

STANDARDIZED MILK PRICE CALCULATIONS for JUNE 2013 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		37.41	0.00	33.57
Alois Müller	DE	0.51			37.90	0.00	33.04
Humana Milchunion eG	DE		0.15		35.09	0.00	32.38
Nordmilch	DE		0.15		35.09	0.00	32.38
Arla Foods	DK	0.73			36.92	2.48	35.18
Hämeenlinnan Osuusmeijeri	FI				42.73	2.82	44.56
Bongrain CLE (Basse Normandie)	FR	0.74			35.32	none	33.52
Danone (Pas de Calais)	FR				33.77	none	33.65
Lactalis (Pays de la Loire)	FR				34.47	none	32.95
Sodiaal	FR	0.58			33.21	none	33.38
Dairy Crest (Davidstow)	GB	0.11	0.34	-2.57	33.74	0.00	35.39
First Milk	GB	0.57	2.14		31.61	0.00	32.29
Glanbia	IE				37.03	0.00	33.72
Kerry	IE				37.88	none	33.19
Granarolo (North)	IT	1.15	3.42		40.24	none	40.49
DOC Kaas	NL	0.05	0.34		35.79	1.94	34.59
Friesland Campina	NL	0.05	0.75	-2.30	36.54	2.32	36.57
AVERAGE MILK PRICE THIS MONTH (2)					36,16		34,76
Emmi A.G.	CH		2.85	-4.75	43.70	none	46.69
Fonterra (5)	NZ				34.18	0.00	29.65
United States of America (3)	US	0.15			33.56	none	34.95

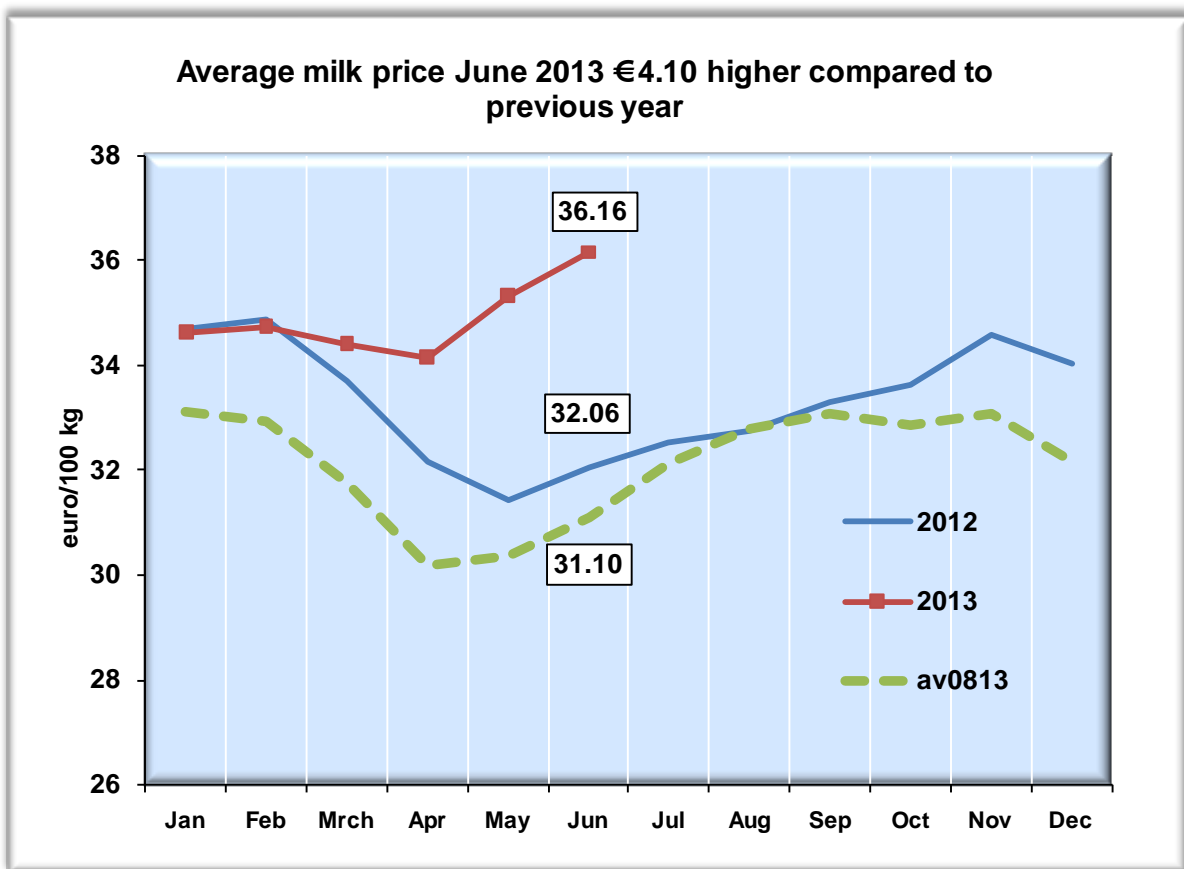
Remarks:

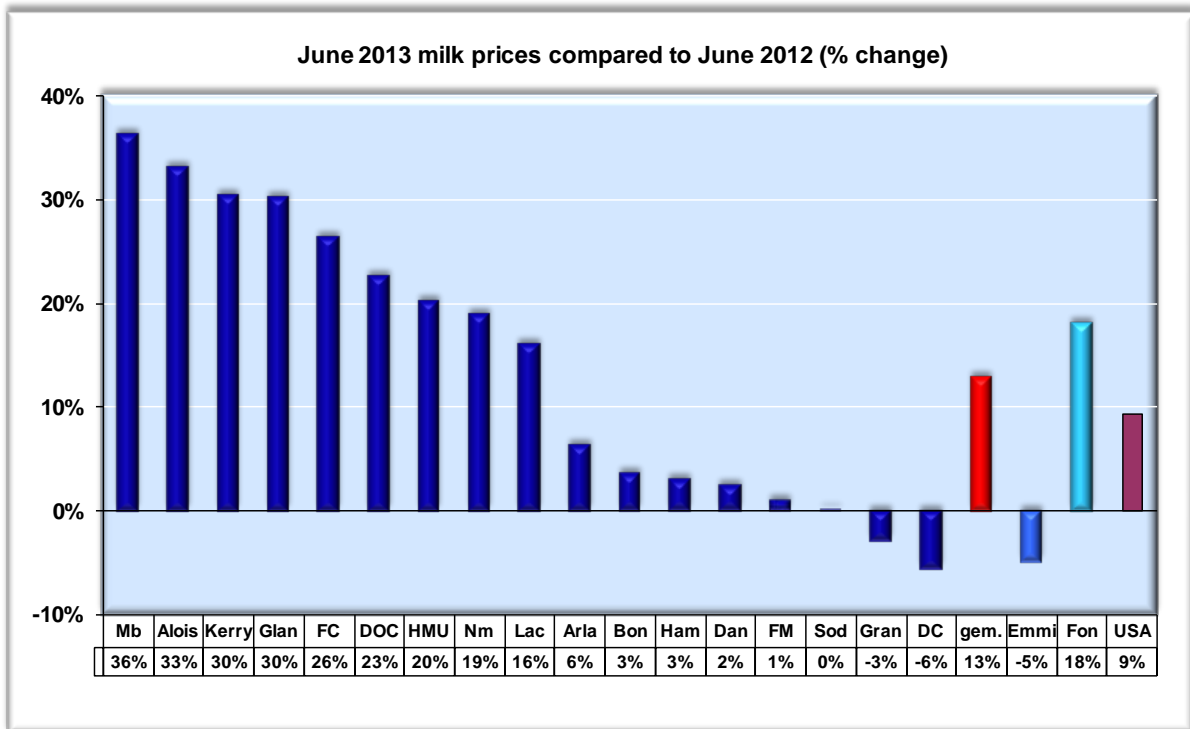
- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA 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 2013

MILK PRICES

The average calculated milk price for the June 2013 deliveries is € 36.16 per 100 kg standard milk. This is an increase of 12.8% compared to June 2012 (+ € 4.10).





Additional comments milk prices June 2013

Milcobel

The calculated milk price of Milcobel increased in June by €0.53 to €37.41.

Germany

The basic milk prices of the German companies DMK remained stable in June. The base price of Alois Müller increased by €0.50.

Scandinavia

The Danish milk price of Arla Foods has increased in June by €1.97 and results at €36.92. The milk price will increase further in July by €0.07.

The preliminary calculated milk price of Hämeenlinnan Osuusmeijeri is €42.73 in June.

France

The calculated milk prices of the French companies increased slightly compared to the previous month. The calculated milk price of Bongrain increased by €2.53 to €35.93. The milk prices of Danone and Lactalis increased by €1.07 and €1.46 respectively to €33.87 and €34.47. The provisionally calculated milk price of Sodiaal is €33.21.

United Kingdom

The milk price of the British Dairy Crest has increased by 1 pence per liter in June. The calculated milk price of Dairy Crest results at €33.74. As of July 15, the milk price will rise by 1 pence per liter (a total of €1.00).

First Milk will increase the milk price in July and August with respectively 0.6 pence and 0.5 pence per liter. The calculated milk price of First Milk results at €31.61.

Ireland

The calculated milk price of the Irish company Glanbia is €37.03. The calculated milk price in June Kerry comes out at €37.88 and increased by €0.96.

The Netherlands

The guaranteed price of FrieslandCampina increased to €40.00. The calculated milk price is €36.54.

The calculated milk prices of DOC Kaas is €35.79 for June.

Granarolo

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

Emmi

The provisional calculated milk price of the Swiss Emmi is €43.70.

New Zealand

The New Zealand company Fonterra, has announced the new milk price expected for the 2013/14 season. The new milk price is 7.50 NZD per kilogram of milk solids. This increase is mainly due to the drought that affected the milk supply. Also, higher prices of dairy products on the market led to the price rise. Converted into euros, the calculated milk price is €34.18.

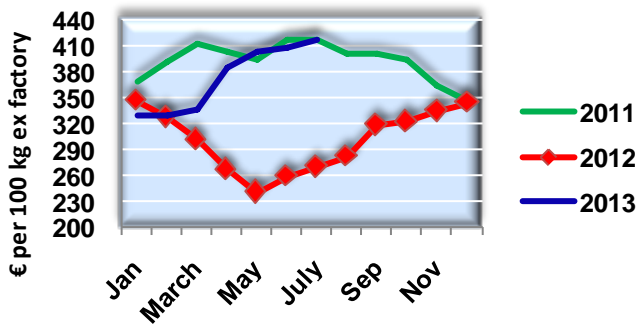
USA

The USA Class III price decreased from \$ 18.52 cwt to \$ 18.01 in June and results in, converted into Euros, €33.56.

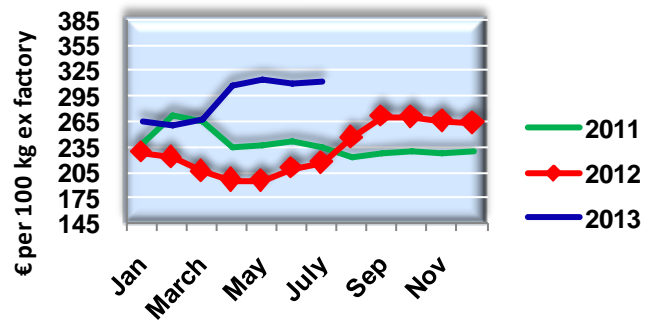
MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2013	31 July 2013	index	trend
Butter	342	416	121.6	↑
Whole milk powder	296	369	124.7	↑
Skimmed milk powder	264	317	120.0	↑
Whey powder	101	101	100.0	→
Gouda cheese	± 320	± 360	109.4	↑

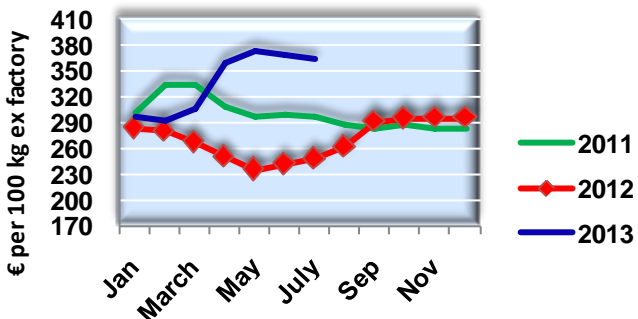
Dutch Butter price develop.



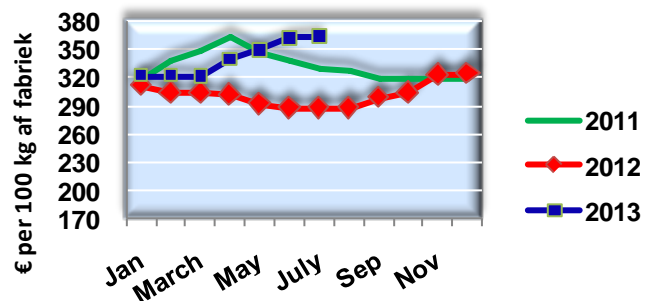
Dutch SMP price develop. (ADPI extra)

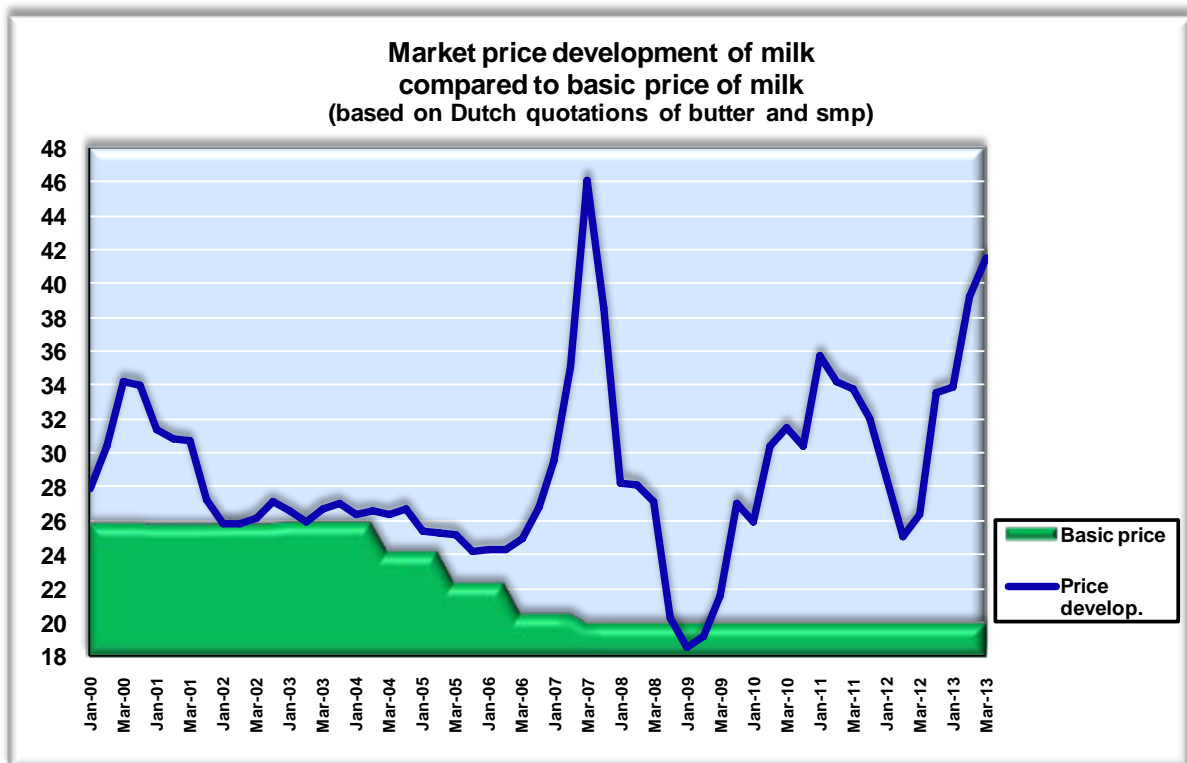


Dutch WMP price develop.



Dutch Gouda cheese price develop





Market comments

The strong and quick advance in dairy commodity prices, seen on the world market during April, has gone. Supply reduction on the world market, partly due to the ongoing drought combined with the ending of production season in New Zealand were the main cause. However this strong increase worldwide did prices make vulnerable for correction that came in May. Weather circumstances in Europe as well as in Oceania gradually improved and as worries about the impact of the drought abated prices retreated.

However global milk supplies remain suppressed relative to historic levels in both Northern and Southern Hemispheres. Also inventory levels are low. So global supplies are remain tight until at least New Zealand hits peak production in late October. Demand is quiet for the moment. Buyers are only seeking coverage for near term needs. Markets are quiet and prices are steady for the moment as summer holiday and Ramadan in the Middle-East are currently in place.

However in the months ahead prices will remain very sensitive to supply announcements and any change in milk production volumes will therefore closely watched.