

## STANDARDIZED MILK PRICE CALCULATIONS for APRIL 2012 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		<b>29.55</b>	0.42	<b>33.22</b>
Alois Müller	DE	0.51			<b>32.46</b>	0.23	<b>34.66</b>
Humana Milchunion eG	DE				<b>31.05</b>	-0.12	<b>33.70</b>
Nordmilch	DE		0.15		<b>31.20</b>	0.00	<b>33.57</b>
Arla Foods	DK	0.64			<b>32.19</b>	1.50	<b>35.15</b>
Hämeenlinnan Osuusmeijeri	FI			-1.94	<b>39.35</b>	2.82	<b>43.83</b>
Bongrain CLE (Basse Normandie)	FR	0.74			<b>30.33</b>	none	<b>34.66</b>
Danone (Pas de Calais)	FR				<b>31.77</b>	none	<b>34.84</b>
Lactalis (Pays de la Loire)	FR				<b>30.00</b>	none	<b>34.43</b>
Sodiaal	FR	0.58			<b>31.87</b>	none	<b>34.41</b>
Dairy Crest (Davidstow)	GB	0.12	0.35	-2.66	<b>32.30</b>	0.00	<b>33.10</b>
First Milk	GB	0.59	2.21		<b>29.77</b>	0.00	<b>30.18</b>
Glanbia	IE				<b>30.94</b>	0.00	<b>34.05</b>
Kerry	IE				<b>31.00</b>	none	<b>33.50</b>
Granarolo (North)	IT	1.15	3.42		<b>41.64</b>	none	<b>41.04</b>
DOC Kaas	NL	0.05	0.34		<b>31.09</b>	2.03	<b>36.41</b>
Friesland Campina	NL	0.05	0.75	-2.30	<b>30.51</b>	1.73	<b>36.99</b>
<b>AVERAGE MILK PRICE THIS MONTH (2)</b>					<b>32,18</b>		<b>35,16</b>
Fonterra (5)	NZ				<b>30.07</b>	0.00	<b>30.20</b>
United States of America (3)	US	0.13			<b>29.41</b>	none	<b>32.77</b>

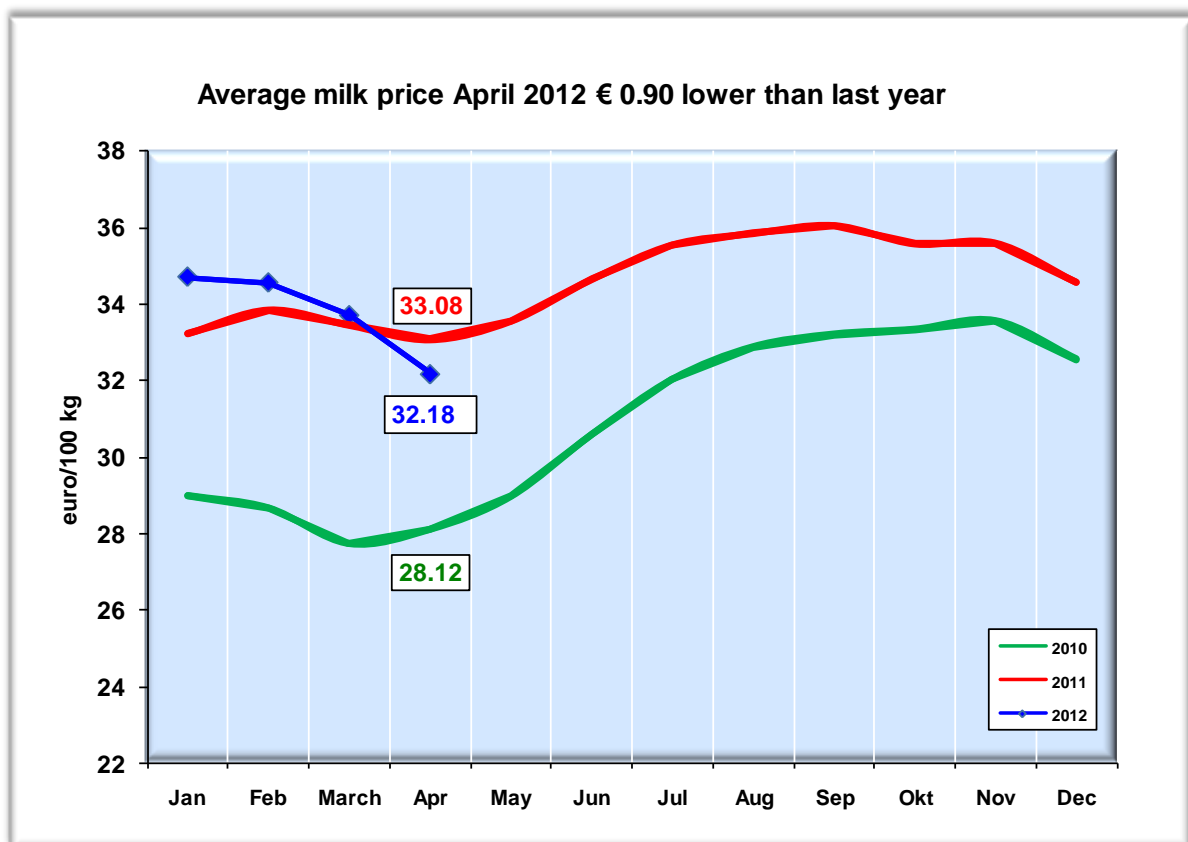
### Remarks:

- (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.

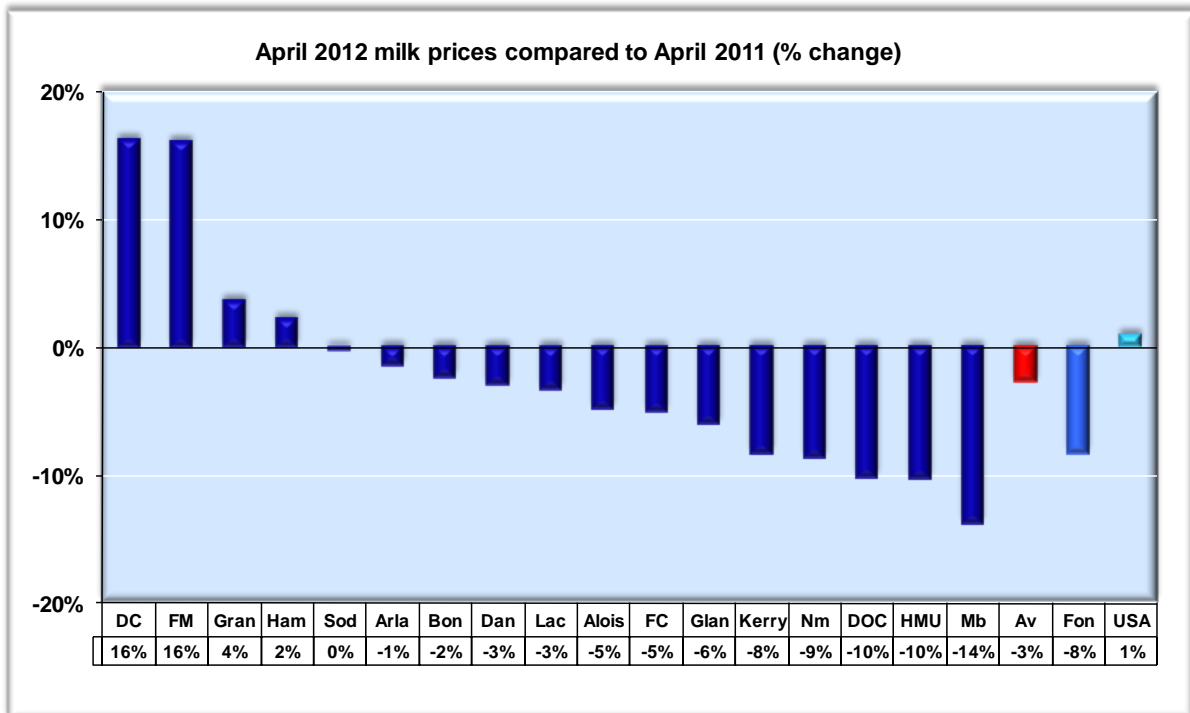
## ADDITIONAL REMARKS MILK PRICES APRIL 2012

### MILK PRICES

The average calculated milk price for the March 2012 deliveries is € 32.18 per 100 kg standard milk. This is a decrease of 2.7% compared to April 2011 (- € 0.90). With the rise of the English milk prices, the average calculated milk price remains still quite high, therefore, the percentage change is limited.



Compared to March 2012 most European milk prices have decreased. Part of this decline relates to seasonality payments, but also price reductions resulted in a lower average.



## **Additional comments milk prices April 2012**

### **Milcobel**

The milk price of the Belgian dairy Milcobel decreased by € 1.05. Milcobel's calculated milk price for April is € 29.55.

### **Germany**

The milk prices of the German dairies declined.

Humana and Nordmilch decreased its milk prices by € 0.50, the calculated milk prices resulted in respectively € 31.05 and € 31.20.

The milk price of Alois Müller decreased by € 0.99 and came down to € 32.46.

All milk prices of the German dairies remained unchanged, except for the milk price of Alois Müller, which decreased by € 0.50), resulting in a calculated milk price of € 32.95.

### **Scandinavia**

The Swedish / Danish dairy Arla Foods has slightly increased its milk price, which results in a calculated milk price of € 32.19. In May the company will reduce the milk price by € 0.40.

The preliminary calculated milk price of the Finnish dairy Hämeenlinnan Osuusmeijeri for April is € 39.35.

### **France**

The calculated milk prices of Danone and Sodiaal decreased by € 2.69 and € 0.94 to € 31.77 and € 31.87 respectively. The milk of Lactalis and Bongrain decreased (respectively € 4.73 and € 3.70) and resulted for the month of April in € 30.00 and € 30.33.

### **United Kingdom**

Because of seasonality payments, the calculated milk price for Dairy Crest for April decreased in April to € 32.30. Dairy Crest has announced not to change its milk price until June.

The milk price of First Milk decreased in April by € 1.26 to a calculated milk price of € 29.77, because of seasonality payments.

## **Ireland**

After a year, the Irish companies Kerry and Glanbia have reduced their milk prices. Glanbia has lowered the fat and protein prices. This results in a calculated milk price of € 30.94.

Kerry increased its fat and protein prices. However, the addition of a € 4.00 per 100 liters of milk deduction, the calculated milk price declined to € 31.00.

## **The Netherlands**

FrieslandCampina has decreased its milk price by € 0.50 in April, resulting in a calculated milk price of € 30.51. The Dutch dairy has announced to decrease its guaranteed milk price by € 1.00 in May.

DOC Kaas has decreased its milk price by € 1.00 in April, resulting in a calculated milk price of € 31.09. DOC Kaas announced to decrease its milk price by € 1.00 in May again.

## **Granarolo**

The preliminary calculated milk price of the Italian dairy Granarolo for April is € 41.64.

## **New Zealand**

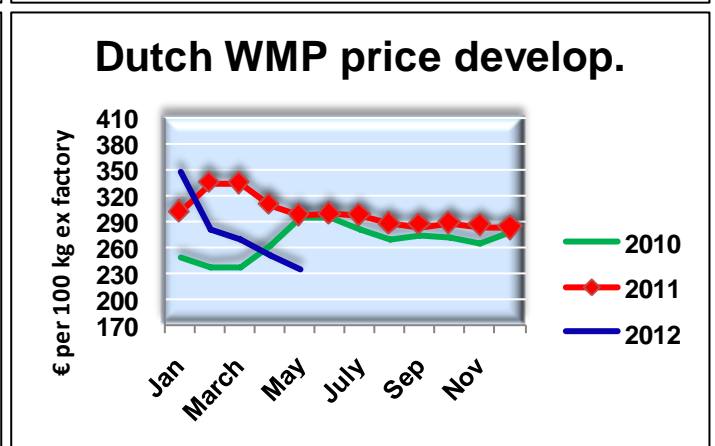
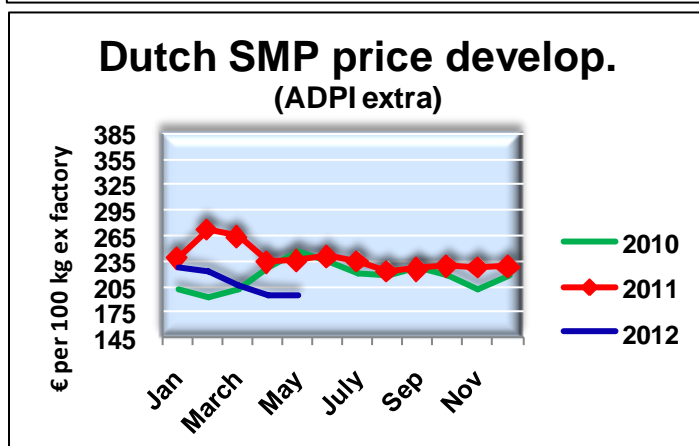
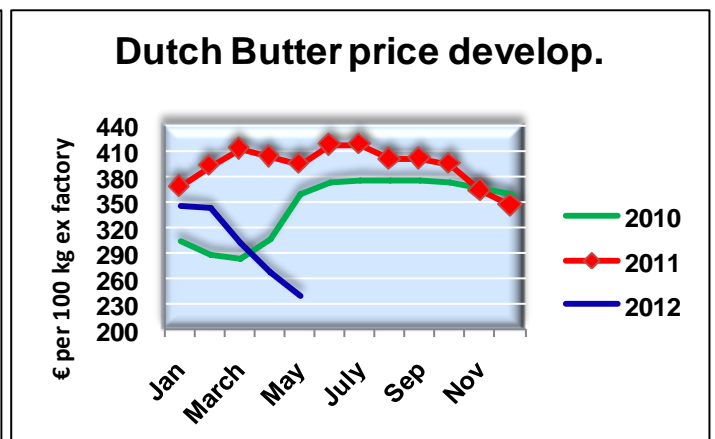
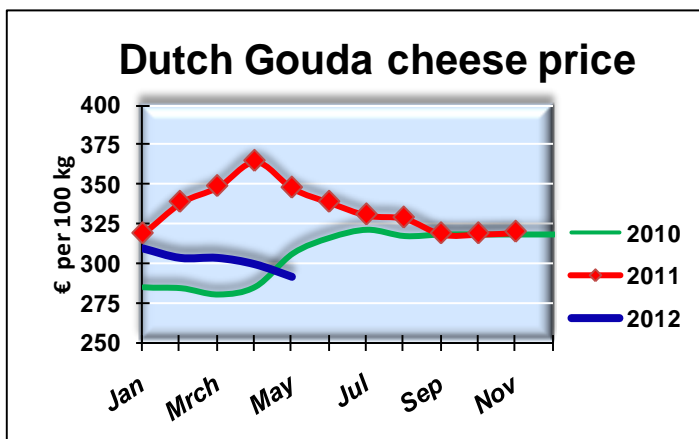
For the current season, Fonterra has reduced its milk price by NZD 0.30. This adjustment is adjusted with retrospective effect. This brings the average milk price to NZD 6.365 per kilogram milk solids. Expressed in euros, the calculated milk price is € 30.07.

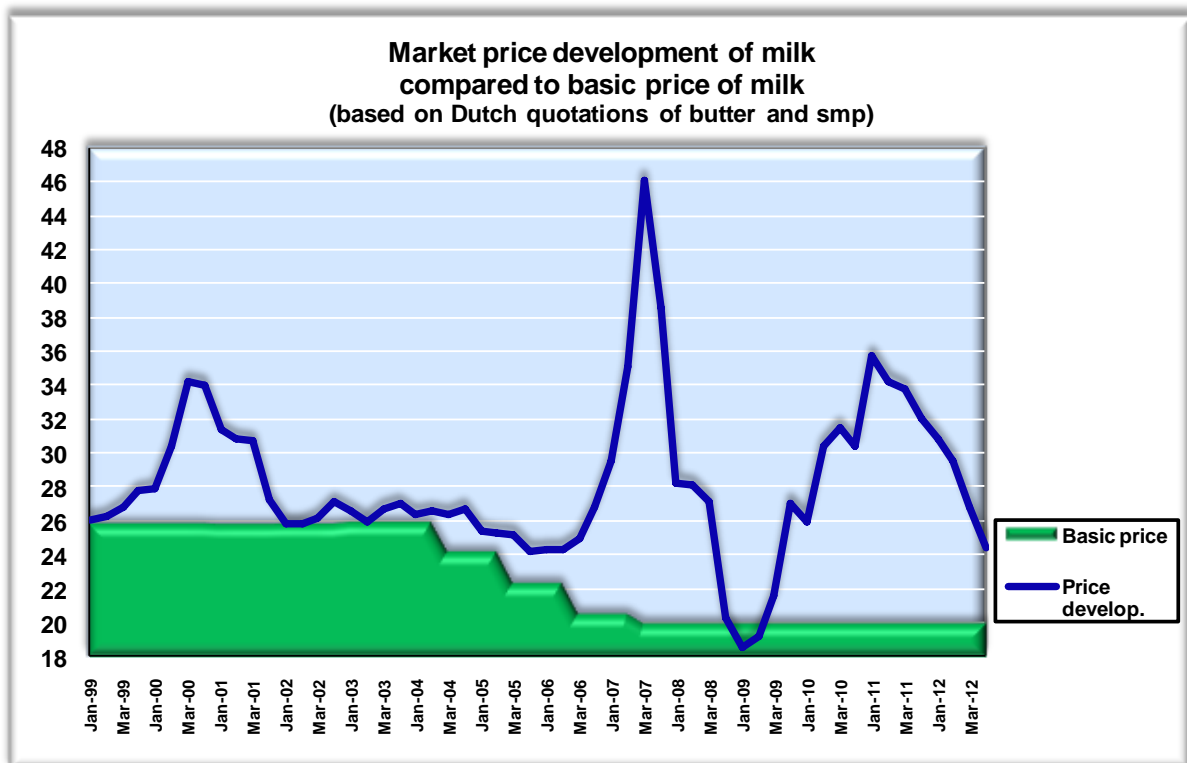
## **USA**

The US Class III price has decreased slightly by \$0.04 in April to \$ 17,46 per cwt. Expressed in Euros, the calculated milk price for April 2012 is € 29.41 per 100 kg standard milk.

## MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2012	31 May 2012	index	trend
Butter	346	242	70.0	→
Whole milk powder	283	235	83.0	→
Skimmed milk powder	229	198	86.5	→
Whey powder	94	82	87.2	→
Gouda cheese	± 320	± 295	92.2	→





## Market comments

In general, dairy market felt more comfortable after the turmoil of last weeks. Milk output has reached its seasonal peak and will slowly decline along its seasonal pattern in coming months.

After the sharp declines in recent months the butter market has settled down recently and is recovering a little since then. The picture is more friendly now. A lot of butter has been going into private storage, removing the extra supply from the market place. Besides, after prices hit bottom, more buyers became active to cover their needs, pushing prices into higher ground.

However the world market looks still depressed, there are still low prices around, which could put a lid on any potential recovery.

Up to now the milk powder market showed steady prices without chosen any clear direction. Trade remained sluggish and prices stabilize within a narrow range as producers do not feel any selling pressure at the moment.

Much will depend on how supply and demand will react to price signals from the market.

Demand for dairy products remains sound and is forecast to continue to grow especially in the developing nations. Consumption within the developed nations is a little flatter which means any additional milk produced in the EU and the US is likely to boost export volumes from these regions. Prices are expected to remain subdued until the surplus supplies are worked through. When this will occur is highly dependent on production volumes from the Northern Hemisphere regions in the coming months.

At the moment market watchers are more focused on supply figures. So the current price development will be more supply driven for the next months.