

STANDARDIZED MILK PRICE CALCULATIONS for JUNE 2012 deliveries

(for standardized milk (1) and based on payment systems of the companies; all prices in euro / 100kg)

Company		Quality adjustment	Quantity adjustment	Seasonal adjustment	MILK PRICE this month	Most recent supplementary payment	Rolling average last 12 month (4)
Milcobel	BE	0.73	1.37		27.45	0.10	31.74
Alois Müller	DE	0.51			28.49	0.38	33.69
Humana Milchunion eG	DE				29.07	-0.12	32.81
Nordmilch	DE		0.15		29.22	0.00	32.79
Arla Foods	DK	0.63			31.82	1.50	34.70
Hämeenlinnan Osuusmeijeri	FI				40.90	2.82	43.96
Bongrain CLE (Basse Normandie)	FR	0.74			34.33	none	34.46
Danone (Pas de Calais)	FR				34.90	none	34.61
Lactalis (Pays de la Loire)	FR				34.14	none	34.21
Sodiaal	FR	0.58			35.22	none	34.49
Dairy Crest (Davidstow)	GB	0.12	0.36	-2.71	32.96	0.00	33.74
First Milk	GB	0.60	2.26		31.18	0.00	30.89
Glanbia	IE				28.46	0.00	32.70
Kerry	IE				29.08	none	32.09
Granarolo (North)	IT	1.15	3.42		40.24	none	41.05
DOC Kaas	NL	0.05	0.34		29.19	2.03	35.47
Friesland Campina	NL	0.05	0.75	-2.30	28.92	1.79	36.19
AVERAGE MILK PRICE THIS MONTH(2)					32,09		34,68
Fonterra (5)	NZ				27.68	0.00	28.88
United States of America (3)	US	0.14			30.71	none	32.63

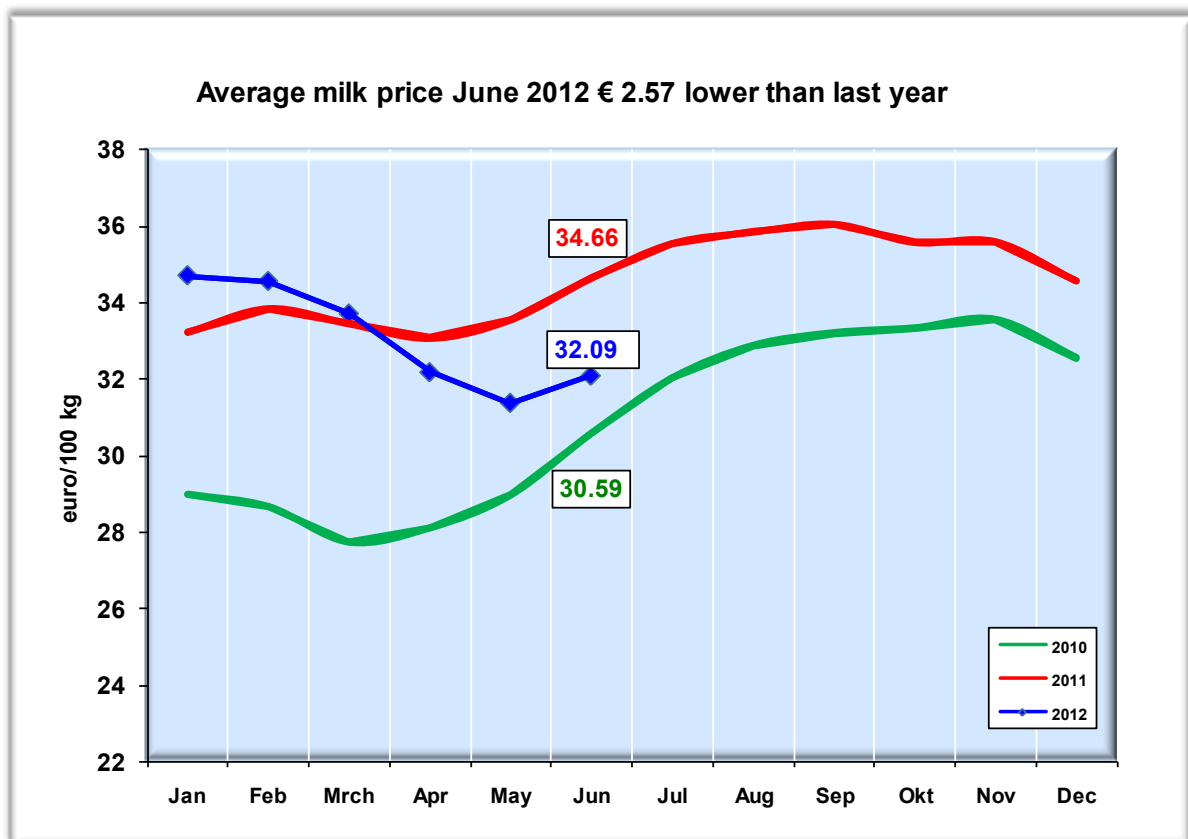
Remarks:

- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA announcement, adjusted for 4.2% fat, 3.4% protein and somatic cell count 249,999 per ml.
- (4) Including most recent supplementary payment.
- (5) Based on payout forecast, adjusted for 4.2% fat and 3.4% protein.

ADDITIONAL REMARKS MILK PRICES JUNE 2012

MILK PRICES

The average calculated milk price for the June 2012 deliveries is € 32.09 per 100 kg standard milk. This is a decrease of 7.4% compared to June 2011 (- € 2.57). Compared to May 2012, the average milk price increased by 2.3%. For the first time in 2012, the average milk price increased, this is entirely due to the rise of the French milk prices ranging from € 3.13 to € 4.14. The French dairy companies stimulate milk production in the summer months by paying a higher milk price from June onwards.

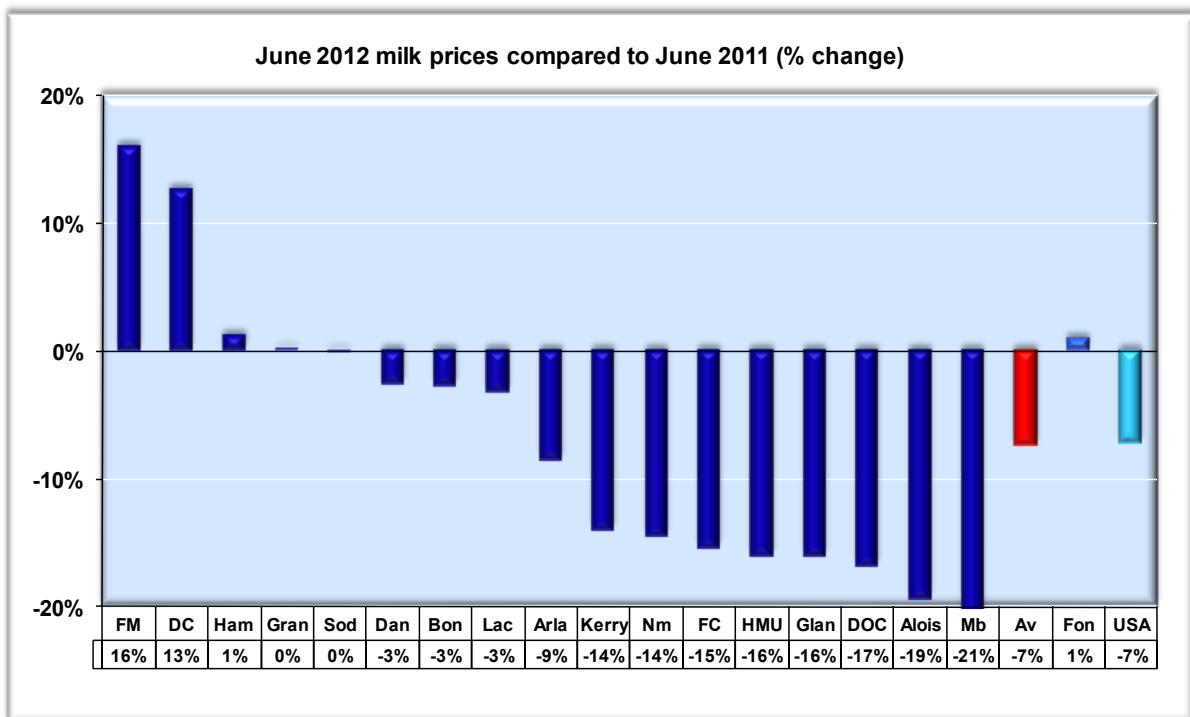


The relatively high UK milk prices - expressed in euros- are partly the result of the rise of the British pound against the euro (+ 10%). However, even in pence per liter dairy farmers receive a higher milk price now, compared to June last year.

Milk prices of all German companies declined by € 1.00.

The calculated milk price of Arla remained unchanged in June. Arla has announced a reduction of the milk price in July and August (€ 0.80 and € 0.50).

FrieslandCampina's guaranteed price decreased by € 0.75 in June. This brings the calculated milk to € 28.92. The company announced not to modify the guaranteed milk price in July and August. DOC Kaas reduced the milk price by € 1.00 in June. The calculated milk price for June is € 29.19. The company has announced not to change its milk price in July.



Additional comments milk prices June 2012

Milcobel

The milk price of Milcobel has declined by € 1.05. The calculated milk price for June results in € 27.45.

Germany

The milk prices of all German companies declined by € 1.00.

Scandinavia

The calculated milk price of the Swedish / Danish dairy company Arla Foods remained unchanged. From July, the company will further reduce the milk price by € 0.80 and in August the price will be reduced by € 0.50.

The provisionally calculated milk price of Hämeenlinnan Osuusmeijeri results in € 39.35 in June.

France

The calculated milk prices of all French companies increased, varying from € 3.13 to € 4.14.

United Kingdom

The relatively high UK milk prices - expressed in euros- are partly the result of the rise of the British pound against the euro (+ 10%).

The calculated milk price of Dairy Crest and First Milk are respectively € 31.18 and € 32.96 for June 2012.

Ireland

The Irish companies Kerry and Glanbia remained unchanged at € 29.08 and € 28.46 respectively.

The Netherlands

FrieslandCampina has decreased its milk price by € 0.75 in June, resulting in a calculated milk price of € 28.92. The Dutch dairy has announced not to change the guaranteed milk price in July and August.

DOC Kaas has decreased its milk price by € 1.00 in June, resulting in a calculated milk price of € 30.14. DOC Kaas announced to decrease its milk price by €1.00 in June.

Granarolo

The calculated milk price of the Italian Granarolo for June is € 40.24.

New Zealand

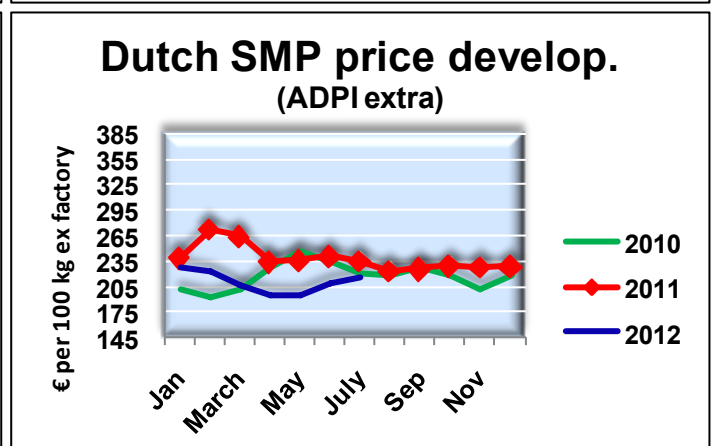
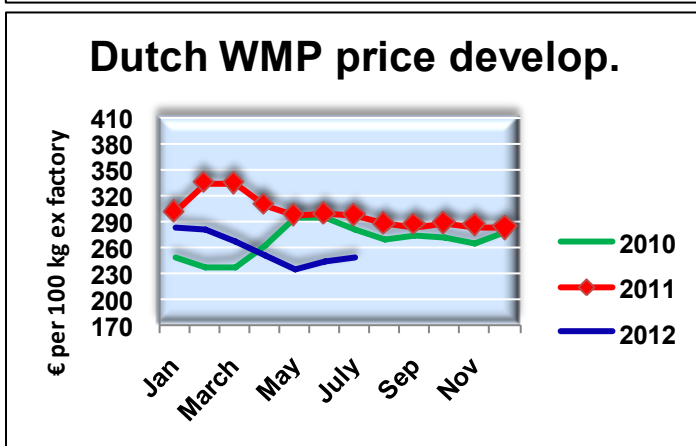
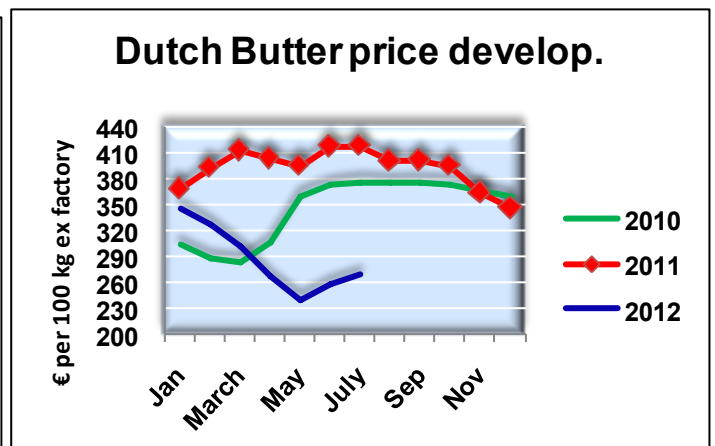
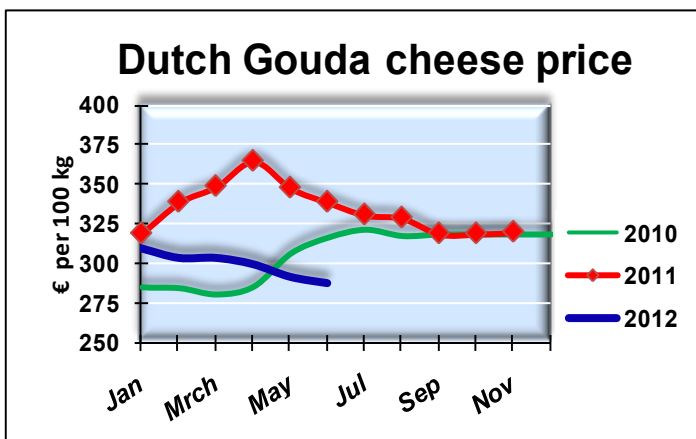
Fonterra, has set its price for the new milk year 2012/2013 at 5.50 NZD per kg milk solids. Based on an estimated dividend payout of 0.35 cents, the calculated milk price based on NZD 5.85. This is lower than the expected price for 2011/2012 (6,365). The calculated milk from Fonterra for June resulted in € 27.68.

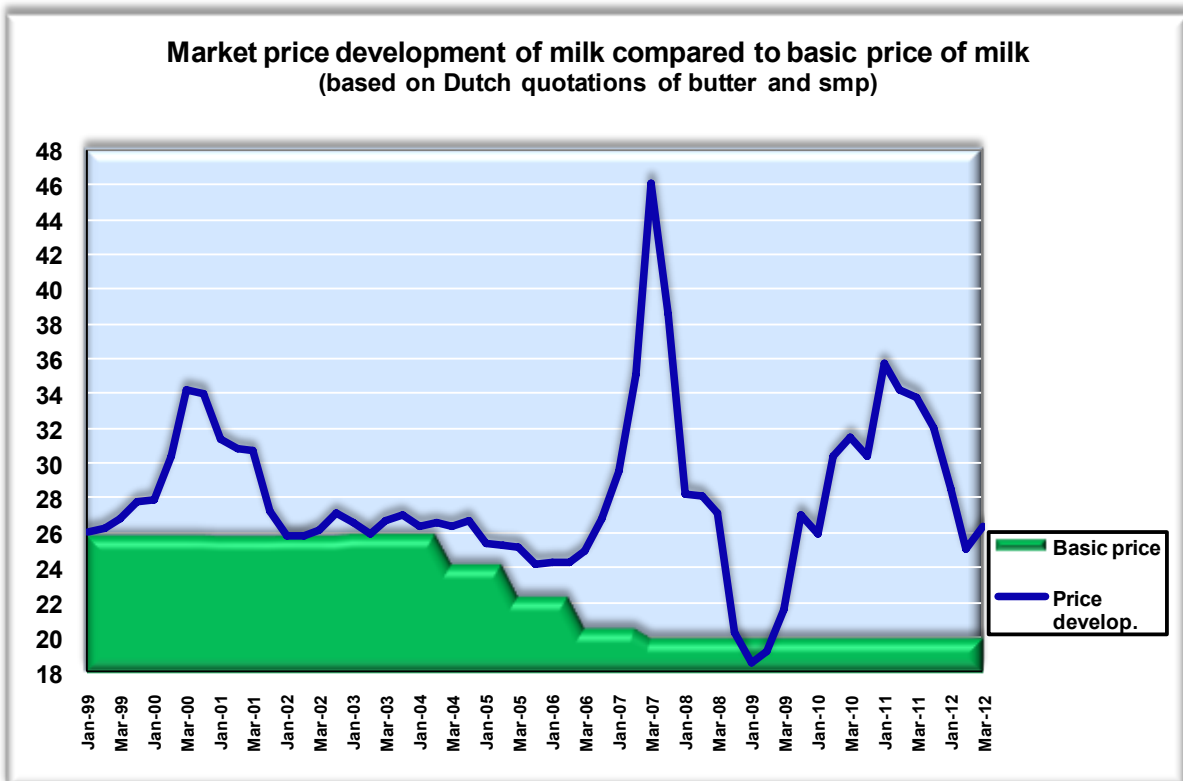
USA

The US Class III price has increased by \$0.40 to \$ 15.64 per cwt in June. Expressed in Euros, the calculated milk price for June 2012 is € 30.71 per 100 kg standard milk.

MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2012	8 August 2012	index	trend
Butter	346	272	78.6	↑
Whole milk powder	283	252	89	↑
Skimmed milk powder	229	235	102.6	↑
Whey powder	94	92	97.9	↑
Gouda cheese	± 320	± 285	89.0	→





Market comments

Market activities remained slow due to summer holidays as well as the Ramadan period.

Butter market is stable, however it remains to be seen if prices can further consolidate at current levels. Much more butter in stock (PSA storage : already 120.000 tons = + 37%) compared to last year as well as the still existing gap with lower world market prices are factors , which could put a lid on any potential recovery later on. So the possibility of renewed price pressures after the summer period may persist.

The milk powder market showed resilience during last couple of weeks.

Continuing good export demand and the notion that milk production growth will probably fall below earlier forecasts lead to a firmer undertone and increasing prices. Also in the butter market prices could strengthen a little.

Much will depend on how supply and demand will react to price signals from the market.

So at the moment market watchers are more focused on supply figures. The general price development for the next couple of months will therefore be more supply driven.

Latest recovery in prices may be more triggered by the fact that southern hemisphere production season is well over and production volumes in western Europe and USA are starting to fall further.

However extreme drought conditions in large regions of the US and the upsurge in feed prices could have a considerable impact on dairy market prices. The combination of falling farm profitability and challenging weather has already lead to further revision of earlier production forecasts. Market forces will anticipate.

Also dairy prices on the world market seem to recover slowly on the news. These upward price movement was reflected in the results of the GDT auction of begin August. This so-called GDT price index, considered as a benchmark for international dairy commodity prices, rebounded (+3.5%) again after declines in July, despite larger volumes offered. However, uncertainty about economic growth prospects worldwide and the volume of dairy products currently in stock are factors of importance in this respect.