

STANDARDIZED MILK PRICE CALCULATIONS for DECEMBER 2014 deliveries

Prices in euro per 100 kg milk with 4,2% fat, 3,4% protein, 500.000 kg per year, tbc 24.999 and scc 249.999 per ml

Company		adjustments			MILK PRICE this month	rolling average last 12 months 1)	most recent suppl. payment
		quality	volume	season			
Milcobel	BE	0.73	1.37		29.54	36.17	0.97
Müller(Leppersdorf)	DE	0.51	0.31		31.02	36.46	
DMK	DE		0.15		29.15	36.49	
Arla Foods DK	DK	0.93			31.75	37.91	2.01
Hämeenlinnan O.	FI				41.97	43.97	2.52
Bongrain (Basse Normandie)	FR	1.18			32.37	38.33	
Danone (Pas de Calais)	FR				33.30	37.96	
Lactalis (Pays de la Loire)	FR				34.07	37.89	
Sodiaal (Pas de Calais)	FR	0.58			36.75	38.21	
Dairy Crest (Davidstow)	UK	0.12	0.37	1.85	38.33	39.45	
First Milk (compositional)	UK	0.99	1.23		29.72	36.52	
Glanbia	IE				30.50	35.29	
Kerry Agribusiness	IE				30.09	35.94	
Granarolo (North)	IT	1.15	3.42		43.87	44.67	
DOC Cheese	NL	0.03	0.34		24.86	34.93	2.31
FrieslandCampina	NL	0.05	0.75		29.92	38.27	2.91
AVERAGE MILK PRICE 2)					32.95	38.03	
Emmi	CH		2.92		48.82	51.07	
Fonterra 3)	NZ				23.94	29.80	
United States Class III 4)	US	0.16			35.80	41.46	

1) In contrast to earlier publications exclusive of most recent supplementary payment

2) Arithmetic average

3) Based on most recent forecast

4) Based on USDA announcement

MILK PRICES

The calculated advance milk price in December 2014 averaged € 32.95 per 100 kg standard milk. A decrease of € 1.15 compared to the previous month. Compared to December last year, this is a decrease of € 7.12 or 17.8%.

The calculated milk price of DOC Cheese reduced most by € 3.84 In December , followed by FrieslandCampina € 3.64. FrieslandCampina announced a further decrease of the guaranteed price for January (€ 0.50), but for February an increase of € 1.25.

Based on a voluntary agreement British dairies announce their milk price a month before delivery. Thus, at the end of January the milk prices of Dairy Crest and First Milk are known until March. The calculated milk price of Dairy Crest declines in the coming months with a total of 3.95 pence per liter (ppl) or about € 4.80. In addition to these price reductions a so called 'milk price floor' will apply from March until June, which means no further price reductions in these months.

A previously announced price drop by was partially reversed by First Milk, but the members have to contribute additional capital to the coop and the payment of the milk money has become structurally 14 days later.

The calculated milk price of Arla drops in January with € 2.47, while it remains the same in February. The milk of the German DMK falls by € 1 in January and that of the Italian Granorolo with € 2.76. In December, the USA milk prices are incidentally the most fallen.

About the calendar year 2014, the monthly milk prices calculated increased on average with € 0.74 (+ 2%) compared to 2013. It should be noted these prices are not the definitive milk prices as no supplementary payments are included. This is mainly due to increased British (strengthened by the falling euro exchange rate against the British Pound) and French milk prices (see table).

Additional graphs show the development of the monthly milk prices of the individual dairy companies.

MARKET SITUATION

Official Dutch dairy quotations (€ per 100 kg)

	4/02/15	2/1/2014
Butter	307	406
Whole milk powder	248	379
Skimmed milk powder	200	330
Whey powder	84	99

Contrary to the expectations, the dairy commodity prices have risen in recent weeks. However, it is still too early to conclude that this is structural. The price trend seems to be strongly influenced by positive results of the recent Global Dairy Trade auctions. In addition, the weakening of the euro against the dollar makes European dairy products more competitive with other dairy regions in the world. Finally, dairy farmers in Europe seem to slow down production to avoid the future payment of the super levy.

Monthly milk prices in 2014 and 2013
(in € per 100 kg standard milk)

	2014	2013	2014- 2013	2014/2013	nat.valuta
Granarolo (Noord)	44.67	41.88	2.80	7%	
Hämeenlinnan O.	43.97	42.65	1.31	3%	
Dairy Crest (Davidstow)	39.45	36.51	2.94	8%	3%
Bongrain (Basse Normandie)	38.33	35.93	2.40	7%	
FrieslandCampina	38.27	38.04	0.23	1%	
Sodiaal (Pas de Calais)	38.21	36.12	2.09	6%	
Danone (Pas de Calais)	37.96	35.98	1.98	5%	
Arla Foods DK	37.91	36.59	1.32	4%	4%
Lactalis (Pays de la Loire)	37.89	35.34	2.55	7%	
First Milk	36.52	34.00	2.52	7%	2%
DMK	36.49	36.97	-0.48	-1%	
Müller(Leppersdorf)	36.46	37.37	-0.90	-2%	
Milcobel	36.17	37.71	-1.54	-4%	
Kerry Agribusiness	35.94	37.30	-1.36	-4%	
Glanbia	35.29	37.63	-2.35	-6%	
DOC Cheese	34.93	36.66	-1.73	-5%	
Gemiddelde	38.03	37.29	0.74	2%	
Emmi	51.07	49.64	1.43	3%	2%
Fonterra	29.80	35.50	-5.69	-16%	-17%
USA class III	41.46	33.28	8.18	25%	25%

(Note: These prices are exclusive of supplementary payments and provisional. The definitive milk price including supplementary payments and possible other corrections/additions will be published mid 2015.

Development of monthly milkprices (€ per 100 kg standard milk)









