

STANDARDIZED MILK PRICE CALCULATIONS for APRIL 2013 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		35.84	0.00	31.97
Alois Müller	DE	0.51			33.94	0.00	31.53
Humana Milchunion eG	DE		0.15		33.11	0.00	31.50
Nordmilch	DE		0.15		33.11	0.00	31.44
Arla Foods	DK	0.67			33.65	2.48	34.46
Hämeenlinnan Osuusmeijeri	FI			-1.94	40.79	2.82	44.31
Bongrain CLE (Basse Normandie)	FR	0.74			32.94	none	33.23
Danone (Pas de Calais)	FR				32.80	none	33.40
Lactalis (Pays de la Loire)	FR				30.59	none	32.42
Sodiaal	FR	0.58			33.48	none	33.51
Dairy Crest (Davidstow)	GB	0.11	0.34	-2.57	32.66	0.00	35.35
First Milk	GB	0.57	2.14		30.72	0.00	32.10
Glanbia	IE				35.04	0.00	31.48
Kerry	IE				34.98	none	31.02
Granarolo (North)	IT	1.15	3.42		40.24	none	40.49
DOC Kaas	NL	0.05	0.34		33.23	1.94	33.57
Friesland Campina	NL	0.05	0.75	-2.30	33.64	2.32	35.36
AVERAGE MILK PRICE THIS MONTH (2)					34,16		33,95
Emmi A.G.	CH		2.88	-4.00	44.93	none	46.73
Fonterra (5)	NZ				30.33	0.00	29.60
United States of America (3)	US	0.15			33.33	none	34.18

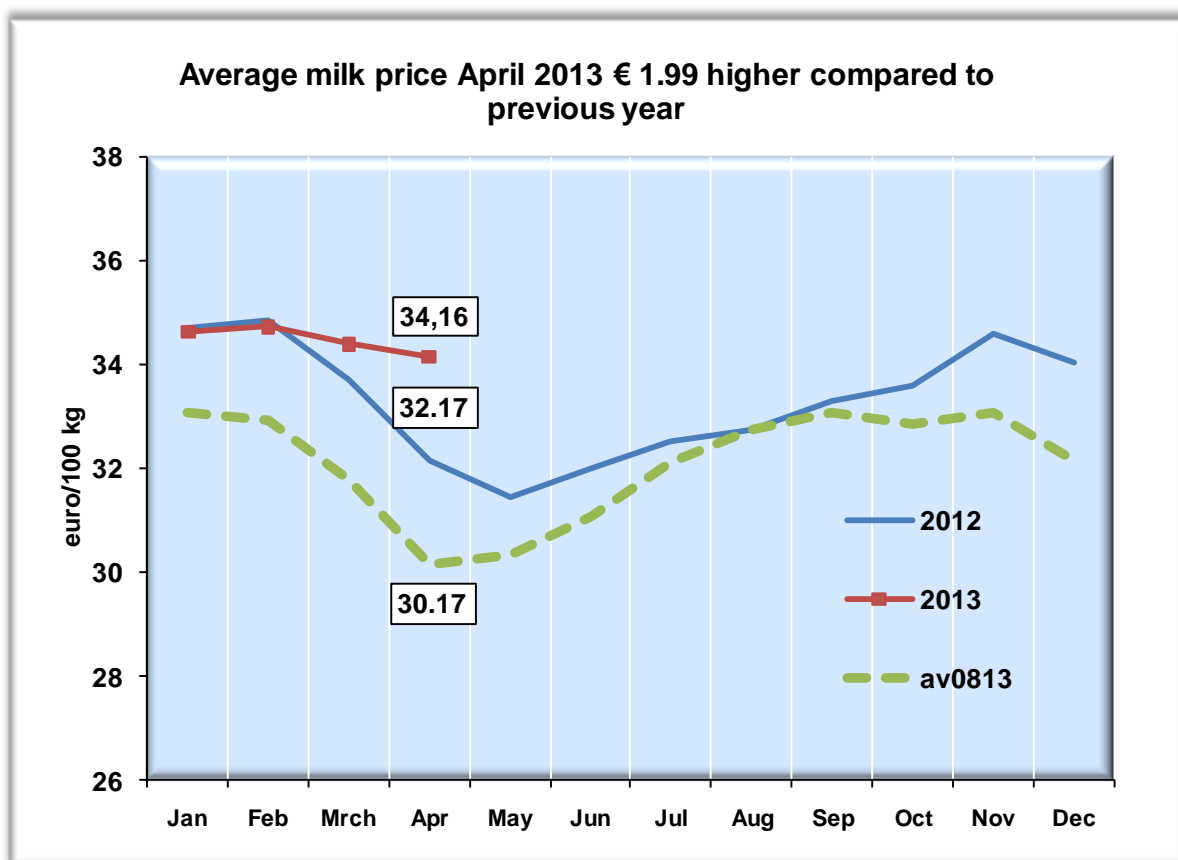
Remarks:

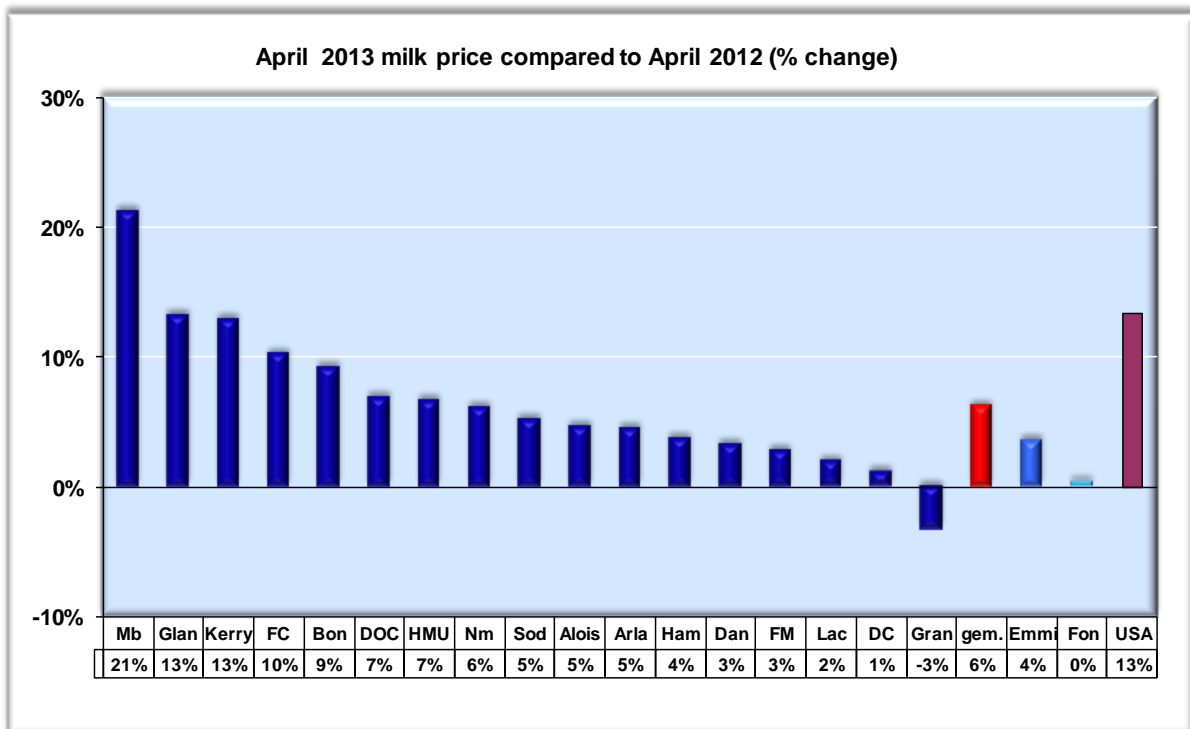
- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA 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 2013

MILK PRICES

The average calculated milk price for the April 2013 deliveries is € 34.16 per 100 kg standard milk. This is an increase of 6.2% compared to April 2012 (+ € 1.99). This average is the highest ever April milk price calculated since the start of the International Milk Price Calculation in 1999.





A number of milk prices have increased in April.

FrieslandCampina has increased its guaranteed milk price by € 2.50 in April and increased DOC Kaas has increased its milk price by € 0.71 in April.

The calculated milk price of the Belgian company Milcobel increased as well, by € 1.05.

The milk prices of the French companies and Granarolo have decreased. The basic milk prices of the German companies remained stable. Milk prices of British companies First Milk and Dairy Crest decreased because of seasonal adjustments.

The milk prices will continue to rise from May and June. Arla Foods and Friesland-Campina have announced further price increases of more than € 3,00 in total. The German milk prices will rise in May (DMK + € 2.00 and Alois Müller + € 3.50). Dairy Crest's milk price will rise by 1 pence per liter from June and 1 pence per liter from 15 July. First Milk has announced a price increase of 1.1 pence per liter August.

For the new milk price year, Fonterra has announced an opening milk price ever of 7 NZD per kilogram milk solids. This is the highest milk price ever.

Additional comments milk prices March 2013

Milcobel

The calculated milk price of Milcobel increased in April by € 1.05 to € 35.84. No additional payments are paid over the year 2012.

Germany

The basic milk price of the German companies DMK and Alois Müller remained unchanged in April. No additional payments are paid over the year 2012.

Scandinavia

The calculated milk price of the Swedish / Danish Arla Foods results at € 33.65, an increase of € 0.04 compared to previous month. From May and June Arla will increase its milk price by € 1.31 and € 2.00 respectively.

The calculated milk price of Hämeenlinnan Osuusmeijeri is € 40.79 in April.

France

The calculated milk prices of the French companies Danone, Bongrain and Lactalis fell slightly compared to previous month. This results in the calculated milk price for these three companies at € 32.80, € 32.94 and € 30.59 respectively.

Due to the bad situation in milk production, the French companies received € 2.50 per 100 kg extra. This amount is an advanced payment and will be retained on the milk payment after this summer. Therefore, this deposit is not included in the calculated milk prices.

United Kingdom

The calculated milk price of First Milk has increased its milk price by 0.4 ppl or € 0.47 per 100 liters in April. The calculated milk price for April is € 30.72. Nevertheless, the calculated milk price is lower compared to previous month, because of seasonal adjustments.

The calculated milk price of Dairy Crest decreased in April as well and results at € 32.66. Dairy Crest has announced a milk price increase for June by 1 ppl, or € 1.17 per 100 liters. From July the milk price will increase further by 1 ppl.

Ireland

The milk prices of the Irish companies Glanbia and Kerry have remained unchanged compared to previous month.

Glanbia has, because of the difficult situation with the milk payments, paid out € 1.00 per 100 liters extra to the member dairy farmers. This amount is not included in the calculated milk price, because it is paid out of the assets of the cooperative.

The Netherlands

FrieslandCampina has increased its guaranteed price by € 2.50 to € 37.00 in April. This brings the calculated milk price to € 33.64. In May, the guaranteed price will rise further by € 2.50 and will increase to € 40.00 in June.

DOC Kaas has increased the milk price by € 0.71 in April. This brings the calculated milk price to € 33.23.

Granarolo

The calculated milk price of the Italian Granarolo in April is € 40.24. This is a € 0.97 decrease compared to March.

Emmi

The calculated milk price of the Swiss Emmi increased compared to March to € 44.93.

New Zealand

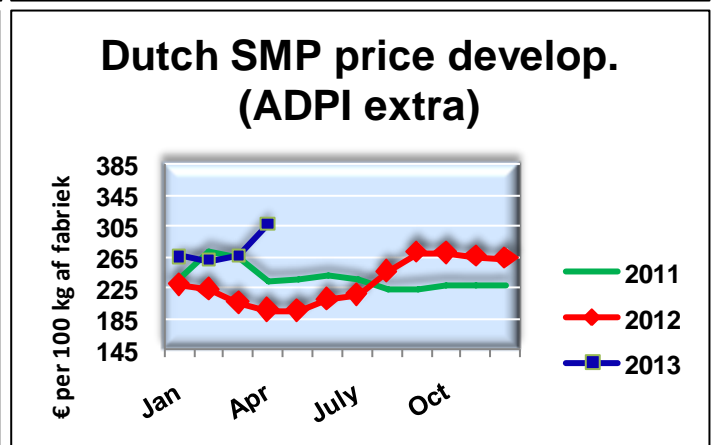
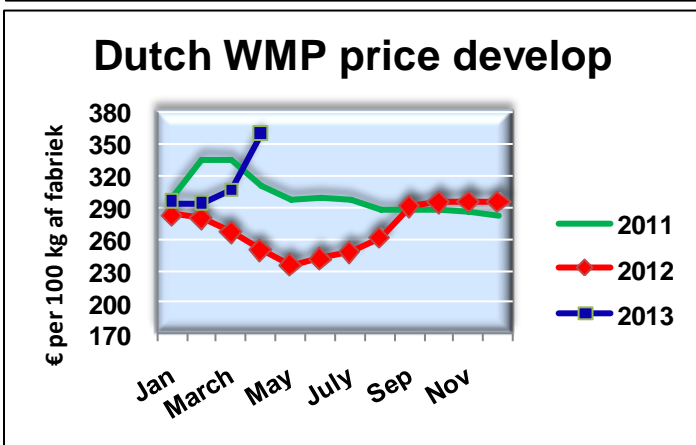
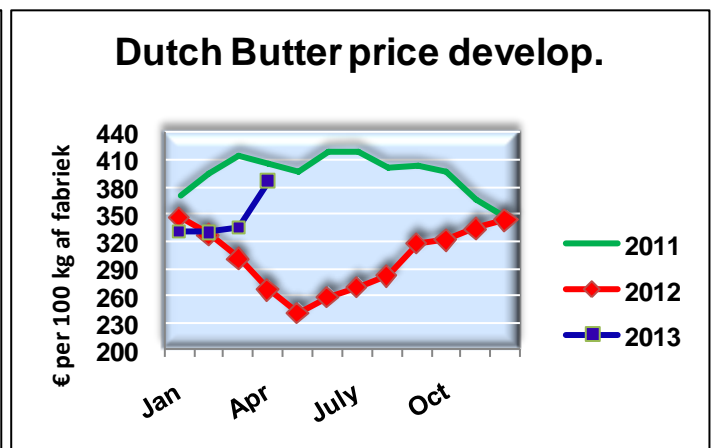
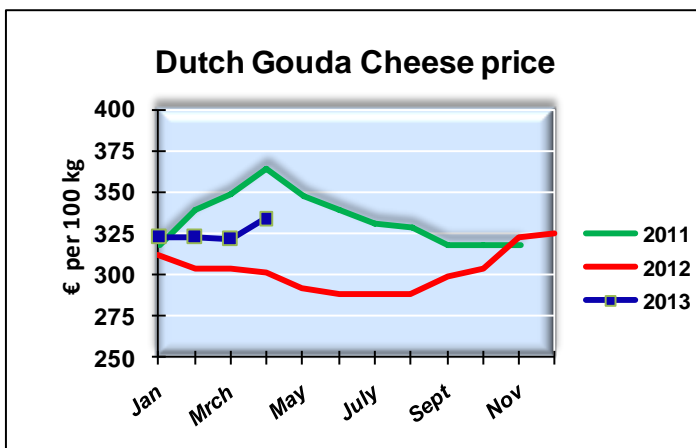
Fonterra's calculated milk price for April is € 30.33 per 100 kg standard milk. This is an increase of € 0.59 compared to March because of the decline of the euro against the dollar NZD.

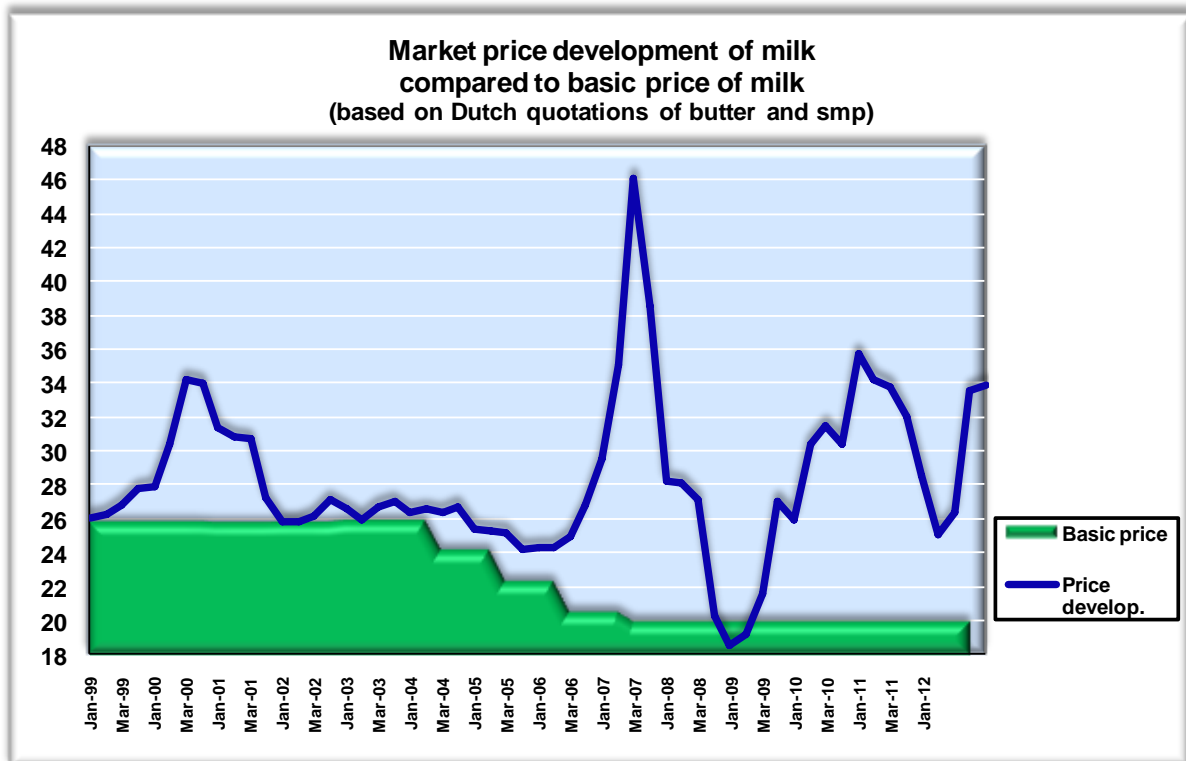
USA

The USA Class III price increased from \$ 16.93 cwt to \$ 17.59 in April and results in, converted into Euros, € 33.33.

MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2013	1 June 2013	index	trend
Butter	342	402	117.5	↑
Whole milk powder	296	372	125.7	↑
Skimmed milk powder	264	308	116.7	↑
Whey powder	101	98	97.0	↓
Gouda cheese	± 320	± 350	109.4	↑





Market comments

Since late March, prices on the world market has risen sharply. Supply reduction on the world market, partly due to the ongoing drought combined with the ending of production season in New Zealand were the main cause. This resulted in a decrease in the quantities made available on the GDT auction of March and early April. It took prices of some dairy commodities up sharply in that period. The firmer mood which ensued, also affected the local EU market in a positive way, especially since in Europe milk deliveries , partly due to the prolonged winter has lagged behind expectations.

As a consequence market prices of milk powder and butter has quickly moved in an upward direction. This development initially not consistent with the prevailing view in the market on the eve of a new production season, gave ammunition for an unprecedented fierce price increase as most buyers were only short covered and want to secure product. The quotation for the products mentioned before rose in tight one month with more than 22%. On the world market even higher increases were achieved.

Meanwhile the market has cooled down.

In Europe, the weather gradually improved and the milk production, although with difficulty and at a disadvantage in the usual seasonal pattern, is running again. The drought that plagued Oceania in recent months, seems to be over now. Dairy prices have pulled back from their record high levels, as recent rain has eased concerns about the drought and as attention turns to next season's supply. On the back of higher milkprices and receding feed prices consensus is growing that global milk production will recover.

During the GDT auctions in May for the first time in months prices retreated (on average by about 10%).

In addition, there are growing doubts about the extent to which global economic growth will continue. Now that the price increases are behind us, the market will further flatten in the coming months and start looking for a new balance.