

STANDARDIZED MILK PRICE CALCULATIONS for APRIL 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		40.03	0.97	40.63
Alois Müller	DE	0.51			38.40	0.00	39.35
Nordmilch	DE		0.15		39.05	0.00	38.97
Arla Foods	DK	0.81			40.99	2.01	40.83
Hämeenlinnan Osuusmeijeri	FI			-1.94	42.46	2.52	45.99
Bongrain CLE (Basse Normandie)	FR	0.74			35.52	none	38.38
Danone (Pas de Calais)	FR				40.01	none	38.31
Lactalis (Pays de la Loire)	FR			-0.97	34.87	none	37.33
Sodiaal	FR	0.58			36.79	none	37.07
Dairy Crest (Davidstow)	GB	0.12	0.35	-2.65	37.17	0.00	38.02
First Milk	GB	0.94	1.18		38.78	0.00	35.86
Glanbia	IE				38.94	0.00	38.53
Kerry	IE				38.77	none	38.21
Granarolo (North)	IT	1.15	3.42		45.81	none	43.18
DOC Kaas	NL	0.03	0.34		37.73	2.31	41.35
Friesland Campina	NL	0.05	0.75		40.13	2.92	43.73
AVERAGE MILK PRICE THIS MONTH (2)					39,09		39,73
Emmi A.G.	CH		2.88	-3.20	49.40	none	51.57
Fonterra (5)	NZ				40.24	0.00	40.02
United States of America (3)	US	0.19			43.14	none	35.31

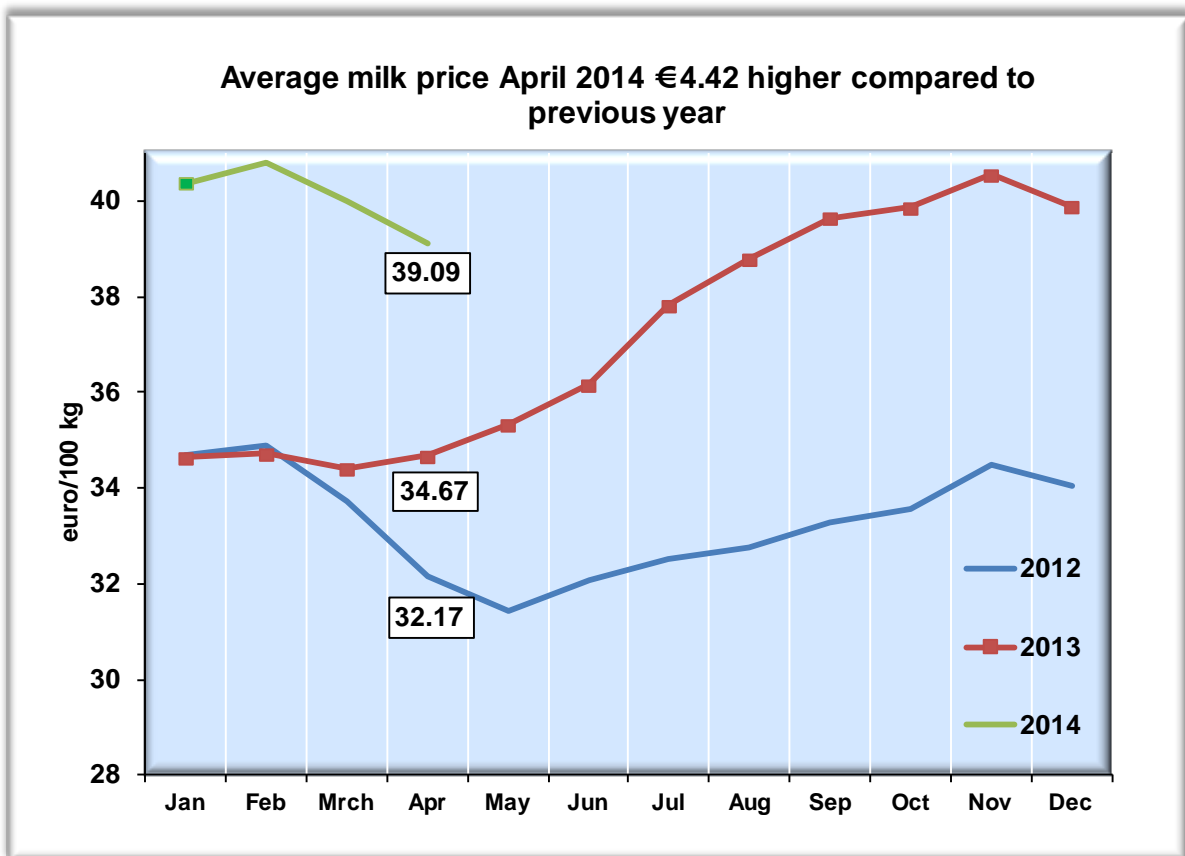
Remarks:

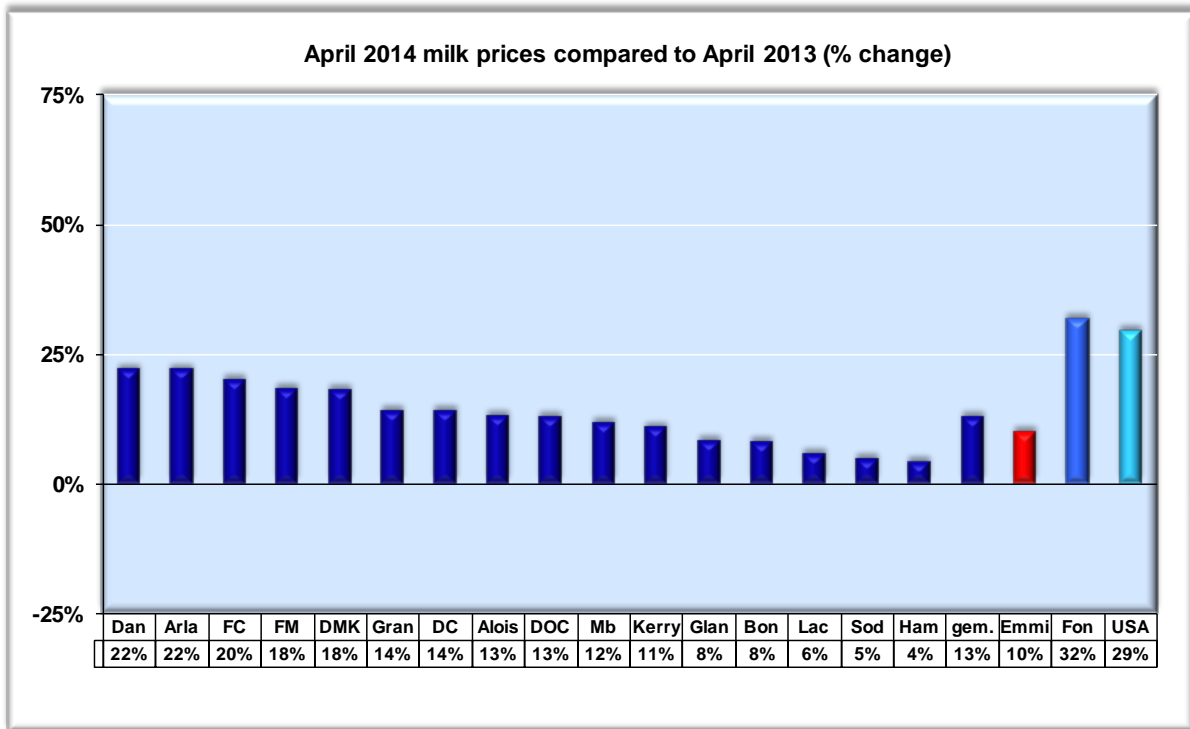
- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA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

MILK PRICES

The average calculated milk price for the April 2014 deliveries is €39.09 per 100 kg standard milk. This is an increase of 12.7% compared to April 2013 (+ €4.42). The average calculated milk price has decreased by €0.89 compared to previous month.





Additional comments milk prices April 2014

Milcobel

The calculated milk price of the Belgian Milcobel decreased to €40.03 in April.

Germany

The base price of Alois Müller decreased by € 1.50 in April. The calculated milk price is € 38.40. The base price of DKM remained stable.

Scandinavia

The milk price of Arla will remained stable in April. The calculated milk price remains at €40.99. Arla announced a price decrease of € 1.50 per 100 kg in May.

The preliminary calculated milk price of Hämeenlinnan Osuusmeijeri is €42.46 in April.

France

The calculated milk price of the French company Bongrain decreased by € 4.28 compared to the previous month. This is due to seasonal adjustments. This is also the case for the calculated milk price of Lactalis, which fell from € 3.65 to € 34.87.

United Kingdom

The milk price of First Milk increased by 0.5 ppl in April, the calculated milk price comes out at €38.78. First Milk announced to decrease the milk price by – 0.5 ppl in June.

Dairy Crest has announced that the milk price will not change until June. For April, the calculated milk price is €37.17, a decrease because of a seasonality payment of -2.25 ppl.

Ireland

The calculated milk price of Glanbia is €38.94.

The calculated milk price of Kerry is €38.77.

The Netherlands

FrieslandCampina's guaranteed milk price decreased by €1.25 in April. The calculated milk price comes out at €40.13. The guaranteed milk price will decrease by €1.00 in May to €40.25. FrieslandCampina announced to increase the guaranteed milk price by €1.75 in June.

The calculated milk price for DOC Kaas is €37.73.

Granarolo

The basic milk price of Granarolo increased by €0.25. For the period April – June, the basic price is €39.92. Again, Granarolo's highest milk price since 2008. The calculated milk price of Italian Granarolo for April is €45.81.

Emmi

The calculated milk price of the Swiss Emmi is €49.40 in April. Due to the high milk production level, the average milk price has decreased and 10% of the delivered milk received a C-price.

New Zealand

The calculated milk price of Fonterra is €40.24 in April. For the 2013/2014 season, the milk price reduced from \$8.65 to \$8.50 per kg milk solids, which includes the expected dividend payment of 0.10 NZD. For the new milk price year 2014/15 Fonterra expects a milkprice of 7.00 NZD.

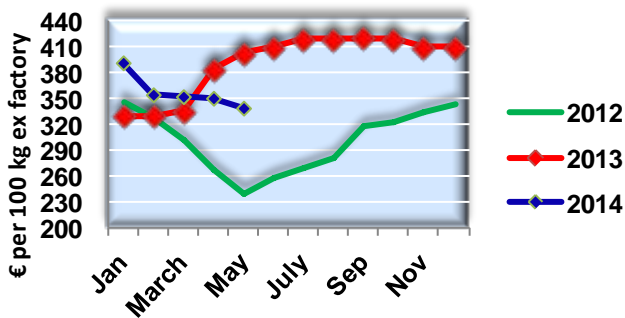
USA

The milkprice of the U.S.A. increased by \$0.98 per cwt (from \$23.33 to \$24.35). The U.S. milk has never been so high. Converted into euros, the calculated milk price is €43.14.

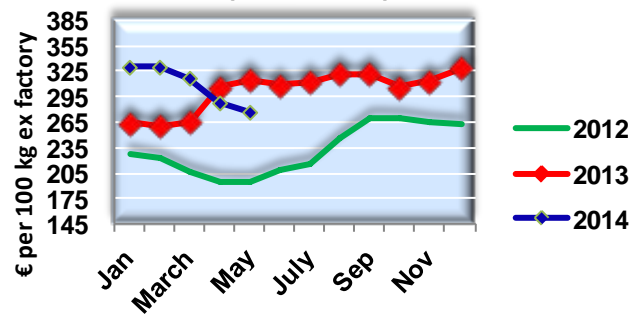
MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2014	4 June 2014	index	trend
Butter	409	341	83,3	→
Whole milk powder	379	320	84,4	→
Skimmed milk powder	330	277	83,9	→
Whey powder	99	93	93,9	→
Gouda cheese	± 400	± 355	88,75	→

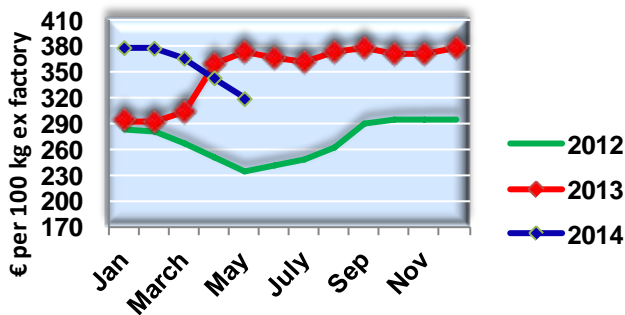
Dutch Butter price develop.



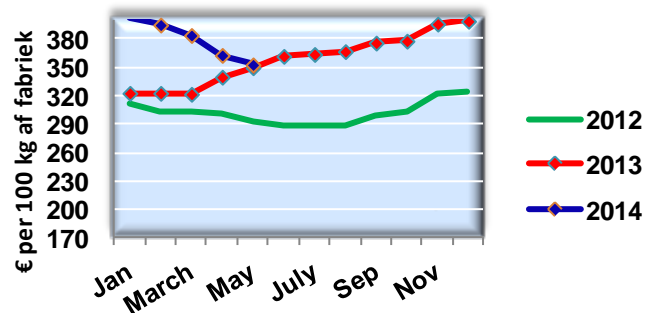
Dutch SMP price develop. (ADPI extra)

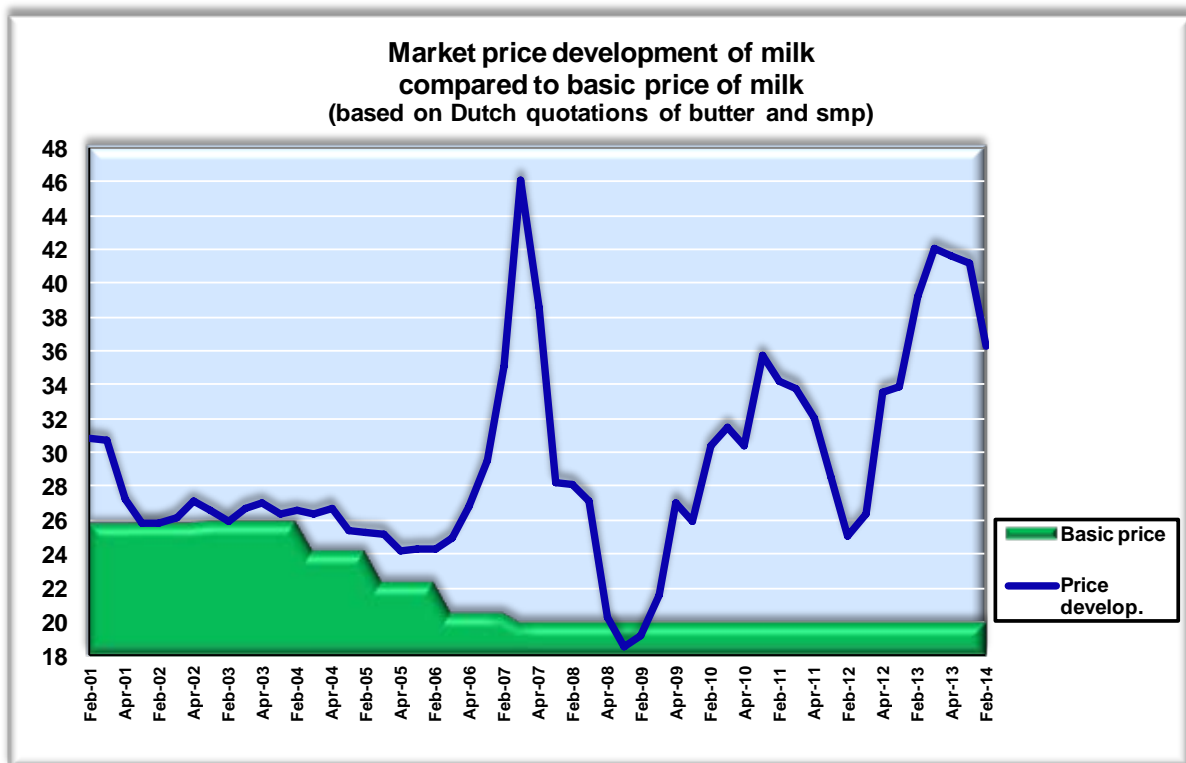


Dutch WMP price develop.



Dutch Gouda price develop





Market comments

After price declines during last months the market is trying to stabilize. Seasonally milk production is declining and more production capacity is coming available which makes it easier to place material and gives room for slight recovery of prices. It looks like the cheese market has currently taken a turn for the better. However market uncertainties are looming. Much will depend on the size of the milk output growth for the second half of the year and the existing export opportunities. There are doubts about persisting Chinese demand and if so are the other dairy importing regions in the world able to compensate the decrease of China.

Potential buyers have still a wait and see approach.

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 still under pressure by growing production volumes and sluggish demand. On the GlobalDairyTrade auctions prices continue to decline since February.