

STANDARDIZED MILK PRICE CALCULATIONS for MARCH 2010 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		29.55	0.67	26.56
Alois Müller	DE	0.51			27.60	0.00	24.75
Humana Milchunion eG	DE				26.84	-0.18	25.05
Nordmilch	DE		0.15		26.84	-0.15	24.22
Arla Foods	DK	0.54			27.16	2.04	27.65
Hämeenlinnan Osuusmeijeri	FI	2.14		-2.59	30.87	1.17	37.69
Bongrain CLE (Basse Normandie)	FR	0.74			29.06	none	28.42
Danone (Pas de Calais)	FR				28.75	none	28.97
Lactalis (Pays de la Loire)	FR				29.38	none	28.12
Sodiaal	FR	0.58			28.61	none	29.25
Dairy Crest (Davidstow)	GB	-0.22	0.32		26.73	0.00	27.34
First Milk	GB	0.54	2.02		23.05	0.00	23.67
Glanbia	IE				25.98	0.00	22.81
Kerry	IE				26.85	none	22.98
DOC Kaas	NL	0.05	0.34		25.84	1.53	24.23
Friesland Campina	NL	0.05	0.75	-2.30	23.98	0.87	26.63
AVERAGE MILK PRICE THIS MONTH (2)					27,32		26,77
Granarolo (North)	IT	1.15	3.42		33.98	none	33.82
Fonterra (5)	NZ				25.61	0.00	22.62
United States of America (3)	US	0.11			23.46	none	21.27

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 2010

MILK PRICE

Additional remarks milk prices March 2010

The average milk price calculated for March 2010 deliveries is € **27.32** per 100 kg standard milk. Nevertheless, the European milk prices are for the first time this year above the level of last year (+ €0.74), representing an increase of 2.8%. March last year milk prices of some European dairies had suffered a big decline compared to the previous month, while this year milk prices increased or remain stable. Several dairies will increase their prices in upcoming months.

The Netherlands

Due to the seasonality levy, of €2.30 per 100 kg milk, the March milk price of Royal FrieslandCampina is lower compared to previous month. However the Dutch dairy will increase its milk price for the months April and May.

The calculated end-of-the-year bonus paid by FrieslandCampina for milk delivered in 2009 is €0.87 (2008: €1.30). Members received a performance bonus and member bonds of 2.12% respectively 1.334% of the so-called guaranteed milk price. The provisional supplementary payment over 2009 is calculated as €0.87 per 100 kg (2008 €1.30)

The milk price of DOC Kaas remains unchanged in March. The dairy announced to increase its fat- and protein prices next month.

The provisional supplementary payment over 2009 of DOC Kaas – based on their annual report 2009 – is calculated as €1.53 per 100 kg (2008: €1,04).

Milcobel

This month the milk price of Milcobel increased, compared to the milk price of February.

Germany

Alle Duitse ondernemingen hebben de laatste maanden een stabiele melkprijs. Nordmilch en Humana Milchunion houden bijvoorbeeld voor de vierde maand op rij de melkprijs ongewijzigd.

France

The French milk prices are strikingly lower this month compared to last year, partly due to relatively high prices in the beginning of 2009.

Scandinavia

The milk price of Arla remains the same in March. The end-of-the-year bonus paid by Arla to their members for milk delivered in 2009 is 8.1% (2008: 2.1%) of the so called basic value. This payment – calculated € 2.04 per 100 kg standard milk (2008: € 0.71) – includes the part converted to member certificates.

Striking is the low Finnish milk price of Hämeenlinnan Osuusmeijeri compared to last year. The Finnish coop decreased their milk price the last months. They paid 1.2 cent per litre or recalculated € 1.17 per 100 kg (2008: € 2.91) as a supplement to the milk price paid over 2009.

Ireland

The so-called early calving bonus of 4 cent per litre was retrospectively added to the calculated milk prices of Glanbia for January and February 2010. Dairy farmers with a February supply greater than 3% of the annual supply qualify for this bonus. In March its milk price declined as these bonus payment stopped.

Kerry increased its milk price this month.

Oceania

Fonterra announced recently an increase of 40 cents, to \$6.10 per kilogram of milksolids (kgMS), in its forecast Milk Price for the current 2009/10 season. The Co-operative also maintained its forecast range for the 2009/10 Distributable Profit of 40-50 cents per share.

Fonterra Chairman, Sir Henry van der Heyden, said continued strength in global dairy prices, with demand growth beginning to outstrip supply, had driven the Board's decision to increase the forecast Milk Price. The increase is the first since the forecast Milk Price was raised by \$1.10 last November.

Fonterra increased its milk price, retrospectively until June 2009, with an amount of 40 NZ dollar cent per kg MilkSolids to \$6.10.

USA

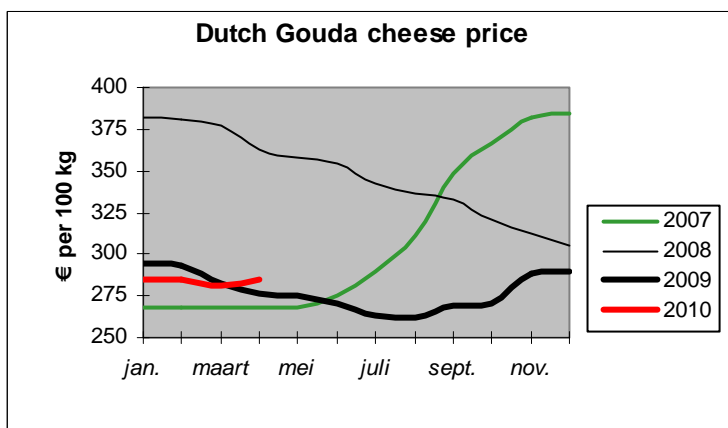
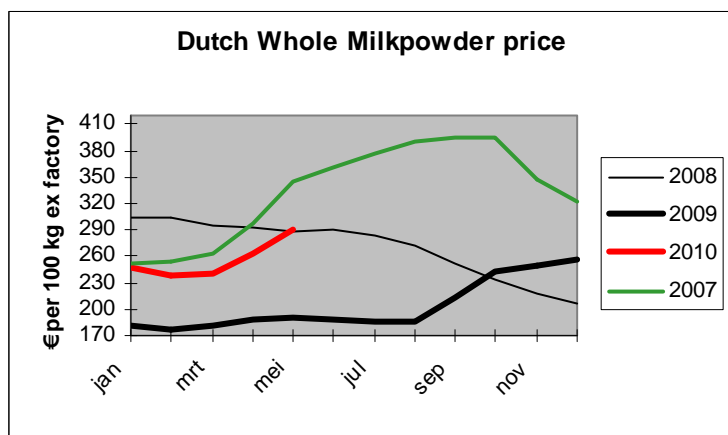
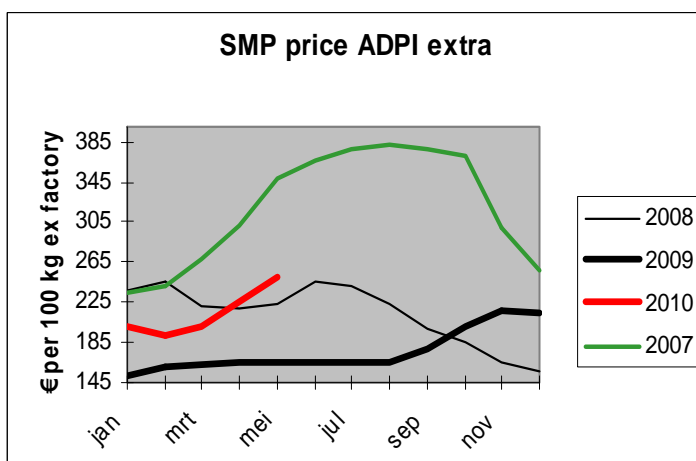
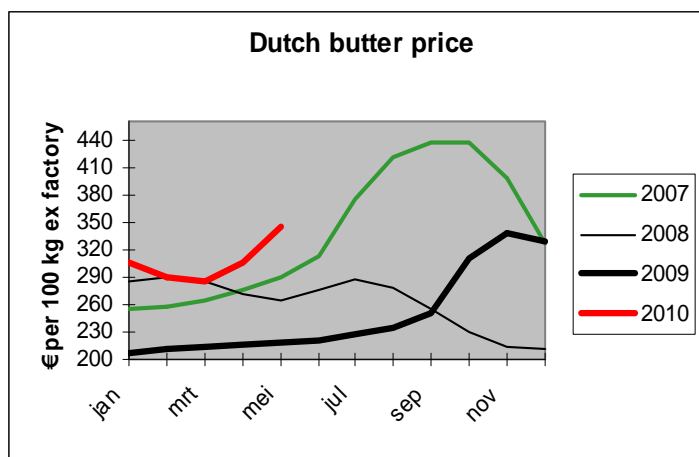
US Milk production during March totaled 15.4 billion pounds, up 0.9% from March 2009. Despite March milk production being higher than production in March 2009, the latest statistics show that milk production in the US during the January - March quarter totaled 47.3 billion pounds, down 0.1% from the January - March quarter last year. The average number of milk cows in the US during the quarter was 9.09 million head, 206,000 head less than the same period last year.

In March the US Class III milk price decreased by more than 2 euro's per 100 kg milk. In April the milk price will increase a little.

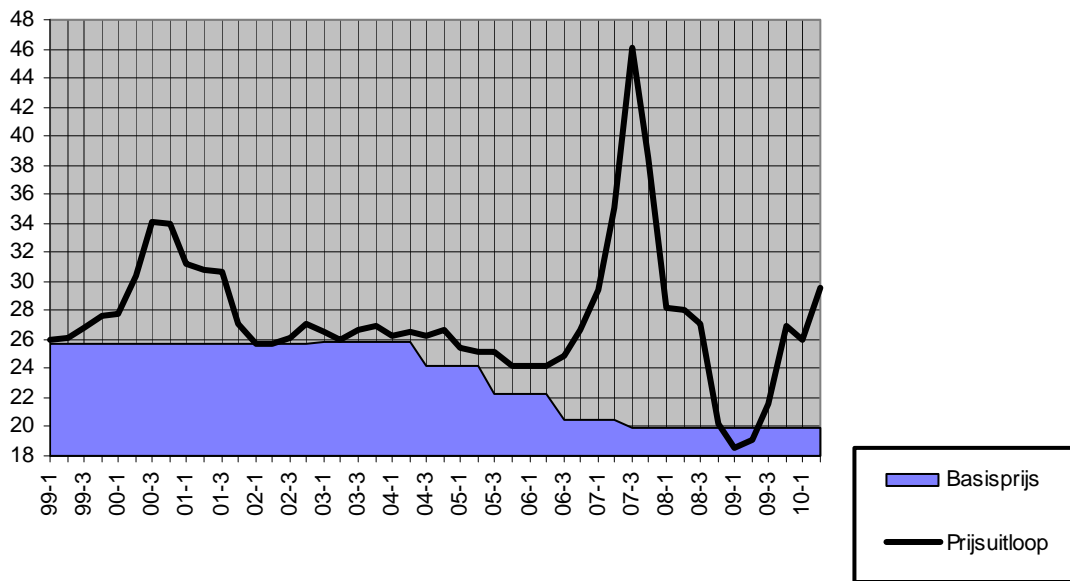
MARKET SITUATION

€ per 100 kg

Dutch Quotations				
	1 January 2010	May 7 2010	index	trend
Butter	315	345	109,5	↑
Whole milkpowder	252	290	115,1	↑
Skimmed milkpowder	203	250	123,1	↑
Wheypowder	70	81	115,7	→
Gouda cheese	± 290	± 285	93,5	↑



Market price development of milk (based on Dutch quotations of butter and smp) compared to basic price of milk



Market comments

In the Netherlands milk output during January-March 2010 was 2.86 billion kgs or appr. 2% higher, compared to the same period last year. The average milk fat and protein percentage during this period was 4.55% and 3.54% being unchanged resp. 0.03% higher compared to last year.

During the super levy period April – March milk output was 1.7% higher.

According to recent provisional figures milk output in the EU-27 for the first quarter of 2010 declined and was 1.3% lower than the previous year.

Milkoutput in the April – January period of the quota year was 0.4% less.

Since April prices for dairy commodities have risen fast and are reflecting the tight market situation for the moment. Beneath fundamental factors also market sentiment are moving prices ahead.

Lower supplies at producer level together with a waiting attitude of buyers, covering their needs at the latest moment has made markets become more price sensitive in such a way that a minor decline in output and/or a minor rise in demand could easily cause a strong reaction in price. Nervosity in the market is rising and buyers are now more active.

Moreover the lower euro/dollar exchange rate makes EU export more competitive. In addition milk production season in the Southern Hemisphere has ended with lower supplies than usual. That makes the EU the most important exporter for the coming months.

Also dairy worldmarkets have seen more active buyers and prices were moving higher.

In April's Fonterra auction - considered as a credible reference point for the international dairy commodity market - prices shoot upwards aggressively.

Prices for butterfat as well as skimmed and full milk powder were 21,9%, 25,5% and 21% higher than in March.

The latest auction in May however showed a more prudent behaviour from buyers. Prices of milk powder declined a little and butterfat was a bit higher.