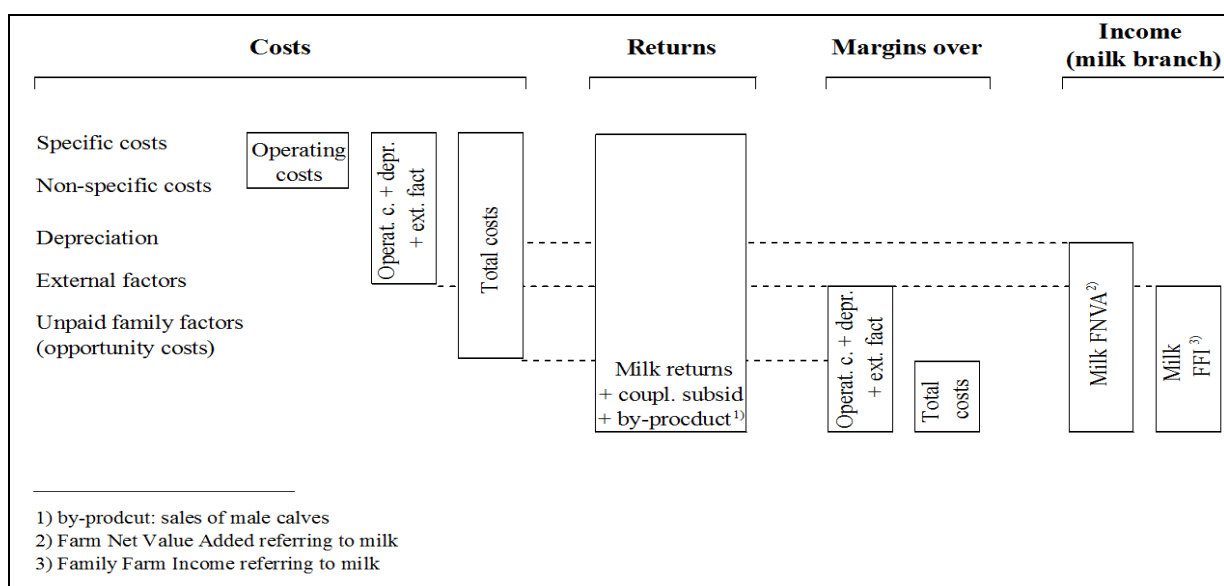
As in some EU Member States milk production in other than "specialized dairy farms" is quite considerable samples of farms have been build up in the study regions based on the following particular type of farming (SE085 > 0): TF n°41 "Specialist dairying"; TF n°43 "Cattle-dairying, rearing and fattening combined"; TF n°71 "Mixed livestock, mainly grazing livestock"; and TF n°81 "Field crops-grazing livestock combined". FADN data of the years 2003 to 2007 are used, of which unbalanced samples of specialised farms are selected.

Modifications are made with respect to handling inconsistencies in data and also with respect to the consideration of by-product "beef", which is important for farms having dual purpose type of dairy breeds. In case of inconsistent data observations were dropped. This is the case for calculated total costs of milk > 650 €/t.

As regards the farm revenues coupled milk premia were still included in the output value. Revenues of dairy related by-products, such as sales of beef and calves were taken into account. Coupled premiums for silage cereals (used for feeding dairy cows) were included in the by product revenues.

Calculations are realised on individual farm data but presented results are aggregated by different criteria, of which only regions, farm size (expressed by number of dairy cows), Less Favoured Area categories and Quartiles are used.

#### Scheme of cost aggregates and calculation of margins/incomes



For further details about the concepts used see as a reference "European Commission, Agriculture and Rural Development: EU dairy farms report 2010 based on FADN".

[http://ec.europa.eu/agriculture/rca/pdf/dairy\\_report\\_2010.pdf](http://ec.europa.eu/agriculture/rca/pdf/dairy_report_2010.pdf)



## 7.2 General inventory

### Raw milk

- Annex 2-1.** Population, surfaces and density of population
- Annex 2-2.** Land occupation in % of the total Usable agricultural area (% - All types of farms)
- Annex 2-3.** Farms, UAA and Agricultural work unit (All types of farms)
- Annex 2-4.** Contribution of the selected regions to the number of French dairy farms (all)
- Annex 2-5.** Dairy Farms distribution according to production systems (% in each region)
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- Annex 2-8.** Number of farms with dairy cows and number of dairy cows
- Annex 2-9.** Milk deliveries in France (millions liters)
- Annex 2-10.** Fat contents in France and selected regions (g/l)
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- Annex 2-12.** Distribution of the milk cell counts in France
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- Annex 2-17.** Milk producer prices in Franche-Comté according to enterprise in 2009 (€/t)
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- Annex 2-19.** Map of PDO cheese in Franche-Comté (production zone = blue part)

### Processing industry

- Annex 2-20.** Packaged milk – Share of the national production and number of industrial sites
- Annex 2-21.** Ultra fresh dairy product – Share of the production and number of industrial sites
- Annex 2-22.** Butter – Share of the national production and number of industrial sites
- Annex 2-23.** Milk powder – Share of the national production and number of industrial sites
- Annex 2-24.** Whey powder – Share of the national production and number of industrial sites
- Annex 2-25.** Soft cheese – Share of the national production and number of industrial sites
- Annex 2-26.** Cheese Emmental – Share of the national production and number of industrial sites
- Annex 2-27.** Uncooked pressed cheese – Share of the national production and number of sites
- Annex 2-28.** French trade of dairy products in value 2000-2010 (total, million €)
- Annex 2-29.** French trade of cheese in value 2000-2010 (million €)
- Annex 2-30.** French trade of yoghurt and dessert in value 2000-2010 (million €)
- Annex 2-31.** French trade of butter in value 2000-2010 (million €)
- Annex 2-32.** French trade of cream in value 2000-2010 (million €)
- Annex 2-33.** French trade of liquid milk in value 2000-2010 (million €)
- Annex 2-34.** French trade of cheese in volume 2000-2010 (thousand tons)
- Annex 2-35.** French trade in milk powder (small packaging) in volume 2000-2010 (thousand tons)
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- Annex 2-37.** French trade of whole milk powder in volume 2000-2010 (thousand tons)
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- Annex 2-40.** French production of dairy products (tons)
- Annex 2-41.** French production of drinking milk (million liters)
- Annex 2-42.** French production of cheese (thousand tons)
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- Annex 2-46.** French production of whole milk powder (thousand tons)
- Annex 2-47.** French production of whey powder (thousand tons)
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- Annex 2-49.** French price of pasteurized butter in bulk (€ per kg)
- Annex 2-50.** French price of skimmed milk powder for human consumption (€ per kg)
- Annex 2-51.** French price of skimmed milk powder for animal consumption (€ per kg)
- Annex 2-52.** French price of whole milk powder (€ per kg)
- Annex 2-53.** French price of powder for animal consumption (€ per kg)
- Annex 2-54.** French price for the cheese "Comté" (€ per kg)
- Annex 2-55.** Production of milk and the milk quota in UE in 2009-2010 (thousand tons)
- Annex 2-56.** The French Rural Development National Plan 2007-2013 (millions euros)

## Annex 2-1. Population, surfaces and density of population

	Population (millions)			Total surface (millions ha)	UAA in % of the total surface	Density of population		
	1975	2009	2040 estimation			1975	2009	2040 estimation
<b>Bretagne</b>	<b>2,60</b>	<b>3,17</b>	<b>3,87</b>	<b>2,75</b>	<b>60%</b>	<b>94</b>	<b>115</b>	<b>141</b>
- Côtes-d'Armor	0,53	0,59	0,68	0,70	63%	75	84	98
- Finistère	0,80	0,89	1,04	0,68	58%	118	132	153
- Ille-et-Vilaine	0,70	0,98	1,25	0,69	66%	102	143	182
- Morbihan	0,56	0,72	0,90	0,69	55%	82	104	131
<b>Basse-Normandie</b>	<b>1,31</b>	<b>1,47</b>	<b>1,57</b>	<b>1,77</b>	<b>69%</b>	<b>74</b>	<b>83</b>	<b>89</b>
- Calvados	0,56	0,68	0,76	0,56	69%	100	122	135
- Manche	0,45	0,50	0,52	0,60	74%	75	83	87
- Orne	0,29	0,29	0,29	0,61	66%	48	47	48
<b>Pays de la Loire</b>	<b>2,77</b>	<b>3,54</b>	<b>4,39</b>	<b>3,24</b>	<b>66%</b>	<b>85</b>	<b>109</b>	<b>135</b>
- Loire-Atlantique	0,93	1,27	1,63	0,70	60%	134	182	234
- Maine-et-Loire	0,63	0,78	0,94	0,72	66%	87	108	130
- Mayenne	0,26	0,30	0,34	0,52	76%	50	58	65
- Sarthe	0,49	0,56	0,64	0,62	60%	79	90	102
- Vendée	0,45	0,62	0,84	0,68	71%	67	92	125
<b>Franche-Comté</b>	<b>1,06</b>	<b>1,17</b>	<b>1,27</b>	<b>1,63</b>	<b>41%</b>	<b>65</b>	<b>72</b>	<b>78</b>
- Doubs	0,47	0,53	0,58	0,53	41%	90	100	110
- Jura	0,24	0,26	0,28	0,50	37%	47	52	56
- Haute-Saône	0,22	0,24	0,26	0,54	44%	41	44	49
- T. de Belfort	0,13	0,14	0,15	0,06	33%	210	233	242
<b>France</b>	<b>53,76</b>	<b>64,67</b>	<b>73,20</b>	<b>55,45</b>	<b>54%</b>	<b>97</b>	<b>117</b>	<b>132</b>

Sources: INSEE

## Annex 2-2. Land occupation in % of the total Usable agricultural area (% - All types of farms)

	Arable land	Cereals	Oilseeds	Protein crops	Annual fodder	Grassland (total)	Permanent grassland
<b>Bretagne</b>	<b>92,0%</b>	<b>35,2%</b>	<b>1,8%</b>	<b>0,2%</b>	<b>20,5%</b>	<b>28,8%</b>	<b>7,8%</b>
- Côtes-d'Armor	94,9%	39,0%	2,1%	0,3%	20,8%	28,1%	5,0%
- Finistère	91,0%	31,0%	1,0%	0,1%	22,0%	28,9%	8,8%
- Ille-et-Vilaine	91,3%	35,5%	2,4%	0,3%	21,4%	29,0%	8,2%
- Morbihan	90,2%	35,0%	1,7%	0,2%	17,5%	29,4%	9,5%
<b>Basse-Normandie</b>	<b>53,7%</b>	<b>22,8%</b>	<b>3,3%</b>	<b>0,8%</b>	<b>15,8%</b>	<b>8,1%</b>	<b>46,0%</b>
- Calvados	55,8%	28,3%	4,6%	1,9%	11,1%	4,8%	43,7%
- Manche	48,8%	12,2%	0,2%	0,1%	22,0%	12,6%	51,0%
- Orne	57,1%	29,3%	5,5%	0,7%	13,6%	6,4%	42,7%
<b>Pays de la Loire</b>	<b>75,2%</b>	<b>30,9%</b>	<b>4,5%</b>	<b>0,5%</b>	<b>12,7%</b>	<b>24,0%</b>	<b>22,4%</b>
- Loire-Atlantique	76,2%	22,6%	2,4%	0,3%	12,5%	35,6%	19,8%
- Maine-et-Loire	72,3%	30,1%	4,7%	0,6%	8,8%	24,4%	21,8%
- Mayenne	76,1%	28,3%	3,4%	0,5%	19,6%	23,5%	23,7%
- Sarthe	70,9%	40,5%	7,6%	0,6%	8,6%	10,5%	28,4%
- Vendée	79,9%	33,7%	4,8%	0,3%	14,1%	24,4%	19,5%
<b>Franche-Comté</b>	<b>45,2%</b>	<b>21,8%</b>	<b>5,8%</b>	<b>0,1%</b>	<b>3,2%</b>	<b>13,1%</b>	<b>54,4%</b>
- Doubs	32,4%	11,5%	1,4%	0,0%	2,1%	17,1%	67,6%
- Jura	46,2%	21,7%	6,3%	0,1%	1,7%	14,7%	52,5%
- Haute-Saône	55,3%	30,5%	9,6%	0,1%	5,2%	8,3%	44,4%
- T. de Belfort	52,5%	31,3%	3,1%	0,0%	6,5%	10,5%	47,4%
<b>France</b>	<b>66,6%</b>	<b>34,4%</b>	<b>8,3%</b>	<b>0,7%</b>	<b>5,5%</b>	<b>11,6%</b>	<b>29,5%</b>

Sources: SSP – Agricultural annual statistics

## Annex 2-3. Farms, UAA and Agricultural work unit (All types of farms)

	Farms (all types of farming)		Agricultural area (ha)		Agricultural work unit	
	2000	2007	2000	2007	2000	2007
<b>Bretagne</b>	<b>51 210</b>	<b>37 658</b>	<b>1 690 110</b>	<b>1 658 101</b>	<b>75 205</b>	<b>61 553</b>
- Côtes-d'Armor	13 399	9 763	452 908	441 292	20 265	16 564
- Finistère	11 280	8 621	386 029	384 750	20 306	17 533
- Ille-et-Vilaine	14 758	10 923	468 852	457 066	19 523	15 352
- Morbihan	11 774	8 350	382 320	374 993	15 112	12 104
<b>Basse-Normandie</b>	<b>35 759</b>	<b>24 721</b>	<b>1 273 766</b>	<b>1 224 986</b>	<b>41 587</b>	<b>32 347</b>
- Calvados	9 100	6 554	398 390	379 793	12 133	9 722
- Manche	18 240	11 831	461 046	433 031	18 395	13 422
- Orne	8 419	6 335	414 330	412 161	11 059	9 203
<b>Pays de la Loire</b>	<b>53 466</b>	<b>39 062</b>	<b>2 166 799</b>	<b>2 174 460</b>	<b>83 418</b>	<b>69 404</b>
- Loire-Atlantique	11 034	7 549	418 497	417 012	16 798	14 479
- Maine-et-Loire	12 538	9 201	472 332	492 205	25 713	21 980
- Mayenne	11 528	8 779	413 282	408 495	14 077	11 736
- Sarthe	7 993	5 935	384 972	376 005	11 051	8 443
- Vendée	10 372	7 599	477 716	480 743	15 779	12 766
<b>Franche-Comté</b>	<b>12 918</b>	<b>9 870</b>	<b>664 882</b>	<b>663 436</b>	<b>17 143</b>	<b>14 631</b>
- Doubs	4 305	3 399	217 976	220 413	6 318	5 616
- Jura	4 272	3 222	188 414	188 768	5 411	4 529
- Haute-Saône	3 726	2 817	237 945	233 980	4 757	4 027
- T. de Belfort	616	432	20 547	20 274	658	460
<b>France</b>	<b>694 559</b>	<b>527 351</b>	<b>27 909 700</b>	<b>27 476 927</b>	<b>990 812</b>	<b>814 821</b>

Sources: SSP – Farm structure survey (2000 and 2007)

## Annex 2-4. Contribution of the selected regions to the number of French dairy farms (all)

	2000	2001	2002	2003	2004	2005	2006	2 007	2 008	2 009
<b>Bretagne</b>	<b>18,4%</b>	<b>18,5%</b>	<b>18,5%</b>	<b>18,5%</b>	<b>18,5%</b>	<b>18,7%</b>	<b>18,5%</b>	<b>18,5%</b>	<b>18,7%</b>	<b>19,0%</b>
- Côtes-d'Armor	4,7%	4,7%	4,7%	4,7%	4,8%	4,8%	4,8%	4,8%	4,8%	4,7%
- Finistère	3,8%	3,9%	3,9%	3,9%	3,9%	3,9%	3,9%	4,0%	4,0%	4,1%
- Ille-et-Vilaine	5,9%	7,6%	5,9%	5,9%	5,9%	5,9%	5,8%	5,7%	6,0%	6,1%
- Morbihan	3,9%	4,0%	4,0%	4,0%	4,0%	4,1%	4,0%	4,0%	3,9%	4,0%
<b>Basse-Normandie</b>	<b>10,9%</b>	<b>10,7%</b>	<b>10,6%</b>	<b>10,8%</b>	<b>10,6%</b>	<b>10,6%</b>	<b>10,7%</b>	<b>10,6%</b>	<b>10,6%</b>	<b>10,5%</b>
- Calvados	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,4%	2,4%	2,4%
- Manche	5,8%	5,6%	5,6%	5,7%	5,5%	5,5%	5,6%	5,5%	5,6%	5,5%
- Orne	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%	2,6%
<b>Pays de la Loire</b>	<b>13,0%</b>	<b>13,0%</b>	<b>13,1%</b>	<b>13,2%</b>	<b>13,3%</b>	<b>13,3%</b>	<b>13,2%</b>	<b>13,3%</b>	<b>13,1%</b>	<b>13,3%</b>
- Loire-Atlantique	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	2,9%	3,1%
- Maine-et-Loire	2,4%	2,4%	2,5%	2,5%	2,5%	2,5%	2,5%	2,5%	2,4%	2,4%
- Mayenne	4,5%	4,5%	4,5%	4,6%	4,6%	4,7%	4,6%	4,7%	4,6%	4,7%
- Sarthe	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%	1,5%
- Vendée	1,7%	1,7%	1,7%	1,7%	1,7%	1,7%	1,7%	1,7%	1,6%	1,6%
<b>Franche-Comté</b>	<b>4,9%</b>	<b>5,0%</b>	<b>5,0%</b>	<b>5,1%</b>	<b>5,2%</b>	<b>5,2%</b>	<b>5,3%</b>	<b>5,4%</b>	<b>5,6%</b>	<b>5,7%</b>
- Doubs	2,3%	2,4%	2,4%	2,4%	2,5%	2,6%	2,6%	2,7%	2,8%	2,9%
- Jura	1,3%	1,3%	1,3%	1,3%	1,3%	1,3%	1,3%	1,3%	1,4%	1,4%
- Haute-Saône	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,2%	1,3%
- T. de Belfort	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
<b>France</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector (all dairy farms with deliveries)

## Annex 2-5. Dairy Farms distribution according to production systems (% in each region)

	2000	2001	2002	2003	2004	2005	2006	2 007
More than 30%	39%	40%	42%	42%	40%	39%	38%	40%
10% to 30%	36%	35%	33%	32%	34%	32%	32%	32%
Less than 10%	4%	3%	3%	3%	4%	4%	5%	5%
Diversified farms	21%	22%	22%	22%	22%	25%	24%	23%
<b>West of France</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	50%	50%	51%	58%	56%	49%	49%	55%
10% to 30%	22%	22%	21%	16%	18%	18%	18%	15%
Less than 10%	2%	1%	1%	2%	2%	2%	2%	1%
Diversified farms	26%	28%	27%	25%	24%	31%	31%	29%
<b>Bretagne</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	27%	34%	39%	29%	29%	27%	26%	30%
10% to 30%	53%	51%	47%	54%	56%	51%	51%	50%
Less than 10%	11%	7%	5%	5%	4%	9%	10%	8%
Diversified farms	9%	8%	10%	12%	11%	14%	13%	12%
<b>Basse-Normandie</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	31%	31%	34%	27%	24%	33%	30%	27%
10% to 30%	44%	42%	40%	43%	43%	37%	39%	42%
Less than 10%	2%	4%	3%	5%	5%	4%	7%	7%
Diversified farms	23%	23%	23%	25%	29%	25%	25%	24%
<b>Pays de la Loire</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	0%	0%	0%	1%	2%	1%	2%	1%
10% to 30%	12%	10%	10%	11%	12%	14%	13%	11%
Less than 10%	75%	77%	77%	76%	74%	67%	67%	73%
Diversified farms	13%	13%	13%	11%	12%	19%	18%	15%
<b>Franche-Comté</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	11%	13%	12%	14%	13%	12%	12%	10%
10% to 30%	23%	22%	21%	20%	21%	22%	23%	20%
Less than 10%	26%	27%	29%	28%	27%	26%	25%	28%
Diversified farms	40%	37%	38%	39%	39%	41%	41%	41%
<b>Other regions</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	22%	24%	25%	26%	25%	23%	22%	22%
10% to 30%	28%	27%	26%	25%	26%	26%	26%	24%
Less than 10%	19%	19%	20%	20%	19%	19%	19%	21%
Diversified farms	30%	29%	29%	30%	30%	33%	33%	33%
<b>France</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Sources: SSP – French FADN 2000-2007

(\*) The dairy farms are distributed in 4 types

- 1- Type of Farming 41 or 43 and fodder maize represents more than 30% of the total fodder surface (including grassland)
- 2- Type of Farming 41 or 43 and fodder maize represents 10% to 30% of the total fodder surface (including grassland)
- 3- Type of Farming 41 or 43 and fodder maize represents less than 10% of the total fodder surface (including grassland)
- 4- Farms with milk deliveries but not classified in the type of farming 41 or 43

## Annex 2-6. Distribution of Milk production according to production system (% in each region)

	2000	2001	2002	2003	2004	2005	2006	2 007
More than 30%	44%	46%	47%	47%	45%	43%	41%	44%
10% to 30%	31%	29%	28%	27%	29%	28%	28%	28%
Less than 10%	3%	3%	2%	3%	3%	3%	4%	4%
Diversified farms	22%	22%	23%	22%	23%	26%	26%	25%
<b>West of France</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	52%	53%	54%	59%	58%	51%	51%	56%
10% to 30%	19%	19%	18%	17%	18%	17%	16%	13%
Less than 10%	3%	1%	1%	2%	1%	1%	1%	1%
Diversified farms	27%	27%	27%	23%	23%	31%	32%	29%
<b>Bretagne</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	37%	41%	44%	38%	38%	33%	31%	34%
10% to 30%	47%	44%	41%	45%	44%	45%	46%	45%
Less than 10%	6%	6%	4%	5%	5%	7%	9%	7%
Diversified farms	10%	9%	11%	13%	14%	15%	14%	14%
<b>Basse-Normandie</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	38%	39%	40%	32%	28%	38%	34%	30%
10% to 30%	36%	32%	32%	33%	37%	32%	33%	38%
Less than 10%	1%	3%	3%	4%	4%	4%	6%	5%
Diversified farms	25%	25%	25%	30%	31%	27%	26%	26%
<b>Pays de la Loire</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	0%	0%	0%	3%	3%	1%	3%	2%
10% to 30%	14%	13%	13%	14%	15%	16%	15%	12%
Less than 10%	69%	71%	70%	69%	67%	61%	61%	67%
Diversified farms	17%	16%	17%	15%	16%	22%	21%	19%
<b>Franche-Comté</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	15%	18%	16%	18%	17%	16%	15%	14%
10% to 30%	24%	22%	21%	21%	22%	22%	23%	22%
Less than 10%	19%	19%	21%	19%	19%	18%	18%	20%
Diversified farms	42%	41%	42%	42%	43%	44%	44%	45%
<b>Other regions</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
More than 30%	28%	30%	30%	31%	30%	27%	26%	26%
10% to 30%	27%	25%	24%	24%	25%	24%	25%	24%
Less than 10%	14%	14%	14%	14%	14%	14%	14%	15%
Diversified farms	32%	31%	32%	32%	32%	35%	35%	35%
<b>France</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Sources: SSP – French FADN 2000-2007

(\*) The dairy farms are distributed in 4 types

- 5- Type of Farming 41 or 43 and fodder maize represents more than 30% of the total fodder surface (including grassland)
- 6- Type of Farming 41 or 43 and fodder maize represents 10% to 30% of the total fodder surface (including grassland)
- 7- Type of Farming 41 or 43 and fodder maize represents less than 10% of the total fodder surface (including grassland)
- 8- Farms with milk deliveries but not classified in the type of farming 41 or 43

## Annex 2-7. Milk production in % of the total agricultural production

	2000	2001	2002	2003	2004	2005	2006	2 007	2 008	2 009
<b>West of France</b>	<b>22%</b>	<b>22%</b>	<b>23%</b>	<b>22%</b>	<b>21%</b>	<b>21%</b>	<b>19%</b>	<b>20%</b>	<b>23%</b>	<b>19%</b>
<b>Bretagne</b>	<b>21%</b>	<b>21%</b>	<b>22%</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>	<b>22%</b>	<b>18%</b>
- Côtes-d'Armor	18%	17%	18%	18%	18%	18%	16%	17%	19%	15%
- Finistère	18%	17%	18%	18%	18%	18%	17%	17%	19%	16%
- Ille-et-Vilaine	29%	29%	30%	28%	28%	27%	25%	25%	29%	25%
- Morbihan	22%	21%	22%	21%	21%	21%	20%	20%	22%	18%
<b>Basse-Normandie</b>	<b>35%</b>	<b>36%</b>	<b>36%</b>	<b>35%</b>	<b>34%</b>	<b>33%</b>	<b>30%</b>	<b>31%</b>	<b>34%</b>	<b>30%</b>
- Calvados	30%	30%	30%	29%	29%	28%	25%	25%	28%	26%
- Manche	41%	41%	42%	40%	40%	38%	36%	37%	41%	36%
- Orne	32%	32%	32%	31%	30%	30%	27%	27%	29%	26%
<b>Pays de la Loire</b>	<b>18%</b>	<b>19%</b>	<b>18%</b>	<b>18%</b>	<b>17%</b>	<b>17%</b>	<b>15%</b>	<b>16%</b>	<b>18%</b>	<b>15%</b>
- Loire-Atlantique	24%	24%	24%	23%	22%	22%	20%	21%	25%	21%
- Maine-et-Loire	13%	13%	13%	12%	12%	12%	11%	11%	13%	11%
- Mayenne	33%	33%	33%	32%	30%	29%	26%	27%	31%	26%
- Sarthe	16%	16%	15%	15%	15%	14%	13%	13%	15%	13%
- Vendée	12%	12%	12%	11%	11%	11%	10%	10%	12%	10%
<b>Franche-Comté</b>	<b>40%</b>	<b>41%</b>	<b>41%</b>	<b>41%</b>	<b>38%</b>	<b>39%</b>	<b>36%</b>	<b>34%</b>	<b>37%</b>	<b>39%</b>
- Doubs	53%	53%	54%	54%	51%	50%	48%	47%	50%	51%
- Jura	34%	36%	36%	37%	33%	34%	33%	30%	32%	36%
- Haute-Saône	31%	33%	31%	31%	29%	29%	26%	25%	28%	26%
- T. de Belfort	37%	37%	37%	37%	32%	32%	32%	28%	34%	31%
<b>France</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>	<b>11%</b>

Sources: SSP – Comptes de l'agriculture

## Annex 2-8. Number of farms with dairy cows and number of dairy cows

	Dairy farms			Dairy cows		
	2 000	2 007	Variation	2 000	2 007	Variation
<b>France</b>	<b>129 332</b>	<b>93 115</b>	<b>-36 217</b>	<b>4 198 659</b>	<b>3 814 628</b>	<b>-384 031</b>
1 to 19 heads	33 390	13 902	-19 488	331 517	139 139	-192 378
20 to 29 heads	26 706	14 717	-11 989	651 896	362 559	-289 337
30 to 39 heads	29 891	20 844	-9 047	1 011 495	709 239	-302 256
40 to 49 heads	17 087	16 620	-467	739 703	727 157	-12 546
50 to 69 heads	15 429	16 597	1 168	879 069	952 743	73 674
More 70 heads	6 830	10 435	3 605	584 979	923 791	338 812
<b>West of France</b>	<b>51 457</b>	<b>38 242</b>	<b>-13 215</b>	<b>1 820 569</b>	<b>1 689 713</b>	<b>-130 856</b>
1 to 19 heads	9 277	3 396	-5 881	106 367	39 124	-67 243
20 to 29 heads	10 305	4 918	-5 387	254 206	122 921	-131 285
30 to 39 heads	13 790	9 331	-4 459	467 191	319 948	-147 243
40 to 49 heads	8 153	8 166	13	352 606	357 645	5 039
50 to 69 heads	7 091	7 816	725	403 441	449 246	45 805
More 70 heads	2 841	4 615	1 774	236 759	400 828	164 069
<b>Bretagne</b>	<b>22 711</b>	<b>16 786</b>	<b>-5 925</b>	<b>775 697</b>	<b>715 576</b>	<b>-60 121</b>
1 to 19 heads	3 639	1 441	-2 198	41 455	15 309	-26 146
20 to 29 heads	4 899	2 059	-2 840	121 305	51 788	-69 517
30 to 39 heads	7 081	4 553	-2 528	239 515	156 522	-82 993
40 to 49 heads	3 572	3 876	304	153 718	170 244	16 526
50 to 69 heads	2 653	3 306	653	150 215	189 458	39 243
More 70 heads	866	1 551	685	69 489	132 254	62 765
<b>Basse-Normandie</b>	<b>13 037</b>	<b>9 613</b>	<b>-3 424</b>	<b>494 859</b>	<b>463 674</b>	<b>-31 185</b>
1 to 19 heads	2 728	859	-1 869	30 509	10 245	-20 264
20 to 29 heads	2 119	1 021	-1 098	52 010	25 316	-26 694
30 to 39 heads	2 507	1 775	-732	85 921	60 636	-25 285
40 to 49 heads	2 146	1 941	-205	93 178	84 926	-8 252
50 to 69 heads	2 394	2 300	-94	136 481	132 643	-3 838
More 70 heads	1 144	1 716	572	96 761	149 908	53 147
<b>Pays de la Loire</b>	<b>15 709</b>	<b>11 843</b>	<b>-3 866</b>	<b>550 013</b>	<b>510 463</b>	<b>-39 550</b>
1 to 19 heads	2 910	1 096	-1 814	34 403	13 570	-20 833
20 to 29 heads	3 287	1 838	-1 449	80 891	45 817	-35 074
30 to 39 heads	4 202	3 003	-1 199	141 755	102 790	-38 965
40 to 49 heads	2 435	2 349	-86	105 710	102 475	-3 235
50 to 69 heads	2 044	2 210	166	116 745	127 145	10 400
More 70 heads	831	1 348	517	70 509	118 666	48 157
<b>Franche-Comté</b>	<b>5 989</b>	<b>4 794</b>	<b>-1 195</b>	<b>211 352</b>	<b>196 227</b>	<b>-15 125</b>
1 to 19 heads	817	359	-458	10 137	4 513	-5 624
20 to 29 heads	1 474	961	-513	36 558	24 388	-12 170
30 to 39 heads	1 802	1 406	-396	60 810	47 377	-13 433
40 to 49 heads	871	826	-45	37 853	36 079	-1 774
50 to 69 heads	790	808	18	45 259	46 077	818
More 70 heads	236	434	198	20 735	37 794	17 059

Sources: Farm structure survey, 2000 and 2007

## Annex 2-9. Milk deliveries in France (millions liters)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	2 007	1 943	2 113	2 116	2 150	1 853	1 721	1 631	1 615	1 768	1 757	1 942	<b>22 618</b>
2001	2 005	1 861	2 070	2 057	2 111	1 885	1 726	1 651	1 615	1 803	1 823	1 948	<b>22 556</b>
2002	2 031	1 870	2 042	2 178	2 200	1 920	1 786	1 673	1 656	1 816	1 826	1 953	<b>22 951</b>
2003	1 972	1 781	1 951	2 141	2 202	1 886	1 729	1 606	1 628	1 803	1 791	1 936	<b>22 424</b>
2004	1 971	1 848	1 895	2 080	2 093	1 805	1 672	1 608	1 654	1 799	1 837	1 979	<b>22 241</b>
2005	2 053	1 873	2 024	2 131	2 121	1 862	1 737	1 666	1 644	1 805	1 822	1 929	<b>22 666</b>
2006	1 981	1 794	1 916	2 045	2 090	1 846	1 701	1 635	1 646	1 815	1 823	1 944	<b>22 235</b>
2007	1 999	1 825	2 012	2 056	2 012	1 767	1 704	1 642	1 629	1 804	1 843	2 019	<b>22 312</b>
2008	2 137	2 069	2 200	2 105	2 136	1 859	1 765	1 670	1 660	1 793	1 783	1 943	<b>23 122</b>
2009	2 007	1 831	2 020	2 080	2 052	1 847	1 747	1 659	1 560	1 745	1 751	1 901	<b>22 201</b>
2010	1 953	1 809	2 016	2 049	2 112	1 910	1 788	1 735	1 740	1 885	1 860	1 968	<b>22 826</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

## Annex 2-10. Fat contents in France and selected regions (g/l)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>France</b>													
2000	43,2	42,7	42,2	41,9	40,8	40,4	40,7	40,8	41,7	42,7	43,6	43,1	<b>42,0</b>
2001	43,1	42,7	42,5	42,0	40,9	40,4	40,8	40,8	42,2	42,7	43,5	44,2	<b>42,1</b>
2002	43,8	42,7	42,5	41,1	40,7	40,5	40,7	41,2	42,0	42,7	43,2	43,4	<b>42,0</b>
2003	43,3	43,2	42,2	40,8	40,3	39,8	40,3	40,2	42,1	43,2	43,9	43,9	<b>41,9</b>
2004	43,3	42,7	42,8	41,3	40,2	40,1	40,8	41,1	41,9	42,7	43,2	43,6	<b>42,0</b>
2005	42,9	42,8	42,8	41,1	40,3	40,1	40,3	41,0	41,7	42,4	42,9	43,8	<b>41,8</b>
2006	43,3	43,2	42,9	41,5	40,2	39,9	39,8	40,8	41,5	42,0	42,4	43,0	<b>41,7</b>
2007	42,5	42,0	41,8	40,7	40,2	40,0	40,3	40,6	41,4	42,1	43,1	43,1	<b>41,5</b>
2008	42,3	41,8	41,8	41,3	40,1	40,0	40,1	40,7	41,6	42,3	42,9	42,9	<b>41,5</b>
2009	42,8	42,2	41,5	40,6	40,0	39,9	40,0	40,4	41,6	42,3	42,7	42,8	<b>41,4</b>
2010	42,8	42,5	42,1	40,7	39,8	40,0	39,9	40,8	41,8	42,5	43,1	43,5	<b>41,7</b>
<b>Bretagne</b>													
2000	45,0	44,2	43,0	42,9	41,6	40,9	41,1	41,6	42,9	44,3	45,4	44,9	<b>43,1</b>
2001	44,9	44,2	43,8	42,8	41,3	40,6	41,4	41,7	43,5	44,7	45,2	46,1	<b>43,3</b>
2002	45,6	44,3	43,4	41,4	41,0	40,9	41,1	41,7	42,9	44,1	44,6	45,0	<b>43,0</b>
2003	44,9	44,7	43,2	41,0	40,9	40,4	40,9	41,1	43,3	44,9	45,5	45,5	<b>43,0</b>
2004	44,8	43,9	43,8	41,5	40,3	40,2	41,2	41,7	42,8	44,0	44,2	44,7	<b>42,8</b>
2005	44,2	44,1	43,5	41,5	40,7	40,3	40,9	41,8	42,6	43,4	43,9	44,7	<b>42,6</b>
2006	44,5	44,2	43,8	41,7	40,6	40,0	40,3	41,7	42,3	43,0	43,3	44,1	<b>42,5</b>
2007	43,7	43,0	42,4	40,9	40,7	40,3	40,5	42,3	41,8	42,9	44,0	44,3	<b>42,2</b>
2008	43,4	42,7	42,6	41,6	40,7	40,2	40,5	41,6	42,5	43,5	44,1	44,1	<b>42,3</b>
2009	43,9	43,0	42,1	41,0	40,5	40,2	40,6	41,4	42,6	43,2	43,6	43,8	<b>42,1</b>
2010	43,8	43,2	42,6	40,7	39,8	40,0	40,2	41,3	42,4	43,3	43,9	44,9	<b>42,2</b>
<b>Basse-Normandie</b>													
2000	45,1	44,6	44,2	43,6	42,5	41,8	42,1	42,1	43,1	44,1	45,2	44,4	<b>43,5</b>
2001	44,7	44,4	44,2	43,3	42,2	41,4	41,8	41,9	43,2	43,8	44,5	45,7	<b>43,4</b>
2002	45,3	44,4	44,2	42,2	42,0	41,8	41,8	42,2	42,9	43,6	44,6	44,9	<b>43,3</b>
2003	44,9	44,8	43,8	42,2	41,7	41,3	41,3	41,2	43,2	44,5	45,3	45,4	<b>43,3</b>
2004	44,9	44,7	44,7	42,5	41,4	41,1	41,7	41,8	42,8	43,7	44,1	44,6	<b>43,2</b>
2005	44,0	43,9	44,1	42,2	41,3	41,0	41,1	41,8	42,4	43,0	43,7	45,0	<b>42,8</b>
2006	44,5	44,4	44,4	42,7	41,3	40,8	40,7	41,7	42,5	42,7	43,2	43,9	<b>42,7</b>
2007	43,5	43,1	43,0	41,6	41,1	40,8	41,3	41,5	42,0	42,7	43,8	44,2	<b>42,4</b>
2008	43,4	43,0	43,0	42,4	41,1	40,8	41,1	41,6	42,6	43,2	43,7	43,8	<b>42,5</b>
2009	43,9	43,4	42,8	41,6	40,8	40,6	40,8	41,0	42,2	42,7	43,0	43,4	<b>42,2</b>
2010	43,6	43,1	43,0	41,5	40,4	40,5	40,5	41,5	42,3	43,0	43,5	44,4	<b>42,3</b>
<b>Pays de la Loire</b>													
2000	44,4	43,8	43,0	42,4	41,5	41,3	41,5	41,9	42,8	43,9	44,6	44,3	<b>42,9</b>
2001	44,3	43,8	43,7	42,9	41,6	41,1	41,8	41,8	43,5	44,0	44,6	45,5	<b>43,2</b>
2002	44,9	43,8	43,5	41,3	41,2	41,4	42,1	43,0	43,5	43,8	44,1	44,2	<b>43,0</b>
2003	44,1	43,9	42,6	40,6	40,6	40,4	41,4	41,2	43,3	44,4	44,9	44,8	<b>42,7</b>
2004	44,1	43,6	43,2	41,1	40,3	40,6	41,9	42,5	43,1	43,9	44,2	44,7	<b>42,8</b>
2005	43,9	43,8	43,7	40,9	40,5	40,7	41,5	42,3	42,9	43,4	43,8	44,6	<b>42,7</b>
2006	44,2	44,1	43,7	41,7	40,3	40,4	40,6	42,1	42,6	42,9	43,3	44,2	<b>42,5</b>
2007	44,0	43,1	42,7	40,9	40,8	40,9	41,3	41,7	42,5	43,3	44,1	43,7	<b>42,4</b>
2008	43,0	42,5	43,3	41,9	40,6	40,6	40,9	41,7	42,6	43,0	43,3	43,5	<b>42,2</b>
2009	43,4	41,7	41,9	40,7	40,3	40,4	40,9	41,5	42,7	43,2	43,5	43,7	<b>42,0</b>
2010	43,6	43,2	42,9	41,0	40,1	40,6	40,9	42,2	43,1	43,7	44,3	45,3	<b>42,6</b>
<b>Franche-Comté</b>													
2000	40,8	40,3	40,2	39,8	38,5	38,7	39,0	39,0	40,1	41,2	41,9	41,2	<b>40,1</b>
2001	40,9	40,5	40,1	40,2	39,5	38,9	38,9	38,9	40,9	40,9	41,7	42,0	<b>40,3</b>
2002	41,7	40,4	40,5	39,6	39,2	38,7	38,9	39,4	40,7	41,6	41,9	41,2	<b>40,3</b>
2003	41,2	41,0	40,3	39,5	38,6	38,1	38,2	38,4	40,5	41,2	42,0	42,0	<b>40,1</b>
2004	41,5	40,8	40,6	39,3	38,3	38,7	38,6	38,9	39,8	40,9	41,8	42,0	<b>40,1</b>
2005	41,4	41,0	41,1	40,0	38,8	38,6	38,9	39,5	40,6	41,1	41,8	42,3	<b>40,4</b>
2006	41,5	41,2	41,1	40,4	39,2	38,3	38,4	39,2	39,5	40,5	41,3	41,4	<b>40,2</b>
2007	40,8	40,5	40,4	39,4	38,7	38,7	39,2	39,6	40,3	40,9	42,2	41,7	<b>40,2</b>
2008	40,7	39,9	39,9	39,4	38,3	38,5	38,8	39,1	40,4	40,8	41,4	41,6	<b>39,9</b>
2009	41,3	40,6	40,2	39,4	38,1	38,8	38,7	38,9	40,2	41,6	42,0	41,5	<b>40,1</b>
2010	41,5	41,2	40,9	39,9	38,7	38,9	38,6	39,2	40,4	41,1	41,9	42,4	<b>40,4</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Annex 2-11. Protein contents in France and selected regions (g/l)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>France</b>													
2000	32,9	32,5	32,6	33,1	32,7	32,2	32,3	32,3	32,8	33,3	33,5	32,9	<b>32,8</b>
2001	32,8	32,6	32,5	32,7	32,8	32,5	32,1	32,1	33,1	33,2	33,8	33,6	<b>32,8</b>
2002	33,1	32,5	32,7	33,2	33,3	32,6	32,3	32,5	33,2	33,5	33,4	33,2	<b>33,0</b>
2003	32,9	32,9	32,6	33,2	33,3	32,3	31,9	31,8	33,2	34,1	34,1	33,6	<b>33,0</b>
2004	33,2	32,9	33,2	33,7	33,7	32,8	32,6	32,5	33,3	33,8	34,0	33,9	<b>33,3</b>
2005	33,2	33,2	33,4	33,4	33,3	32,8	32,4	33,0	33,2	33,5	33,7	33,8	<b>33,2</b>
2006	33,4	33,2	33,2	33,1	33,2	32,7	32,0	32,7	33,3	33,6	33,8	33,6	<b>33,1</b>
2007	33,1	33,0	33,1	33,4	33,1	32,7	32,7	32,9	33,7	33,9	34,2	33,9	<b>33,3</b>
2008	33,3	33,1	33,2	33,4	33,1	32,7	32,7	32,7	33,5	33,9	33,8	33,6	<b>33,2</b>
2009	33,5	33,1	33,0	33,3	33,0	32,6	32,2	32,3	33,1	33,5	33,7	33,6	<b>33,1</b>
2010	33,5	33,3	33,2	33,3	33,4	33,0	32,3	32,9	33,8	34,3	34,3	34,3	<b>33,4</b>
<b>Bretagne</b>													
2000	33,1	32,6	33,1	33,6	33,1	32,4	32,2	32,2	32,8	33,7	34,0	33,3	<b>33,0</b>
2001	32,9	32,6	32,5	32,9	33,0	32,5	31,8	31,8	33,0	33,6	34,4	34,0	<b>32,9</b>
2002	33,0	32,3	32,6	33,5	33,3	32,7	32,4	32,4	33,2	33,7	33,7	33,4	<b>33,0</b>
2003	33,0	32,7	32,7	33,5	33,5	32,4	31,8	31,5	33,1	34,3	34,3	33,8	<b>33,0</b>
2004	33,0	32,9	33,2	33,8	33,6	32,7	32,5	32,3	33,3	34,0	34,2	33,9	<b>33,3</b>
2005	33,0	32,9	33,3	33,5	33,2	32,7	32,1	32,7	33,1	33,4	33,8	33,7	<b>33,1</b>
2006	33,2	32,9	32,8	33,2	33,1	32,5	31,8	32,5	33,2	33,7	34,0	33,6	<b>33,1</b>
2007	32,9	32,7	32,9	33,5	32,9	32,6	32,6	32,9	33,6	34,1	34,4	33,9	<b>33,3</b>
2008	33,2	33,0	33,1	33,6	32,8	32,5	32,5	32,5	33,4	34,0	34,0	33,7	<b>33,2</b>
2009	33,3	32,7	32,8	33,4	32,8	32,2	31,8	32,2	32,9	33,3	33,5	33,4	<b>32,9</b>
2010	33,1	32,8	32,8	33,2	33,3	32,5	31,9	32,5	33,5	34,2	34,0	34,3	<b>33,2</b>
<b>Basse-Normandie</b>													
2000	33,6	33,1	33,4	34,0	33,5	33,0	33,1	33,1	33,6	34,1	34,3	33,5	<b>33,5</b>
2001	33,4	33,1	33,0	33,4	33,6	33,3	32,7	32,7	33,7	33,9	34,6	34,3	<b>33,5</b>
2002	33,8	33,2	33,4	34,2	34,1	33,4	33,3	33,4	34,0	34,4	34,3	34,0	<b>33,8</b>
2003	33,6	33,4	33,3	34,2	34,3	33,3	32,8	32,5	33,9	34,9	34,8	34,5	<b>33,8</b>
2004	33,9	33,8	34,1	34,7	34,5	33,5	33,4	33,2	34,2	34,7	34,7	34,4	<b>34,1</b>
2005	33,8	33,7	33,9	34,2	34,1	33,7	33,3	33,7	33,9	33,9	34,3	34,4	<b>33,9</b>
2006	34,1	33,9	33,8	34,0	33,9	33,5	32,9	33,5	34,0	34,4	34,6	34,2	<b>33,9</b>
2007	33,8	33,6	33,8	34,4	33,8	33,6	33,6	33,9	34,4	34,5	34,8	34,4	<b>34,1</b>
2008	33,9	33,7	33,7	34,3	33,8	33,4	33,3	33,3	34,1	34,4	34,4	34,2	<b>33,9</b>
2009	34,0	33,5	33,3	33,9	33,6	33,2	32,8	33,0	33,6	34,0	34,1	34,0	<b>33,6</b>
2010	33,9	33,6	33,6	33,9	34,0	33,4	32,8	33,4	34,4	34,6	34,6	34,8	<b>33,9</b>
<b>Pays de la Loire</b>													
2000	33,0	32,6	32,9	33,6	33,2	32,8	32,7	32,6	32,8	33,4	33,6	33,1	<b>33,0</b>
2001	33,0	32,8	32,7	33,0	33,0	32,8	32,4	32,4	33,3	33,3	34,1	33,8	<b>33,0</b>
2002	33,2	32,6	32,8	33,5	33,6	33,1	32,8	33,0	33,6	33,7	33,5	33,3	<b>33,2</b>
2003	33,1	32,9	32,9	33,7	33,7	32,8	32,5	32,1	33,4	34,2	34,2	33,7	<b>33,3</b>
2004	33,2	33,1	33,6	34,1	33,9	33,2	33,0	32,7	33,3	33,8	34,1	34,2	<b>33,5</b>
2005	33,4	33,4	33,8	33,8	33,8	33,3	32,8	33,3	33,4	33,5	33,8	34,1	<b>33,5</b>
2006	33,6	33,5	33,5	33,6	33,6	33,1	32,3	33,1	33,4	33,8	34,1	34,0	<b>33,5</b>
2007	33,4	33,3	33,5	33,0	33,4	33,3	33,2	33,3	33,9	34,1	34,4	34,1	<b>33,6</b>
2008	33,4	33,3	33,4	33,6	33,1	32,9	32,9	32,9	33,5	33,8	33,8	33,8	<b>33,4</b>
2009	33,7	32,3	33,1	33,6	33,3	32,9	32,4	32,6	33,1	33,4	33,7	33,7	<b>33,1</b>
2010	33,7	33,5	33,5	33,6	33,7	33,3	32,8	33,4	34,1	34,7	34,7	34,9	<b>33,8</b>
<b>Franche-Comté</b>													
2000	33,4	33,2	33,0	33,4	33,4	32,7	32,8	33,2	34,3	34,5	33,9	33,2	<b>33,4</b>
2001	32,9	32,9	32,7	32,6	33,4	32,9	32,5	32,9	34,3	34,4	34,3	33,9	<b>33,3</b>
2002	33,9	33,1	33,0	33,6	34,2	33,1	32,6	33,0	34,4	34,7	33,7	33,4	<b>33,6</b>
2003	33,2	33,3	32,7	33,1	33,6	32,1	31,9	32,4	34,6	35,1	34,5	33,8	<b>33,4</b>
2004	33,5	33,1	33,2	33,8	34,6	33,7	32,8	32,9	34,4	34,6	34,2	34,1	<b>33,7</b>
2005	33,6	33,7	33,5	33,2	33,9	33,3	33,0	33,4	34,4	34,7	34,3	34,0	<b>33,8</b>
2006	33,7	33,5	33,2	32,9	33,6	33,1	32,3	33,5	34,4	34,5	34,4	33,7	<b>33,5</b>
2007	33,5	33,3	33,3	33,8	33,9	33,1	32,9	33,4	34,8	34,9	34,6	33,9	<b>33,8</b>
2008	33,4	33,2	33,2	33,3	34,0	33,2	32,9	33,4	35,0	35,0	34,2	34,1	<b>33,8</b>
2009	34,0	33,6	33,3	33,3	33,5	33,1	32,5	32,7	33,7	34,3	33,9	33,6	<b>33,4</b>
2010	33,8	33,6	33,3	33,4	33,9	33,3	32,4	33,3	34,5	35,0	34,3	34,3	<b>33,8</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

## Annex 2-12. Distribution of the milk cell counts in France

	At least 2 controls with more than 800 000 cells		Intermediate results		All controls with less than 300 000 cells		Total number
	Number	%	Number	%	Number	%	
2004	387 864	14,5	1 143 140	42,8	1 141 158	42,7	2 672 162
2005	376 217	14,1	1 108 312	41,6	1 180 584	44,3	2 665 113
2006	358 088	13,8	1 064 715	41,0	1 172 766	45,2	2 595 569
2007	375 858	15,0	1 066 405	42,5	1 067 352	42,5	2 509 615
2008	452 219	17,0	1 129 334	42,4	1 084 131	40,7	2 665 684
2009	426 471	16,8	1 079 376	42,1	1 052 901	41,1	2 561 748

Sources: France Contrôle Laitier, data 2004 to 2009 (\*)

## Annex 2-13. Performance of dairy cows in France according to the main breeds

	Number of cows controlled by FCE	Duration of the lactation	Milk production per cow per year (kg)	Fat contents	Protein contents
Prim' Holstein	1 758 394	348	8 894	39,7	31,9
Montbéliarde	407 223	310	6 575	38,9	32,7
Normande	247 200	319	6 203	42,8	34,4
Croisé	68 999	316	6 715	40,4	32,4
Abondance	22 031	298	5 152	36,8	33,0
Brune	17 606	334	6 938	41,8	34,0
Simmental Française	15 308	305	5 789	40,0	33,3
Pie rouge des plaines	9 915	323	7 303	42,5	32,9
Tarentaise	7 284	278	4 081	35,5	32,0
Jersiaise	2 970	326	5 010	55,7	38,3
Salers	1 670	229	2 286	33,8	32,6
Vosgienne	1 173	290	3 956	37,0	31,6
<b>France (all breeds including)</b>	<b>2 561 748</b>	<b>338</b>	<b>8 109</b>	<b>39,9</b>	<b>32,2</b>

Sources: France Contrôle Laitier, data 2009 (\*)

## Annex 2-14. Performance of dairy cows according to selected French regions

	Number of cows controlled by FCE	Duration of the lactation	Milk production per cow per year (kg)	Fat contents	Protein contents
<b>Bretagne</b>	<b>516 693</b>	<b>340</b>	<b>8 468</b>	<b>40,6</b>	<b>32,2</b>
- Côtes-d'Armor	129 671	337	8 348	40,9	32,1
- Finistère	114 969	341	8 431	40,4	32,1
- Ille-et-Vilaine	167 349	339	8 433	40,5	32,3
- Morbihan	104 704	343	8 715	40,5	32,4
<b>Basse-Normandie</b>	<b>272 831</b>	<b>339</b>	<b>7 779</b>	<b>40,6</b>	<b>32,7</b>
- Calvados	61 051	333	7 747	40,0	32,3
- Manche	135 998	339	7 805	40,7	32,8
- Orne	75 782	345	7 759	40,9	32,8
<b>Pays de la Loire</b>	<b>403 823</b>	<b>348</b>	<b>8 734</b>	<b>40,5</b>	<b>32,4</b>
- Loire-Atlantique	92 499	343	8 586	40,6	32,3
- Maine-et-Loire	72 902	348	8 833	40,3	32,2
- Mayenne	125 457	350	8 490	41,1	32,8
- Sarthe	48 442	356	8 881	40,6	32,6
- Vendée	64 523	348	9 200	39,8	32,0
<b>Franche-Comté</b>	<b>150 714</b>	<b>309</b>	<b>6 766</b>	<b>38,1</b>	<b>32,7</b>
- Doubs	71 049	306	6 684	38,2	32,8
- Jura	40 468	307	6 603	37,6	32,6
- Haute-Saône	35 249	316	7 070	38,5	32,6
- T. de Belfort	3 948	329	7 213	39,5	32,5
<b>France</b>	<b>2 561 748</b>	<b>338</b>	<b>8 109</b>	<b>39,9</b>	<b>32,2</b>

Sources: France Contrôle Laitier, data 2009 (\*)

(\*) These results are issued from "France Contrôle Laitier". They are calculated, in 2009, on the basis of the milk control of 2,56 millions of dairy cows in France (around 70% of the herd).



## Annex 2-15. Milk producer prices in West of France (€/t)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Bretagne</b>													
1994	300,8	292,1	276,7	257,2	261,5	265,6	281,2	305,8	307,7	308,7	308,0	304,7	289,2
1995	299,4	289,1	274,1	262,7	263,1	265,0	283,9	305,7	307,0	308,8	309,8	304,1	289,4
1996	298,9	291,3	273,0	263,3	263,8	264,4	283,7	306,2	311,8	306,3	306,2	301,9	289,2
1997	296,8	288,7	270,2	261,4	264,3	264,6	283,6	305,8	306,2	306,5	307,7	302,0	288,1
1998	300,9	294,2	275,9	267,4	267,6	269,2	289,4	309,1	309,3	309,4	309,7	307,4	292,4
1999	297,9	290,2	272,0	261,5	261,8	263,6	280,9	299,9	301,3	304,3	304,3	302,2	286,6
2000	300,8	293,2	275,0	265,0	264,7	266,5	291,6	311,4	312,1	320,4	319,9	321,1	295,1
2001	318,5	310,1	291,5	281,5	281,8	284,1	304,8	324,3	325,0	323,6	323,7	321,4	307,5
2002	313,0	304,0	286,2	275,2	275,4	277,1	290,9	310,3	310,8	308,4	307,4	305,5	297,0
2003	307,8	300,2	281,5	268,7	269,0	268,4	286,9	306,3	307,2	305,3	304,7	302,9	292,4
2004	296,0	288,1	270,2	254,4	255,3	256,5	273,5	300,9	300,3	297,3	296,8	295,2	282,0
2005	290,6	284,5	264,5	247,6	249,0	250,9	261,2	288,9	290,8	285,7	285,3	283,1	273,5
2006	274,3	271,5	253,0	234,7	236,7	239,1	261,8	279,4	282,3	277,5	277,2	271,3	263,2
2007	278,5	276,5	257,2	237,2	239,7	240,8	280,3	298,0	300,9	341,0	340,9	335,5	285,5
2008	388,1	384,2	365,2	304,9	307,0	308,7	320,8	347,1	359,5	296,2	296,0	293,3	330,9
2009	331,9	328,2	292,6	210,7	225,1	227,0	253,5	261,3	277,1	259,3	258,8	257,1	265,2
2010	290,4	278,1	270,0	261,0	270,2	291,6	310,4	337,2	333,6	309,2	303,8	300,6	296,3
<b>Basse-Normandie</b>													
1994	302,3	295,8	286,0	263,6	270,0	270,6	284,3	308,8	312,0	314,5	307,1	303,7	293,2
1995	303,7	296,0	286,1	272,3	271,1	272,1	285,0	308,0	309,7	314,9	311,0	306,9	294,7
1996	305,1	297,8	288,2	273,6	272,5	274,0	287,6	310,5	312,4	315,4	308,4	304,7	295,8
1997	303,9	296,4	286,5	270,4	272,3	273,4	285,9	308,5	311,4	314,9	308,7	303,7	294,7
1998	306,6	301,8	291,4	277,3	276,0	277,8	292,7	314,0	314,5	317,9	309,6	309,7	299,1
1999	303,0	296,7	286,7	270,5	269,8	271,4	283,4	304,2	305,8	311,8	304,9	305,0	292,8
2000	304,7	298,1	288,7	272,4	272,2	272,7	294,1	314,3	316,4	327,2	318,7	318,6	299,8
2001	321,3	314,5	303,7	287,3	286,5	288,8	304,5	325,4	328,0	329,9	322,5	321,9	311,2
2002	315,4	308,4	298,1	282,1	282,6	282,4	291,5	312,8	314,1	314,2	306,2	305,1	301,1
2003	310,5	304,7	293,9	276,3	277,3	276,9	287,7	310,1	311,3	313,0	304,3	303,9	297,5
2004	300,7	295,7	286,8	264,5	265,8	265,3	277,7	305,2	307,0	306,4	298,6	298,1	289,3
2005	297,6	292,5	281,9	259,9	258,2	261,1	266,2	296,9	299,3	295,9	287,9	286,8	282,0
2006	284,5	279,7	271,8	243,8	248,8	248,8	257,9	285,9	289,2	286,9	278,5	276,3	271,0
2007	287,0	282,1	272,7	246,8	250,0	250,8	272,2	300,9	304,4	346,2	338,7	336,4	290,7
2008	392,7	387,9	377,8	310,5	314,4	315,1	321,5	349,8	352,8	313,6	307,4	306,2	337,5
2009	335,7	338,6	318,8	211,7	251,7	260,8	273,5	282,6	283,3	264,3	253,5	251,9	277,2
2010	303,5	288,1	269,7	274,8	275,1	294,0	302,6	337,2	326,5	323,5	317,4	305,4	301,5
<b>Pays de la Loire</b>													
1994	302,6	293,4	278,3	258,7	261,9	266,0	284,0	306,4	308,3	309,9	308,9	305,7	290,3
1995	300,9	291,2	275,8	264,1	264,5	266,3	285,0	308,0	308,6	311,6	312,8	307,1	291,3
1996	301,5	294,1	275,5	266,0	266,4	267,8	285,8	307,6	308,8	309,9	309,8	304,4	291,5
1997	299,7	291,8	272,5	265,3	266,3	267,5	286,0	307,2	308,2	309,7	309,3	304,4	290,7
1998	304,0	296,5	278,3	269,6	269,1	271,0	290,4	310,5	311,1	311,7	311,5	309,8	294,5
1999	300,2	292,2	273,7	263,4	263,0	264,8	282,1	302,0	302,7	305,8	305,9	303,9	288,3
2000	302,3	294,7	276,8	266,2	266,1	267,4	292,5	312,1	312,8	321,8	321,5	319,3	296,1
2001	318,7	310,6	292,1	281,4	281,7	283,3	303,8	323,5	325,1	324,6	324,8	322,8	307,7
2002	313,8	305,6	287,3	275,8	276,1	277,2	290,7	310,0	311,4	308,9	308,0	306,2	297,6
2003	308,5	301,2	282,6	269,8	270,3	270,9	286,5	305,9	307,9	306,2	305,9	303,7	293,3
2004	297,5	290,5	272,8	255,5	256,0	256,7	273,3	300,5	300,2	298,2	297,8	296,3	282,9
2005	292,2	285,8	266,9	250,6	250,3	251,4	263,3	289,9	292,2	287,5	287,0	285,1	275,2
2006	275,9	273,1	254,3	235,8	237,5	239,5	261,7	279,6	282,5	277,8	278,2	272,6	264,1
2007	278,3	276,4	258,6	239,2	241,0	244,7	282,5	295,9	302,3	341,3	341,1	334,5	286,3
2008	386,5	382,4	364,3	316,5	306,5	310,5	322,5	344,5	350,8	307,4	310,1	303,6	333,8
2009	329,8	322,3	304,2	219,1	245,6	247,6	266,0	281,5	281,7	255,7	255,4	252,0	271,7
2010	292,7	279,0	273,5	262,7	268,2	291,0	311,4	339,0	334,2	310,9	306,2	303,7	297,7

Sources: FranceAgriMer/SSP - Survey in the French milk sector

### Annex 2-16. Milk producer prices in Franche-Comté (€/t)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
1994	320,7	319,7	312,1	283,7	280,3	280,1	281,5	287,4	305,7	308,4	311,0	313,9	300,4
1995	313,8	310,2	303,6	293,8	289,2	290,7	293,0	295,2	313,7	313,1	316,7	321,7	304,6
1996	322,2	318,6	317,4	300,2	295,0	294,2	293,6	295,9	319,6	319,8	317,4	319,3	309,4
1997	322,6	321,0	315,9	295,1	292,9	293,8	292,4	295,1	321,8	321,9	317,5	317,8	309,0
1998	321,1	320,6	316,3	296,1	296,7	298,2	296,4	299,3	322,9	321,7	320,7	322,1	311,0
1999	322,6	323,7	318,0	298,0	297,8	298,1	295,5	301,2	323,2	321,2	319,8	324,0	311,9
2000	327,5	328,9	325,4	305,8	309,4	310,8	311,2	315,4	334,4	337,4	336,4	337,3	323,3
2001	344,5	343,2	336,0	320,4	321,7	325,7	325,2	328,6	344,8	343,4	341,8	342,0	334,8
2002	344,3	341,1	335,0	316,8	320,4	322,4	318,5	319,5	336,4	333,2	331,7	329,7	329,1
2003	339,4	338,3	330,2	313,2	314,3	314,4	313,4	318,6	334,7	332,4	329,5	327,8	325,5
2004	333,6	330,3	325,2	291,1	294,0	297,1	306,9	320,7	337,8	338,0	331,2	331,7	319,8
2005	319,2	312,3	300,8	283,8	287,4	292,1	296,7	312,1	329,1	327,5	321,4	319,6	308,5
2006	309,1	302,3	291,7	273,7	279,0	282,4	289,7	301,2	319,4	318,6	312,7	311,5	299,3
2007	310,8	302,9	292,4	276,2	278,9	283,4	295,8	309,3	328,9	355,3	349,8	348,6	311,0
2008	392,7	386,3	375,7	330,4	333,7	338,9	343,5	356,2	377,4	354,8	347,3	346,6	357,0
2009	374,0	355,8	341,0	288,0	307,7	311,0	315,5	325,9	336,3	330,1	320,3	323,1	327,4
2010	342,1	337,4	322,3	325,2	331,0	339,0	356,1	365,6	374,6	352,3	341,5	343,1	344,2

Sources: FranceAgriMer/SSP - Survey in the French milk sector

### Annex 2-17. Milk producer prices in Franche-Comté according to enterprise in 2009 (€/t)

	Doubs	Jura	Haute-Saône &T. Belfort	Franche-Comté
Cooperatives	418	408	311	429
Privates	360	404	305	347
<b>Total</b>	390	460	306	375
- Collect of milk, no processing	343	---	316	331
- Cheese "Comté" (only)	420	407	---	415
- Cheese "Emmental" (only)	409	407	---	408
- Cheese "Comté" + Other products	330	---	302	317
- Cheese "Emmental" + Other products		375	---	375
- Cheese "Bleu Haut-Jura" + Other products	396	---	---	359
- Others products	390	406	306	375

Sources: SSP – Annual survey in the milk sector

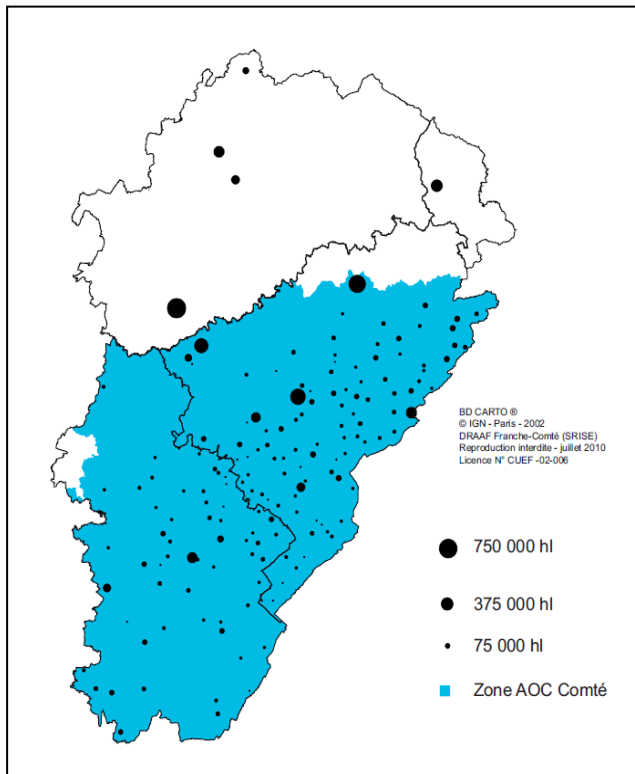
### Annex 2-18. Milk producer prices in France (€/t)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
1994	306,0	299,0	283,0	256,5	258,6	263,5	281,9	304,3	312,3	314,7	313,4	309,7	291,9
1995	304,0	296,3	281,1	261,2	261,3	265,1	284,5	306,3	312,2	315,1	315,2	310,8	292,7
1996	304,5	297,5	281,9	262,7	262,7	265,5	285,3	306,4	313,8	314,0	312,5	307,6	292,9
1997	301,8	295,2	278,8	260,6	262,5	265,2	285,2	306,4	311,7	314,2	312,9	308,2	291,9
1998	305,9	299,8	283,8	266,7	267,1	270,3	291,4	311,8	316,1	317,1	315,4	312,8	296,5
1999	303,1	296,4	279,9	261,1	261,7	264,8	283,6	304,3	308,5	311,5	309,9	307,6	291,0
2000	304,8	298,2	282,3	264,7	265,1	269,0	296,4	314,9	319,0	326,5	324,7	322,6	299,0
2001	321,0	314,6	297,4	281,1	281,1	287,1	309,6	326,8	330,2	328,5	327,5	324,0	310,7
2002	315,0	308,4	291,9	275,0	275,3	280,9	296,9	313,6	316,5	314,2	312,2	308,2	300,7
2003	309,6	304,0	287,2	269,4	269,9	274,9	294,3	310,5	314,2	311,4	309,4	305,2	296,7
2004	298,2	292,8	277,5	256,5	257,5	264,4	284,1	305,6	307,9	304,0	301,7	297,8	287,3
2005	290,4	285,2	269,1	250,0	251,3	261,0	276,8	296,3	299,5	293,3	290,2	285,8	279,1
2006	275,5	271,1	255,9	237,2	240,7	251,5	270,1	285,4	288,9	283,8	281,0	273,0	267,8
2007	277,8	274,0	259,8	240,5	243,3	256,3	289,4	303,1	307,1	344,3	340,5	333,1	289,1
2008	378,1	373,8	359,5	311,2	314,6	326,1	338,5	354,7	360,6	310,1	306,3	304,3	336,5
2009	324,9	320,2	296,8	222,5	253,3	256,2	273,8	281,3	285,5	266,6	261,0	259,8	275,1
2010	299,1	289,4	275,8	272,1	277,2	298,0	316,2	338,6	333,5	312,4	306,6	301,8	301,7

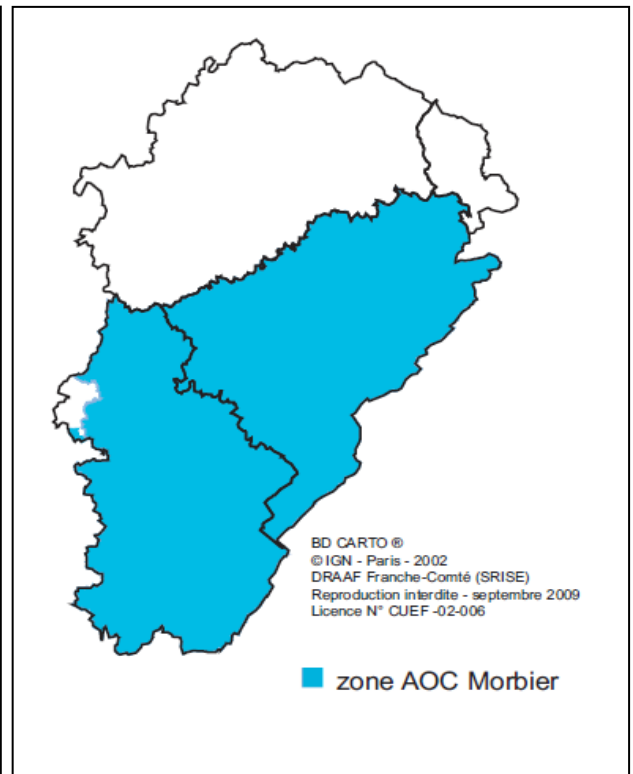
Sources: FranceAgriMer/SSP - Survey in the French milk sector

**Annex 2-19.** Map of PDO cheese in Franche-Comté (production zone = blue part)  
 Black point = Establishment that collect milk

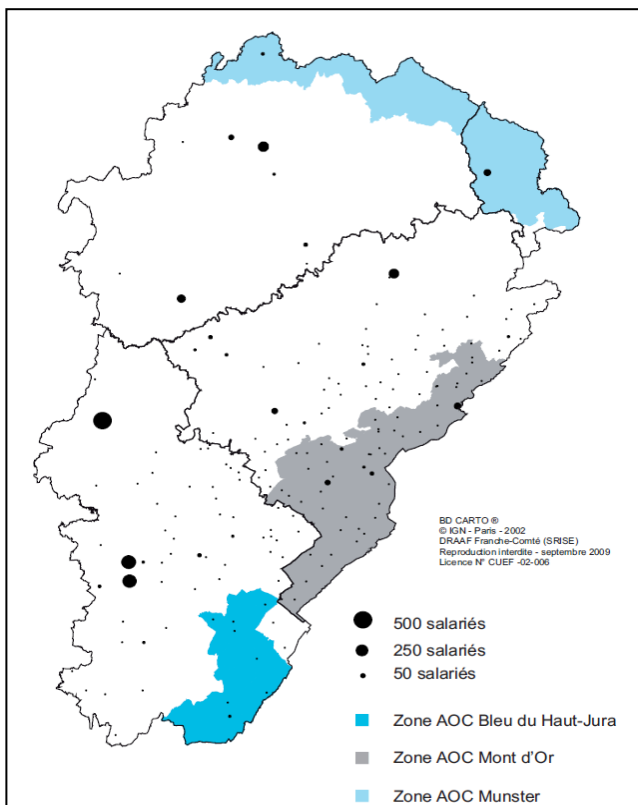
Comté



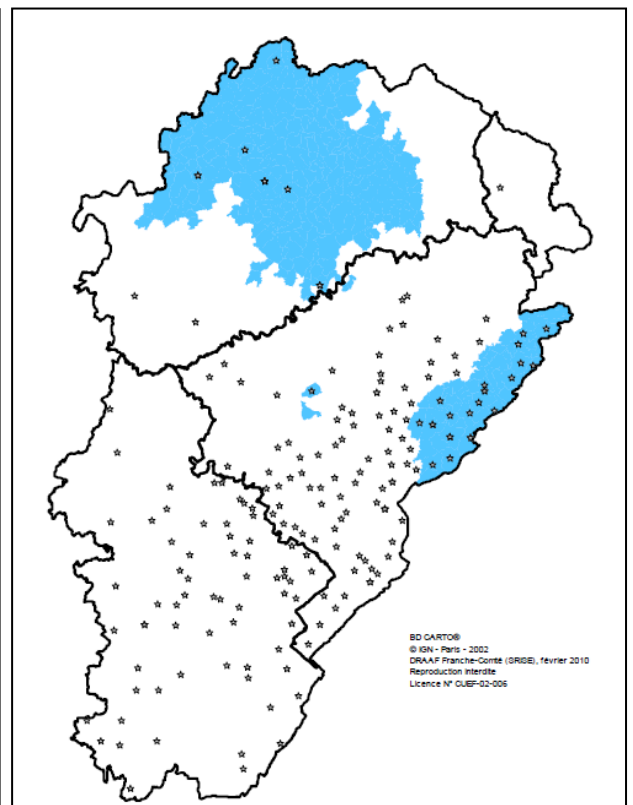
Morbier



Bleu du Haut-Jura, Mont d'Or et Munster

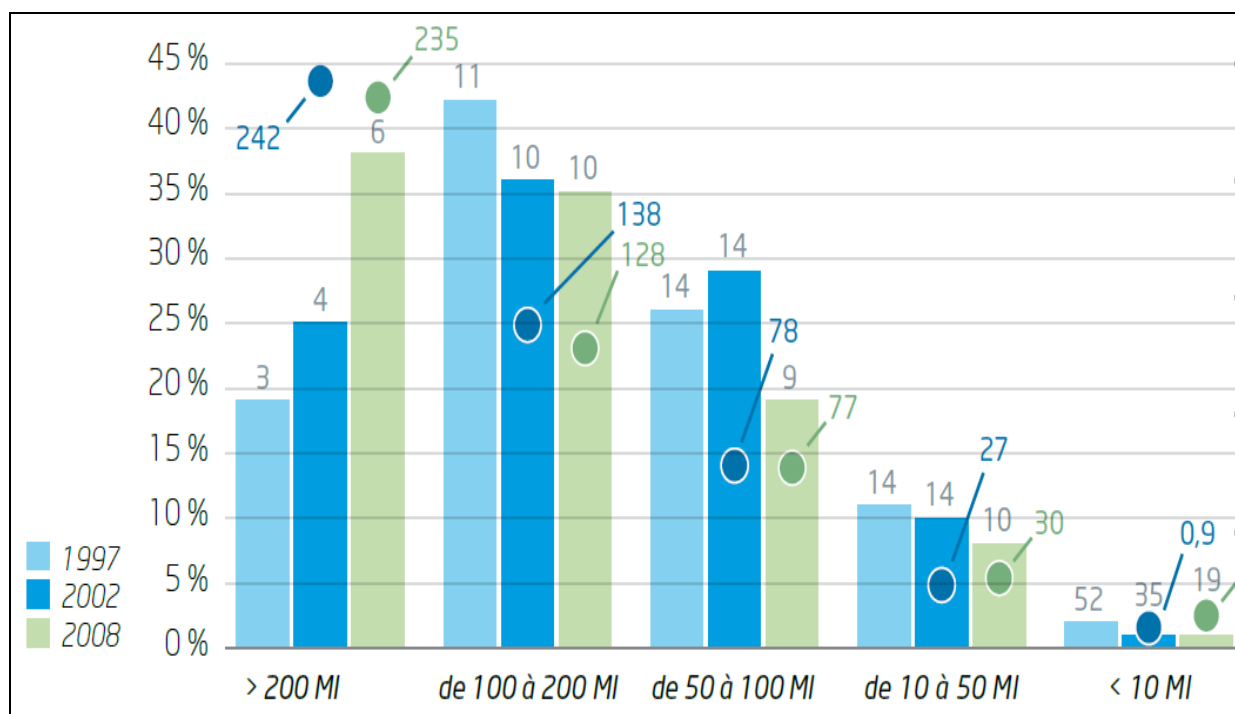


Gruyère



Sources: SSP and INAO decree

**Annex 2-20.** Packaged milk – Share of the national production and number of industrial sites

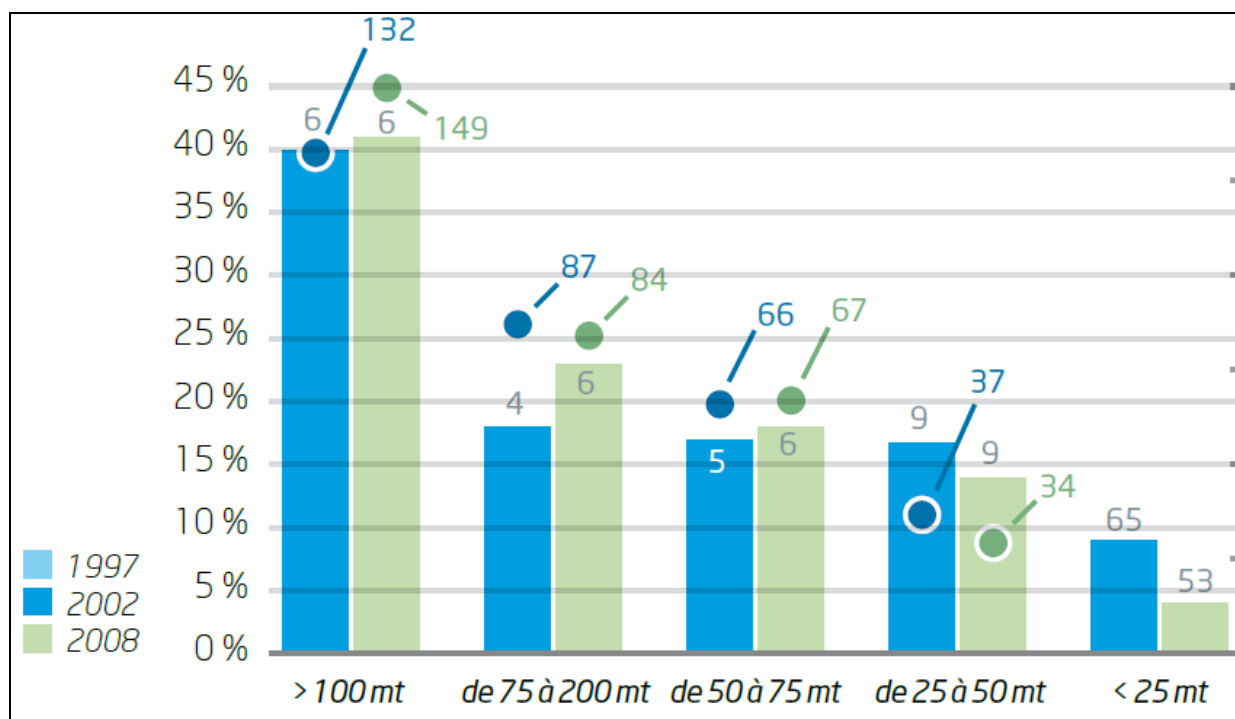


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 6 industrial sites produce more than 200 millions liters of packaged milk per year (they were 3 in 1997). These 6 industrial sites represent 38% of the national production (compared to 19% in 1997 for the 3 industrial sites). In 2008, the 6 industrial sites which produce more than 200 millions liters have, on an average, 235 millions liters (242 in 2002).

**Annex 2-21.** Ultra fresh dairy product – Share of the production and number of industrial sites

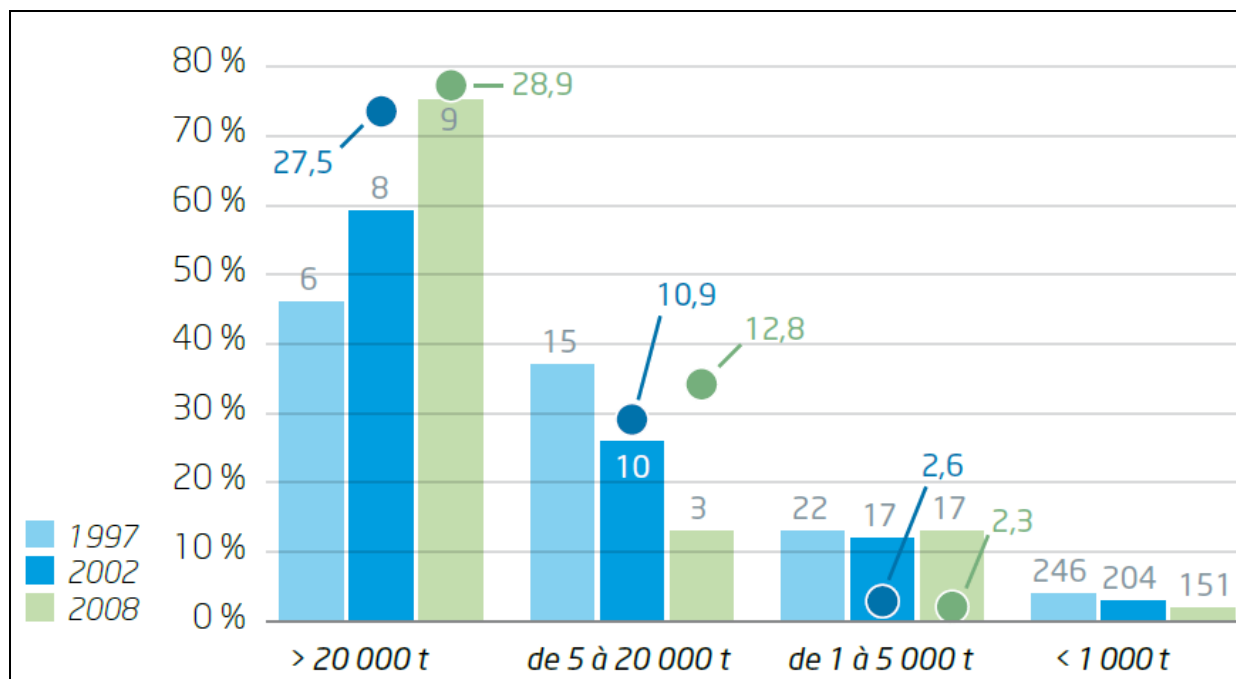


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 6 industrial sites produce more than 100 000 tons of ultra fresh dairy product per year (they were 6 in 2002). These 6 industrial sites represent 41% of the national production (compared to 40% in 2002 for the 6 industrial sites). In 2008, the 6 industrial sites which produce more than 100 000 tons have, on an average, 149 000 tons (132 000 tons in 2002).

**Annex 2-22.** Butter – Share of the national production and number of industrial sites

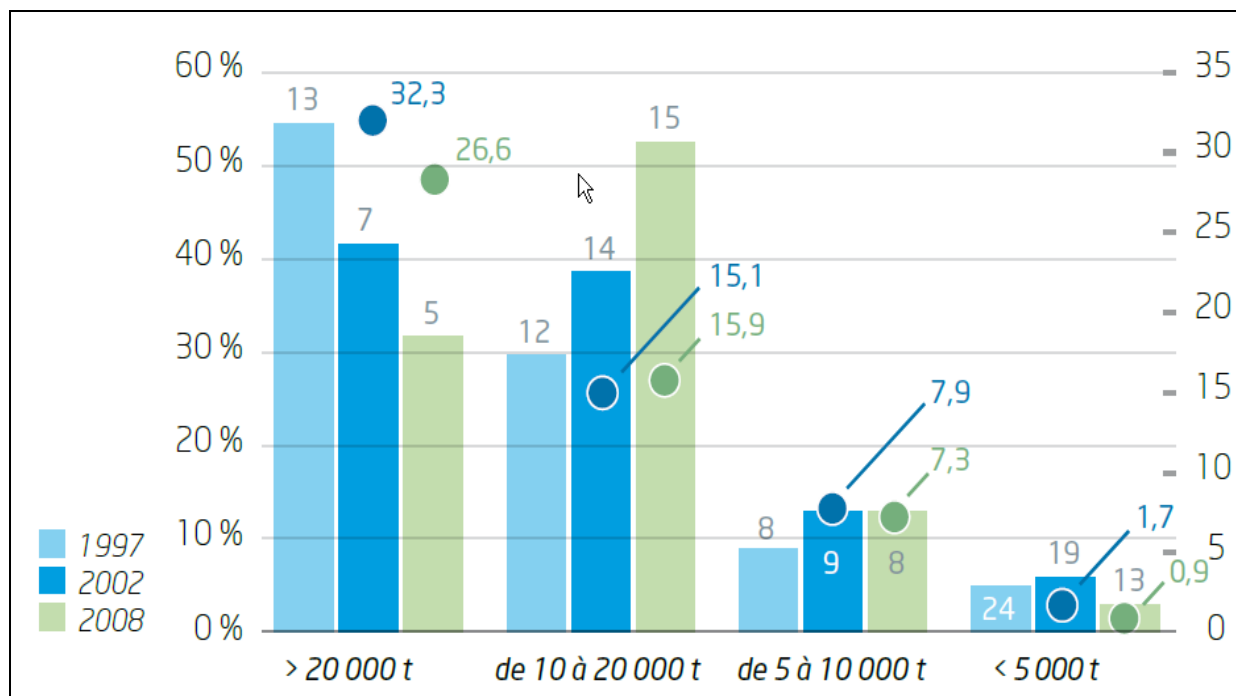


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 9 industrial sites produce more than 20 000 tons of butter per year (they were 6 in 1997). These 9 industrial sites represent 75% of the national production (compared to 46% in 1997 for the 6 industrial sites). In 2008, the 9 industrial sites which produce more than 20 000 tons have, on an average, 28 900 tons (compared to 27 500 tons in 2002).

**Annex 2-23.** Milk powder – Share of the national production and number of industrial sites

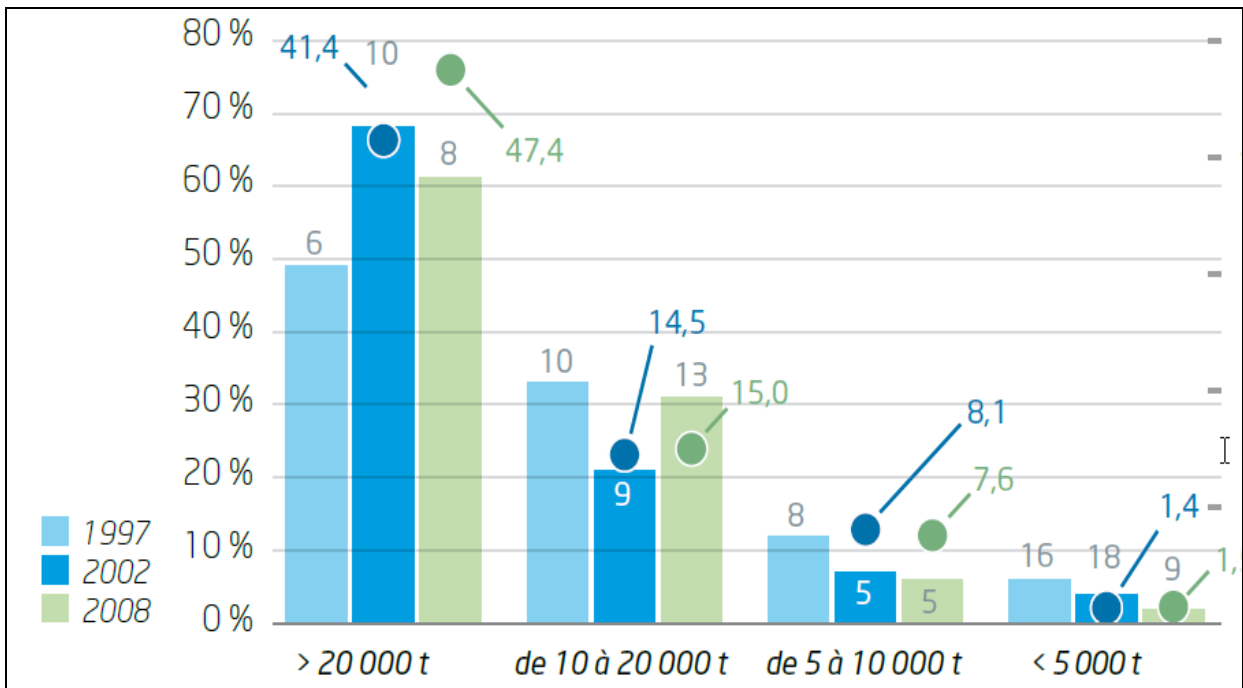


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 5 industrial sites produce more than 20 000 tons of milk powder per year (they were 13 in 1997). These 5 industrial sites represent 32% of the national production (compared to 54% in 1997 for the 13 industrial sites). In 2008, the 5 industrial sites which produce more than 20 000 tons have, on an average, 26 600 tons (compared to 32 500 tons in 2002).

**Annex 2-24.** Whey powder – Share of the national production and number of industrial sites

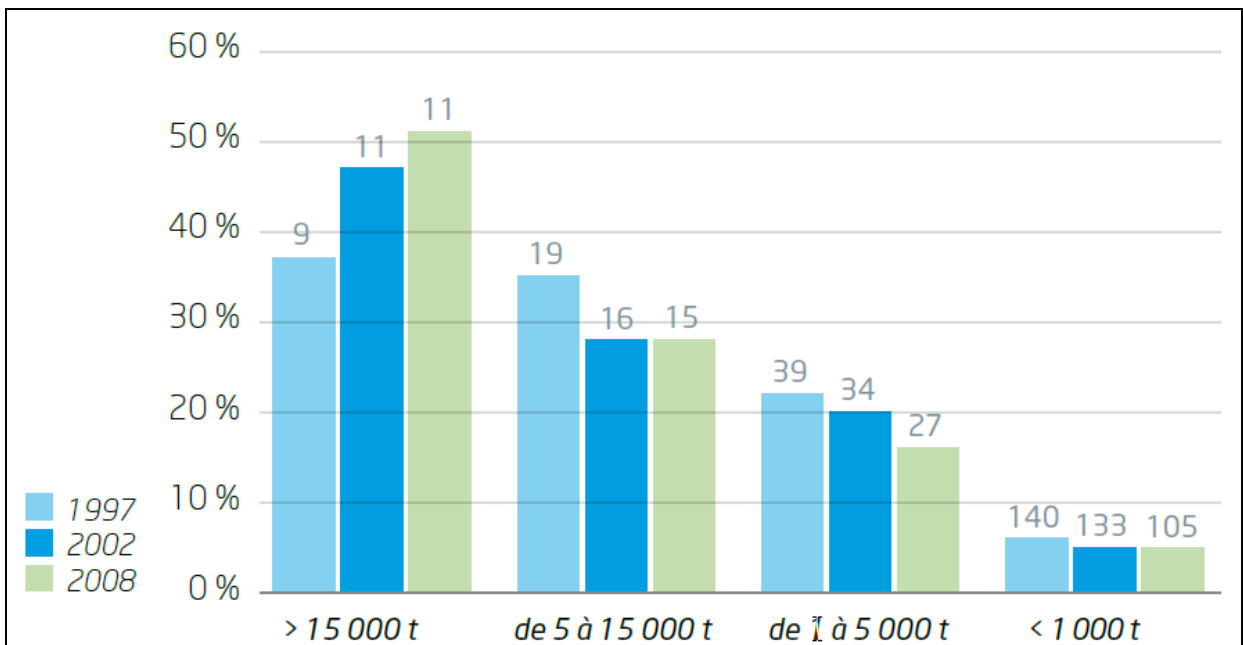


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 8 industrial sites produce more than 20 000 tons of whey powder per year (they were 6 in 1997). These 8 industrial sites represent 61% of the national production (compared to 49% in 1997 for the 6 industrial sites). In 2008, the 8 industrial sites which produce more than 20 000 tons have, on an average, 47 400 tons (compared to 41 400 tons in 2002).

**Annex 2-25.** Soft cheese – Share of the national production and number of industrial sites

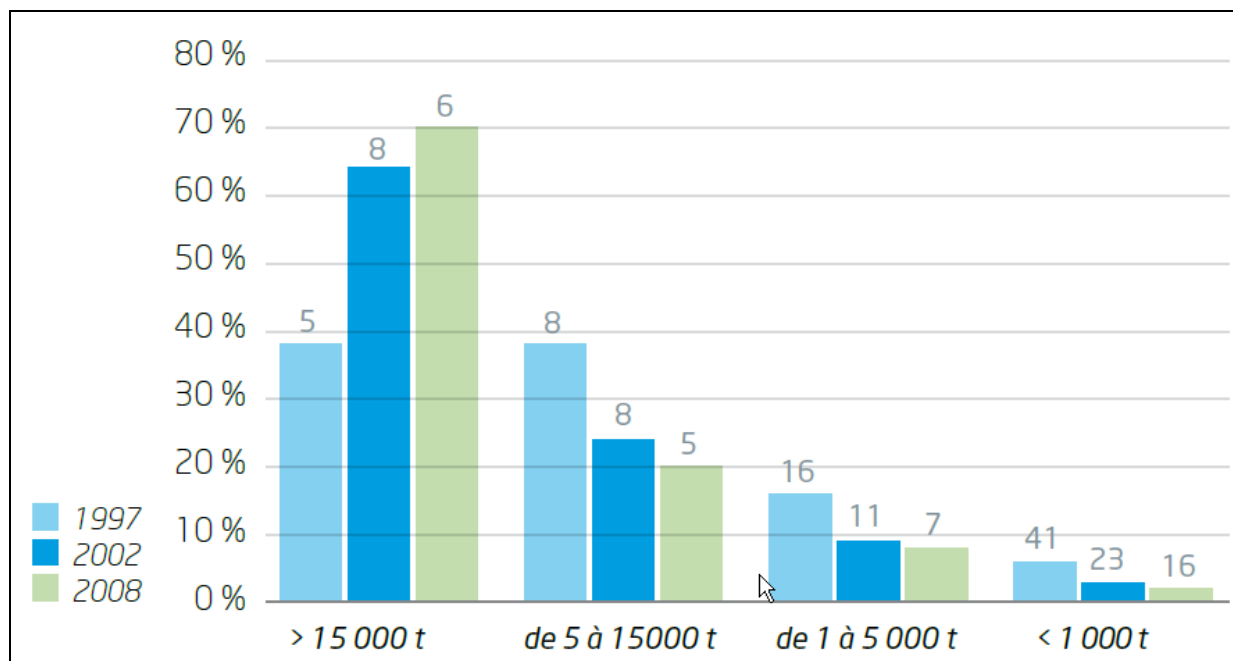


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 11 industrial sites produce more than 15 000 tons of soft cheese per year (they were 9 in 1997). These 11 industrial sites represent 51% of the national production (compared to 38% in 1997 for the 9 industrial sites).

**Annex 2-26.** Cheese Emmental – Share of the national production and number of industrial sites

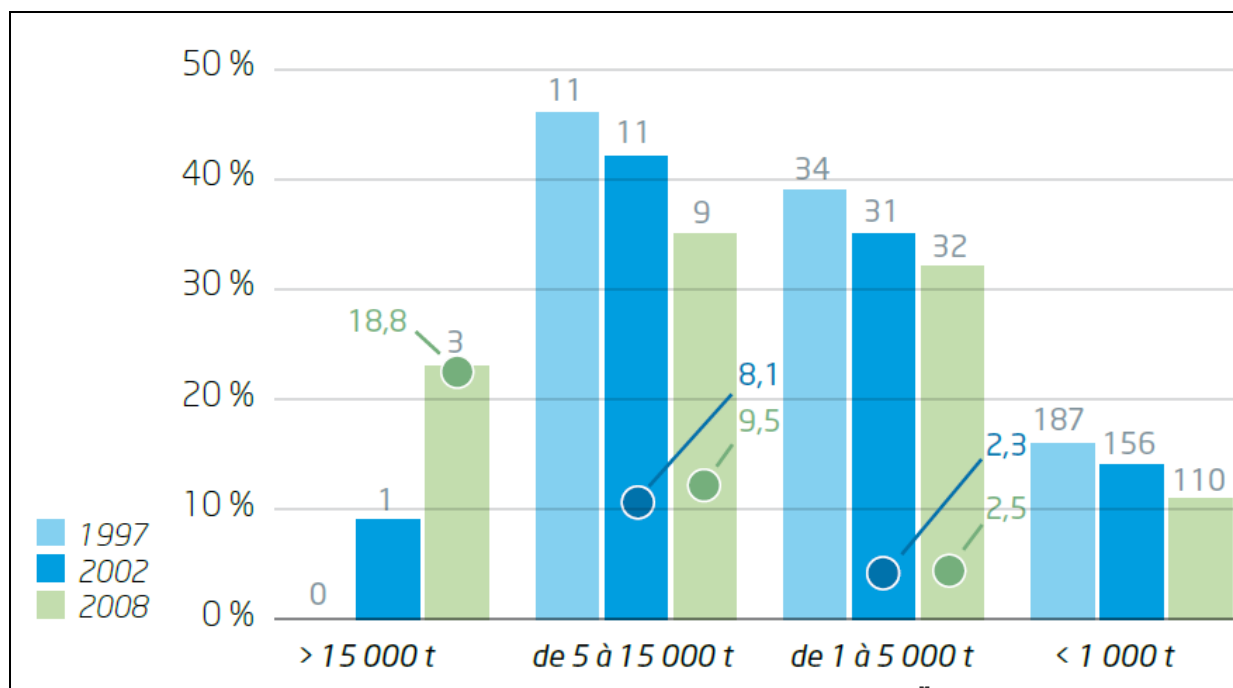


Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 6 industrial sites produce more than 15 000 tons of Emmental cheese per year (they were 5 in 1997). These 6 industrial sites represent 70% of the national production (compared to 38% in 1997 for the 5 industrial sites).

**Annex 2-27.** Uncooked pressed cheese – Share of the national production and number of sites



Sources: FranceAgriMer/SSP – Survey in the French milk sector

**Comments:**

In 2008 (France), 3 industrial sites produce more than 15 000 tons of uncooked pressed cheese per year (they were 0 in 1997). These 3 industrial sites represent 23% of the national production (compared to 0% in 1997).

**Annex 2-28. French trade of dairy products in value 2000-2010 (total, million €)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	140	177	194	188	179	132	116	123	142	182	199	186	<b>1 955</b>
2001	190	176	172	175	165	132	148	151	139	207	211	187	<b>2 053</b>
2002	183	178	161	182	181	139	181	164	193	205	216	190	<b>2 174</b>
2003	187	170	179	185	177	146	185	149	170	203	196	212	<b>2 161</b>
2004	194	192	212	210	158	186	144	127	156	188	203	223	<b>2 193</b>
2005	202	197	224	198	185	198	161	185	172	211	231	233	<b>2 396</b>
2006	215	216	237	199	202	189	163	173	168	201	212	215	<b>2 390</b>
2007	200	205	250	218	221	211	185	199	177	228	233	253	<b>2 580</b>
2008	268	258	270	254	238	248	242	206	236	250	235	264	<b>2 970</b>
2009	214	192	219	194	193	209	196	182	205	222	216	239	<b>2 480</b>
2010	211	221	260	231	204	217	210	207	226	268	282	295	<b>2 832</b>
<b>Export</b>													
2000	288	330	370	343	373	345	325	336	327	377	389	376	<b>4 180</b>
2001	374	347	370	353	379	359	355	351	322	394	384	348	<b>4 337</b>
2002	345	338	344	365	375	330	364	332	362	380	374	357	<b>4 267</b>
2003	343	331	359	362	349	329	361	322	364	381	355	385	<b>4 241</b>
2004	336	348	401	391	338	388	335	319	348	364	389	396	<b>4 353</b>
2005	340	351	412	373	382	402	343	365	362	373	395	399	<b>4 496</b>
2006	370	366	428	370	402	392	348	367	361	393	402	401	<b>4 598</b>
2007	371	381	448	426	442	457	422	431	400	489	479	458	<b>5 203</b>
2008	475	473	485	483	460	461	475	414	447	457	420	456	<b>5 506</b>
2009	394	381	422	403	389	421	412	376	403	421	417	450	<b>4 888</b>
2010	393	402	487	464	438	499	449	445	457	488	507	520	<b>5 550</b>
<b>Import</b>													
2000	149	153	176	155	195	213	209	213	186	196	190	189	<b>2 225</b>
2001	184	171	198	178	214	227	207	200	183	187	173	161	<b>2 285</b>
2002	162	159	183	182	194	191	184	168	169	175	158	167	<b>2 093</b>
2003	156	161	180	177	171	184	176	173	194	178	159	172	<b>2 080</b>
2004	142	156	188	181	180	202	191	192	192	176	186	173	<b>2 160</b>
2005	138	154	188	175	197	203	182	180	190	163	164	166	<b>2 100</b>
2006	155	150	191	171	200	203	185	194	193	193	190	185	<b>2 209</b>
2007	171	175	198	208	220	246	237	232	223	261	246	205	<b>2 623</b>
2008	207	215	215	229	222	212	233	208	210	207	185	192	<b>2 536</b>
2009	180	189	203	210	196	212	216	194	197	199	200	211	<b>2 408</b>
2010	181	181	228	233	234	282	239	238	231	221	226	225	<b>2 718</b>

Sources: DGDDI (Douanes)

**Annex 2-29. French trade of cheese in value 2000-2010 (million €)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	88	95	108	108	100	86	87	98	101	121	122	123	<b>1 238</b>
2001	100	93	105	99	101	90	94	103	93	124	124	128	<b>1 253</b>
2002	106	99	92	99	97	82	104	99	109	129	126	134	<b>1 276</b>
2003	105	100	112	112	99	93	103	101	117	129	129	153	<b>1 354</b>
2004	107	108	126	119	106	108	114	108	121	132	147	163	<b>1 458</b>
2005	110	104	128	103	103	105	96	117	118	136	142	159	<b>1 421</b>
2006	119	112	134	111	108	109	97	113	120	141	148	151	<b>1 463</b>
2007	112	109	133	107	110	110	110	126	121	160	169	166	<b>1 532</b>
2008	147	136	136	134	113	110	120	108	141	154	144	169	<b>1 611</b>
2009	117	111	134	114	101	109	109	109	125	142	154	171	<b>1 496</b>
2010	113	121	149	118	118	115	114	123	136	149	162	190	<b>1 606</b>
<b>Export</b>													
2000	133	150	165	158	164	149	144	161	162	181	185	187	<b>1 939</b>
2001	158	149	166	160	167	153	157	169	157	189	185	182	<b>1 992</b>
2002	163	151	154	161	163	143	167	159	170	191	187	192	<b>2 003</b>
2003	163	159	173	177	161	156	166	161	185	192	184	213	<b>2 088</b>
2004	160	163	191	182	165	176	177	171	187	190	209	222	<b>2 195</b>
2005	159	162	196	169	178	178	168	189	189	200	205	222	<b>2 214</b>
2006	176	174	205	178	189	186	167	187	188	208	217	216	<b>2 292</b>
2007	176	174	202	178	190	190	186	206	191	236	245	237	<b>2 411</b>
2008	218	215	217	219	203	197	216	200	232	242	223	250	<b>2 631</b>
2009	194	190	220	204	188	199	203	196	210	224	232	252	<b>2 514</b>
2010	182	189	234	207	206	217	207	220	226	239	253	278	<b>2 659</b>
<b>Import</b>													
2000	45	55	57	50	64	63	57	63	61	60	63	64	<b>702</b>
2001	58	56	61	62	67	64	63	66	64	65	61	54	<b>739</b>
2002	57	53	62	62	66	62	63	60	60	62	61	58	<b>726</b>
2003	58	58	61	65	63	63	63	60	68	62	54	60	<b>734</b>
2004	53	56	65	63	60	69	63	63	66	58	62	59	<b>737</b>
2005	49	58	68	66	75	73	72	70	64	63	62	62	<b>793</b>
2006	57	62	72	67	81	77	71	74	68	66	68	65	<b>829</b>
2007	64	65	70	71	79	80	76	80	70	76	75	71	<b>879</b>
2008	71	79	81	85	90	87	96	91	88	88	79	81	<b>1 019</b>
2009	77	80	86	90	87	90	94	87	84	82	78	81	<b>1 018</b>
2010	69	68	86	90	88	102	93	98	90	90	91	88	<b>1 052</b>

Sources: DGDDI (Douanes)



**Annex 2-30. French trade of yoghurt and dessert in value 2000-2010 (million €)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	12	13	16	12	14	13	11	14	14	15	14	10	<b>158</b>
2001	14	12	16	18	19	17	17	17	15	17	15	9	<b>184</b>
2002	16	14	13	20	22	13	16	14	15	16	15	13	<b>187</b>
2003	18	16	20	19	22	16	19	16	17	18	16	12	<b>208</b>
2004	18	13	15	15	14	16	14	13	14	17	15	13	<b>175</b>
2005	18	15	21	17	18	18	18	18	20	19	20	16	<b>218</b>
2006	24	22	24	20	27	22	23	20	23	21	22	16	<b>262</b>
2007	22	23	25	23	23	23	23	24	23	26	24	26	<b>284</b>
2008	34	31	34	34	34	32	33	29	32	37	33	30	<b>393</b>
2009	35	33	34	34	35	32	31	35	35	36	33	29	<b>402</b>
2010	33	36	35	37	36	36	36	33	36	38	32	29	<b>417</b>
<b>Export</b>													
2000	18	21	23	20	22	21	19	21	21	22	22	19	<b>248</b>
2001	22	21	24	25	28	28	27	26	25	26	23	19	<b>294</b>
2002	25	25	24	30	32	25	26	25	26	28	25	23	<b>314</b>
2003	28	27	28	30	29	27	30	27	30	30	26	23	<b>337</b>
2004	28	25	28	28	26	28	25	25	27	27	26	25	<b>318</b>
2005	28	26	32	29	32	32	29	31	32	32	31	27	<b>362</b>
2006	35	33	39	33	41	35	33	33	35	35	34	28	<b>415</b>
2007	34	35	40	36	38	38	36	37	36	41	37	37	<b>444</b>
2008	47	45	48	48	48	45	46	40	46	50	44	40	<b>546</b>
2009	46	44	45	45	45	42	40	44	46	46	42	39	<b>523</b>
2010	41	43	46	46	45	46	44	43	45	48	41	39	<b>527</b>
<b>Import</b>													
2000	6	8	7	7	8	8	7	7	6	7	8	9	<b>89</b>
2001	8	9	8	8	10	11	10	9	10	10	8	10	<b>110</b>
2002	9	11	11	10	10	12	10	11	11	12	10	10	<b>126</b>
2003	10	11	9	11	8	11	11	11	13	12	10	11	<b>128</b>
2004	10	12	14	13	12	12	11	12	13	11	12	12	<b>143</b>
2005	10	10	12	12	14	14	11	12	12	13	12	12	<b>144</b>
2006	11	11	15	13	15	14	11	14	12	14	12	12	<b>153</b>
2007	12	12	14	14	15	15	13	13	13	15	13	11	<b>160</b>
2008	13	14	14	14	14	13	13	12	13	13	11	10	<b>153</b>
2009	11	11	11	11	10	10	9	9	11	10	9	10	<b>122</b>
2010	9	7	11	10	9	10	8	10	9	10	9	10	<b>111</b>

Sources: DGDDI (Douanes)

**Annex 2-31. French trade of butter in value 2000-2010 (million €)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	-23	-13	-15	-12	-24	-24	-25	-20	-17	-20	-16	-23	<b>-232</b>
2001	-18	-17	-22	-18	-28	-28	-17	-14	-13	-13	-5	-16	<b>-210</b>
2002	-13	-9	-15	-15	-13	-14	-14	-15	-16	-19	-11	-19	<b>-174</b>
2003	-12	-11	-16	-14	-13	-14	-9	-16	-22	-14	-14	-21	<b>-177</b>
2004	-10	-9	-18	-15	-21	-20	-23	-26	-19	-16	-15	-16	<b>-207</b>
2005	-11	-7	-16	-15	-15	-7	-14	-15	-20	-12	-14	-18	<b>-165</b>
2006	-17	-12	-20	-18	-16	-15	-17	-15	-23	-24	-22	-25	<b>-224</b>
2007	-20	-15	-13	-18	-18	-14	-30	-25	-23	-36	-33	-25	<b>-270</b>
2008	-28	-23	-21	-18	-8	-14	-15	-12	-11	-7	-10	-14	<b>-179</b>
2009	-11	-13	-13	-10	-7	-5	-14	-12	-14	-11	-21	-25	<b>-155</b>
2010	-18	-11	-21	-17	-15	-42	-26	-28	-20	-2	-6	-24	<b>-227</b>
<b>Export</b>													
2000	11	13	17	15	15	15	14	14	18	22	22	17	<b>194</b>
2001	15	14	15	14	15	14	15	16	17	21	26	15	<b>199</b>
2002	14	16	14	16	17	14	16	15	18	18	20	15	<b>192</b>
2003	15	17	15	16	15	14	18	16	18	21	17	17	<b>198</b>
2004	16	19	21	19	15	22	11	12	19	19	20	18	<b>212</b>
2005	17	22	24	16	17	27	13	14	17	19	19	16	<b>221</b>
2006	15	15	18	14	15	17	12	14	14	18	17	16	<b>184</b>
2007	13	15	18	15	16	24	15	18	19	23	24	16	<b>217</b>
2008	20	20	18	21	22	19	18	16	21	24	20	18	<b>238</b>
2009	16	14	16	16	14	19	18	15	19	25	19	18	<b>209</b>
2010	18	21	22	19	24	26	19	21	27	37	37	25	<b>296</b>
<b>Import</b>													
2000	33	26	33	26	40	39	40	34	35	41	39	41	<b>426</b>
2001	34	31	37	33	43	43	33	30	30	34	31	31	<b>409</b>
2002	26	25	29	31	30	28	30	29	34	37	31	34	<b>366</b>
2003	26	28	31	30	28	28	28	32	40	35	32	38	<b>375</b>
2004	26	28	39	34	35	42	35	38	38	35	35	34	<b>419</b>
2005	28	30	40	31	33	33	27	29	37	31	33	34	<b>386</b>
2006	32	27	38	32	31	32	29	29	38	42	38	41	<b>409</b>
2007	33	31	31	33	33	38	45	43	43	59	58	41	<b>487</b>
2008	48	43	38	39	30	32	33	29	31	31	30	32	<b>417</b>
2009	27	27	29	26	21	24	32	27	33	36	40	42	<b>363</b>
2010	36	32	42	35	39	67	45	48	48	39	43	49	<b>523</b>

Sources: DGDDI (Douanes)

**Annex 2-32. French trade of cream in value 2000-2010 (million €)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	-6	0	0	-1	1	-6	-7	-2	-1	-1	-7	-3	<b>-33</b>
2001	-3	-2	-5	-6	-7	-11	-6	-5	-2	0	2	-1	<b>-46</b>
2002	-2	0	-5	-2	0	-7	0	1	4	7	5	3	<b>5</b>
2003	2	-2	-4	6	2	2	2	-2	-2	2	2	4	<b>13</b>
2004	2	4	5	4	0	2	-2	0	-1	1	2	5	<b>21</b>
2005	6	3	2	1	-1	-2	-4	0	-4	0	2	2	<b>6</b>
2006	3	2	-2	3	0	-4	-2	-6	-5	-3	-1	-1	<b>-17</b>
2007	1	0	0	-2	-3	-6	-6	-5	-9	-12	-13	-5	<b>-61</b>
2008	-4	-8	-6	-7	-6	-5	-3	-4	-7	-5	-3	-4	<b>-63</b>
2009	-7	-7	-4	-3	-4	-3	-4	-4	-3	-9	-5	-6	<b>-61</b>
2010	-6	-5	-1	-5	-10	-9	-3	-4	-2	3	0	0	<b>-42</b>
<b>Export</b>													
2000	10	12	15	13	14	9	11	13	12	16	13	13	<b>151</b>
2001	19	16	15	13	11	9	10	11	12	12	16	13	<b>158</b>
2002	12	13	14	13	14	12	14	13	13	17	14	15	<b>166</b>
2003	14	12	13	17	15	12	12	10	12	14	14	18	<b>161</b>
2004	13	15	15	15	11	12	10	10	11	12	16	17	<b>157</b>
2005	16	13	13	12	12	11	8	10	10	12	13	14	<b>142</b>
2006	14	11	11	12	11	9	8	8	9	11	11	14	<b>128</b>
2007	11	10	12	10	11	10	9	10	9	11	12	13	<b>128</b>
2008	13	12	15	12	10	11	13	10	11	11	13	13	<b>144</b>
2009	11	12	12	12	12	12	13	12	12	12	15	16	<b>149</b>
2010	14	15	18	16	16	17	16	15	17	20	22	23	<b>209</b>
<b>Import</b>													
2000	16	12	15	15	13	15	17	14	13	17	20	16	<b>184</b>
2001	21	17	20	19	19	20	16	16	14	13	14	15	<b>204</b>
2002	14	14	18	15	14	19	14	11	9	10	9	13	<b>160</b>
2003	12	14	17	11	13	10	9	12	14	11	12	13	<b>148</b>
2004	11	11	10	11	11	10	11	11	12	11	14	11	<b>136</b>
2005	10	11	11	11	13	12	12	10	13	11	11	12	<b>136</b>
2006	11	9	13	10	11	13	10	14	14	14	12	15	<b>145</b>
2007	11	11	12	12	13	16	16	15	18	23	25	18	<b>189</b>
2008	17	20	20	20	16	16	15	15	18	17	15	18	<b>207</b>
2009	18	19	16	16	15	16	17	15	15	21	20	22	<b>210</b>
2010	20	20	19	21	26	26	19	18	19	18	22	22	<b>251</b>

Sources: DGDDI (Douanes)

**Annex 2-33. French trade of liquid milk in value 2000-2010 (million €)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	10	8	4	9	6	-3	0	-11	-8	-8	3	5	<b>15</b>
2001	12	12	7	7	7	8	0	-6	-3	-1	5	13	<b>60</b>
2002	16	11	8	7	7	2	4	2	-1	4	7	5	<b>71</b>
2003	7	5	3	5	7	4	1	1	1	9	11	17	<b>71</b>
2004	17	15	10	9	12	9	4	0	2	10	16	18	<b>120</b>
2005	16	16	18	17	17	12	13	9	4	12	19	21	<b>173</b>
2006	18	18	16	14	13	14	10	10	8	11	14	17	<b>163</b>
2007	20	16	20	21	19	15	11	15	9	18	25	28	<b>217</b>
2008	32	30	32	25	22	21	16	15	14	14	16	17	<b>255</b>
2009	20	19	14	10	11	8	14	8	7	14	12	13	<b>151</b>
2010	16	17	16	17	9	12	13	7	4	8	14	18	<b>150</b>
<b>Export</b>													
2000	27	26	25	26	27	18	21	18	18	22	24	27	<b>279</b>
2001	30	28	31	26	31	27	23	22	20	25	29	31	<b>323</b>
2002	30	25	23	20	25	20	21	18	19	23	22	21	<b>267</b>
2003	22	21	20	19	21	19	19	17	21	28	28	33	<b>268</b>
2004	29	28	26	24	24	21	18	18	20	23	29	29	<b>290</b>
2005	27	26	28	26	28	25	23	21	22	24	31	32	<b>313</b>
2006	30	28	30	25	28	25	24	24	25	26	29	29	<b>323</b>
2007	32	29	35	34	33	32	29	33	34	44	48	44	<b>428</b>
2008	47	43	47	40	38	34	33	32	31	30	30	31	<b>435</b>
2009	34	33	29	26	28	28	27	23	24	30	28	30	<b>339</b>
2010	29	30	31	33	24	27	26	21	21	26	30	32	<b>331</b>
<b>Import</b>													
2000	17	19	22	16	21	21	21	29	26	30	20	21	<b>264</b>
2001	19	16	24	18	24	20	23	27	24	27	24	18	<b>263</b>
2002	14	15	15	13	19	18	17	15	20	19	15	16	<b>196</b>
2003	15	16	17	15	14	15	18	16	19	19	17	16	<b>197</b>
2004	13	13	16	15	13	13	14	18	18	13	14	11	<b>169</b>
2005	11	10	10	9	11	13	10	13	18	12	11	11	<b>140</b>
2006	13	10	14	11	15	10	14	13	17	15	14	12	<b>159</b>
2007	12	13	14	14	14	17	18	18	25	26	23	16	<b>210</b>
2008	15	13	14	16	16	13	17	17	16	16	14	14	<b>180</b>
2009	13	14	16	16	17	19	13	15	16	16	16	17	<b>188</b>
2010	14	13	15	16	15	15	13	15	17	18	17	15	<b>181</b>

Sources: DGDDI (Douanes)

**Annex 2-34. French trade of cheese in volume 2000-2010 (thousand tons)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	22,5	24,9	27,2	26,6	25,0	20,0	21,4	24,6	24,5	29,2	28,8	27,4	<b>302</b>
2001	26,3	25,2	31,0	24,3	25,6	23,7	22,8	25,8	23,2	30,7	27,1	28,9	<b>314</b>
2002	27,5	24,5	21,0	23,8	24,4	20,2	25,9	24,1	26,3	31,0	29,3	30,7	<b>309</b>
2003	26,4	24,7	27,9	27,1	25,6	23,3	25,7	24,6	28,8	30,2	30,0	35,8	<b>330</b>
2004	28,3	27,8	32,5	31,3	26,8	27,5	29,2	27,4	30,8	33,7	34,8	38,5	<b>368</b>
2005	29,1	25,6	30,5	25,7	25,0	26,1	22,3	28,5	28,8	31,5	33,2	35,7	<b>342</b>
2006	29,3	27,6	31,2	24,5	25,5	25,5	23,5	26,9	29,6	35,4	33,4	33,3	<b>346</b>
2007	26,2	25,0	30,4	24,0	25,5	24,1	25,6	29,0	30,4	39,5	38,9	38,4	<b>356</b>
2008	35,7	30,9	30,3	29,7	19,0	23,7	25,2	23,9	31,1	32,1	29,8	32,4	<b>344</b>
2009	25,4	22,5	26,6	22,9	20,1	22,1	18,9	22,9	27,0	30,4	31,9	35,3	<b>306</b>
2010	25,6	26,1	32,8	27,5	27,4	26,6	26,7	27,7	31,6	36,0	35,7	41,5	<b>366</b>
<b>Export</b>													
2000	36,3	40,8	44,4	41,7	44,6	40,3	38,9	43,7	42,9	47,5	47,1	46,4	<b>514</b>
2001	43,2	41,0	48,4	43,3	44,4	40,8	41,6	44,2	41,1	48,7	43,9	44,1	<b>524</b>
2002	42,8	39,1	37,8	40,6	42,6	37,4	43,8	40,9	43,0	48,4	46,1	46,6	<b>509</b>
2003	42,9	41,1	45,3	45,9	42,4	41,3	43,9	41,9	48,1	48,1	45,7	52,2	<b>538</b>
2004	43,8	43,5	50,9	49,0	43,5	46,9	46,5	45,4	49,2	49,9	52,8	55,2	<b>576</b>
2005	43,3	43,0	50,9	45,0	46,7	46,5	43,2	47,9	48,1	49,1	50,2	52,7	<b>566</b>
2006	45,0	45,1	52,0	44,3	48,6	47,7	44,5	48,7	48,7	54,0	52,5	51,3	<b>582</b>
2007	44,9	44,2	51,0	45,6	48,9	48,4	49,1	53,0	48,8	59,0	57,5	55,7	<b>605</b>
2008	52,2	50,2	50,1	50,9	47,2	47,0	49,9	47,0	52,6	54,0	49,5	52,6	<b>603</b>
2009	45,7	44,4	50,5	48,1	45,6	48,1	48,6	47,9	50,3	53,1	53,1	57,3	<b>592</b>
2010	44,5	45,7	56,1	51,7	51,0	53,5	50,8	52,6	54,3	58,2	58,1	63,4	<b>640</b>
<b>Import</b>													
2000	13,8	15,9	17,2	15,1	19,6	20,3	17,5	19,1	18,4	18,3	18,3	19,0	<b>212</b>
2001	16,9	15,8	17,4	19,0	18,8	17,1	18,8	18,4	17,9	18,0	16,8	15,2	<b>210</b>
2002	15,3	14,6	16,8	16,8	18,2	17,2	17,9	16,8	16,7	17,4	16,8	15,9	<b>200</b>
2003	16,5	16,4	17,4	18,8	16,8	18,0	18,2	17,3	19,3	17,9	15,7	16,4	<b>208</b>
2004	15,5	15,7	18,4	17,7	16,7	19,4	17,3	18,0	18,4	16,2	18,0	16,7	<b>208</b>
2005	14,2	17,4	20,4	19,3	21,7	20,4	20,9	19,4	19,3	17,6	17,0	17,0	<b>224</b>
2006	15,7	17,5	20,8	19,8	23,1	22,2	21,0	21,8	19,1	18,6	19,1	18,0	<b>236</b>
2007	18,7	19,2	20,6	21,6	23,4	24,3	23,5	24,0	18,4	19,5	18,6	17,3	<b>249</b>
2008	16,5	19,3	19,8	21,2	28,2	23,3	24,7	23,1	21,5	21,9	19,7	20,2	<b>259</b>
2009	20,3	21,9	23,9	25,2	25,5	26,0	29,7	25,0	23,3	22,7	21,2	22,0	<b>286</b>
2010	18,9	19,6	23,3	24,2	23,6	26,9	24,1	24,9	22,7	22,2	22,4	21,9	<b>274</b>

Sources: DGDDI (Douanes)

**Annex 2-35. French trade in milk powder (small packaging) in volume 2000-2010 (thousand tons)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	11,8	14,6	13,4	13,5	12,0	12,9	12,5	10,5	8,3	9,1	10,1	10,0	<b>138</b>
2001	12,4	11,9	8,7	8,4	9,0	8,0	8,4	9,0	6,6	7,6	8,7	9,6	<b>108</b>
2002	10,2	10,6	10,9	10,8	10,1	9,1	8,4	9,6	9,2	8,6	7,1	7,7	<b>112</b>
2003	6,9	5,3	6,3	6,8	5,8	5,7	7,4	6,4	6,4	8,8	6,9	8,5	<b>80</b>
2004	7,3	6,6	7,6	8,8	7,5	14,7	6,7	7,0	5,9	6,6	4,7	8,6	<b>92</b>
2005	7,6	10,7	8,7	8,8	6,8	9,2	7,7	8,4	6,8	5,7	5,3	4,0	<b>89</b>
2006	6,0	6,0	5,9	6,7	7,3	7,0	5,8	6,8	4,0	7,0	5,9	5,4	<b>73</b>
2007	6,9	7,1	8,4	8,8	7,7	7,9	7,4	6,6	6,6	7,2	6,5	6,0	<b>87</b>
2008	6,2	7,9	6,3	7,0	6,3	8,9	6,3	6,7	3,8	6,1	2,6	5,3	<b>74</b>
2009	5,0	5,9	6,5	6,9	6,6	6,3	6,9	4,9	6,6	5,0	5,8	4,1	<b>70</b>
2010	6,1	5,4	7,5	9,3	6,9	7,7	6,7	8,5	6,2	8,1	7,6	8,1	<b>87</b>
<b>Export</b>													
2000	12,7	15,6	14,0	14,1	13,0	13,9	13,1	11,0	9,7	9,9	11,1	11,0	<b>149</b>
2001	13,4	12,7	10,5	9,4	10,2	10,7	10,1	9,4	7,6	8,8	10,0	10,5	<b>123</b>
2002	11,5	12,3	12,6	12,0	11,5	10,3	9,8	10,5	10,9	9,9	8,0	9,1	<b>128</b>
2003	8,2	6,6	8,1	8,5	7,0	7,3	8,7	7,7	8,1	10,1	8,4	10,2	<b>98</b>
2004	8,7	8,2	9,5	10,1	8,9	16,8	8,4	8,0	7,4	8,5	6,6	10,0	<b>111</b>
2005	8,6	12,1	9,9	10,0	7,8	10,3	9,2	9,4	7,9	7,0	6,6	5,3	<b>104</b>
2006	7,5	7,4	7,5	7,9	8,6	7,8	6,3	8,4	7,6	8,6	7,6	7,2	<b>92</b>
2007	8,5	8,1	9,8	9,6	8,5	9,1	8,2	8,3	8,1	8,2	7,8	7,4	<b>102</b>
2008	7,9	8,4	7,9	8,8	7,5	10,2	8,2	8,3	6,7	8,1	7,2	7,4	<b>97</b>
2009	6,8	8,0	9,4	9,3	8,5	8,4	8,5	7,3	8,7	7,2	8,4	6,9	<b>97</b>
2010	7,4	7,1	9,7	11,1	9,1	9,7	9,2	10,6	8,3	10,2	10,6	10,5	<b>113</b>
<b>Import</b>													
2000	0,9	1,0	0,6	0,6	1,0	1,0	0,6	0,5	1,4	0,8	1,0	1,0	<b>10</b>
2001	1,0	0,8	1,8	1,0	1,2	2,7	1,7	0,4	1,0	1,2	1,3	0,9	<b>15</b>
2002	1,3	1,7	1,7	1,2	1,4	1,2	1,4	0,9	1,7	1,3	0,9	1,4	<b>16</b>
2003	1,3	1,3	1,8	1,7	1,2	1,6	1,3	1,3	1,7	1,3	1,5	1,7	<b>18</b>
2004	1,4	1,6	1,9	1,3	1,4	2,1	1,7	1,0	1,5	1,9	1,9	1,4	<b>19</b>
2005	1,0	1,4	1,2	1,2	1,0	1,1	1,5	1,0	1,1	1,3	1,3	1,3	<b>14</b>
2006	1,5	1,4	1,6	1,2	1,3	0,8	0,5	1,6	3,6	1,6	1,7	1,8	<b>19</b>
2007	1,6	1,0	1,4	0,8	0,8	1,2	0,8	1,7	1,5	1,0	1,3	1,4	<b>15</b>
2008	1,7	0,5	1,6	1,8	1,2	1,3	1,9	1,6	2,9	2,0	4,6	2,1	<b>23</b>
2009	1,8	2,1	2,9	2,4	1,9	2,1	1,6	2,4	2,1	2,2	2,6	2,8	<b>27</b>
2010	1,3	1,7	2,2	1,8	2,2	2,0	2,5	2,1	2,1	2,1	3,0	2,4	<b>26</b>

Sources: DGDDI (Douanes)

**Annex 2-36. French trade of skimmed milk powder (bulk) in volume 2000-2010 (thousand tons)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	0,7	2,4	4,2	3,3	3,3	-0,8	-5,3	-6,2	-1,3	1,0	-0,5	1,0	2
2001	0,4	-1,2	0,0	1,7	-0,7	-4,2	-3,2	-1,4	-2,4	-0,4	-0,5	-0,6	-13
2002	-2,1	1,0	2,1	4,0	3,4	4,8	4,8	4,7	7,4	6,4	8,8	4,6	50
2003	4,4	6,7	2,9	4,5	4,0	5,3	8,7	4,8	3,5	2,7	1,9	-1,3	48
2004	2,1	2,8	4,0	5,5	-0,8	-0,7	-4,9	-4,6	-4,0	-7,1	-6,3	-4,0	-19
2005	-0,6	4,0	2,7	5,4	4,6	0,7	-1,1	0,0	0,7	1,3	3,8	3,5	25
2006	6,8	7,1	8,1	5,0	3,9	0,3	1,2	1,0	0,5	0,5	2,5	3,7	40
2007	4,4	5,7	11,0	9,3	7,2	5,2	2,5	1,2	0,7	3,0	1,3	4,4	56
2008	8,5	10,6	11,7	8,8	6,1	8,6	8,6	6,5	7,9	6,1	1,8	7,0	92
2009	7,4	5,9	7,6	5,2	6,1	8,2	8,0	9,6	7,3	6,2	8,6	13,2	93
2010	12,0	12,4	14,3	16,2	12,6	18,5	10,2	14,3	13,9	8,9	12,6	13,9	159
<b>Export</b>													
2000	6,7	8,5	11,3	7,9	9,2	8,2	6,5	5,4	5,0	7,2	4,7	5,4	86
2001	5,6	3,5	4,4	4,3	3,4	4,8	3,1	2,6	2,1	4,2	4,3	3,4	45
2002	3,9	5,8	5,9	7,7	7,0	8,7	8,0	7,5	10,6	10,6	12,3	8,6	96
2003	8,7	9,4	6,2	7,4	6,4	7,7	11,6	6,2	6,7	5,9	4,9	3,3	84
2004	4,5	6,3	7,6	9,4	3,3	4,4	2,1	2,8	3,2	3,9	3,5	3,7	54
2005	3,7	6,6	7,1	8,3	7,2	6,3	3,2	4,0	4,0	4,4	6,4	5,8	67
2006	9,2	8,8	10,4	7,2	7,3	4,7	4,1	4,9	4,7	4,7	5,1	6,4	77
2007	6,4	8,8	12,6	11,8	10,5	8,4	5,5	3,5	3,3	5,0	3,3	6,3	85
2008	10,2	12,7	13,5	10,9	8,8	10,8	10,9	8,3	9,9	8,5	4,4	8,8	117
2009	9,1	7,7	9,1	7,0	7,9	10,0	10,1	11,2	8,7	8,8	10,8	15,0	115
2010	13,8	14,5	16,7	17,8	14,1	20,3	12,2	16,1	16,2	11,2	14,1	15,9	182
<b>Import</b>													
2000	6,0	6,1	7,1	4,6	5,9	9,0	11,8	11,6	6,3	6,2	5,2	4,4	84
2001	5,2	4,7	4,4	2,6	4,1	9,0	6,3	4,0	4,5	4,6	4,8	4,0	58
2002	6,0	4,8	3,8	3,7	3,6	3,9	3,2	2,8	3,2	4,2	3,5	4,0	46
2003	4,3	2,7	3,3	2,9	2,4	2,4	2,9	1,4	3,2	3,2	3,0	4,6	36
2004	2,4	3,5	3,6	3,9	4,1	5,1	7,0	7,4	7,2	11,0	9,8	7,7	73
2005	4,3	2,6	4,4	2,9	2,6	5,6	4,3	4,0	3,3	3,1	2,6	2,3	42
2006	2,4	1,7	2,3	2,2	3,4	4,4	2,9	3,9	4,2	4,2	2,6	2,7	37
2007	2,0	3,1	1,6	2,5	3,3	3,2	3,0	2,3	2,6	2,0	2,0	1,9	29
2008	1,7	2,1	1,8	2,1	2,7	2,2	2,3	1,8	2,0	2,4	2,6	1,8	25
2009	1,7	1,8	1,5	1,8	1,8	1,8	2,1	1,6	1,4	2,6	2,2	1,8	22
2010	1,8	2,1	2,4	1,6	1,5	1,8	2,0	1,8	2,3	2,3	1,5	2,0	23

Sources: DGDDI (Douanes)

**Annex 2-37. French trade of whole milk powder in volume 2000-2010 (thousand tons)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	8,5	9,0	11,3	7,3	9,0	9,1	7,5	8,4	4,4	7,9	8,1	6,9	97
2001	8,7	7,7	7,3	7,1	8,1	9,3	7,7	6,5	6,0	6,5	6,8	5,3	87
2002	7,5	6,8	7,1	8,5	7,7	6,5	6,7	5,9	6,6	7,2	7,7	7,3	86
2003	8,5	7,5	7,5	6,6	9,1	7,1	8,4	8,2	8,6	8,9	7,9	7,8	96
2004	8,5	7,0	11,4	8,1	5,7	9,1	4,6	3,2	5,6	8,7	6,8	4,9	83
2005	9,6	8,1	10,1	9,8	10,2	10,4	4,9	7,0	5,5	6,5	7,8	7,6	97
2006	7,8	7,1	8,6	6,0	4,9	5,0	3,3	5,1	3,5	4,2	3,8	3,9	64
2007	5,9	8,4	6,2	5,8	7,4	6,0	4,3	4,6	3,4	3,9	5,5	6,6	68
2008	9,6	10,6	11,3	9,1	10,2	10,4	7,8	7,6	7,7	6,5	12,5	15,6	119
2009	6,4	5,2	4,6	3,3	3,5	6,2	4,0	3,7	3,8	4,4	4,4	5,1	55
2010	9,2	4,2	3,3	2,5	3,3	7,4	3,8	3,2	3,1	2,8	4,7	5,1	52
<b>Export</b>													
2000	9,6	10,0	11,6	7,8	9,2	9,6	8,1	9,0	5,2	8,6	8,8	7,4	104
2001	9,6	8,3	8,0	7,6	9,0	10,2	8,0	7,2	6,6	7,1	7,4	6,0	95
2002	8,0	7,8	7,8	9,2	8,4	7,4	7,4	6,7	7,4	7,9	8,4	8,6	95
2003	9,6	8,5	8,1	7,2	9,7	8,0	8,9	9,1	9,3	10,0	8,8	8,7	106
2004	9,3	7,9	12,1	9,0	6,5	10,1	5,2	4,2	6,2	9,4	7,7	5,7	93
2005	10,2	8,7	10,8	10,4	11,0	11,0	5,3	7,8	6,7	7,6	8,6	8,3	106
2006	8,7	7,7	9,5	6,7	6,3	6,1	4,5	5,8	5,4	5,3	4,8	4,9	76
2007	6,9	9,6	7,9	7,0	8,7	6,8	5,8	5,9	4,8	5,8	7,2	7,8	84
2008	10,8	11,8	12,2	10,3	10,9	11,5	9,0	8,7	8,9	8,5	13,6	17,2	133
2009	7,5	6,3	5,6	5,1	5,2	7,9	5,7	5,2	5,9	5,8	5,8	6,4	73
2010	10,1	5,5	5,3	5,6	4,8	9,0	5,2	4,6	5,2	5,3	6,9	6,8	74
<b>Import</b>													
2000	1,1	1,0	0,3	0,5	0,2	0,5	0,6	0,6	0,8	0,7	0,7	0,5	7
2001	0,9	0,6	0,7	0,5	0,9	0,9	0,3	0,7	0,6	0,6	0,6	0,7	8
2002	0,5	1,0	0,7	0,7	0,7	0,9	0,7	0,8	0,8	0,7	0,7	1,3	9
2003	1,1	1,0	0,6	0,6	0,6	0,9	0,5	0,9	0,7	1,1	0,9	0,9	10
2004	0,8	0,9	0,7	0,9	0,8	1,0	0,6	1,0	0,6	0,7	0,9	0,8	10
2005	0,6	0,6	0,7	0,6	0,8	0,6	0,4	0,8	1,2	1,1	0,8	0,7	9
2006	0,9	0,6	0,9	0,7	1,4	1,1	1,2	0,7	1,9	1,1	1,0	1,0	12
2007	1,0	1,2	1,7	1,2	1,3	0,8	1,5	1,3	1,4	1,9	1,7	1,2	16
2008	1,2	1,2	0,9	1,2	0,7	1,1	1,2	1,1	1,2	2,0	1,1	1,6	14
2009	1,1	1,1	1,0	1,8	1,7	1,7	1,7	1,5	2,1	1,4	1,4	1,3	18
2010	0,9	1,3	2,0	3,1	1,5	1,6	1,4	1,4	2,1	2,5	2,2	1,7	22

Sources: DGDDI (Douanes)

**Annex 2-38. French trade of butter in volume 2000-2010 (thousand tons)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	-7,1	-4,0	-10,5	-3,1	-8,2	-8,0	-7,6	-6,1	-6,1	-7,0	-4,8	-6,3	-79
2001	-5,2	-5,5	-6,2	-5,6	-8,8	-9,0	-5,4	-6,3	-5,5	-7,2	-5,7	-5,1	-76
2002	-4,4	-3,7	-4,9	-4,4	-4,4	-4,8	-5,4	-5,0	-6,7	-6,2	-4,4	-6,3	-61
2003	-4,1	-3,6	-5,6	-5,4	-3,9	-4,3	-3,5	-5,3	-7,2	-5,5	-5,2	-7,0	-61
2004	-3,6	-3,7	-7,3	-6,3	-7,9	-9,1	-7,5	-9,4	-7,2	-6,7	-6,7	-6,6	-82
2005	-5,4	-4,8	-8,5	-6,6	-6,1	-5,6	-6,2	-5,9	-9,4	-6,7	-6,1	-7,6	-79
2006	-8,2	-5,8	-9,3	-7,8	-6,9	-7,0	-6,6	-6,3	-9,8	-11,3	-9,1	-10,3	-99
2007	-8,4	-6,7	-6,2	-7,0	-7,7	-6,5	-9,4	-7,2	-6,5	-7,8	-8,0	-5,4	-87
2008	-8,2	-7,1	-6,2	-5,7	-4,1	-6,2	-5,9	-5,0	-5,3	-4,7	-5,7	-6,3	-70
2009	-4,8	-6,2	-7,0	-5,1	-3,5	-3,1	-6,3	-5,6	-7,0	-5,5	-7,3	-8,3	-69
2010	-5,7	-4,2	-7,8	-6,3	-6,1	-13,3	-7,0	-6,9	-6,1	-1,8	-4,0	-6,6	-76
<b>Export</b>													
2000	2,4	3,1	3,6	3,5	3,4	3,7	3,5	3,0	3,7	4,2	5,2	4,3	43
2001	3,5	3,5	3,5	3,7	3,5	3,2	3,2	3,3	3,3	4,0	4,1	3,6	42
2002	3,4	3,6	3,5	4,2	4,4	3,5	3,7	3,5	3,7	4,7	4,5	3,8	46
2003	3,6	4,3	3,5	3,8	3,8	3,4	4,2	3,6	3,7	4,6	4,0	4,0	46
2004	3,9	4,6	4,5	4,1	3,3	4,3	2,7	2,7	4,1	3,4	3,5	3,2	44
2005	3,0	4,5	4,1	3,2	3,9	4,7	2,6	3,0	3,1	3,3	3,8	3,4	42
2006	3,4	3,3	4,0	3,3	3,4	4,0	2,9	3,1	3,2	3,9	3,9	4,1	42
2007	3,0	4,0	3,9	3,6	3,1	4,8	2,7	3,1	2,9	3,5	3,6	3,1	41
2008	3,7	3,8	3,6	4,6	4,4	3,2	3,4	2,9	3,6	4,4	3,6	3,7	45
2009	4,1	3,1	3,2	3,6	3,2	4,5	4,3	3,1	4,2	6,3	4,4	3,8	48
2010	3,6	4,0	4,1	3,4	4,4	4,4	3,5	3,8	4,6	6,4	5,8	4,5	52
<b>Import</b>													
2000	9,5	7,1	14,1	6,6	11,6	11,7	11,1	9,1	9,8	11,2	10,0	10,6	122
2001	8,7	9,0	9,7	9,3	12,3	12,2	8,6	9,6	8,8	11,2	9,8	8,7	118
2002	7,8	7,3	8,4	8,6	8,8	8,3	9,1	8,5	10,4	10,9	8,9	10,1	107
2003	7,7	7,9	9,1	9,2	7,7	7,7	7,7	8,9	10,9	10,1	9,2	11,0	107
2004	7,5	8,3	11,8	10,4	11,2	13,4	10,2	12,1	11,3	10,1	10,2	9,8	126
2005	8,4	9,3	12,6	9,8	10,0	10,3	8,8	8,9	12,5	10,0	9,9	11,0	121
2006	11,6	9,1	13,3	11,1	10,3	11,0	9,5	9,4	13,0	15,2	13,0	14,4	141
2007	11,4	10,7	10,1	10,6	10,8	11,3	12,1	10,3	9,4	11,3	11,6	8,5	128
2008	11,9	10,9	9,8	10,3	8,5	9,4	9,3	7,9	8,9	9,1	9,3	10,0	115
2009	8,9	9,3	10,2	8,7	6,7	7,6	10,6	8,7	11,2	11,8	11,7	12,1	117
2010	9,3	8,2	11,9	9,7	10,5	17,7	10,5	10,7	10,7	8,2	9,8	11,1	128

Sources: DGDDI (Douanes)

**Annex 2-39. French trade of liquid milk in volume 2000-2010 (thousand tons)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
<b>Trade balance</b>													
2000	32,3	22,7	12,7	32,4	21,4	-4,1	-3,3	-32,2	-25,0	-29,2	6,8	12,7	47
2001	40,9	32,4	16,1	24,6	20,6	32,9	-1,9	-14,4	-5,9	-2,9	15,9	37,1	196
2002	39,8	26,6	15,8	25,1	21,7	15,1	10,3	0,3	-12,0	5,4	15,4	13,3	177
2003	17,7	14,3	10,8	10,9	18,3	11,3	2,9	-3,5	6,5	23,7	27,7	45,2	185
2004	42,9	39,1	27,1	23,6	34,2	22,4	8,0	-7,5	3,5	22,1	37,7	46,5	300
2005	48,4	47,2	46,4	51,0	55,2	34,5	37,0	24,7	12,2	31,0	49,1	56,2	493
2006	53,0	50,6	45,6	34,2	40,0	39,7	31,6	26,6	20,2	27,4	34,2	45,1	448
2007	52,4	49,5	62,0	62,6	59,2	36,6	33,0	26,5	26,8	42,6	50,0	61,0	562
2008	67,1	66,6	74,6	56,1	52,9	48,4	40,8	28,1	29,9	27,6	38,9	42,0	573
2009	56,3	54,0	43,7	40,0	41,9	38,1	42,5	25,9	16,2	35,0	33,6	39,2	467
2010	46,7	48,5	40,9	49,4	30,6	36,3	37,4	20,4	14,0	28,6	43,1	51,5	447
<b>Export</b>													
2000	76,7	74,4	72,6	76,7	80,3	53,4	56,3	50,2	47,3	56,9	63,2	66,7	774
2001	87,1	75,0	83,7	74,6	86,0	76,3	60,5	58,8	54,2	64,3	78,1	82,4	881
2002	79,5	67,0	59,5	57,5	69,9	56,1	58,3	48,2	51,0	59,9	57,1	57,3	721
2003	57,5	58,8	58,1	54,1	60,8	53,0	53,7	46,7	55,9	77,2	75,2	90,6	741
2004	81,0	75,5	72,4	66,7	70,6	61,0	50,0	46,8	54,1	62,2	79,7	82,1	802
2005	81,7	77,6	83,0	78,3	85,1	72,6	64,5	58,0	61,5	64,6	81,9	91,7	900
2006	88,7	81,3	85,6	71,0	81,4	72,1	67,5	65,4	67,4	71,8	74,6	80,6	907
2007	86,6	82,2	96,5	95,0	92,0	77,8	73,2	78,9	77,5	93,5	97,5	95,0	1 045
2008	101,2	93,6	104,5	87,8	83,5	73,4	74,6	65,9	66,6	66,8	71,5	73,3	962
2009	86,1	84,8	75,4	72,4	79,0	77,5	73,3	62,0	58,0	77,9	71,3	78,5	896
2010	76,2	78,8	76,7	83,1	64,2	70,3	66,9	55,0	54,5	67,3	80,0	86,4	859
<b>Import</b>													
2000	44,4	51,7	59,9	44,3	58,9	57,5	59,6	82,4	72,3	86,1	56,4	54,0	727
2001	46,2	42,6	67,6	50,0	65,4	43,4	62,4	73,2	60,1	67,2	62,2	45,3	685
2002	39,7	40,4	43,7	32,4	48,2	41,0	48,0	47,9	63,0	54,5	41,7	44,0	544
2003	39,8	44,5	47,3	43,2	42,5	41,7	50,8	50,2	49,4	53,5	47,5	45,4	556
2004	38,1	36,4	45,3	43,1	36,4	38,6	42,0	54,3	50,6	40,1	42,0	35,6	502
2005	33,3	30,4	36,6	27,3	29,9	38,1	27,5	33,3	49,3	33,6	32,8	35,5	407
2006	35,7	30,7	40,0	36,8	41,4	32,4	35,9	38,8	47,2	44,4	40,4	35,5	459
2007	34,2	32,7	34,5	32,4	32,8	41,2	40,2	52,4	50,7	50,9	47,5	34,0	483
2008	34,1	27,0	29,9	31,7	30,6	25,0	33,8	37,8	36,7	39,2	32,6	31,3	389
2009	29,8	30,8	31,7	32,4	37,1	39,4	30,8	36,1	41,8	42,9	37,7	39,3	429
2010	29,5	30,3	35,8	33,7	33,6	34,0	29,5	34,6	40,5	38,7	36,9	34,9	412

Sources: DGDDI (Douanes)

## Annex 2-40. French production of dairy products (tons)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Yoghurt and fresh dairy desserts	1 852 597	1 916 027	1 970 582	2 058 268	2 058 807	2 100 560	2 142 144	2 180 492	2 187 207	2 194 856
Yoghurt and fermented milks	1 334 552	1 380 571	1 436 961	1 499 214	1 501 036	1 516 383	1 548 118	1 572 936	1 573 057	1 583 571
Fresh dairy desserts	518 045	535 456	533 621	559 054	557 771	584 177	594 026	607 556	614 150	611 285
Cans dairy desserts or heat treated	41 363	41 921	41 043	41 585	40 760	44 612	47 408	47 624	43 816	47 418
Cream conditioned	301 230	319 907	330 137	332 881	342 004	338 948	339 517	353 214	355 667	358 778
- Cream	152 667	155 963	154 794	152 734	157 043	157 116	155 013	157 437	160 344	154 237
* Cream > = 300 mg / l (over 29% fat)	122 402	123 124	120 856	116 712	118 942	116 875	112 811	113 972	115 722	108 245
* Cream lightened	30 265	32 839	33 938	36 022	38 101	40 241	42 202	43 465	44 622	45 992
- Cream (long storage)	148 563	163 944	175 343	180 147	184 961	181 832	184 504	195 777	195 323	204 541
Fats (butter equivalent)	453 336	454 806	453 129	435 593	417 725	422 649	404 338	412 000	433 840	415 723
<u>Butter (bulk or conditioned)</u>	<u>372 550</u>	<u>370 370</u>	<u>370 586</u>	<u>353 787</u>	<u>336 136</u>	<u>332 405</u>	<u>328 897</u>	<u>337 188</u>	<u>348 407</u>	<u>342 827</u>
Anhydrous butter cream - Butter	74 310	76 760	76 731	75 448	74 997	83 200	68 736	68 859	79 302	66 538
Anhydrous butter of butter (Butter-Oil)	19 412	20 438	21 936	20 881	27 989	17 084	16 763	17 466	9 633	9 365
Drying of milk powders	536 354	486 668	542 157	479 169	428 488	468 776	424 299	397 535	452 518	454 699
<u>Dried skimmed milk powder</u>	<u>278 686</u>	<u>245 631</u>	<u>307 574</u>	<u>273 366</u>	<u>230 173</u>	<u>275 944</u>	<u>266 135</u>	<u>252 490</u>	<u>287 328</u>	<u>331 428</u>
- Skimmed milk powder	208 528	183 181	243 893	216 124	182 905	232 521	232 810	223 461	261 195	294 225
- Fat filled skimmed milk powder	70 158	62 450	63 681	57 242	47 268	43 423	33 325	29 029	26 133	37 203
<u>Dried whole milk powder</u>	<u>257 668</u>	<u>241 037</u>	<u>234 583</u>	<u>205 803</u>	<u>198 315</u>	<u>192 832</u>	<u>158 164</u>	<u>145 045</u>	<u>165 190</u>	<u>123 271</u>
- Milk powders 1.5 to less than 26% fat	14 010	19 576	24 741	28 681	27 610	23 631	22 913	19 983	16 629	12 565
- Milk powder 26% fat and more	243 658	221 461	209 842	177 122	170 705	169 201	135 251	125 062	148 561	110 706
Packaging milk powder	161 763	144 714	128 127	104 157	114 862	100 108	105 390	118 991	128 058	112 323
- Packaging milk powder for children	37 781	46 844	43 546	52 704	55 607	59 783	67 307	79 422	82 897	89 389
- Packaging other powders	123 982	97 870	84 581	51 453	59 255	40 325	38 083	39 569	45 161	22 934
Condensed milk	31 956	35 931	29 190	26 046	17 222	14 452	12 900	12 079	11 355	12 024
<u>Cheese of cow (without melted cheese)</u>	<u>1 599 494</u>	<u>1 645 687</u>	<u>1 659 231</u>	<u>1 665 619</u>	<u>1 701 777</u>	<u>1 680 685</u>	<u>1 695 611</u>	<u>1 726 038</u>	<u>1 724 698</u>	<u>1 708 458</u>
Fresh cheese (cow)	566 047	590 376	612 683	639 657	643 281	622 728	623 930	634 550	644 517	657 219
Soft cheeses	455 888	449 589	447 737	436 860	442 579	439 447	440 586	445 834	437 827	424 637
- Cheese "Camembert"	133 348	125 110	126 655	120 104	119 757	114 467	112 665	114 019	110 995	107 744
- Cheese "Brie and Coulommiers"	159 150	160 927	158 898	156 053	158 946	158 313	159 046	160 613	158 895	154 517
- Other soft cheeses	163 390	163 552	162 184	160 703	163 876	166 667	168 875	171 202	167 937	162 376
Pressed uncooked cheeses	219 956	214 482	208 825	212 812	229 366	238 083	248 701	255 856	243 949	243 775
- Cheese "Saint-Paulin"	27 827	26 942	25 870	24 856	27 007	24 224	23 259	22 758	18 091	18 179
- Cheese "Edam, Gouda, immolates"	24 545	27 939	28 549	29 497	30 713	33 185	38 216	38 615	18 149	23 467
- Cheese "Cantal"	19 611	18 509	18 319	18 635	19 783	19 657	19 542	19 656	19 071	16 697
- Cheese Tomme, St-Nectaire, Morbier	33 563	33 373	30 093	31 269	32 925	33 633	33 584	34 725	35 386	33 522
- Cheese "Raclette"	38 767	41 128	43 540	43 691	48 234	50 821	53 794	51 705	53 921	56 257
- Other hard uncooked cheeses	69 013	58 163	56 141	53 499	58 867	58 651	57 046	64 039	79 964	77 632
Pressed baked cheeses	319 400	319 789	322 403	306 879	318 603	312 247	310 799	315 112	325 794	300 501
- Cheese "Emmental"	242 971	255 006	257 064	242 905	252 987	245 843	244 046	249 856	258 175	232 164
- Cheese "Comté"	48 860	48 440	49 344	47 602	49 286	51 188	50 990	49 632	51 784	55 357
- Cheese "Beaufort"	3 945	4 164	4 082	4 130	4 196	4 049	4 285	4 280	4 592	4 541
- Other pressed cooked cheese (Gruyère)	22 640	11 385	11 240	11 840	11 775	11 011	11 393	11 164	10 885	8 160
Spun cheese	-	33 072	30 511	33 184	31 241	31 543	33 837	37 513	36 129	42 612
Processed cheese from melting cheeses	110 711	106 355	104 507	101 598	100 936	94 932	97 383	100 659	104 805	97 341
Melted cheese from fresh curd	27 694	28 965	27 548	27 135	28 196	30 780	28 954	28 623	28 128	28 852
<u>Casein and caseinates</u>	<u>44 883</u>	<u>48 256</u>	<u>37 622</u>	<u>45 226</u>	<u>49 440</u>	<u>47 837</u>	<u>36 006</u>	<u>37 894</u>	<u>41 156</u>	<u>27 279</u>
Buttermilk powder	29 683	30 151	32 308	31 557	31 833	31 721	30 287	32 756	31 970	28 445
<u>Whey powder</u>	<u>608 740</u>	<u>645 149</u>	<u>610 364</u>	<u>629 841</u>	<u>610 857</u>	<u>615 193</u>	<u>591 046</u>	<u>629 458</u>	<u>626 161</u>	<u>571 135</u>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

(\*) The words which are underlined in this table correspond to the products which are mentioned in the following tables (data by month).

#### Annex 2-41. French production of drinking milk (million liters)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	325	325	349	302	321	293	282	295	306	330	327	344	<b>3 799</b>
2001	337	316	359	331	342	310	293	303	306	362	347	343	<b>3 951</b>
2002	352	323	347	338	340	294	298	296	301	339	317	333	<b>3 878</b>
2003	332	305	327	324	324	281	287	280	311	345	319	342	<b>3 777</b>
2004	337	311	344	338	300	289	296	300	305	318	336	345	<b>3 818</b>
2005	317	307	343	332	319	296	275	296	311	322	323	345	<b>3 785</b>
2006	324	297	340	313	328	300	275	293	302	319	319	335	<b>3 746</b>
2007	331	306	337	312	317	300	301	298	285	322	330	334	<b>3 774</b>
2008	347	331	328	320	319	282	296	273	292	312	299	333	<b>3 732</b>
2009	316	288	316	305	293	289	271	267	302	317	285	319	<b>3 568</b>
2010	316	308	319	296	292	273	281	277	287	296	313	323	<b>3 583</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-42. French production of cheese (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	125	128	143	131	145	132	126	136	133	138	136	127	<b>1 599</b>
2001	138	126	143	136	149	133	134	141	132	148	141	125	<b>1 646</b>
2002	145	127	142	142	151	132	139	136	135	148	137	126	<b>1 659</b>
2003	142	129	139	147	145	134	137	132	142	148	136	134	<b>1 666</b>
2004	140	129	150	147	143	145	138	138	145	143	146	138	<b>1 702</b>
2005	139	130	149	142	148	140	129	142	141	141	146	134	<b>1 681</b>
2006	141	132	150	136	151	139	131	143	141	148	150	133	<b>1 696</b>
2007	147	131	148	146	150	139	141	146	138	154	149	138	<b>1 726</b>
2008	153	143	149	152	151	138	143	135	142	147	136	136	<b>1 725</b>
2009	141	133	148	149	144	143	143	137	142	150	144	142	<b>1 716</b>
2010	142	135	159	151	152	151	144	147	153	159	157	151	<b>1 802</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-43. French production of fresh dairy products (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	168	177	204	180	192	175	161	178	180	185	187	166	<b>2 154</b>
2001	183	173	204	186	201	180	179	191	181	204	187	167	<b>2 236</b>
2002	197	183	207	198	205	178	181	185	190	203	195	179	<b>2 301</b>
2003	203	191	211	213	204	183	191	188	206	215	196	190	<b>2 391</b>
2004	205	191	222	207	198	198	187	191	207	206	200	189	<b>2 401</b>
2005	200	188	225	206	211	200	181	204	212	210	211	191	<b>2 440</b>
2006	205	198	234	206	220	201	187	210	209	219	210	184	<b>2 482</b>
2007	220	201	226	210	223	203	202	209	209	228	212	190	<b>2 534</b>
2008	225	209	219	222	214	197	208	201	221	224	204	200	<b>2 543</b>
2009	219	208	228	225	211	203	204	202	219	224	208	203	<b>2 553</b>
2010	214	202	244	223	220	215	203	211	224	223	222	209	<b>2 609</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-44. French production of butter (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	34,0	33,7	37,0	36,7	37,0	32,3	27,8	25,1	23,5	26,2	27,1	32,1	<b>372</b>
2001	34,2	31,3	35,9	36,5	37,3	33,1	26,3	24,7	21,9	28,4	27,2	33,5	<b>370</b>
2002	34,9	31,9	34,2	38,5	38,7	30,7	27,3	24,1	22,2	27,1	27,5	33,6	<b>370</b>
2003	33,9	31,3	33,0	36,1	38,2	28,6	25,0	20,2	22,3	25,8	25,4	34,1	<b>353</b>
2004	31,5	28,5	29,6	33,3	32,0	26,2	24,3	23,1	23,5	25,2	28,1	31,0	<b>336</b>
2005	30,4	28,9	33,1	33,0	32,2	26,4	22,4	22,3	22,4	24,7	26,2	30,5	<b>332</b>
2006	31,6	28,9	31,1	29,6	31,9	27,4	22,1	21,2	21,5	26,0	26,9	30,7	<b>328</b>
2007	32,5	29,2	29,8	31,6	30,7	25,1	23,5	21,3	21,9	28,1	29,0	34,4	<b>337</b>
2008	36,9	33,6	33,9	33,5	32,6	24,3	24,4	21,6	23,8	26,5	24,1	33,3	<b>348</b>
2009	34,4	33,5	35,0	33,6	29,6	26,8	24,8	20,3	22,4	25,5	24,9	32,0	<b>342</b>
2010	30,3	29,5	31,6	32,4	29,9	27,4	22,8	22,9	24,4	25,4	27,6	31,6	<b>336</b>

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-45. French production of skimmed milk powder (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	29	28	31	34	30	23	20	15	13	14	17	24	279
2001	23	20	22	26	27	26	16	14	9	16	18	28	246
2002	27	25	27	37	37	29	22	19	15	20	20	30	308
2003	26	22	24	35	42	28	19	13	10	13	14	27	273
2004	23	21	20	29	30	19	14	11	11	12	14	27	230
2005	29	28	26	32	34	25	21	15	13	15	16	23	276
2006	27	24	25	30	32	24	18	15	14	16	17	26	266
2007	25	22	26	30	29	19	15	14	14	14	17	26	252
2008	29	29	31	31	31	24	18	18	15	17	16	29	287
2009	30	32	33	36	37	30	26	22	16	17	21	31	331
2010	29	28	31	34	37	29	21	20	21	22	21	27	318

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-46. French production of whole milk powder (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	26	23	24	25	26	22	19	16	15	19	20	23	258
2001	25	24	25	24	23	20	15	14	14	17	20	20	241
2002	22	21	20	21	22	21	20	16	15	18	19	20	235
2003	20	14	17	19	18	16	16	15	15	19	18	19	206
2004	19	17	18	19	20	17	14	12	14	17	16	16	198
2005	18	16	18	19	18	15	14	14	13	15	15	17	193
2006	16	13	14	13	16	13	11	12	10	12	13	14	158
2007	15	13	13	14	13	12	10	10	9	11	12	14	145
2008	14	16	17	15	17	15	12	9	9	12	14	15	165
2009	12	9	10	13	12	10	10	6	7	10	11	13	123
2010	13	9	9	11	11	11	9	8	8	10	12	13	123

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-47. French production of whey powder (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	49	50	56	54	58	54	49	49	48	49	45	48	609
2001	54	51	60	57	60	57	53	53	49	51	51	50	645
2002	53	50	56	56	58	53	50	46	44	48	47	49	610
2003	55	52	58	58	61	55	51	48	46	50	47	49	630
2004	52	48	52	53	56	52	50	47	48	51	50	51	611
2005	54	50	55	55	57	52	50	48	47	50	49	49	615
2006	49	45	51	53	57	52	48	47	45	48	47	48	591
2007	53	49	57	56	58	51	50	50	46	53	53	55	629
2008	59	58	59	59	60	51	50	46	45	48	45	47	626
2009	51	45	53	54	53	46	46	45	41	46	43	48	571
2010	49	47	53	55	57	53	50	49	47	50	46	50	606

Sources: FranceAgriMer/SSP – Survey in the French milk sector

#### Annex 2-48. French production of casein and caseinates (thousand tons)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	3,9	4,2	4,8	5,1	5,4	4,5	3,1	2,4	2,2	2,8	2,7	3,8	44,9
2001	4,5	4,5	5,3	5,1	5,4	4,9	3,4	3,0	2,6	2,6	3,1	3,9	48,3
2002	4,0	3,2	3,6	4,9	4,5	3,4	2,3	1,3	1,7	1,9	2,7	3,9	37,6
2003	3,7	3,9	4,4	4,7	4,9	4,1	3,5	2,1	2,6	3,2	3,5	4,6	45,2
2004	4,2	4,1	3,8	4,7	5,3	4,1	3,7	2,7	3,1	4,0	4,4	5,2	49,4
2005	5,3	4,8	4,9	5,0	5,5	4,3	3,2	2,7	2,3	3,0	3,0	3,7	47,8
2006	3,8	3,2	2,8	4,1	4,5	3,5	2,5	1,7	1,3	2,5	2,6	3,6	36,0
2007	3,7	3,6	4,1	4,1	3,9	2,7	2,2	1,8	1,5	3,1	3,1	4,1	37,9
2008	4,0	4,2	4,4	4,1	4,3	3,1	3,0	2,7	2,3	3,1	2,6	3,3	41,2
2009	3,7	2,7	3,4	3,7	3,2	1,5	1,6	1,4	0,8	1,3	1,2	2,8	27,3
2010	3,0	3,0	3,5	3,5	3,7	2,2	2,3	2,0	2,2	2,5	2,2	3,1	33,4

Sources: FranceAgriMer/SSP – Survey in the French milk sector



**Annex 2-49. French price of pasteurized butter in bulk (€ per kg)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	3,01	2,96	2,93	2,93	2,96	3,02	3,15	3,22	3,27	3,30	3,29	3,27	<b>3,11</b>
2001	3,17	3,04	3,02	3,07	3,14	3,27	3,28	3,17	3,13	3,08	2,98	2,94	<b>3,11</b>
2002	2,94	2,94	2,94	2,94	2,93	2,93	2,93	2,93	2,97	2,99	2,98	2,97	<b>2,95</b>
2003	2,97	2,96	2,96	2,95	2,95	2,95	2,97	3,01	3,07	3,08	3,08	3,04	<b>3,00</b>
2004	2,99	2,94	2,94	2,95	2,97	2,99	3,01	3,03	2,99	2,96	2,95	2,89	<b>2,97</b>
2005	2,84	2,79	2,76	2,75	2,75	2,75	2,76	2,75	2,74	2,72	2,67	2,64	<b>2,74</b>
2006	2,56	2,53	2,52	2,50	2,48	2,45	2,42	2,41	2,47	2,52	2,54	2,54	<b>2,49</b>
2007	2,52	2,47	2,53	2,63	2,72	2,97	3,45	3,89	4,14	4,15	4,03	3,40	<b>3,24</b>
2008	2,90	2,87	2,80	2,68	2,61	2,68	2,77	2,72	2,59	2,32	2,20	2,17	<b>2,61</b>
2009	2,15	2,15	2,15	2,15	2,15	2,19	2,24	2,27	2,41	2,79	3,11	3,12	<b>2,41</b>
2010	3,02	2,84	2,84	2,93	3,21	3,46	3,61	3,58	3,46	3,57	3,58	3,53	<b>3,30</b>

Sources: Agreste, Insee, DGPAAT

**Annex 2-50. French price of skimmed milk powder for human consumption (€ per kg)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	2,22	2,24	2,25	2,25	2,36	2,59	2,68	2,77	2,73	2,75	2,78	2,78	<b>2,53</b>
2001	2,68	2,65	2,46	2,32	2,39	2,58	2,56	2,48	2,37	2,22	2,04	2,01	<b>2,40</b>
2002	1,98	1,97	1,97	1,96	1,93	1,95	1,95	1,97	2,08	2,08	2,08	2,15	<b>2,01</b>
2003	2,13	2,00	2,01	1,97	1,98	1,99	2,01	2,06	2,10	2,08	2,10	2,08	<b>2,04</b>
2004	2,06	1,99	2,01	2,04	2,05	2,10	2,11	2,09	2,08	2,10	2,18	2,11	<b>2,08</b>
2005	1,97	1,93	1,99	1,97	2,00	2,09	2,10	2,12	2,10	2,09	2,02	1,97	<b>2,03</b>
2006	1,98	2,01	2,02	2,03	2,03	2,04	2,08	2,14	2,22	2,26	2,34	2,39	<b>2,13</b>
2007	2,38	2,40	2,64	3,13	3,49	3,91	4,00	4,05	3,88	3,61	3,10	2,78	<b>3,28</b>
2008	2,41	2,45	2,41	2,31	2,33	2,51	2,50	2,20	2,02	1,91	1,74	1,72	<b>2,21</b>
2009	1,72	1,68	1,65	1,66	1,67	1,67	1,67	1,68	1,79	2,01	2,20	2,14	<b>1,79</b>
2010	2,06	1,91	2,03	2,26	2,49	2,38	2,21	2,18	2,27	2,29			

Sources: Agreste, Insee, DGPAAT

**Annex 2-51. French price of skimmed milk powder for animal consumption (€ per kg)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	2,16	2,17	2,17	2,14	2,25	2,51	2,63	2,62	2,59	2,63	2,68	2,71	<b>2,44</b>
2001	2,54	2,47	2,30	2,25	2,42	2,52	2,46	2,34	2,26	2,05	1,91	1,89	<b>2,28</b>
2002	1,92	1,94	1,91	1,86	1,82	1,82	1,89	1,93	2,03	2,00	2,00	2,08	<b>1,93</b>
2003	2,02	1,94	1,92	1,89	1,92	1,93	1,97	2,01	2,04	2,01	2,05	2,04	<b>1,98</b>
2004	1,96	1,90	1,93	1,97	1,99	2,03	2,03	2,00	1,99	2,05	2,17	1,97	<b>2,00</b>
2005	1,85	1,86	1,88	1,91	1,96	2,02	2,02	1,99	1,92	1,90	1,83	1,89	<b>1,92</b>
2006	1,93	1,97	2,01	1,96	1,93	1,95	2,00	2,07	2,17	2,20	2,22	2,23	<b>2,05</b>
2007	2,21	2,28	2,64	3,04	3,37	3,42	3,55	3,63	3,40	2,97	2,62	2,11	<b>2,93</b>
2008	2,11	1,93	1,85	2,04	2,24	2,34	2,08	2,08	2,00	1,72	1,55	1,55	<b>1,96</b>
2009	1,43	---	---	---	---	1,48	1,50	---	---	2,10	2,10	---	<b>1,72</b>
2010	1,70	1,82	1,90	2,30	---	2,17	---	2,11	---	---			

Sources: Agreste, Insee, DGPAAT

**Annex 2-52. French price of whole milk powder (€ per kg)**

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	2,65	2,62	2,61	2,64	2,68	2,78	2,85	2,87	2,93	2,97	3,06	3,07	<b>2,81</b>
2001	2,98	2,90	2,78	2,72	2,78	2,85	2,81	2,72	2,66	2,51	2,42	2,38	<b>2,71</b>
2002	2,39	2,40	2,41	2,40	2,35	2,36	2,36	2,37	2,43	2,56	2,58	2,62	<b>2,43</b>
2003	2,60	2,55	2,51	2,41	2,37	2,36	2,41	2,48	2,54	2,55	2,54	2,50	<b>2,49</b>
2004	2,50	2,50	2,47	2,49	2,51	2,55	2,55	2,52	2,46	2,46	2,51	2,43	<b>2,49</b>
2005	2,37	2,33	2,37	2,35	2,37	2,42	2,42	2,42	2,44	2,38	2,35	2,37	<b>2,38</b>
2006	2,37	2,37	2,35	2,33	2,32	2,30	2,31	2,34	2,40	2,41	2,44	2,46	<b>2,37</b>
2007	2,47	2,50	2,66	2,98	3,39	3,86	3,94	4,04	3,98	4,03	3,68	3,13	<b>3,39</b>
2008	2,98	2,98	3,04	2,99	2,96	3,05	2,98	2,81	2,49	2,32	2,16	2,06	<b>2,73</b>
2009	1,98	1,88	1,85	1,92	1,97	1,99	2,00	2,04	2,22	2,45	2,55	2,60	<b>2,12</b>
2010	2,54	2,40	2,43	2,66	2,96	2,99	2,92	2,85	2,80	2,77			

Sources: Agreste, Insee, DGPAAT

### Annex 2-53. French price of powder for animal consumption (€ per kg)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	0,48	0,44	0,42	0,42	0,44	0,52	0,50	0,49	0,50	0,52	0,65	0,75	<b>0,51</b>
2001	0,71	0,49	0,49	0,47	0,51	0,55	0,50	0,52	0,55	0,53	0,52	0,55	<b>0,53</b>
2002	0,55	0,58	0,47	0,42	0,37	0,40	0,43	0,45	0,43	0,40	0,40	0,42	<b>0,44</b>
2003	0,38	0,34	0,32	0,31	0,30	0,29	0,29	0,33	0,40	0,40	0,40	0,41	<b>0,35</b>
2004	0,36	0,30	0,31	0,35	0,38	0,38	0,38	0,42	0,49	0,52	0,56	0,46	<b>0,41</b>
2005	0,40	0,42	0,48	0,55	0,57	0,55	0,53	0,56	0,58	0,67	0,63	0,65	<b>0,55</b>
2006	0,65	0,68	0,68	0,62	0,59	0,61	0,69	0,73	0,79	0,78	0,83	0,96	<b>0,72</b>
2007	0,97	1,04	1,26	1,24	1,26	1,20	1,18	1,06	0,83	0,74	0,64	0,55	<b>1,00</b>
2008	0,54	0,42	0,36	0,46	0,57	0,57	0,41	0,39	0,40	0,39	0,37	0,37	<b>0,44</b>
2009	0,37	0,35	0,38	0,38	0,38	0,44	0,45	0,49	0,58	0,64	0,68	0,66	<b>0,48</b>
2010	0,69	0,66	0,65	0,72	0,68	0,64	0,62	0,67	0,71	0,72			

Sources: Agreste, Insee, DGPAAT

### Annex 2-54. French price for the cheese "Comté" (€ per kg)

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year
2000	5,29	5,28	5,30	5,34	5,38	5,34	5,33	5,42	5,41	5,47	5,51	5,57	<b>5,39</b>
2001	5,45	5,40	5,48	5,58	5,55	5,55	5,59	5,60	5,65	5,56	5,56	5,62	<b>5,55</b>
2002	5,47	5,49	5,48	5,49	5,51	5,48	5,50	5,56	5,58	5,56	5,55	5,67	<b>5,53</b>
2003	5,38	5,43	5,54	5,52	5,55	5,55	5,59	5,55	5,64	5,63	5,61	5,77	<b>5,56</b>
2004	5,58	5,52	5,58	5,55	5,61	5,56	5,52	5,58	5,58	5,59	5,67	5,67	<b>5,58</b>
2005	5,43	5,46	5,53	5,47	5,53	5,50	5,47	5,53	5,44	5,49	5,50	5,61	<b>5,50</b>
2006	5,35	5,36	5,38	5,42	5,39	5,35	5,40	5,41	5,48	5,46	5,49	5,65	<b>5,43</b>
2007	5,40	5,37	5,58	5,38	5,51	5,38	5,46	5,50	5,54	5,53	5,57	5,78	<b>5,50</b>
2008	5,62	5,73	5,75	5,79	5,79	5,79	5,80	5,99	6,11	6,11	6,14	6,23	<b>5,90</b>
2009	6,02	6,15	6,26	6,21	6,27	6,23	6,25	6,40	6,52	6,47	6,52	6,60	<b>6,33</b>
2010	6,43	6,48	6,54	6,56	6,53	6,59							

Sources: Agreste, Insee, DGPAAT

Prices of these dairy products are provided only at the national level, not at regional level.

### Annex 2-55. Production of milk and the milk quota in UE in 2009-2010 (thousand tons)

	National milk reference quantity (A)	Collected milk	Correction for fat	Collected milk after the fat correction (B)	Balance (B - A)	Balance in % (B - A)
Belgium	3 415	3 185	112	3 296	-126	-3,7%
Denmark	4 659	4 749	-71	4 679	20	0,4%
Germany	29 044	28 196	227	28 423	-615	-2,1%
Greece	844	681	14	696	-148	-17,5%
Spain	6 235	5 893	-32	5 861	-380	-6,1%
<b>France</b>	<b>24 982</b>	<b>22 785</b>	<b>-1</b>	<b>22 794</b>	<b>-2 188</b>	<b>-8,8%</b>
Ireland	5 557	4 872	110	4 982	-574	-10,3%
Italy	10 982	10 528	-36	10 492	-403	-3,7%
Luxembourg	281	272	6	278	-2	-0,7%
Netherlands	11 506	11 452	100	11 553	47	0,4%
Austria	2 785	2 715	28	2 743	-42	-1,5%
Portugal	1 999	1 843	1	1 845	-155	-7,8%
Finland	2 512	2 290	-41	2 248	-264	-10,5%
Sweden	3 450	2 901	-61	2 840	-610	-17,7%
United Kingdom	15 140	13 207	69	13 276	-1 825	-12,1%
EU 15	123 399	115 578	429	116 006	-7 265	-5,9%
Czech R	2 809	2 623	-161	2 462	-346	-12,3%
Estonia	657	584	-10	573	-84	-12,8%
Cyprus	149	148	1	149	0	0,0%
Latvia	720	594	15	609	-109	-15,1%
Lithuania	1 680	1 251	14	1 265	-415	-24,7%
Hungary	1 929	1 485	3	1 488	-434	-22,5%
Malta	50	40	0	40	-10	-20,0%
Poland	9 503	9 041	47	9 088	-414	-4,4%
Slovakia	1 050	830	2	832	-217	-20,7%
Slovenia	574	517	-4	512	-60	-10,5%
Bulgaria	928	810	-8	802	-127	-13,7%
Romania	1 475	928	-9	919	-554	-37,6%
NMS 12	21 523	18 850	-111	18 740	-2 768	-12,9%
<b>EU-27</b>	<b>144 922</b>	<b>134 428</b>	<b>318</b>	<b>134 746</b>	<b>-10 034</b>	<b>-6,9%</b>

Source: European Commission

**Annex 2-56. The French Rural Development National Plan 2007-2013 (millions euros)**

Code	Measures	FEADER	National funds	Top-up	Total
7.2.1.1.1.1	<i>AXE 1 "Improving competitiveness" (with leader)</i>	<b>1 978</b>	<b>1 975</b>	<b>726</b>	<b>4 679</b>
	<b>AXE 1 without Leader</b>	<b>1 961</b>	<b>1 961</b>	<b>726</b>	<b>4 648</b>
111	Vocational training, information actions	61	61	34	156
112	Setting up of young farmers	578	578	70	1 227
113	Early retirement of farmers and farm workers	21	21	0	42
121	Farm modernisation	610	610	404	1 623
122	Improving the economic value of the forest	29	29	0	57
123	Adding value to agricultural and forestry products	240	240	97	577
124	Cooperation for development of new products	5	5	5	14
125	Improving and developing infrastructure	57	57	92	206
125	- Agricultural infrastructures	14	14	92	121
125	- Forestry infrastructures	43	43	0	85
126	Restoring agricultural production potential	336	336	0	673
132	Supporting farmers who participate in food quality schemes	6	6	7	19
133	Supporting producer groups under food quality schemes	18	18	18	53
7.2.1.1.1.2	<i>AXE 2 "Improving environment and countryside" (with leader)</i>	<b>3 104</b>	<b>2 539</b>	<b>1 880</b>	<b>7 523</b>
	<b>AXE 2 without Leader</b>	<b>3 080</b>	<b>2 520</b>	<b>1 880</b>	<b>7 479</b>
211	Natural handicap payments to farmers in mountain areas	1 571	1 286	0	2 857
212	Payments in areas with handicaps, other than mountain areas	315	257	0	572
214	Agri-environmental payments	903	739	1 839	3 481
216	Support for non-productive investments	7	6	7	20
221	First afforestation of agricultural land;	4	3	7	14
223	First afforestation of non-agricultural land	1	1	0	2
226	Restoring forestry potential and introducing prevention actions	256	209	12	478
227	Support for non-productive investments (forest)	23	19	14	56
7.2.1.1.1.3	<i>AXE 3 "Improving rural life" (with leader)</i>	<b>594</b>	<b>549</b>	<b>312</b>	<b>1 455</b>
	<b>AXE 3 without Leader</b>	<b>348</b>	<b>348</b>	<b>307</b>	<b>1 004</b>
311	Diversification into non-agricultural activities	29	29	16	73
312	Support for the creation and development of micro-enterprises	21	21	20	62
313	Encouragement of tourism activities	54	54	70	177
321	Basic services for the economy and rural population	52	52	37	141
322	Village renewal and development	24	24	0	48
323	Conservation and upgrading of the rural heritage	118	118	135	371
331	Training and information for economic actors operating	7	7	2	16
341	Animation with a view to implementing a local strategy	44	44	28	116
7.2.1.1.1.4	<i>AXE 4 "Leader"</i>	<b>286</b>	<b>234</b>	<b>5</b>	<b>526</b>
411	Axe 1 "Improving competitiveness"	14	11	0	25
412	Axe 2 "Improving environment and countryside"	20	16	0	36
413	Axe 3 "Improving rural life"	202	165	4	370
421	Transnational and inter-regional cooperation	13	11	0	24
431	Running the local action group, skills acquisition, animation	38	31	1	70
	<b>Technical assistance</b>	<b>52</b>	<b>52</b>	<b>1</b>	<b>105</b>
<b>TOTAL</b>		<b>5 727</b>	<b>5 115</b>	<b>2 920</b>	<b>13 762</b>

French Ministry of Agriculture, 2007

Measures which concern potentially the dairy sector (graduation of the impact with the sign "+")

Axe 1 (code) : 111 (++) ; 112 (++) ; 113 (+) ; 121 (+++) ; 125 (+) ; 132 (+) ; 133 (+)  
 Axe 2 (code) : 211 (+++) ; 212 (+) ; 214 (+++)  
 Axe 3 (code) : 311 (+) ; 313 (+)  
 Axe 4 (code) : 411 (+)

## 7.3 Cost and income analysis (more tables)

### France and selected regions \* LFA \* Years

- Annex 3-1.** Number of farms, employment and lands
- Annex 3-2.** Grazing livestock, dairy cows and intensification
- Annex 3-3.** Milk production, milk output and milk price
- Annex 3-4.** Milk specific costs
- Annex 3-5.** Milk non-specific
- Annex 3-6.** Depreciation and external factors
- Annex 3-7.** Milk costs and milk margins
- Annex 3-8.** Economic results
- Annex 3-9.** Milk FFI and Milk net margins (with own factors)

### France and selected regions \* Size classes \* Years

#### Number of farms, employment and lands

- Annex 3-10.** Number of milk farms
- Annex 3-11.** AWU per farm
- Annex 3-12.** Salaried AWU / Total AWU (%)
- Annex 3-13.** Usable agricultural area (UAA) per farm (hectares)
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#### Grazing LU, dairy cows, milk production and intensification

- Annex 3-16.** Grazing LU per farm
- Annex 3-17.** Dairy cows per farm
- Annex 3-18.** Dairy cows / Grazing LU (%)
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- Annex 3-20.** Milk yield per cow (tons)
- Annex 3-21.** Milk production per farm (tons)
- Annex 3-22.** Milk production per AWU (tons)
- Annex 3-23.** Milk production per hectare of UAA (tons)
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#### Total output, milk price and specialization

- Annex 3-25.** Total output per farm (€)
- Annex 3-26.** Milk price (€/t)
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#### Cost of production

- Annex 3-28.** Milk - Specific costs (€/t)
- Annex 3-29.** Milk - Concentrates feed (€/t)
- Annex 3-30.** Milk - Non-specific costs (€/t)
- Annex 3-31.** Milk - Depreciation (€/t)
- Annex 3-32.** Milk - External factors (€/t)
- Annex 3-33.** Milk - Unpaid family factors (€/t)
- Annex 3-34.** Milk - Family labour cost (€/t)
- Annex 3-35.** Milk - Own land cost (€/t)
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#### Milk margins and economic results

- Annex 3-37.** Milk margin operating costs (€/t)
- Annex 3-38.** Milk net margin (€/t)
- Annex 3-39.** Milk net economic margin (€/t)
- Annex 3-40.** Farm net value added per AWU (€)
- Annex 3-41.** Direct subsidies per farm (€)
- Annex 3-42.** Milk FFI (variable "MFFIsCA") per ton of milk (€/t)
- Annex 3-43.** Milk FFI (variable "MCFIsCA") per farm
- Annex 3-44.** Milk FNVA / Total FNVA (%)
- Annex 3-45.** Milk net Margin (variable "MMrg-oSC") (€/t)
- Annex 3-46.** Synthesis of FADN results

### Annex 3-1. Number of farms, employment and lands

Region	LFA	Year	Farms sample	Farms (total)	AWU	Salaried / AWU	UAA	UAA / AWU	Forage / UAA
West of France	all	2003	655	40 860	1,84	6%	71	39	72%
		2004	625	38 408	1,85	6%	74	40	71%
		2005	541	37 509	1,83	6%	75	41	69%
		2006	501	34 409	1,90	7%	80	42	71%
		2007	495	34 418	1,84	6%	79	43	70%
Franche Comté	Mountains	2003	50	1 864	1,53	3%	76	50	98%
		2004	52	1 697	1,58	2%	80	51	98%
		2005	53	1 902	1,63	3%	83	51	98%
		2006	46	1 596	1,61	3%	87	54	98%
		2007	49	1 794	1,56	3%	85	55	99%
	Other LFA	2003	121	3 334	1,58	7%	105	67	75%
		2004	117	3 090	1,66	7%	114	69	72%
		2005	105	2 973	1,65	6%	118	71	70%
		2006	110	3 085	1,73	8%	121	70	72%
		2007	102	2 800	1,79	10%	123	69	71%
	All	2003	174	5 274	1,56	5%	96	62	80%
		2004	171	4 825	1,62	5%	103	63	79%
		2005	159	4 900	1,64	5%	104	63	79%
		2006	157	4 711	1,69	7%	109	65	79%
		2007	152	4 620	1,70	7%	108	64	80%
France	Mountains	2003	333	18 634	1,61	4%	67	41	90%
		2004	335	18 054	1,61	4%	68	42	90%
		2005	336	17 189	1,66	5%	69	42	90%
		2006	336	16 422	1,65	5%	73	44	90%
		2007	347	16 784	1,62	5%	73	45	90%
	Other LFA	2003	411	16 296	1,85	11%	106	57	65%
		2004	405	15 024	1,89	11%	113	60	66%
		2005	408	14 745	1,90	9%	113	59	66%
		2006	415	14 780	1,96	11%	120	61	65%
		2007	403	14 759	1,90	10%	115	60	65%
	Plain	2003	1186	58 368	1,84	7%	77	42	63%
		2004	1161	54 587	1,86	8%	82	44	63%
		2005	1066	53 791	1,85	8%	82	44	62%
		2006	1015	49 550	1,92	9%	88	46	62%
		2007	1034	50 498	1,88	8%	89	47	61%
	All	2003	1930	93 298	1,80	7%	80	45	68%
		2004	1901	87 665	1,81	8%	84	46	68%
		2005	1810	85 725	1,82	8%	84	46	67%
		2006	1766	80 752	1,87	8%	91	49	67%
		2007	1784	82 041	1,83	8%	90	49	67%

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-2. Grazing livestock, dairy cows and intensification

Region	LFA	Year	Grazing LU	Dairy cows	Dairy cows / LU	Milk production (kg)			
						/ Ha of UAA	/ Ha of forage (total)	/ Ha of milk forage	/ Dairy cows
West of France	all	2003	83	41	50%	3,67	5,13	6,92	6,31
		2004	85	42	50%	3,65	5,12	7,02	6,38
		2005	84	42	50%	3,69	5,32	7,28	6,54
		2006	93	46	49%	3,72	5,24	7,33	6,53
		2007	93	46	50%	3,95	5,63	7,84	6,75
Franche Comté	Mountains	2003	69	38	55%	2,96	3,02	3,19	5,89
		2004	73	40	55%	2,98	3,04	3,25	5,98
		2005	73	40	55%	2,99	3,05	3,28	6,13
		2006	75	40	54%	2,90	2,96	3,21	6,25
		2007	72	40	55%	2,82	2,85	3,13	6,06
	Other LFA	2003	83	40	49%	2,10	2,79	3,48	5,50
		2004	87	42	49%	2,13	2,96	3,71	5,75
		2005	89	42	47%	2,14	3,05	3,85	5,99
		2006	92	42	45%	2,06	2,88	3,83	5,94
		2007	93	43	47%	2,05	2,88	3,76	5,84
	All	2003	78	40	51%	2,32	2,88	3,38	5,65
		2004	82	41	51%	2,35	2,99	3,54	5,83
		2005	83	41	50%	2,41	3,05	3,61	6,04
		2006	87	41	48%	2,29	2,91	3,60	6,04
		2007	85	42	49%	2,29	2,87	3,50	5,92
France	Mountains	2003	65	35	54%	2,77	3,07	3,70	5,27
		2004	65	35	53%	2,78	3,10	3,84	5,44
		2005	66	36	54%	2,91	3,24	3,93	5,63
		2006	67	37	55%	2,85	3,19	3,81	5,66
		2007	68	37	54%	2,82	3,13	3,78	5,58
	Other LFA	2003	89	43	48%	2,38	3,66	4,95	5,90
		2004	95	45	48%	2,44	3,72	5,11	6,06
		2005	97	46	48%	2,60	3,97	5,52	6,35
		2006	101	47	47%	2,48	3,84	5,44	6,32
		2007	98	46	47%	2,54	3,88	5,45	6,27
	Plain	2003	84	42	49%	3,44	5,42	7,33	6,38
		2004	87	43	49%	3,41	5,44	7,43	6,46
		2005	86	43	50%	3,50	5,68	7,75	6,66
		2006	94	46	49%	3,45	5,57	7,75	6,62
		2007	94	47	50%	3,61	5,94	8,26	6,85
	All	2003	81	41	50%	3,08	4,52	5,95	6,10
		2004	84	42	50%	3,08	4,54	6,08	6,21
		2005	84	42	50%	3,20	4,76	6,35	6,42
		2006	90	44	49%	3,12	4,65	6,27	6,40
		2007	90	45	50%	3,23	4,85	6,53	6,53

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-3. Milk production, milk output and milk price

Region	LFA	Year	Milk production per farm (t)	Milk production per AWU (t)	Milk output per farm (euro)	Milk price (euro/t)	Milk output / Total output (%)
West of France	all	2003	260	141	81 146	311	57%
		2004	270	146	82 420	305	54%
		2005	277	151	81 786	295	52%
		2006	298	157	84 927	285	58%
		2007	313	170	99 676	316	60%
Franche Comté	Mountains	2003	224	146	80 289	358	78%
		2004	239	151	83 284	349	76%
		2005	247	151	84 908	341	73%
		2006	252	157	84 529	332	75%
		2007	241	154	81 909	336	77%
	Other LFA	2003	221	140	72 452	326	56%
		2004	244	147	77 423	317	53%
		2005	253	153	78 535	310	52%
		2006	249	144	74 182	300	54%
		2007	253	141	80 843	319	54%
	All	2003	223	143	75 599	337	62%
		2004	242	149	79 382	328	60%
		2005	250	153	80 934	322	59%
		2006	250	148	77 596	311	60%
		2007	248	146	81 197	326	61%
France	Mountains	2003	185	115	61 383	324	67%
		2004	188	117	60 306	312	63%
		2005	202	121	63 777	308	63%
		2006	208	126	63 202	297	67%
		2007	207	128	65 704	312	66%
	Other LFA	2003	251	136	78 881	311	51%
		2004	275	146	84 585	305	50%
		2005	293	154	87 565	298	49%
		2006	298	152	85 147	287	53%
		2007	291	153	90 597	310	53%
	Plain	2003	266	144	82 869	311	53%
		2004	278	150	84 556	304	51%
		2005	285	154	84 011	294	50%
		2006	305	159	86 360	283	55%
		2007	320	171	100 562	311	55%
	All	2003	247	137	77 881	314	55%
		2004	259	143	79 567	305	53%
		2005	270	148	80 565	298	52%
		2006	284	152	81 429	287	56%
		2007	292	160	91 638	311	56%

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-4. Milk specific costs (€/ton of milk)

Region	LFA	Year	Milk feed costs					Milk total specific costs
			Concentrates	Specific forage	Coarse fodder	Crops used	Total	
West of France	all	2003	36	29	4	10	79	92
		2004	37	28	3	9	77	90
		2005	35	27	3	9	74	87
		2006	37	26	3	10	76	90
		2007	43	26	4	10	83	97
Franche Comté	Mountains	2003	69	14	3	17	102	124
		2004	70	16	4	14	104	124
		2005	62	16	2	13	94	115
		2006	60	16	5	15	96	118
		2007	72	17	5	14	108	129
	Other LFA	2003	47	25	4	24	100	116
		2004	47	24	2	22	94	111
		2005	45	23	1	21	89	107
		2006	47	23	2	21	93	113
		2007	53	24	2	26	106	125
	All	2003	55	22	3	21	101	120
		2004	55	21	2	19	97	116
		2005	51	20	2	18	91	110
		2006	51	21	3	19	94	114
		2007	60	22	3	21	107	126
France	Mountains	2003	52	20	10	15	97	115
		2004	54	21	12	13	101	121
		2005	51	21	10	13	96	115
		2006	51	22	10	13	97	116
		2007	57	23	8	16	103	123
	Other LFA	2003	49	27	5	13	94	111
		2004	50	26	4	12	93	110
		2005	44	24	4	11	83	101
		2006	46	25	5	12	88	105
		2007	54	25	4	14	97	115
	Plain	2003	41	27	5	9	83	97
		2004	41	27	5	8	82	96
		2005	40	26	4	8	77	92
		2006	42	25	4	9	80	95
		2007	48	25	5	9	88	103
	All	2003	44	26	6	11	87	102
		2004	45	26	6	10	86	102
		2005	42	25	5	9	81	97
		2006	44	25	5	10	84	100
		2007	51	25	5	11	92	108

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-5. Milk non-specific costs (€/ton of milk)

Region	LFA	Year	Machinery and building	Energy	Contract work	Milk taxes	Other	Total unspecific
West of France	all	2003	17	10	27	4	35	93
		2004	17	11	28	3	32	91
		2005	18	12	28	4	31	92
		2006	18	13	29	3	32	96
		2007	19	13	29	3	34	97
Franche Comté	Mountains	2003	26	11	16	4	39	96
		2004	30	13	21	2	38	104
		2005	28	15	18	3	37	101
		2006	25	15	20	2	43	105
		2007	25	15	16	2	44	102
	Other LFA	2003	21	12	20	3	38	94
		2004	21	13	21	3	31	89
		2005	20	15	21	4	31	91
		2006	19	15	22	3	33	92
		2007	20	16	21	3	32	92
	All	2003	23	11	18	4	38	94
		2004	24	13	21	3	33	94
		2005	23	15	20	3	34	95
		2006	21	15	22	3	35	96
		2007	22	15	19	3	37	96
France	Mountains	2003	23	12	22	4	39	100
		2004	25	14	23	4	42	108
		2005	24	16	24	3	42	109
		2006	24	16	23	3	45	111
		2007	23	17	24	3	45	112
	Other LFA	2003	20	11	22	3	38	94
		2004	20	12	22	3	31	88
		2005	21	14	23	3	30	91
		2006	21	16	24	3	30	94
		2007	20	16	24	3	33	96
	Plain	2003	17	10	26	4	33	90
		2004	17	11	26	4	30	88
		2005	17	12	26	3	31	89
		2006	18	14	27	3	31	93
		2007	19	13	27	3	32	94
	All	2003	18	11	24	4	35	92
		2004	19	12	25	4	31	91
		2005	19	13	25	3	33	93
		2006	20	14	26	3	33	96
		2007	20	14	26	3	34	97

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-6. Depreciation and external factors (€ per ton of milk)

Region	LFA	Year	Depreciation (milk costs)	External factors (milk costs)			Total
				Wages	Rent	Interest	
West of France	all	2003	49	4	19	12	35
		2004	52	4	19	12	34
		2005	51	4	19	11	33
		2006	55	4	20	11	35
		2007	55	4	19	11	34
Franche Comté	Mountains	2003	75	1	28	9	38
		2004	77	2	28	9	39
		2005	73	2	28	8	38
		2006	78	2	27	9	38
		2007	90	2	28	10	39
	Other LFA	2003	59	3	22	7	32
		2004	62	3	23	7	32
		2005	66	2	23	7	31
		2006	68	4	24	7	34
		2007	68	4	24	7	35
	All	2003	65	2	24	8	35
		2004	67	3	25	7	35
		2005	69	2	25	7	34
		2006	72	3	25	8	36
		2007	77	3	26	8	37
France	Mountains	2003	71	2	17	8	28
		2004	73	2	18	8	28
		2005	73	3	18	7	29
		2006	77	3	18	8	29
		2007	81	3	19	8	30
	Other LFA	2003	55	6	19	8	34
		2004	57	6	18	8	32
		2005	57	5	18	8	32
		2006	61	6	20	9	35
		2007	62	6	20	9	35
	Plain	2003	48	4	19	11	34
		2004	52	4	19	11	34
		2005	50	4	19	10	34
		2006	56	5	20	11	35
		2007	54	5	19	11	35
	All	2003	53	4	19	10	33
		2004	56	4	19	10	33
		2005	55	4	19	10	33
		2006	60	5	20	10	34
		2007	59	5	19	10	34

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-7. Milk costs and milk margins (€ per ton of milk)

Region	LFA	Year	Milk price	Milk operating cost	Milk margin operating cost	Depreciation and external factor	Milk net margin	Unpaid family factors	Milk net economic margin
West of France	all	2003	311	185	127	83	44	74	-30
		2004	305	181	124	86	38	69	-30
		2005	295	179	116	84	32	70	-38
		2006	285	186	99	90	9	69	-60
		2007	316	194	124	89	35	71	-37
Franche Comté	Mountains	2003	358	220	139	113	26	88	-62
		2004	349	229	120	115	5	87	-82
		2005	341	216	128	111	17	78	-61
		2006	332	222	113	117	-4	79	-83
		2007	336	231	110	129	-20	88	-108
	Other LFA	2003	326	211	117	91	25	69	-44
		2004	317	201	117	95	22	64	-41
		2005	310	198	112	97	15	56	-41
		2006	300	204	94	103	-9	62	-71
		2007	319	217	103	104	-1	70	-71
	All	2003	337	214	124	99	25	75	-50
		2004	328	210	118	102	16	72	-55
		2005	322	205	118	103	16	64	-49
		2006	311	210	101	108	-7	68	-75
		2007	326	222	106	114	-8	77	-85
France	Mountains	2003	324	216	116	99	17	96	-79
		2004	312	229	92	101	-9	96	-105
		2005	308	224	93	102	-9	90	-100
		2006	297	227	76	106	-30	97	-127
		2007	312	235	83	111	-28	99	-127
	Other LFA	2003	311	204	109	89	20	60	-40
		2004	305	198	110	89	20	60	-40
		2005	298	191	107	89	19	56	-37
		2006	287	199	87	96	-9	60	-69
		2007	310	211	101	97	4	65	-61
	Plain	2003	311	187	125	83	42	66	-24
		2004	304	184	120	86	34	63	-29
		2005	294	182	112	84	28	64	-36
		2006	283	189	95	92	3	64	-61
		2007	311	197	117	89	29	65	-36
	All	2003	314	194	121	86	35	69	-35
		2004	305	193	114	89	25	67	-42
		2005	298	190	108	88	21	66	-45
		2006	287	196	91	95	-4	68	-72
		2007	311	205	109	93	16	70	-54

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-8. Economic results (€ per farm and per AWU) of the French milk farms according to LFA

Region	LFA	Year	Total output with coupled subsidies		Subsidies		Gross Farm income		Farm net value added	
			/ Farm	/ AWU	/ Farm	/ AWU	/ Farm	/ AWU	/ Farm	/ AWU
West of France	all	2003	142 607	77 664	18 613	10 137	64 184	34 954	41 926	22 833
		2004	152 124	82 319	22 814	12 345	71 019	38 431	46 070	24 930
		2005	155 953	85 027	25 698	14 010	73 654	40 157	48 741	26 574
		2006	147 351	77 496	30 970	16 288	80 171	42 164	51 502	27 087
		2007	167 446	90 961	29 398	15 970	91 218	49 552	62 102	33 735
Franche Comté	Mountains	2003	102 705	67 268	16 678	10 923	58 881	38 565	37 058	24 272
		2004	109 556	69 486	20 689	13 122	60 837	38 586	37 348	23 688
		2005	116 175	71 174	23 386	14 327	68 147	41 749	44 631	27 343
		2006	112 950	70 373	26 785	16 688	71 208	44 366	45 161	28 138
		2007	106 116	67 858	27 203	17 396	64 984	41 556	35 819	22 905
	Other LFA	2003	129 637	82 119	24 958	15 810	61 915	39 220	38 598	24 450
		2004	145 894	88 006	28 011	16 897	72 400	43 673	44 837	27 047
		2005	152 275	92 184	31 037	18 789	73 894	44 734	43 851	26 546
		2006	137 454	79 310	34 152	19 705	77 543	44 742	46 231	26 675
		2007	149 688	83 616	33 990	18 987	84 763	47 349	52 824	29 507
	All	2003	121 886	77 981	22 535	14 418	61 458	39 320	38 421	24 582
		2004	133 361	82 070	25 606	15 757	68 423	42 107	42 206	25 973
		2005	138 193	84 217	28 037	17 086	71 658	43 669	44 148	26 904
		2006	128 970	76 537	31 634	18 773	75 372	44 730	45 837	27 202
		2007	132 722	78 171	31 332	18 454	77 123	45 424	46 182	27 200
France	Mountains	2003	90 943	56 336	20 458	12 673	50 129	31 054	30 424	18 847
		2004	95 197	59 199	20 789	12 928	47 154	29 323	26 365	16 395
		2005	101 725	61 141	24 067	14 465	52 615	31 624	30 724	18 467
		2006	94 814	57 309	26 461	15 994	53 787	32 511	29 769	17 994
		2007	99 144	61 263	26 030	16 085	55 160	34 084	30 267	18 702
	Other LFA	2003	155 432	83 813	28 826	15 543	68 619	37 001	41 544	22 402
		2004	169 996	89 892	32 877	17 385	78 814	41 676	48 221	25 499
		2005	177 223	93 411	35 560	18 743	82 540	43 506	51 074	26 920
		2006	159 357	81 418	40 275	20 577	86 942	44 420	52 773	26 963
		2007	169 596	89 349	36 722	19 346	93 337	49 173	59 823	31 517
	Plain	2003	155 011	84 172	21 710	11 789	69 552	37 768	45 560	24 740
		2004	164 794	88 773	26 195	14 111	75 938	40 907	48 993	26 392
		2005	167 354	90 539	29 107	15 747	77 840	42 112	51 083	27 636
		2006	157 006	81 958	34 950	18 244	85 336	44 546	54 169	28 277
		2007	182 072	96 967	33 780	17 990	99 781	53 141	68 303	36 376
	All	2003	142 288	79 117	22 703	12 624	65 510	36 426	41 836	23 262
		2004	151 353	83 566	26 227	14 481	70 503	38 927	44 201	24 405
		2005	155 892	85 665	29 207	16 049	73 591	40 439	46 999	25 827
		2006	144 789	77 420	34 199	18 286	79 214	42 357	48 952	26 175
		2007	162 862	89 079	32 724	17 898	89 493	48 949	58 996	32 268

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms



### Annex 3-9. Milk FFI and milk net margin (€ per farm or per Ton of milk)

Region	LFA	Year	Milk FFI per t (MFFIsCA)	Milk FFI per farm (MCFIsCA)	Milk net margin / t (MMrg_oSC)
West of France	all	2003	56	14 448	-18
		2004	62	16 865	-6
		2005	67	18 536	-3
		2006	21	6 372	-48
		2007	45	14 050	-27
Franche Comté	Mountains	2003	44	9 734	-45
		2004	34	8 185	-53
		2005	56	13 850	-22
		2006	19	4 861	-60
		2007	-5	-1 130	-93
	Other LFA	2003	45	10 040	-24
		2004	51	12 450	-13
		2005	54	13 591	-3
		2006	10	2 504	-52
		2007	13	3 285	-57
	All	2003	44	9 823	-31
		2004	45	10 933	-26
		2005	55	13 738	-10
		2006	13	3 313	-55
		2007	6	1 590	-70
France	Mountains	2003	42	7 696	-54
		2004	28	5 186	-68
		2005	38	7 651	-52
		2006	-4	-761	-100
		2007	-6	-1 141	-105
	Other LFA	2003	34	8 518	-26
		2004	46	12 541	-15
		2005	53	15 636	-3
		2006	4	1 272	-56
		2007	15	4 286	-51
	Plain	2003	53	14 195	-12
		2004	57	15 917	-6
		2005	62	17 723	-1
		2006	15	4 464	-49
		2007	38	12 174	-27
	All	2003	48	11 905	-21
		2004	51	13 128	-17
		2005	57	15 345	-9
		2006	10	2 817	-58
		2007	28	8 031	-42

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-10. Number of milk farms

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	6 549	24 620	7 503	1 751		40 860
	2004	5 560	22 135	8 351	1 880		38 408
	2005	5 527	22 255	7 390	1 932		37 509
	2006	4 199	19 072	7 713	2 763		34 409
	2007	4 349	18 036	8 845	2 320	838	34 418
Franche-Comté	2003	1 087	3 032	897			5 274
	2004	978	2 659	879			4 825
	2005	732	2 957	933			4 900
	2006	727	2 821	890			4 711
	2007	951	2 566	799			4 620
France	2003	18 695	52 309	16 859	4 299	1 039	93 298
	2004	15 748	48 482	17 749	4 349	1 222	87 665
	2005	13 993	49 073	17 237	4 242	1 146	85 725
	2006	12 185	43 624	17 365	5 882	1 644	80 752
	2007	13 116	42 633	18 692	5 573	1 749	82 041

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-11. AWU per farm

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	1,24	1,68	2,53	2,85		1,84
	2004	1,25	1,67	2,40	2,84		1,85
	2005	1,21	1,69	2,37	2,98		1,83
	2006	1,23	1,65	2,35	3,05		1,90
	2007	1,35	1,54	2,27	2,85	3,38	1,84
Franche-Comté	2003	1,06	1,46	2,10			1,56
	2004	1,06	1,47	2,21			1,62
	2005	1,02	1,49	2,10			1,64
	2006	1,08	1,52	2,25			1,69
	2007	1,07	1,57	2,30			1,70
France	2003	1,29	1,63	2,42	3,09	3,80	1,80
	2004	1,25	1,62	2,39	3,01	3,62	1,81
	2005	1,27	1,63	2,38	3,06	3,39	1,82
	2006	1,27	1,62	2,38	3,01	3,39	1,87
	2007	1,26	1,56	2,34	2,89	3,53	1,83

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-12. Salaried AWU / Total AWU (%)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	1%	5%	9%	9%		6%
	2004	2%	5%	8%	10%		6%
	2005	1%	5%	7%	14%		6%
	2006	1%	5%	7%	16%		7%
	2007	1%	4%	8%	13%	9%	6%
Franche-Comté	2003	1%	5%	5%			5%
	2004	1%	6%	4%			5%
	2005	2%	6%	3%			5%
	2006	2%	8%	4%			7%
	2007	1%	9%	6%			7%
France	2003	2%	6%	11%	15%	17%	7%
	2004	2%	6%	10%	14%	13%	8%
	2005	2%	6%	10%	15%	13%	8%
	2006	2%	6%	10%	17%	12%	8%
	2007	1%	6%	11%	14%	17%	8%

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-13. Usable agricultural area (UAA) per farm (hectares)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	41,0	63,8	102,5	124,6		70,7
	2004	45,0	64,4	102,5	122,9		74,1
	2005	46,2	66,5	104,7	126,5		75,2
	2006	46,9	67,6	104,4	130,6		80,2
	2007	44,4	65,0	100,7	138,9	173,0	79,4
Franche-Comté	2003	58,8	88,8	133,9			96,4
	2004	65,1	89,9	136,1			102,7
	2005	64,8	89,0	144,7			104,1
	2006	61,9	96,1	141,4			109,0
	2007	61,1	95,3	148,7			108,2
France	2003	48,7	70,4	115,4	156,4	224,3	80,1
	2004	50,7	71,6	117,0	155,7	224,1	84,0
	2005	49,8	72,7	119,1	159,0	210,2	84,5
	2006	52,4	75,4	119,5	161,6	222,6	90,9
	2007	51,0	73,9	117,3	168,7	212,2	90,2

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-14. Usable agricultural area (UAA) per AWU (hectares)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	33,0	38,0	40,6	43,7		38,5
	2004	36,2	38,5	42,8	43,3		40,1
	2005	38,1	39,4	44,1	42,4		41,0
	2006	38,2	40,9	44,4	42,8		42,2
	2007	32,9	42,1	44,4	48,7	51,2	43,2
Franche-Comté	2003	55,2	60,8	63,7			61,7
	2004	61,7	61,3	61,5			63,2
	2005	63,5	59,8	68,8			63,4
	2006	57,5	63,2	62,9			64,7
	2007	57,2	60,7	64,7			63,8
France	2003	37,8	43,1	47,8	50,7	59,0	44,5
	2004	40,5	44,1	48,9	51,8	61,8	46,4
	2005	39,1	44,5	50,1	51,9	62,1	46,4
	2006	41,3	46,5	50,1	53,7	65,7	48,6
	2007	40,6	47,4	50,1	58,3	60,1	49,3

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-15. Fodder surface / UAA (%)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	76%	72%	69%	71%		72%
	2004	75%	72%	70%	69%		71%
	2005	71%	71%	67%	68%		69%
	2006	77%	71%	69%	71%		71%
	2007	76%	72%	68%	66%	70%	70%
Franche-Comté	2003	89%	80%	76%			80%
	2004	82%	80%	78%			79%
	2005	88%	81%	74%			79%
	2006	87%	80%	79%			79%
	2007	92%	80%	80%			80%
France	2003	73%	70%	65%	64%	57%	68%
	2004	74%	70%	65%	63%	55%	68%
	2005	73%	69%	64%	60%	59%	67%
	2006	73%	70%	65%	62%	58%	67%
	2007	73%	70%	64%	60%	60%	67%

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-16. Grazing LU per farm

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	48	74	119	158		83
	2004	48	74	116	164		85
	2005	47	75	115	152		84
	2006	52	77	119	162		93
	2007	49	76	118	160	220	93
Franche-Comté	2003	43	70	111			78
	2004	44	71	115			82
	2005	46	70	121			83
	2006	43	75	125			87
	2007	46	74	121			85
France	2003	45	72	119	161	225	81
	2004	45	73	118	162	219	84
	2005	45	73	119	161	213	84
	2006	47	74	122	162	229	90
	2007	45	74	120	163	218	90

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-17. Dairy cows per farm

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	18	37	60	85		41
	2004	18	37	59	86		42
	2005	19	38	59	85		42
	2006	19	37	61	84		46
	2007	19	38	61	84	113	46
Franche-Comté	2003	21	35	58			40
	2004	22	36	59			41
	2005	21	35	60			41
	2006	20	36	60			41
	2007	22	37	60			42
France	2003	19	37	60	85	116	41
	2004	19	36	60	85	117	42
	2005	19	37	60	85	115	42
	2006	19	37	61	84	116	44
	2007	19	37	61	84	116	45

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-18. Dairy cows / Grazing LU (%)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	38%	50%	50%	54%		50%
	2004	38%	50%	51%	52%		50%
	2005	41%	50%	51%	56%		50%
	2006	38%	49%	51%	52%		49%
	2007	39%	50%	51%	53%	51%	50%
Franche-Comté	2003	49%	50%	52%			51%
	2004	50%	51%	51%			50%
	2005	46%	50%	50%			49%
	2006	47%	48%	48%			47%
	2007	48%	50%	50%			49%
France	2003	42%	51%	50%	53%	52%	51%
	2004	42%	49%	51%	52%	53%	50%
	2005	42%	51%	50%	53%	54%	50%
	2006	40%	50%	50%	52%	51%	49%
	2007	42%	50%	51%	52%	53%	50%

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-19. Grazing LU per ha of fodder surface

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	1,54	1,60	1,68	1,79		1,64
	2004	1,43	1,60	1,61	1,92		1,62
	2005	1,42	1,59	1,66	1,77		1,62
	2006	1,43	1,61	1,65	1,76		1,64
	2007	1,46	1,63	1,72	1,74	1,83	1,67
Franche-Comté	2003	0,81	0,99	1,09			1,01
	2004	0,83	0,98	1,08			1,01
	2005	0,80	0,97	1,12			1,01
	2006	0,79	0,97	1,12			1,01
	2007	0,82	0,97	1,02			0,99
France	2003	1,27	1,46	1,58	1,61	1,75	1,49
	2004	1,19	1,46	1,54	1,66	1,78	1,47
	2005	1,22	1,44	1,57	1,67	1,73	1,48
	2006	1,21	1,41	1,57	1,63	1,78	1,47
	2007	1,21	1,42	1,59	1,61	1,71	1,49

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-20. Milk yield per cow (tons)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	5,74	6,37	6,53	5,92		6,31
	2004	5,90	6,37	6,57	6,16		6,38
	2005	6,38	6,52	6,69	6,49		6,54
	2006	6,15	6,58	6,66	6,39		6,53
	2007	6,11	6,73	6,78	6,85	6,95	6,75
Franche-Comté	2003	5,55	5,58	5,92			5,65
	2004	5,83	5,82	5,83			5,83
	2005	6,13	5,93	5,97			6,04
	2006	6,04	5,91	6,12			6,04
	2007	5,78	5,73	6,10			5,92
France	2003	5,49	6,13	6,26	6,12	6,23	6,10
	2004	5,59	6,15	6,42	6,40	6,45	6,21
	2005	5,91	6,32	6,61	6,72	6,60	6,42
	2006	5,77	6,32	6,56	6,56	6,46	6,40
	2007	5,79	6,36	6,72	6,80	6,89	6,53

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-21. Milk production per farm (tons)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	104	237	392	502		260
	2004	108	234	390	527		270
	2005	124	245	395	554		277
	2006	120	247	405	537		298
	2007	118	255	411	578	788	313
Franche-Comté	2003	119	198	345			223
	2004	127	212	343			242
	2005	129	210	361			250
	2006	119	211	368			250
	2007	129	211	364			248
France	2003	104	224	374	518	720	247
	2004	105	224	383	541	752	259
	2005	114	232	396	571	758	270
	2006	111	232	399	551	749	284
	2007	108	235	407	570	796	292

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-22. Milk production per AWU (tons)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	84	141	155	176		141
	2004	87	140	163	186		146
	2005	102	145	167	186		151
	2006	97	149	172	176		157
	2007	87	165	181	202	233	170
Franche-Comté	2003	112	135	164			143
	2004	120	144	155			149
	2005	126	141	172			153
	2006	110	139	164			148
	2007	121	134	158			146
France	2003	81	137	155	168	190	137
	2004	84	138	160	180	207	143
	2005	90	142	167	186	224	148
	2006	87	143	167	183	221	152
	2007	86	151	174	197	225	160

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-23. Milk production per hectare of UAA (tons)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	2,54	3,71	3,83	4,03		3,67
	2004	2,40	3,64	3,80	4,29		3,65
	2005	2,67	3,68	3,78	4,38		3,69
	2006	2,55	3,65	3,88	4,11		3,72
	2007	2,65	3,92	4,09	4,16	4,55	3,95
Franche-Comté	2003	2,03	2,23	2,58			2,32
	2004	1,95	2,35	2,52			2,35
	2005	1,98	2,35	2,50			2,41
	2006	1,92	2,19	2,60			2,29
	2007	2,11	2,21	2,45			2,29
France	2003	2,14	3,19	3,24	3,32	3,21	3,08
	2004	2,08	3,13	3,28	3,47	3,36	3,08
	2005	2,30	3,19	3,33	3,59	3,61	3,20
	2006	2,11	3,07	3,33	3,41	3,37	3,12
	2007	2,12	3,18	3,47	3,38	3,75	3,23

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-24. Milk production per hectare of milk fodder surface (tons)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	5,52	6,82	7,39	7,18		6,92
	2004	5,37	6,89	7,20	8,03		7,02
	2005	5,98	7,17	7,58	7,97		7,28
	2006	5,40	7,32	7,57	7,47		7,33
	2007	5,32	7,71	8,25	8,15	9,10	7,84
Franche-Comté	2003	2,67	3,26	3,89			3,38
	2004	2,82	3,40	3,83			3,54
	2005	2,86	3,34	4,17			3,61
	2006	2,83	3,34	4,11			3,60
	2007	2,87	3,28	3,82			3,50
France	2003	4,49	5,83	6,49	6,56	7,50	5,95
	2004	4,27	5,90	6,55	7,12	8,07	6,08
	2005	4,75	6,08	6,89	7,51	7,75	6,35
	2006	4,49	5,88	6,87	7,07	7,80	6,27
	2007	4,53	6,00	7,24	7,34	8,26	6,53

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-25. Total output per farm (€)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	64 388	127 459	217 659	269 750		142 607
	2004	71 235	131 873	212 478	288 359		152 124
	2005	76 574	137 145	223 260	293 230		155 953
	2006	66 379	122 075	196 124	262 441		147 351
	2007	69 634	135 577	218 001	310 241	406 238	167 446
Franche-Comté	2003	59 217	108 581	185 808			121 886
	2004	67 810	114 053	185 983			133 361
	2005	65 659	113 082	209 679			138 193
	2006	56 377	104 402	194 334			128 970
	2007	61 549	110 325	196 396			132 722
France	2003	66 773	124 948	217 899	302 603	447 706	142 288
	2004	67 737	128 169	222 259	315 312	472 560	151 353
	2005	71 974	131 862	230 733	325 662	441 244	155 892
	2006	63 739	116 168	203 430	280 592	380 096	144 789
	2007	67 699	128 534	226 878	324 009	435 658	162 862

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-26. Milk price (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	306,1	310,8	314,9	318,4		311,4
	2004	301,9	304,2	307,5	311,1		305,0
	2005	286,1	294,5	300,2	298,3		294,6
	2006	282,7	284,3	286,7	287,9		285,1
	2007	304,9	314,6	319,1	329,7	319,4	315,7
Franche-Comté	2003	344,1	335,2	335,1			337,3
	2004	330,2	330,4	318,9			328,1
	2005	312,6	325,1	318,7			321,9
	2006	317,1	310,6	307,3			310,5
	2007	331,2	322,7	329,3			325,8
France	2003	307,6	312,3	319,2	328,9	321,8	313,6
	2004	298,6	304,9	310,0	316,3	309,0	305,5
	2005	290,2	297,7	301,9	303,4	302,1	297,7
	2006	282,4	286,7	287,4	292,9	286,0	286,7
	2007	301,3	310,7	316,2	321,3	314,8	311,3

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-27. Milk output / Total output (%)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	50%	58%	57%	59%		57%
	2004	46%	54%	56%	57%		54%
	2005	47%	52%	53%	56%		52%
	2006	51%	57%	59%	59%		58%
	2007	52%	59%	60%	61%	63%	60%
Franche-Comté	2003	70%	61%	62%			62%
	2004	62%	62%	59%			60%
	2005	62%	61%	55%			59%
	2006	67%	63%	58%			60%
	2007	70%	62%	61%			61%
France	2003	48%	56%	55%	56%	52%	55%
	2004	47%	53%	53%	54%	49%	53%
	2005	46%	52%	52%	53%	52%	52%
	2006	49%	57%	56%	57%	56%	56%
	2007	49%	57%	57%	56%	58%	56%

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-28. Milk - Specific costs (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	87	92	91	97		92
	2004	92	90	87	93		90
	2005	87	86	89	85		87
	2006	87	89	92	87		90
	2007	93	94	99	95	109	97
Franche-Comté	2003	127	113	121			120
	2004	119	112	112			116
	2005	103	108	112			110
	2006	126	110	119			114
	2007	132	123	129			126
France	2003	104	101	100	112	113	102
	2004	108	101	100	107	111	102
	2005	99	96	97	100	106	97
	2006	104	99	99	102	109	100
	2007	112	105	108	108	118	108

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-29. Milk - Concentrates feed (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	30	36	36	40		36
	2004	35	36	36	41		37
	2005	34	34	36	35		35
	2006	35	36	38	36		37
	2007	36	41	46	43	48	43
Franche-Comté	2003	67	52	51			55
	2004	61	52	50			55
	2005	47	50	49			51
	2006	55	48	56			51
	2007	63	57	60			60
France	2003	43	43	44	51	55	44
	2004	43	44	44	51	55	45
	2005	40	40	43	45	51	42
	2006	42	42	44	48	53	44
	2007	47	48	52	51	61	51

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-30. Milk - Non-specific costs (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	94	97	87	89		93
	2004	94	95	86	88		91
	2005	93	95	88	90		92
	2006	102	101	88	92		96
	2007	99	103	93	97	86	97
Franche-Comté	2003	105	95	92			94
	2004	105	99	88			94
	2005	105	99	89			95
	2006	97	104	88			96
	2007	112	100	92			96
France	2003	98	95	88	88	84	92
	2004	101	95	86	87	83	91
	2005	100	96	88	88	85	93
	2006	104	102	91	91	90	96
	2007	104	102	93	91	89	97

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-31. Milk - Depreciation (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	31	48	51	59		49
	2004	37	50	56	57		52
	2005	36	49	55	52		51
	2006	38	54	56	60		55
	2007	41	57	54	59	53	55
Franche-Comté	2003	78	64	60			65
	2004	77	68	63			67
	2005	65	71	68			69
	2006	73	77	67			72
	2007	66	79	84			77
France	2003	47	52	54	61	50	53
	2004	49	54	58	61	56	56
	2005	49	54	58	55	58	55
	2006	53	60	61	62	62	60
	2007	51	61	59	61	55	59

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-32. Milk - External factors (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	22	33	38	43		35
	2004	24	32	37	41		34
	2005	24	31	37	42		33
	2006	24	31	36	45		35
	2007	30	30	36	41	38	34
Franche-Comté	2003	23	34	34			35
	2004	26	34	34			35
	2005	18	35	33			34
	2006	25	37	35			36
	2007	32	38	35			37
France	2003	23	30	38	43	43	33
	2004	24	30	37	41	37	33
	2005	23	30	37	40	38	33
	2006	23	31	37	43	39	34
	2007	25	30	37	40	41	34

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-33. Milk - Unpaid family factors (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	122	77	62	54		74
	2004	110	74	61	50		69
	2005	104	75	61	51		70
	2006	116	76	61	54		69
	2007	132	78	65	56	51	71
Franche-Comté	2003	104	81	64			75
	2004	100	76	65			72
	2005	93	71	53			64
	2006	105	74	60			68
	2007	99	81	75			77
France	2003	112	74	58	50	41	69
	2004	113	74	58	48	40	67
	2005	108	73	55	47	40	66
	2006	119	77	58	50	43	68
	2007	120	79	62	53	44	70

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-34. Milk - Family labour cost (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	114	76	63	57		73
	2004	103	72	62	53		68
	2005	96	74	62	54		69
	2006	106	73	61	55		67
	2007	122	71	61	53	49	66
Franche-Comté	2003	88	72	60			68
	2004	85	68	61			64
	2005	75	65	50			59
	2006	91	66	55			61
	2007	87	68	62			64
France	2003	103	71	57	51	42	67
	2004	103	70	57	49	41	65
	2005	100	70	56	49	42	65
	2006	109	73	57	50	44	65
	2007	107	70	57	49	42	63

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-35. Milk - Own land cost (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	8	4	1	0		3
	2004	7	4	1	0		3
	2005	8	4	1	0		3
	2006	9	4	1	0		3
	2007	7	4	1	0	0	3
Franche-Comté	2003	11	5	1			4
	2004	11	4	1			4
	2005	13	4	1			3
	2006	9	4	1			3
	2007	5	3	1			2
France	2003	7	4	1	1	0	3
	2004	8	4	1	0	0	3
	2005	7	4	1	0	0	3
	2006	7	4	1	0	0	2
	2007	7	4	1	0	0	2

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-36. Milk - Own capital cost (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	8	10	10	11		10
	2004	7	9	9	10		9
	2005	7	8	9	9		8
	2006	8	10	10	10		10
	2007	13	14	14	15	13	14
Franche-Comté	2003	13	11	11			12
	2004	11	11	11			11
	2005	8	10	9			9
	2006	11	13	12			12
	2007	16	18	20			18
France	2003	10	10	10	11	9	10
	2004	9	9	9	10	9	9
	2005	8	8	9	9	8	8
	2006	9	10	10	10	10	10
	2007	14	15	14	15	13	14

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-37. Milk margin operating costs (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	126	121	136	130		127
	2004	115	118	133	130		124
	2005	108	112	123	121		116
	2006	93	94	105	108		99
	2007	114	119	126	137	127	124
Franche-Comté	2003	117	129	121			124
	2004	108	121	121			118
	2005	109	120	117			118
	2006	94	99	102			101
	2007	90	102	108			106
France	2003	108	117	130	125	124	121
	2004	92	110	123	121	114	114
	2005	92	105	116	113	111	108
	2006	75	86	97	99	85	91
	2007	89	105	115	122	109	109

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-38. Milk net margin (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	72	41	47	29		44
	2004	54	36	41	31		38
	2005	48	32	31	27		32
	2006	31	8	13	3		9
	2007	43	32	36	37	36	35
Franche-Comté	2003	16	31	27			25
	2004	5	19	24			16
	2005	26	14	16			16
	2006	-5	-16	0			-7
	2007	-8	-14	-11			-8
France	2003	38	35	38	20	32	35
	2004	19	25	29	19	21	25
	2005	20	21	21	18	15	21
	2006	0	-4	-1	-6	-17	-4
	2007	12	14	19	21	13	16

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms

### Annex 3-39. Milk net economic margin (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	-49	-37	-15	-26		-30
	2004	-56	-38	-20	-18		-30
	2005	-56	-44	-30	-24		-38
	2006	-85	-68	-48	-51		-60
	2007	-89	-45	-29	-20	-15	-37
Franche-Comté	2003	-88	-50	-37			-50
	2004	-96	-57	-41			-55
	2005	-67	-58	-37			-49
	2006	-110	-90	-60			-75
	2007	-108	-96	-86			-85
France	2003	-74	-39	-20	-29	-9	-35
	2004	-93	-49	-28	-29	-19	-42
	2005	-88	-52	-34	-29	-24	-45
	2006	-119	-82	-59	-56	-59	-72
	2007	-108	-65	-43	-32	-31	-54

Source: DGAGRI (Model for allocation of costs for milk) - EU FADN 2003 to 2007 – French milk farms



### Annex 3-40. Farm net value added per AWU (€)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	17 762	21 181	26 795	26 959		22 833
	2004	19 078	23 045	28 069	31 105		24 930
	2005	22 040	24 688	29 646	32 703		26 574
	2006	21 171	24 760	30 602	30 406		27 087
	2007	22 000	30 828	36 234	42 243	47 615	33 735
Franche-Comté	2003	13 300	25 149	26 325			24 582
	2004	17 898	25 223	27 744			25 973
	2005	20 870	24 884	29 662			26 904
	2006	18 793	22 868	32 169			27 202
	2007	19 025	23 902	27 931			27 200
France	2003	15 717	22 081	27 398	27 570	36 321	23 262
	2004	15 711	22 503	28 329	30 164	38 045	24 405
	2005	17 683	23 850	29 589	32 881	39 348	25 827
	2006	17 680	23 462	29 866	32 057	35 792	26 175
	2007	20 440	28 609	35 555	42 737	46 668	32 268

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-41. Direct subsidies (€ per farm)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	11 125	16 181	28 311	33 181		18 613
	2004	12 890	19 578	31 913	40 757		22 814
	2005	15 177	22 420	36 828	42 956		25 698
	2006	16 663	26 045	39 779	52 240		30 970
	2007	16 305	23 993	36 732	52 038	69 713	29 398
Franche-Comté	2003	11 827	20 867	30 381			22 535
	2004	14 911	21 665	34 759			25 606
	2005	16 474	22 888	40 360			28 037
	2006	17 570	26 714	43 270			31 634
	2007	19 207	25 818	43 745			31 332
France	2003	14 163	19 312	33 439	46 799	68 610	22 703
	2004	15 301	21 821	37 098	51 707	80 467	26 227
	2005	17 156	24 431	42 155	57 115	80 655	29 207
	2006	18 439	27 814	45 955	62 791	90 078	34 199
	2007	17 944	26 234	42 973	62 127	83 703	32 724

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-42. Milk FFI (variable "MFFIsCA") (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	92	53	57	41		56
	2004	86	61	63	55		62
	2005	93	67	63	63		67
	2006	50	21	23	15		21
	2007	60	43	44	46	49	45
Franche-Comté	2003	37	51	46			44
	2004	35	49	53			45
	2005	67	53	57			55
	2006	22	3	25			13
	2007	12	1	2			6
France	2003	59	50	49	32	40	48
	2004	54	52	52	41	41	51
	2005	67	59	55	51	47	57
	2006	23	11	11	4	-8	10
	2007	32	27	29	29	22	28

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-43. Milk FFI (variable "MCFIsCA") per farm (€)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	9 626	12 542	22 334	20 760		14 448
	2004	9 249	14 328	24 479	29 055		16 865
	2005	11 488	16 461	24 868	34 653		18 536
	2006	6 038	5 154	9 423	7 910		6 372
	2007	7 048	10 979	18 294	26 816	38 253	14 050
Franche-Comté	2003	4 401	10 036	15 965			9 823
	2004	4 481	10 427	18 245			10 933
	2005	8 567	11 096	20 422			13 738
	2006	2 592	682	9 148			3 313
	2007	1 521	198	821			1 590
France	2003	6 175	11 108	18 468	16 522	29 039	11 905
	2004	5 663	11 632	20 047	22 372	31 029	13 128
	2005	7 681	13 613	21 622	29 220	35 288	15 345
	2006	2 566	2 530	4 513	2 323	-6 024	2 817
	2007	3 408	6 293	11 728	16 700	17 375	8 031

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-44. Milk FNVA / Total FNVA (%)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	54	57	55	55		56
	2004	50	57	58	57		57
	2005	54	58	56	59		57
	2006	34	31	34	35		32
	2007	36	39	40	42	42	40
Franche-Comté	2003	50	46	50			46
	2004	41	48	48			46
	2005	51	50	52			50
	2006	28	25	30			27
	2007	28	22	21			23
France	2003	42	50	49	46	43	48
	2004	41	50	50	49	43	49
	2005	46	53	51	52	48	51
	2006	23	25	27	27	19	26
	2007	24	30	32	32	30	30

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-45. Milk net Margin (variable "MMrg-oSC") (€/t)

Regions/country	Year	Dairy cows per farm					Total
		25 <	25 to 50	50 to 75	75 to 100	100 to 150	
West of France	2003	-30	-24	-6	-13		-18
	2004	-25	-13	2	5		-6
	2005	-11	-8	2	11		-3
	2006	-65	-55	-38	-39		-48
	2007	-72	-35	-20	-10	-2	-27
Franche-Comté	2003	-67	-30	-18			-31
	2004	-65	-27	-12			-26
	2005	-26	-18	3			-10
	2006	-83	-71	-36			-55
	2007	-88	-80	-73			-70
France	2003	-53	-25	-8	-18	-1	-21
	2004	-59	-22	-5	-6	2	-17
	2005	-41	-14	-1	5	7	-9
	2006	-95	-67	-47	-46	-51	-58
	2007	-89	-52	-33	-24	-22	-42

Source: DGAGRI - EU FADN 2003 to 2007 – French milk farms

### Annex 3-46. Synthesis of FADN results for dairy farms

	France		West of France		Franche-Comté		Other	
	2003	2007	2003	2007	2003	2007	2003	2007
Farms represented	93 298	82 041	40 860	34 418	5 274	4 620	47 164	43 003
<b>Surfaces and milk production</b>								
Utilised agricultural area (ha)	80,1	90,2	70,7	79,4	96,4	108,2	86,4	96,9
Dairy cows	40,5	44,7	41,2	46,5	39,6	41,8	40,1	43,6
Milk yield (t/year)	6,1	6,5	6,3	6,7	5,6	5,9	6,0	6,4
Milk per ha of forage area (t/year)	5,9	6,5	6,9	7,8	3,4	3,5	5,7	6,1
<b>Milk prices</b>								
Milk price (€/t)	313,6	311,3	311,4	315,7	337,3	325,8	312,8	306,2
...+coupled subsidies+ price by-product (€/t)	328,9	325,6	324,5	328,2	357,4	342,0	330,1	321,7
<b>Costs</b>								
Specific (€/t)	102,4	108,0	92,2	96,7	119,9	126,1	110,1	116,5
Non specific	92,1	96,7	93,2	97,5	94,4	95,9	90,9	96,0
Depreciation	52,9	59,3	48,6	55,2	64,7	76,8	55,7	61,3
External factors	33,4	34,0	34,9	34,0	34,5	36,8	31,8	33,8
Total operating cost + depreciation + external factors	280,7	298,1	268,8	283,4	313,4	335,5	288,5	307,7
Unpaid family fact	69,3	69,8	73,5	71,3	75,2	76,8	64,7	67,7
Total costs (incl. unpaid family factors)	350,0	367,8	342,4	354,7	388,7	412,4	353,2	375,4
<b>Margins over</b>								
...operating cost, depreciation, external factors	48,2	27,5	55,6	44,8	44,0	6,4	41,6	14,0
...total costs (incl. unpaid family fact)	-21,1	-42,2	-17,9	-26,5	-31,3	-70,4	-23,1	-53,7
<b>Income</b>								
Farm net value added	41 836	58 996	41 926	62 102	38 421	46 182	42 140	57 886
Farm net value added/ annual work unit (AWU)	23 262	32 268	22 833	33 735	24 582	27 200	23 515	31 593
Total subsidies	22 703	32 724	18 613	29 398	22 535	31 332	26 265	35 535
Subsidies % Farm net value added	54,27	55,47	44,39	47,34	58,65	67,84	62,33	61,39

Source: EU FADN and DG AGRI model for the allocation of costs for milk; calculations by VTI

## 7.4 Additional Tables

**Table A. 1 – Effects of policy measures on dairy product prices: Drinking milk and Butter**

Policy measure	Drinking milk			Butter		
	No effect	Price increase	Price decrease	No effect	Price increase	Price decrease
Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015	3	0	0	4	0	0
Confirmation in 2008 of the decision to abolish milk quotas in 2015	2	0	2	2	0	2
Annual milk quota increases since 2006/07	1	0	3	2	0	2
Changes in the regulation of milk quota transfer	3	0	1	4	0	0
Adjustment of the fat correction coefficient in 2009	3	0	1	2	0	2
Reduction of trigger intervention price level from 2004/05 until 2007/08	0	0	4	0	0	4
Abolition of the private storage aid for cheese in 2009	1	0	2	1	0	2
Suspension of the processing aid for skimmed milk to casein	1	1	1	2	0	1
Reduction of the payments of the withdrawal scheme for butter, concentrated butter and cream to zero in 2007	2	0	1	0	0	3
Abolition of the withdrawal scheme for butter, concentrated butter and cream in 2009	2	0	1	2	0	1
Suspension of processing aid in 2008	2	0	1	0	0	3
Suspension of export refunds for butter and skimmed milk powder since 2010	1	0	3	1	0	3
Others	-	-	-	-	-	-

**Table A. 2 – Effects of policy measures on dairy product prices: Skimmed milk powder and Whole milk powder**

Policy measure	Skimmed milk powder			Whole milk powder		
	No effect	Price increase	Price decrease	No effect	Price increase	Price decrease
Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015	2	0	0	2	0	0
Confirmation in 2008 of the decision to abolish milk quotas in 2015	0	0	2	0	0	2
Annual milk quota increases since 2006/07	0	0	2	0	0	2
Changes in the regulation of milk quota transfer	2	0	0	2	0	0
Adjustment of the fat correction coefficient in 2009	1	0	1	1	0	1
Reduction of trigger intervention price level from 2004/05 until 2007/08	0	0	2	0	0	2
Abolition of the private storage aid for cheese in 2009	0	0	1	0	0	1
Suspension of the processing aid for skimmed milk to casein	0	0	1	1	0	0
Reduction of the payments of the withdrawal scheme for butter, concentrated butter and cream to zero in 2007	0	1	0	1	0	0
Abolition of the withdrawal scheme for butter, concentrated butter and cream in 2009	1	0	0	1	0	0
Suspension of processing aid in 2008	1	0	0	1	0	0
Suspension of export refunds for butter and skimmed milk powder since 2010	1	0	1	0	1	1
Others	-	-	-	-	-	-

### Cheese and cream

**Table A. 3 – Effects of policy measures on dairy product prices: Cheese and Cream**

Policy measure	Skimmed milk powder			Whole milk powder		
	No effect	Price increase	Price decrease	No effect	Price increase	Price decrease
Decision taken in 2003 to prolong the milk quota regime only until 1 April 2015	5	0	0	4	0	0
Confirmation in 2008 of the decision to abolish milk quotas in 2015	3	0	2	1	0	3
Annual milk quota increases since 2006/07	2	0	3	1	0	3
Changes in the regulation of milk quota transfer	5	0	0	4	0	0
Adjustment of the fat correction coefficient in 2009	3	0	2	2	0	2
Reduction of trigger intervention price level from 2004/05 until 2007/08	2	0	3	0	0	4
Abolition of the private storage aid for cheese in 2009	2	0	2	1	0	2
Suspension of the processing aid for skimmed milk to casein	2	0	2	1	0	2
Reduction of the payments of the withdrawal scheme for butter, concentrated butter and cream to zero in 2007	2	0	2	0	0	3
Abolition of the withdrawal scheme for butter, concentrated butter and cream in 2009	3	0	1	1	0	2
Suspension of processing aid in 2008	3	0	1	2	0	1
Suspension of export refunds for butter and skimmed milk powder since 2010	3	0	2	1	0	3
Others	-	-	-	-	-	-

**Table A. 4 - Effects of EU policy measures on demand and supply**

Abolition of milk quota and increases in milk quota	Number
...already affect decisions	
No	2
Yes, increased processing capacity	5
Yes, reduced processing capacity	0
...is likely to affect decisions	
No	2
Yes, intend to increase processing capacity	5
Yes, intend to reduce processing capacity	0

**Table A. 5 - Change of excess capacity in comparison to 2003**

		Butter	S. milk powder	Whole milk powder	Cheese	Others (yogurt...)
DP1	No					1
	Yes, capacity increase					
	Yes, capacity decrease					
DP2	No				1	
	Yes, capacity increase					
	Yes, capacity decrease					
DP3	No	1			1	
	Yes, capacity increase					
	Yes, capacity decrease		1	1		
DP4	No					
	Yes, capacity increase	1			1	
	Yes, capacity decrease		1			
DP5	No		1	1	1	1
	Yes, capacity increase	1				
	Yes, capacity decrease					
DP6	No					
	Yes, capacity increase				1	
	Yes, capacity decrease					
DP7	No	1				
	Yes, capacity increase					1
	Yes, capacity decrease					

## 7.5 Expert consultations

During this research, some experts were consulted on specific issues. Three experts (French Ministry of Agriculture, CNIEL and Institut de l'Élevage) were consulted with respect to the implementation of policies in France. Four specialists working with farmers were consulted. Two experts on the dairy sector (markets and prices) have been consulted on the impact of policy measures on the France and EU dairy markets, as well as on supply chain issues. It was also interesting to discuss with some directors of dairies.

Results from the discussions with experts have been used in interpreting results and tables, after having being verified as much as possible with objective information (data).