

STANDARDIZED MILK PRICE CALCULATIONS for MARCH 2014 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 | 0.97 | 40.26 |
| Alois Müller | DE | 0.51 | | | 39.88 | 0.00 | 38.97 |
| Nordmilch | DE | | 0.15 | | 39.05 | 0.00 | 38.47 |
| Arla Foods | DK | 0.81 | | | 40.99 | 2.01 | 40.21 |
| Hämeenlinnan Osuusmeijeri | FI | | | -1.94 | 42.45 | 2.52 | 45.85 |
| Bongrain CLE (Basse Normandie) | FR | 0.74 | | | 39.81 | none | 38.15 |
| Danone (Pas de Calais) | FR | | | | 40.01 | none | 37.66 |
| Lactalis (Pays de la Loire) | FR | | | -2.91 | 38.52 | none | 37.16 |
| Sodiaal | FR | 0.58 | | | 36.79 | none | 36.92 |
| Dairy Crest (Davidstow) | GB | 0.12 | 0.35 | | 39.51 | 0.00 | 37.61 |
| First Milk | GB | 0.93 | 1.17 | | 37.88 | 0.00 | 35.32 |
| Glanbia | IE | | | | 38.94 | 0.00 | 38.18 |
| Kerry | IE | | | | 38.77 | none | 37.76 |
| Granarolo (North) | IT | 1.15 | 3.42 | | 45.57 | none | 42.69 |
| DOC Kaas | NL | 0.03 | 0.34 | | 39.16 | 2.31 | 40.98 |
| Friesland Campina | NL | 0.05 | 0.75 | | 41.33 | 2.92 | 43.15 |
| AVERAGE MILK PRICE THIS MONTH (2) | | | | | 39,98 | | 39,33 |
| Emmi A.G. | CH | | 2.88 | -3.20 | 50.25 | none | 51.15 |
| Fonterra (5) | NZ | | | | 41.04 | 0.00 | 39.35 |
| United States of America (3) | US | 0.18 | | | 41.39 | none | 34.69 |

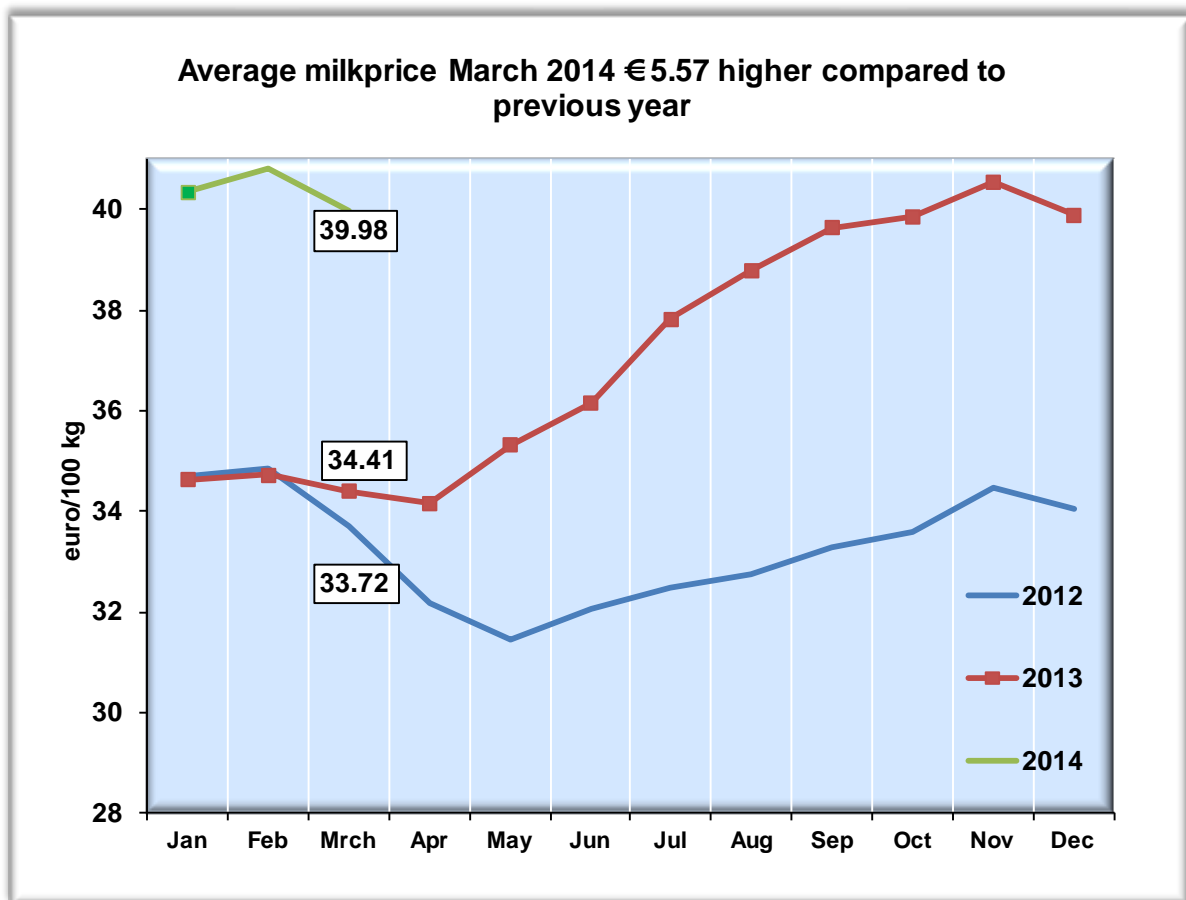
Remarks:

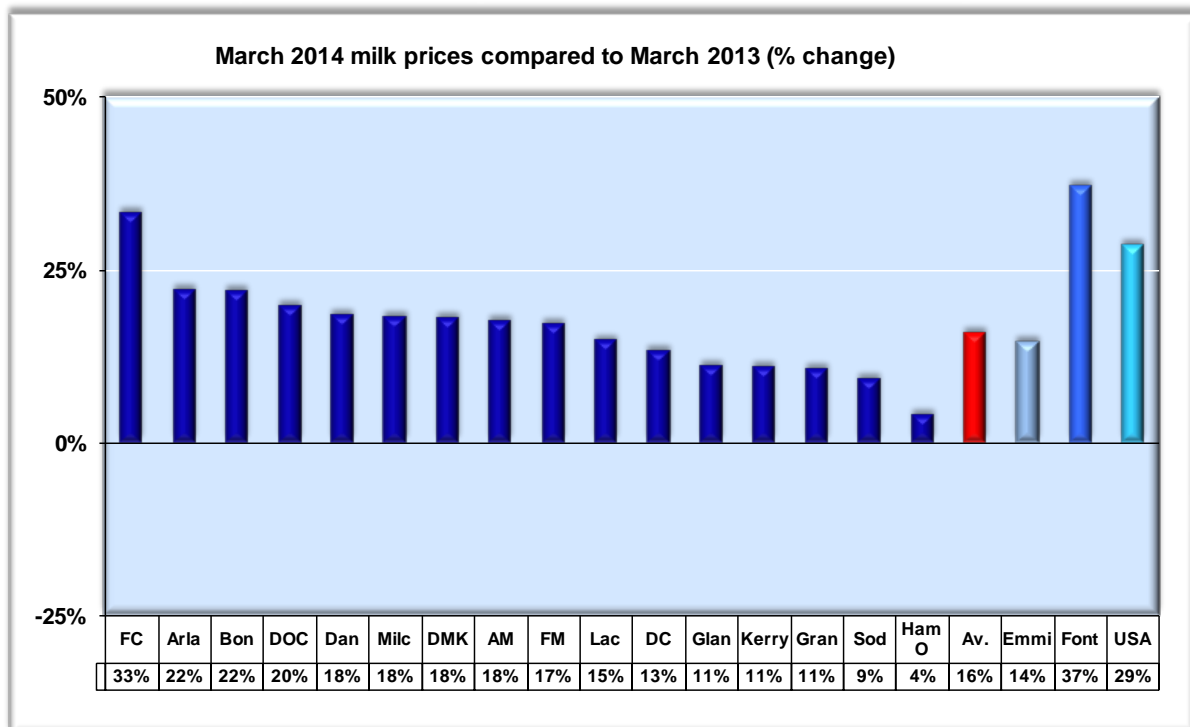
- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA 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 MARCH 2014

MILK PRICES

The calculated prices in March 2014 averaged € 39.98. Despite the fact that milk prices compared with the previous month decreased by € 0.83 they are still 16% or € 5.57 higher than in the same month last year.





The price decrease in March compared to February corresponds to the price movements in other years. In addition to regular seasonal changes, some companies have also lowered the price of milk.

Milcobel

The milk price has not changed in March compared to February. Milcobel announced a supplementary payment for 2013 of €12.81 per 100 kg fat and protein or €0.97 per 100 kg standard milk. This most recent supplementary payment is retroactive from January 2013 included in the rolling average of the last 12 months.

Germany

In March the basic price of Alois Muller decreased with €1.00, while the milk price of DMK remained unchanged.

Arla

The milk price of Arla has not changed in March (and April). As of May Arla has announced a price reduction of €1.50 per 100 kg. On the milk delivered in 2013 Arla paid a supplementary amount . This calculated supplementary payment is €2.01 per 100 kg standard milk and based on 5.5% of the so-called basic value and includes €0.62 as addition to the members' capital.

The calculated milk price of Hämeenlinnan Osuusmeijeri decreased due to the seasonal charge of €2 in March. Hämeenlinnan Osuusmeijeri has paid for the milk delivered in 2013 an supplementary amount €2.60 per 100 liters or €2.52 per 100 kg.

France

French milk prices have fallen , mainly due to seasonal changes . For example the milk price of Lactalis in March includes a seasonal charge of €30 per 1000 liters. The monthly milk prices of Danone and Sodiaal in 2013 are retrospectively increased by €0.044 respectively €0.243 per 100 kg. The dairy farmers received these amounts with their December 2013 milk payments.

It should be noted the calculated milk price of Danone and Sodiaal are still based on the so-called A - prices. For part of the milk delivered the farmers receive a B - price based on the selling prices of butter and skimmed milk powder.

United Kingdom

The milk prices of Dairy Crest and First Milk are not changed . In the UK a voluntary code is applied by the (private) dairies in which future price changes should be announced 3 months before. Dairy Crest has announced that it will not change their milk prices in May and June.

Ireland

The milk prices of Glanbia and Kerry have not changed .

Granarolo

The calculated milk price of Italian Granarolo remained unchanged in March, but for April to June a small increase is announced to €45.81 per 100 kg of milk

Netherlands

The calculated milk prices for FrieslandCampina and DOC Cheese in March compared to February fell by €2.60 respectively €0.49 per 100 kg of milk . The guaranteed price of FrieslandCampina in April (- €1.25) and May - €1.00) decreased further . Starting this year, FrieslandCampina seasonal levies and bonuses are no longer deducted from the monthly milk payments, but are settled at the end of the calendar year. So the seasonal levy of 2,30 in March 2013 is no longer deducted form the March 2014 milk payment.

The calculated monthly milk price of DOC Cheese drops in April with €1.43. In total the guaranteed price of FrieslandCampina of €44.00 in December 2013 fell to €40.25 per 100 kg in May. The calculated monthly milk price of DOC Cheese fell by a total of €5.28 from December to €37.73 in April.

The Dutch dairy cooperatives have presented their annual reports and thus the supplementary payments for 2013 are known. The calculated supplementary payment of DOC Cheese is €2.31 per 100 kg standard milk. This is based on an

additional payment of 4.49% and includes a membership fee of €0.68. The calculated supplementary payment of FrieslandCampina is €2.92 per 100 kg based on a performance bonus of (provisional) 4.59 % and member bonds of (provisional) 3.12 % .

Both dairy companies have also published their average grazing bonus. The average bonus of €0.23 (DOC Kaas) and FrieslandCampina €0.31 (2012 : 0.32) are retrospectively included in the calculated monthly milk prices . Before the calculated milk price of FrieslandCampina included a bonus of €0,50 per 100 kg. The average quality bonus of DOC Cheese is also updated. Based on the amounts specified in the milk statements the bonus is from January 2012 onwards adjusted to €0.031 per 100 kg.

Emmi

The calculated milk price of the Swiss Emmi has risen slightly to €50.25 in March. In April a lower milk price is expected as part of the deliveries will receive a lower C - milk price.

Fonterra

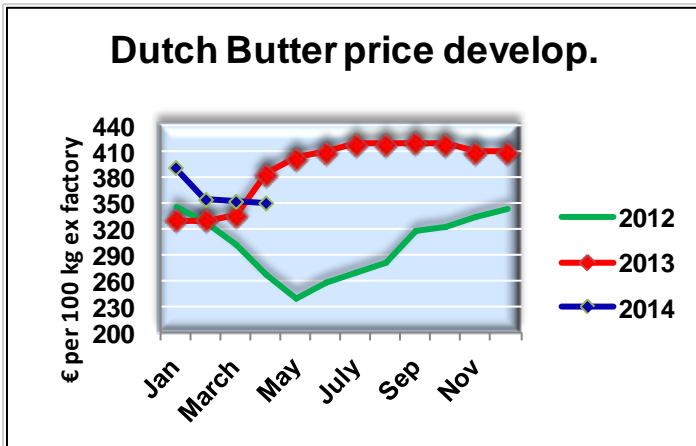
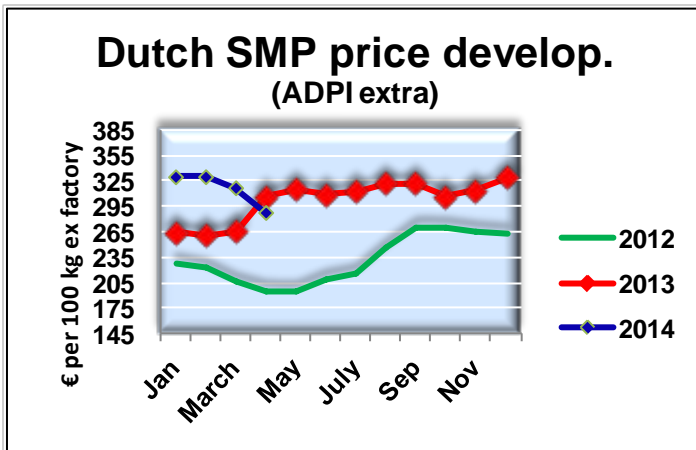
The milk price of Fonterra has not changed. Only due to the appreciation of the New Zealand dollar , the calculated milk price in euro's increased slightly.

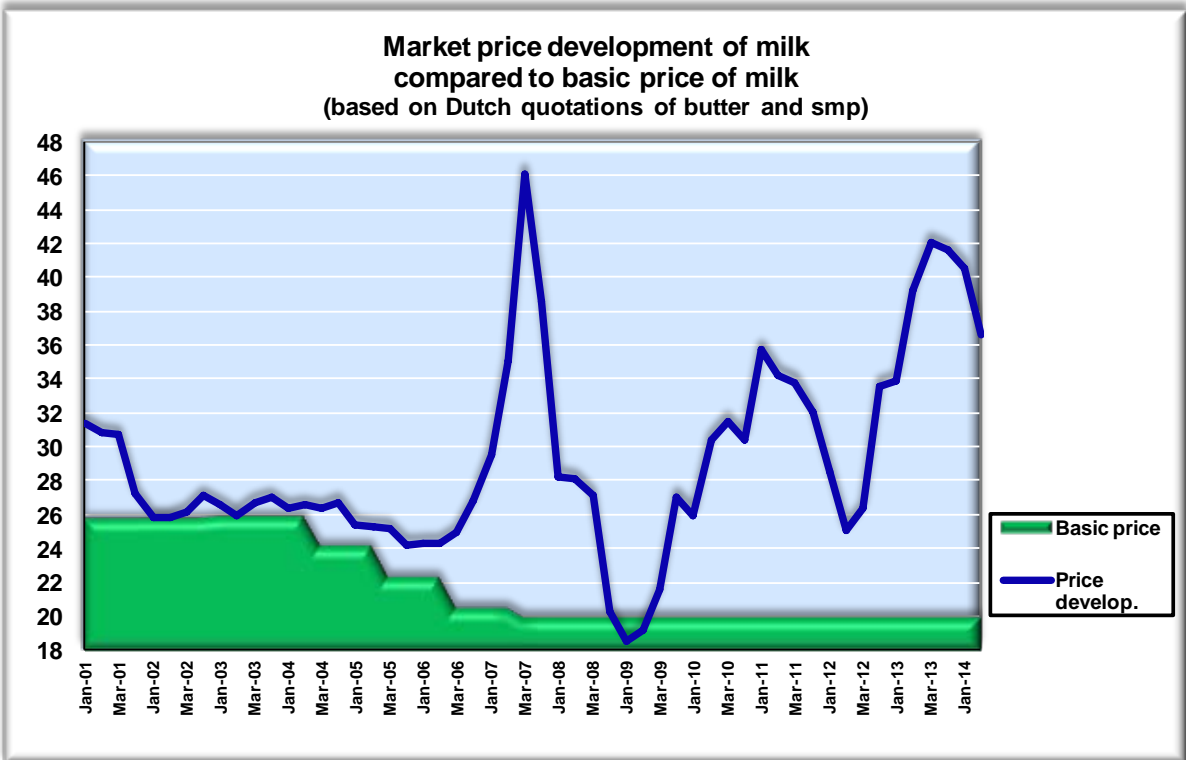
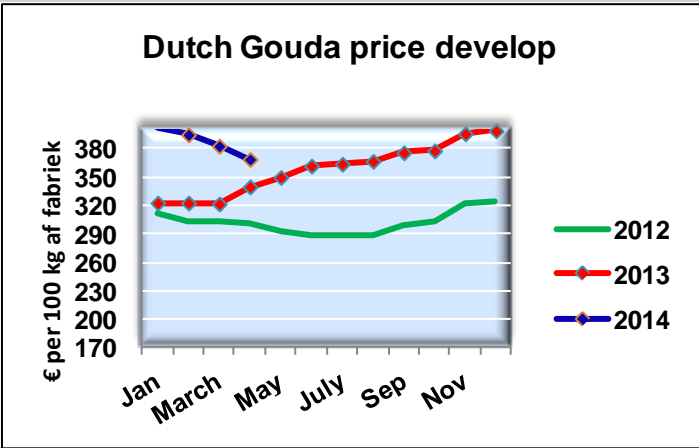
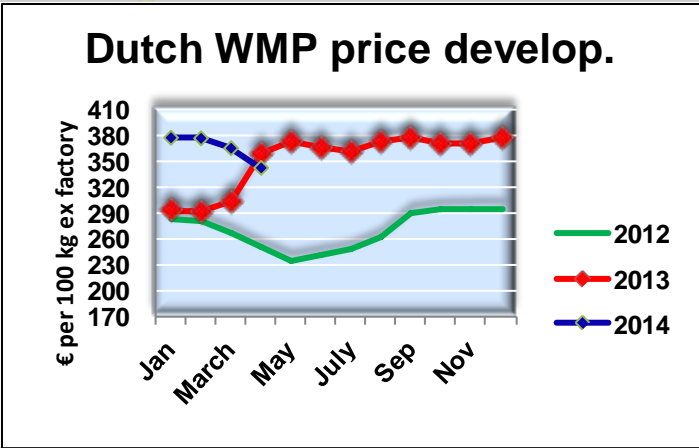
USA

The calculated milk price of U.S. Class III milk price in March fell slightly to €41.39 , but still U.S. farmers receive unprecedented high milk prices.

MARKET SITUATION

| Dutch quotations | | | | |
|------------------|----------------|---------------|-------|-------|
| | 1 January 2014 | 30 April 2014 | index | trend |
| Butter | 409 | 344 | 84.1 | ↓ |
| WMP | 379 | 337 | 88.9 | ↓ |
| SMP | 330 | 281 | 85.2 | ↓ |
| Whey powder | 99 | 89 | 89.9 | ↓ |
| Gouda cheese | ± 400 | ± 370 | 92,5 | ↓ |





Market situation

EU milk production is evolving quite expansive. According to provisional figures milk output in the EU-28 during January and February was more than 4.5% higher compared to last year. Milk production follows seasonal pattern and is still increasing. In general the dairy market has evolved a more supply driven character. The continuing growth of milk output is increasingly crucial for the current price situation. Last couple of weeks market landscape has not changed very much. In general market sentiment is weakening and uncertainty rising as the seasonal production peak is coming closer. Prevailing production capacity is not always sufficient to absorb all the milk delivered. Quotations are under pressure and lower pricing is broadly anticipated. Potential buyers have a wait and see approach. Also internationally prices are under pressure by growing production volumes and sluggish demand. On the recent GlobalDairyTrade auctions more product is being offered and lower prices are being paid. However at the latest auction the realized price decline was considerably lower than expected. This could be a signal that prices are near the bottom. And as we are at the crossroads between the production seasons of the Northern and Southern Hemisphere, lower production volumes will probably exert less pressure on prices.