

STANDARDIZED MILK PRICE CALCULATIONS for APRIL 2015 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		28.49	32.20	0.97
Müller(Leppersdorf)	DE	0.51	0.31		30.52	32.86	
DMK	DE		0.15		29.15	33.16	
Arla Foods DK	DK	0.90			30.74	34.13	1.53
Hämeenlinnan O.	FI			-1.94	35.84	41.95	2.52
Bongrain (Basse Normandie)	FR	1.18			32.12	35.77	
Danone (Pas de Calais)	FR				31.16	35.46	
Lactalis (Pays de la Loire)	FR				31.50	34.91	
Sodiaal (Pas de Calais)	FR	0.58			31.95	36.78	
Dairy Crest (Davidstow)	UK	0.13	0.40	-3.03	31.53	37.86	
First Milk (compositional)	UK	1.08	1.35		28.11	33.29	
Glanbia	IE				28.46	33.03	
Kerry Agribusiness	IE				30.37	33.84	
Granarolo (North)	IT	1.15	3.42		41.20	43.45	
DOC Cheese	NL	0.03	0.34		29.51	31.51	1.03
FrieslandCampina	NL	0.05	0.75		32.33	34.91	2.83
AVERAGE MILK PRICE 2)					31.44	35.32	
Emmi	CH		3.38	-2.82	50.51	50.74	
Fonterra 3)	NZ				24.86	23.36	
United States Class III 4)	US	0.17			36.45	39.39	

- 1) 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 April 2015 averaged € 31.44 per 100 kg standard milk. A decrease of € 0.26 compared to the previous month. Compared to April 2014, this is a decrease of € 7.66 or 19.6%.

A slight decline of milk prices in April is not particularly. Usually in spring milk prices fall and start rising again from May onwards. A milk price increase in May this year is very doubtful. On the dairy market prices are still under pressure and large companies FrieslandCampina and Arla have announced price cuts in May and June.

In April, four dairies increased their milk prices ranging from + 0.5 (DOC Cheese) to +1.6 (Arla) euro per 100 kg, while seven dairy companies have reduced their milk prices. The calculated milk price of British Dairy Crest has decreased most (minus € 2.9), but this is entirely due to the seasonal adjustment in April.

In March and April the milk price paid by Glanbia Ingredients Ireland has been reduced by € 1 per 100 liter. These price reductions are offset by top ups of the same amount paid by the cooperative Glanbia to members from the so-called market stabilization fund. The calculated milk price is excluding these top ups.

British First Milk introduced an A and B – system from April onwards. The calculated milk price is based on the A price.

New Zealand's Fonterra has revised their forecast milk price for the current 2014/15 season at April 30 and May 28 from 4.7 to 4.4 NZD per kg milk solids (fat and protein). Including an announced forecast dividend the chances amount to a milk price of 4.65 NZD which is far below the levels of recent years. Since the 2006/07 season the milk price of Fonterra has always been more than 5 NZD per kg fat milk solids.

Price changes in April 2015 (€ 100 per kg compared to the previous month) and additional information per company

Milcobel: unchanged

Muller: +1

DMK: +1

Arla: +1.5, May unchanged, June -1

Hameenlinnan Osuusmeijeri: unchanged

Bongrain: -0.3

Danone (A-price): -0,9

Lactalis: -0.8

Sodiaal (A-price): -0.7

Dairy Crest: -2.9 due to seasonality.

First Milk: -0.9 (A-price).

Glanbia: -1, March retrospectively corrected with -1 , prices exclusive of top ups by coop
Kerry: Unchanged

Granarolo: Provisionally unchanged

DOC Cheese: + 0.5

FrieslandCampina: -0.7, May -1.2, June -1.5

Emmi: +1.9 due to a lower export levy (Schloggigesetz)

Fonterra: -1.1 Fonterra revised their forecast milk price for the 2014/15 season to 4.4 NZD per kg milk solids. Including a forecast dividend of 0.25 the calculated milk price for standard milk is retrospectively from June 2014 onwards based on 4.65 NZD per kg milk solids.

USA: +0.8

Expressed in dollars, the US Class III milk price in April increased from \$ 15.56 to \$ 15.81 per hundredweight (45.36 kg).

MARKET SITUATION

Official Dutch dairy quotations (€ per 100 kg)

	27/05/2015	29/04/2015	2/1/2014
Butter	294	302	406
Whole milk powder	232	268	379
Skimmed milk powder	175	185	330
Whey powder	67	77	99

Due to the seasonal peak the European milk supply is sufficient. Buyers still remain cautious and orders are postponed in anticipation of a further decrease of market prices. This means there is continuing pressure on prices. Since March, the Dutch price quotations are in a downward trend.

The world market prices show a similar development as European prices. The sharp fall in prices on the GDT auction in April and May reflect the picture that there is less demand and sufficient supply. Positive from a European perspective remains the relative weakness of the euro against the dollar, making European products relatively more competitive on world markets.

The question is when it comes to a turning point in the market. The development of the European milk production in a quota-free era plays an important role. If growth is less than expected and international demand starts to improve, this will have a positive effect on the market situation.