STANDARDIZED MILK PRICE CALCULATIONS for MARCH 2016 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

		adjustments			MILK PRICE this month	rolling average last 12 months 1)	most recent suppl. payment
Company		quality	volume	season			
Milcobel	BE	0.73	1.37		**24.26**	27.05	0.49
Müller(Leppersdorf)	DE	0.51	0.61		**25.14**	27.44	
DMK	DE		0.15		**24.69**	26.74	
Arla Foods DK	DK	0.81			**27.70**	28.83	1.37
Savencia (Basse Normandie)	FR	1.18			**29.92**	31.95	
Danone (Pas de Calais)	FR				**31.55**	32.84	
Lactalis (Pays de la Loire)	FR				**29.28**	31.19	
Sodiaal (Pas de Calais)	FR	0.58			**30.71**	32.42	
Dairy Crest (Davidstow)	UK	0.12	0.37		**27.65**	32.99	
Dairygold	IE	0.39			**23.55**	26.95	
Glanbia	IE				**22.01**	25.54	
Kerry Agribusiness	IE				**25.34**	27.07	
Granarolo (North)	IT	1.15	3.42		**38.29**	38.20	
DOC Cheese	NL	0.03	0.34		**24.19**	25.62	
FrieslandCampina	NL	0.05	0.75		**27.69**	29.07	3.49
AVERAGE MILK PRICE 2)					**27.47**	**29.59**	
Emmi	CH		3.21	-2.68	**45.78**	51.43	
Fonterra 3)	NZ				**20.29**	20.38	
United States Class III 4)	US	0.15			**31.41**	35.12	

Bongrain changed the name to Savencia Fromage & Dairy

All prices are VAT excluded, paid to producers and assuming milk is collected every other day.

1) Exclusive of most recent supplementary payment

2) Arithmetic average

3) Based on most recent forecast

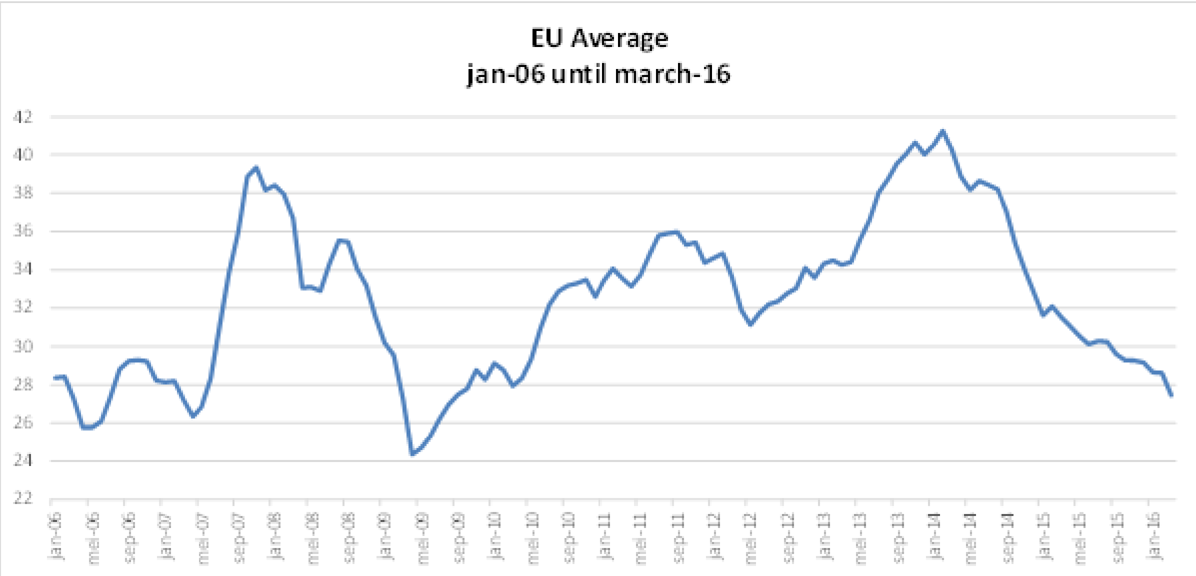
4) Based on USDA announcement

MILK PRICES

The calculated advance milk price in March 2016 averaged € 27.47 per 100 kg standard milk. A decrease of € 1.16 compared to the previous month. Compared to March 2015, this is a reduction of € 4.06 or 12.9 %.

The calculated milk prices have fallen more in March than in the previous months. This is partly due to the expiry of some February seasonal bonuses (Dairygold and Glanbia) and/or a seasonal levy in March (Dairy Crest). In addition, most dairy companies have reduced their milk prices in March.
For the coming months further price reductions are announced by DMK (April - € 1, May - € 2), Arla (- € 0.9 in April and - € 1 in May), Dairy Crest – 1 ppl (- € 1.35) June, DOC (April - € 0.9 and May - € 2.1) en FrieslandCampina (- € 1,0 April and May - € 2,5).

After milk prices peaked in February 2014 - when the average milk price of the European dairy companies was € 41.29 – the average milk price fell to € 27.47 in March 2016 (see graph).



Since 2009, the average milk price in the month of March has not been so low. When comparing milk prices in recent years with the peak and bottom prices in the period 2007-2009 it can be noticed that the average prices increased and dropped more rapidly to and from the peak in November 2007 (€ 39.35) than in recent years. From bottom price of € 24.34 in April 2009 the milk prices gradually increased until February 2014. Since then milk prices decreased to the current level. When milk prices will not recover during 2016, the average milk price of whole calendar year 2016 will be close to 2009, the year with the lowest average price since the start of the LTO milk price comparison in 1999.

Price changes in March 2016 (€ 100 per kg compared to the previous month) and additional information per company

Milcobel: -1.0. For 2015 deliveries member suppliers receive a supplementary payment of € 0.49 per 100 kg.

Muller: -1.2
DMK: -1.5, April -1.0 and May – 2.0 (see also remarks DOC Cheese).

Arla: unchanged, April -0.9 and May -1.0.

Savencia: -0.1. Bongrain changed the name to Savencia Fromages & Dairy.
Danone (A-price): - 0.6
Lactalis: unchanged
Sodiaal (A-price): unchanged

Dairy Crest: -2.2 due to a seasonal levy, June – 1.3 (1 pence per liter).

Dairygold: -4.3 due to the expiry of seasonal bonus in February and a price decrease of 1.0.
Glanbia: -4.7 due to the expiry of seasonal bonus in February and a price decrease of 2.0. The milk price is exclusive of coop support (1.0 cent per liter) and Ornua bonus of 1.0.
Kerry: unchanged for the fourth consecutive month

Granarolo: unchanged, April -2.0.

DOC Cheese: -1.0
April 2016 DMK Group and DOC Cheese merged and both cooperatives integrate their milk payments. As payments to the member suppliers is based on different payment systems the calculated milk prices of DOC and DMK for standard milk may slightly differ from each other.
The intention is to calculate and publish both milk prices until the end of 2016.
For 2015 deliveries DOC has made no supplementary payments. The membership fee of € 0.68 was already included in the calculated monthly milk prices. The so called durability bonus was according to the annual report 2015 on average € 0.86 per 100 kg. The calculated milk prices have been adjusted retroactively from January 2015 onwards as they were based on a bonus of € 0.84.
FrieslandCampina: – 0.7, April -1.0 and May -2.5.

Average: - 1.16

Emmi: - 1.9 due to lower B- and C – prices.

Fonterra: + 0.3 due to the appreciation of the New Zealand dollar against the euro. The forecast milk price remained unchanged and the calculated milk price of Fonterra is based on 4.40 per kg milk solids.

USA: - 0.3 due to the exchange rate. The US Class III milk price increased from to $ 13.80 in February to $ 13.74 per hundredweight (45.36 kg) in March.

MARKET SITUATION

Official Dutch dairy quotations (€ per 100 kg)

	4/5/16	6/1/16	Average 2015
Butter	243	275	295
Whole milk powder	177	210	235
Skimmed milk powder	161	167	181
Whey powder	50	51	65

The increase in global milk surplus is primarily a European issue, especially in the northwestern part. Outside Europe, the milk production stagnates in several key countries. In New Zealand, since the start of the new season the milk production is at a lower level than last year, although the gap is less than was originally predicted. In February milk production increased.
Australian milk production is declining because of unfavorable weather conditions since the last quarter of 2015. In the US there is a slowdown in growth.

The fundamentals of the dairy market, a long time sluggish global demand and excess supply, remain unchanged. Because of this imbalance stocks increase and prices remain under pressure. The skimmed milk powder price moves around the intervention price level. Also EU stocks of skimmed milk powder are increasing, both public and private. The price of whole milk powder has not yet reached the bottom and moves further down.