

STANDARDIZED MILK PRICE CALCULATIONS for DECEMBER 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		41.08	0.00	37.71
Alois Müller	DE	0.51			40.87	0.00	37.33
Nordmilch	DE		0.15		40.04	0.00	36.59
Arla Foods	DK	0.79			40.00	2.48	38.80
Hämeenlinnan Osuusmeijeri	FI				43.24	2.82	45.47
Bongrain CLE (Basse Normandie)	FR	0.74			38.90	none	35.94
Danone (Pas de Calais)	FR				36.86	none	35.95
Lactalis (Pays de la Loire)	FR				36.67	none	35.38
Sodiaal	FR	0.58			34.60	none	35.45
Dairy Crest (Davidstow)	GB	0.12	0.35	1.74	41.03	0.00	36.50
First Milk	GB	0.93	1.16		37.67	0.00	34.35
Glanbia	IE				38.94	0.00	37.61
Kerry	IE				38.85	none	37.03
Granarolo (North)	IT	1.15	3.42		44.11	none	41.87
DOC Kaas	NL	0.05	0.34		42.80	1.94	38.39
Friesland Campina	NL	0.05	0.75		42.65	2.32	40.55
AVERAGE MILK PRICE THIS MONTH (2)					39,89		37,81
Emmi A.G.	CH		2.87		52.12	none	49.65
Fonterra (5)	NZ				38.31	0.00	35.61
United States of America (3)	US	0.15			33.99	none	33.28

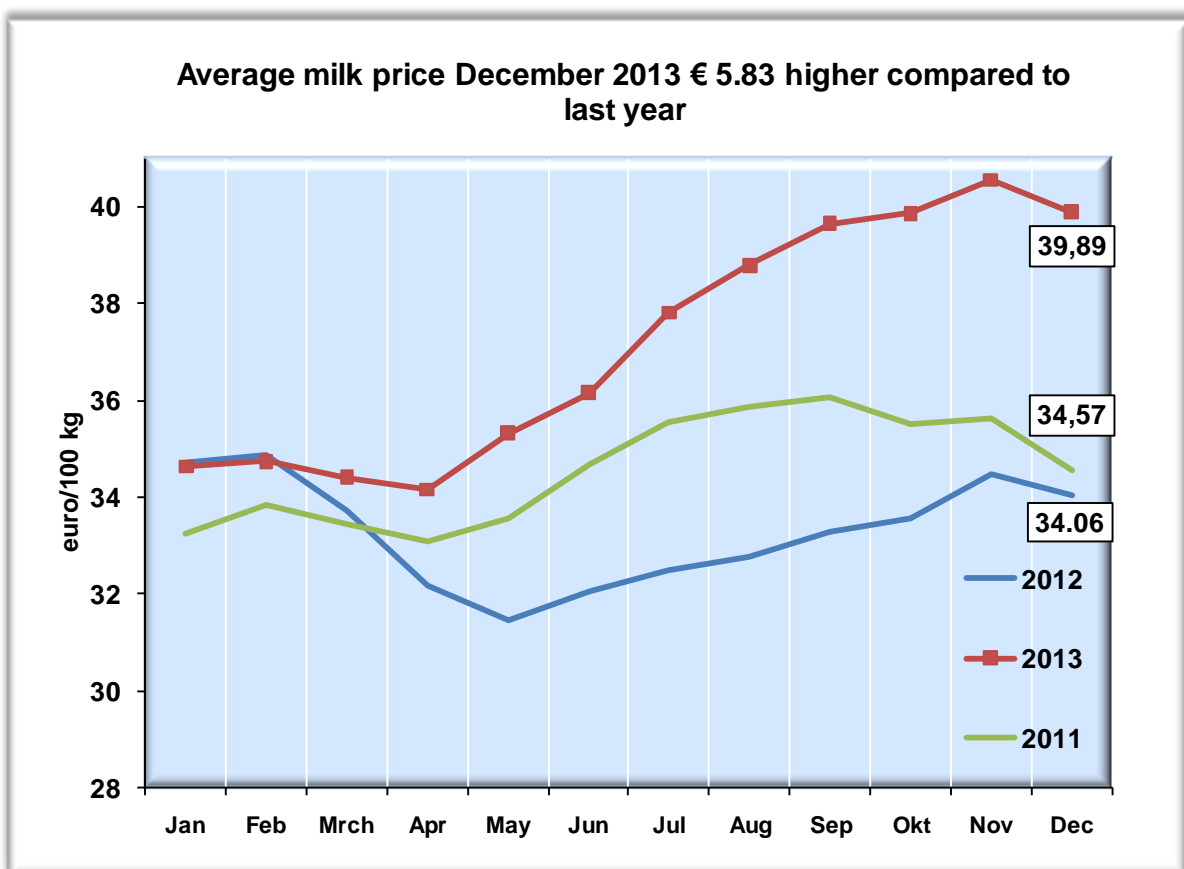
Remarks:

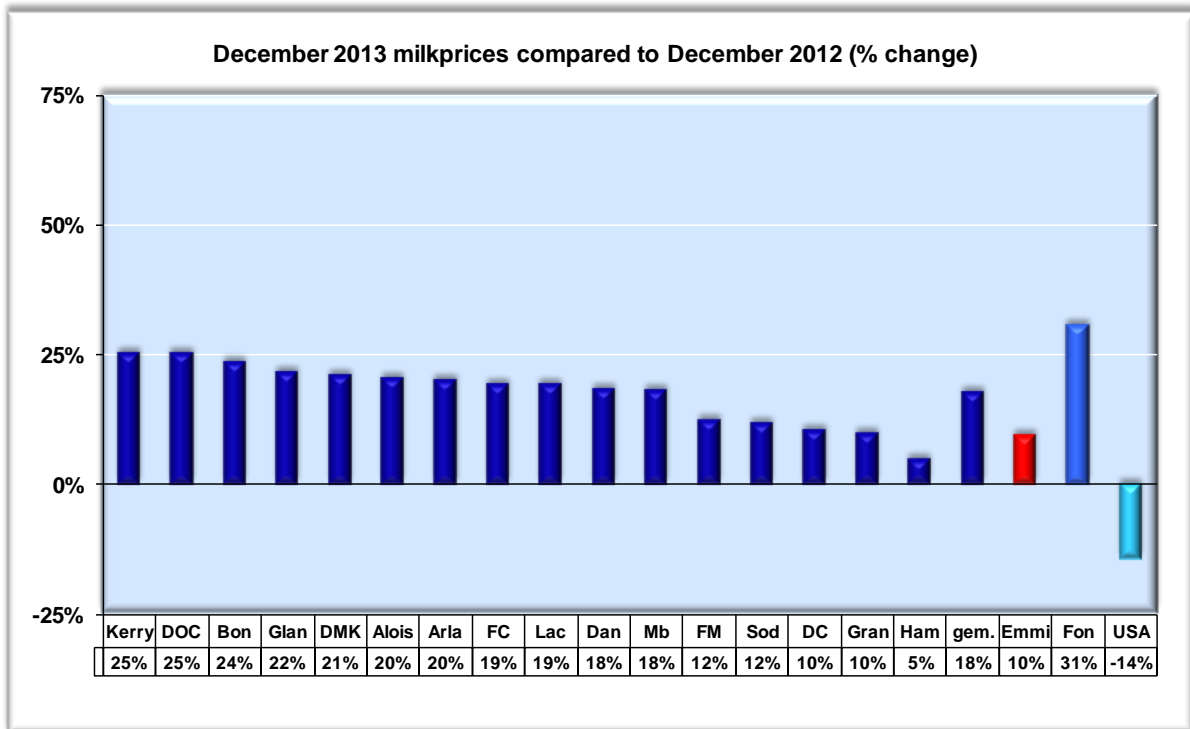
- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA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

MILK PRICES

The average calculated milk price for the December 2013 deliveries is € 39.89 per 100 kg standard milk. This is an increase of 17.1% compared to December 2012 (+ € 5.83). This decrease is mainly due to seasonal adjustments.





Additional comments milk prices December 2013

Milcobel

The calculated milk price of the Belgian Milcobel remained stable at € 41.08 in December.

Germany

The base prices of DMK and Alois Müller remained stable in December. The calculated milk prices are € 40.04 and € 40.87 respectively.

Scandinavia

Arla Foods has not changed its milk price in December. The calculated milk price is € 40.00. Arla has announced that the milk price will remain stable in January and will increase by € 1.00 in February.

The preliminary calculated milk price of Hämeenlinnan Osuusmeijeri is € 43.24 in December.

France

With the exception of Lactalis, all French milk prices decreased in December, varying from - € 0.60 tot - € 1.09.

United Kingdom

First Milk has increased its milk price by 0.5 ppl in December. The calculated milk price is € 37.67.

Dairy Crest has announced that the milk price will not change until February (with the exception of changes in seasonality adjustments). For December, the calculated milk price is € 41.03.

Ireland

The milk price of Glanbia has decreased slightly. The calculated milk price (including the expiration of the winter bonus) is € 38.94.

The calculated milk price for Kerry remains stable at € 38.85.

The Netherlands

FrieslandCampina has remained its guaranteed milk price stable at € 44.00 in December. The seasonality bonus has expired, which decreases the calculated milk price for December. FrieslandCampina announced that the guaranteed milk price will decrease to € 43.00 in January and remain stable in February.

DOC Kaas has increased its milk price by € 1.40 in December. The calculated milk price is € 42.80. In January, DOC Kaas will decrease its milk price by € 1.40.

Granarolo

The calculated milk price of Italian Granarolo for December is € 44.11

Emmi

The calculated milk price of the Swiss Emmi is € 52.12 in December.

New Zealand

The calculated milk price of New Zealand's Fonterra is € 38.10 in December, a decrease because of changes in the exchange rate.

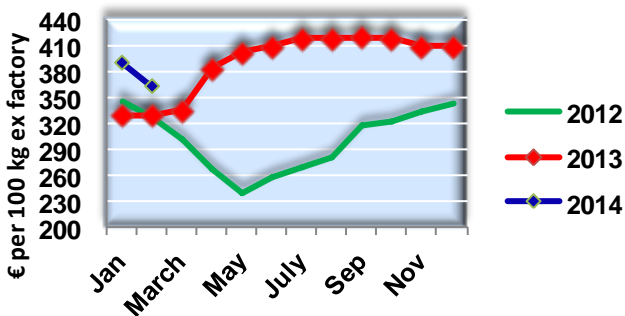
USA

The calculated milk price of U.S. Class III milk price is € 33.99 in December. Expressed in dollars, the milk price has increased from \$18.83 to \$ 18.95 in December.

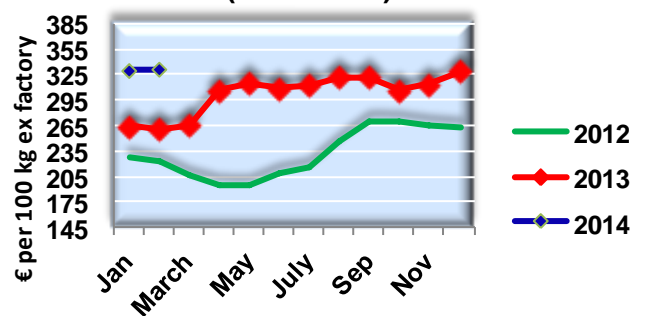
MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2014	6 February 2014	index	trend
Butter	409	365	89.2	↓
Whole milk powder	379	379	100.0	→
Skimmed milk powder	330	332	100.6	→
Whey powder	99	102	103.0	→
Gouda cheese	± 400	± 390	97.5	↓

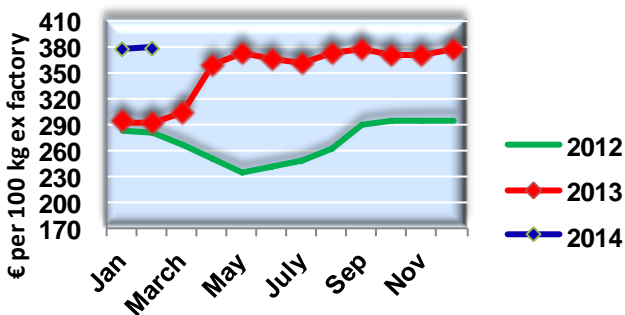
Dutch Butter price develop.



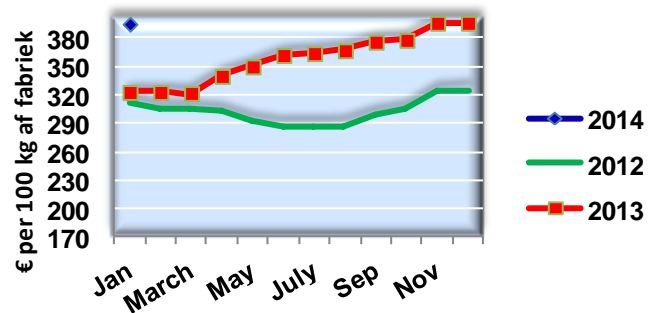
Dutch SMP price develop. (ADPI extra)

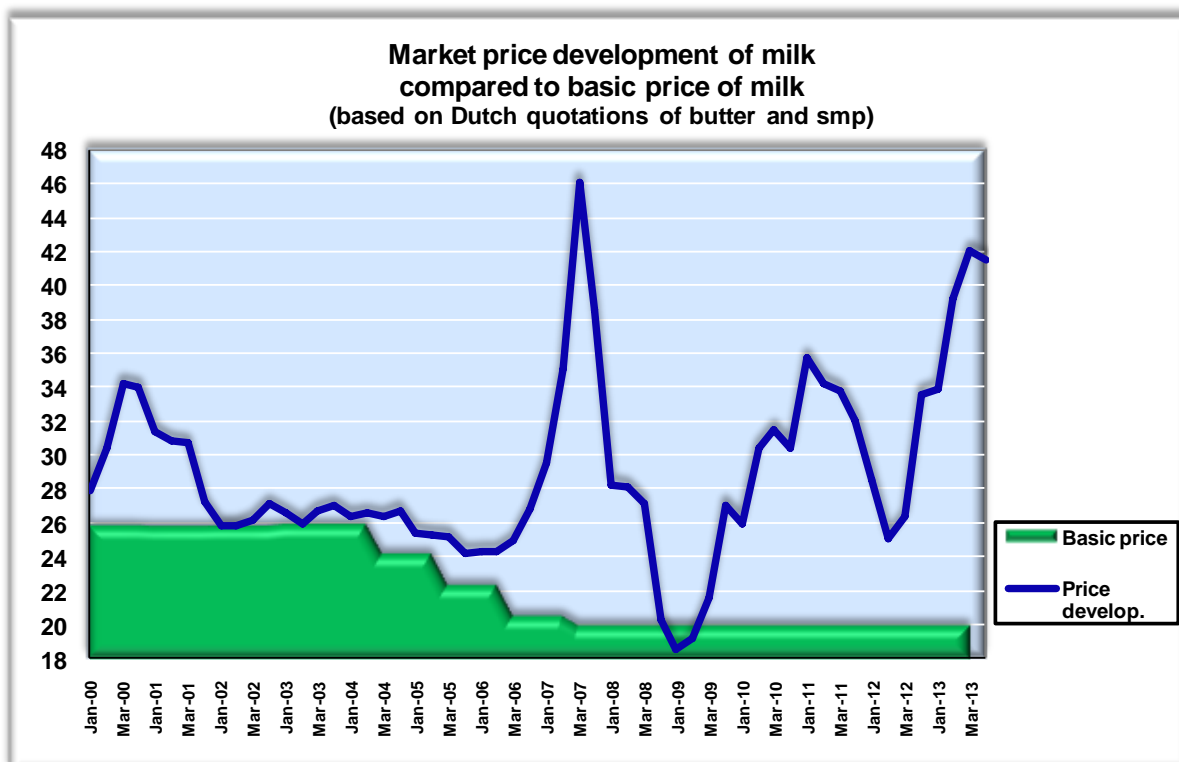


Dutch WMP price develop.



Dutch Gouda cheese price develop.





Market comments

Trend of increasing production volumes has continued.

During the period April/December of the current quota year milk deliveries were 6.2% higher compared to last season. When taking into account the under utilization of the year before and the regular 1% increase of quota for this year, it is estimated that until December 2013 the quota level is exceeded by 4.8%.

Notwithstanding recent relaxation of the butter market, market for dairy commodities continued to be fairly strong and quite stable. Compared to a year ago average prices of cheese and milk powders are 20 to 25% higher. For butter the difference is less, but still up to 10%. The butter market weakened strongly in the last couple of weeks, but is still high by historic and seasonal standards.

Also the international market for dairy commodities has seen a strong performance as high prices could persist. This is possible as demand in global markets remained strong and stocks are still low. Continuation of expanding milk production volumes in most important dairy producing regions in the world are however a threat to current high prices and make the market more vulnerable.

Barring unforeseen circumstances, important price pressure is then expected at the time not earlier than the seasonal production peak in the Northern Hemisphere is within reach, may be at the end of the first quarter of 2014.