

STANDARDIZED MILK PRICE CALCULATIONS for JULY 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		37.41	0.00	34.41
Alois Müller	DE	0.51			37.90	0.00	33.85
Humana Milchunion eG	DE		0.15		37.07	0.00	33.15
Nordmilch	DE		0.15		37.07	0.00	33.15
Arla Foods	DK	0.73			37.00	2.48	35.71
Hämeenlinnan Osuusmeijeri	FI				42.73	2.82	44.68
Bongrain CLE (Basse Normandie)	FR	0.74			38.44	none	33.78
Danone (Pas de Calais)	FR				38.77	none	33.90
Lactalis (Pays de la Loire)	FR				37.36	none	33.15
Sodiaal	FR	0.58			37.37	none	33.48
Dairy Crest (Davidstow)	GB	0.11	0.34		36.47	0.00	35.47
First Milk	GB	0.56	2.11		33.61	0.00	32.40
Glanbia	IE				37.03	0.00	34.73
Kerry	IE				37.88	none	34.23
Granarolo (North)	IT	1.15	3.42		42.18	none	40.65
DOC Kaas	NL	0.05	0.34		35.79	1.94	35.15
Friesland Campina	NL	0.05	0.75		38.86	2.32	37.21
AVERAGE MILK PRICE THIS MONTH(2)					37,82		35,24
Emmi A.G.	CH		2.84	2.37	52.83	none	47.00
Fonterra (5)	NZ				37.24	0.00	29.74
United States of America (3)	US	0.15			32.61	none	34.87

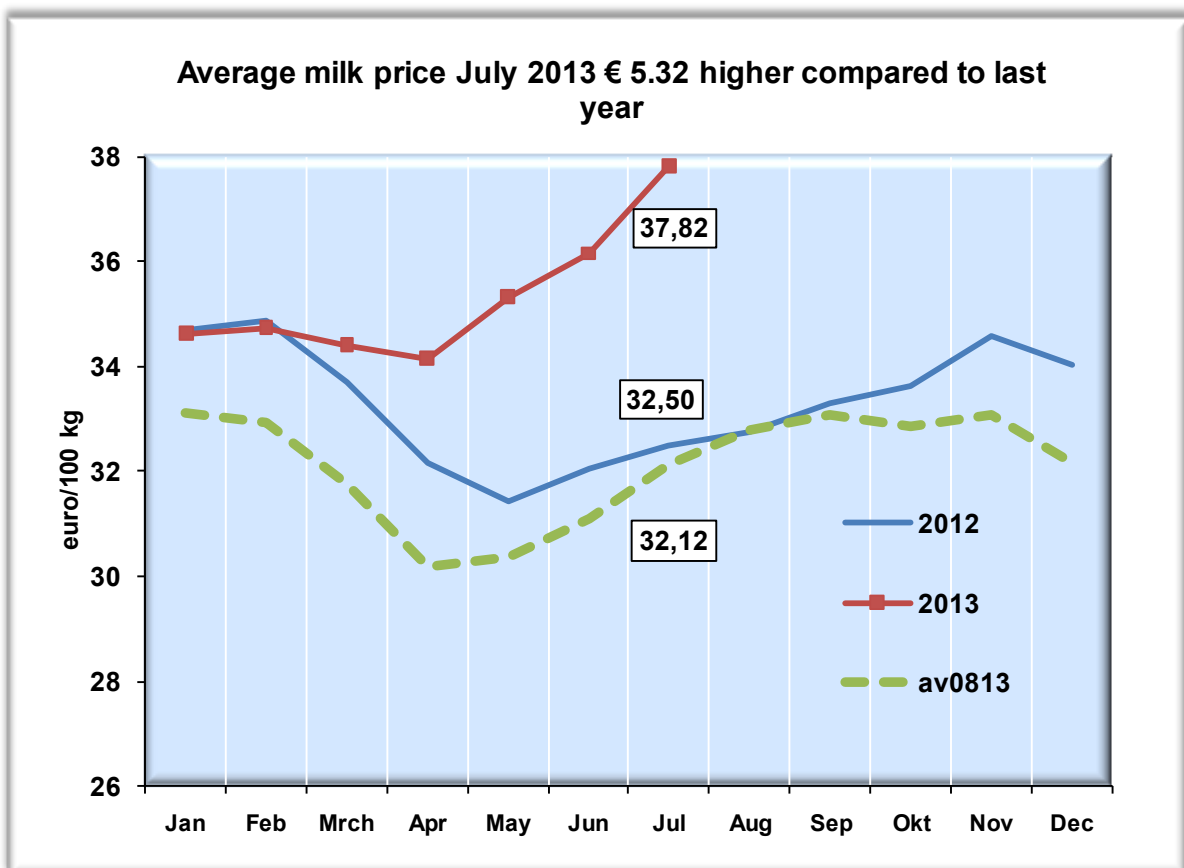
Remarks:

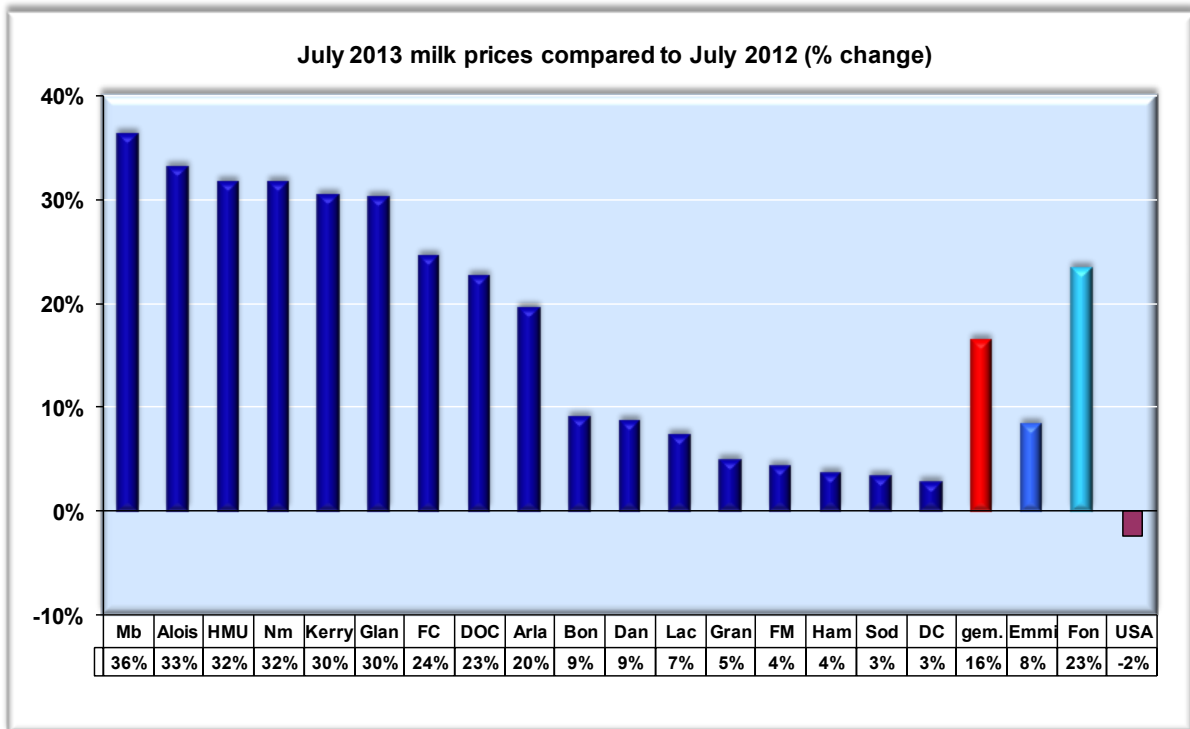
- (1) All prices are VAT excluded, paid to producers and assuming milk collected every other day.
Price per 100 kg standard milk with 4.2% fat, 3.4% (crude) protein, 500,000 kg per year, total bacterial count 24,999 and somatic cell count 249,999 per ml.
- (2) Arithmetic average.
- (3) Based on USDA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

MILK PRICES

The average calculated milk price for the July 2013 deliveries is € 37.82 per 100 kg standard milk. This is an increase of 16.4% compared to July 2012 (+ € 5.32).





Additional comments milk prices July 2013

Milcobel

The calculated milk price of Milcobel increased has increased by almost € 10,00 compared to last year and now results at € 37.41.

Germany

The basic milk prices of the German DMK companies Nordmilch and Humana have increased by € 2.00 compared to June. In August, the milk price of DMK will increase by € 1.00. The base price of Alois Müller remained stable.

Scandinavia

The Danish milk price of Arla Foods has remained stable in July.

The preliminary calculated milk price of Hämeenlinnan Osuusmeijeri is € 42.73 in July.

France

The calculated milk price of the French dairy companies have increased from +/- € 3.00 to € 5.00. The calculated milk price of Bongrain is € 38.44. The milk prices of Danone and Lactalis (preliminary) are € 38.77 and € 37.36 for July. The calculated milk price for Sodiaal is € 37.37.

United Kingdom

As of July 15, the milk from Dairy Crest increased by 1 pence per liter. This brings the calculated milk price to € 36.47. The calculated milk price for July has increased by 0.5 ppl.

The provisionally calculated milk price of First Milk comes out at € 33.61 in July. In August, the milk price will increase by 0.5 pence per liter.

Ireland

The milk prices of Kerry and Glanbia have remained stable in July and result to € 37.88 and € 37.03 respectively.

The Netherlands

The calculated milk price FrieslandCampina is € 38.86 for July. The guaranteed price of the company remained unchanged in July, but the calculated milk price increased by € 2.30, because of the expiry of the seasonality payment. FrieslandCampina has announced not to change its milk price in August. In September, the guaranteed milk price will increase by € 1.50.

The milk of DOC Kaas has remained stable in July, the calculated milk price is € 35.79. In August, the milk price will increase by € 1.00.

Granarolo

The Italian Granarolo has increased its milk price by € 2,00 for the period July - September 2013. The calculated milk price is now € 42.18.

Emmi

The calculated milk price of the Swiss Emmi is € 52.83 in July.

New Zealand

The New Zealand company Fonterra, has adjusted the new milk price forecast for the season 2013/14. The new milk price comes out at 8.12 NZD per kilo of milk solids, which includes an expected dividend payment of 0.32 ct. Expressed in Euros, the calculated milk price of € 37.24.

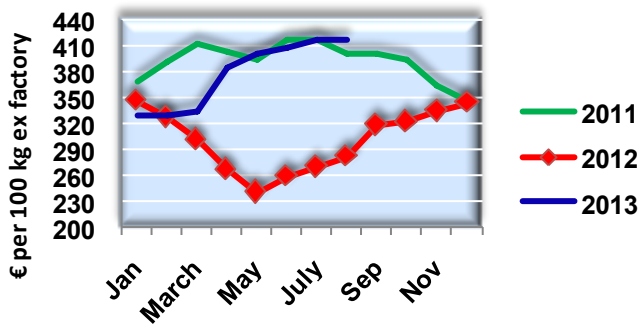
USA

The USA Class III price decreased from \$ 18.01 cwt to \$ 17.38 in July and results in, converted into Euros, € 32.61.

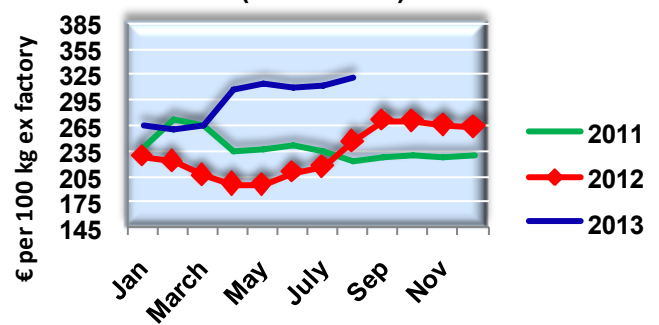
MARKET SITUATION

Dutch Quotations				€ per 100 kg
	1 January 2013	4 September 2013	index	trend
Butter	342	422	123.4	→
Whole milk powder	296	380	128.4	→
Skimmed milk powder	264	327	123.9	→
Whey powder	101	100	99.0	→
Gouda cheese	± 320	± 370	115.6	↑

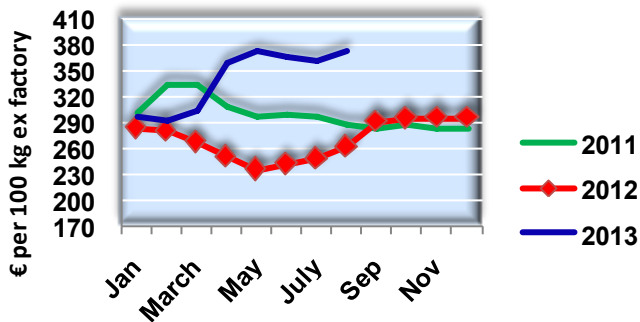
Dutch Butter price develop.



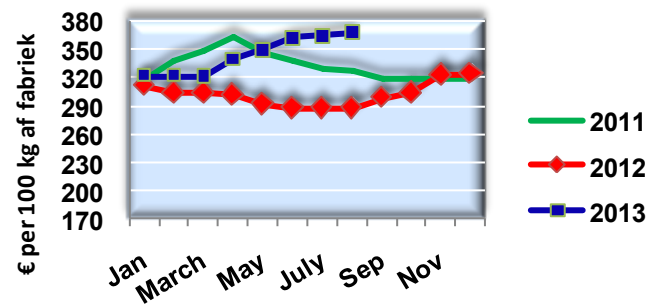
Dutch SMP price develop. (ADPI extra)

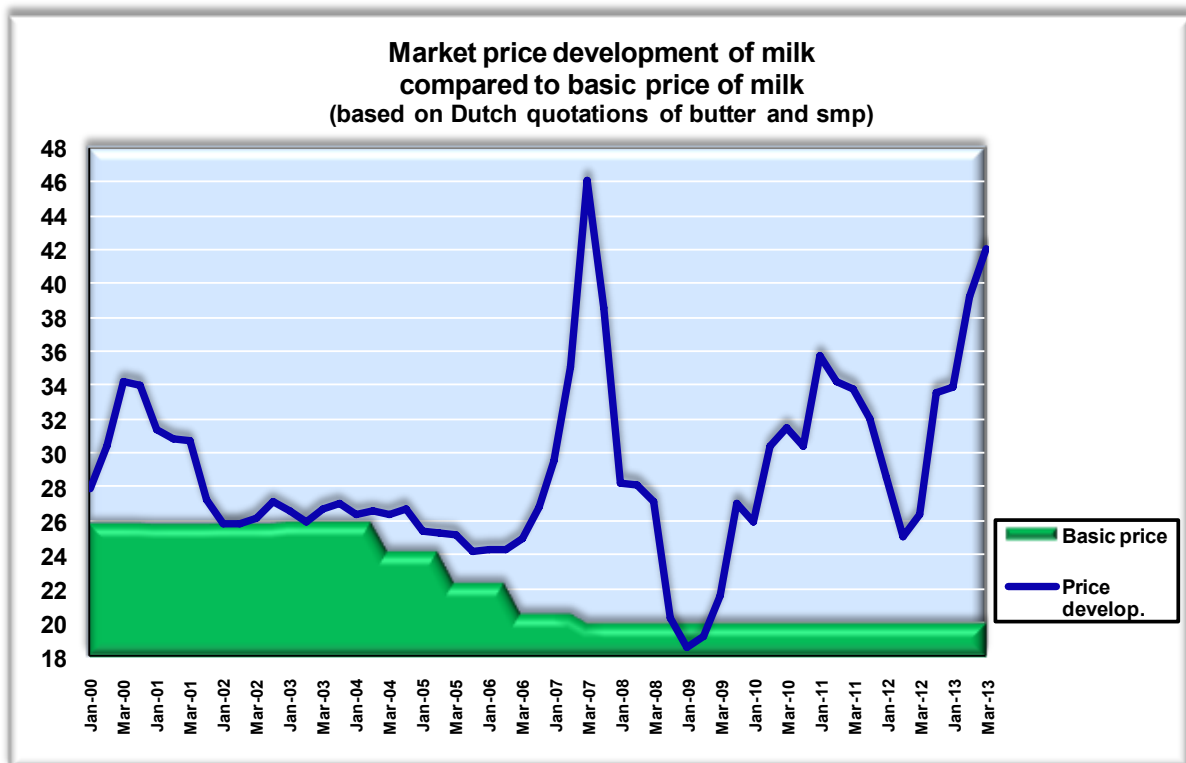


Dutch WMP price develop.



Dutch Gouda cheese price develop





Market comments

Dairy commodity markets are very strong at present with product continuing to trade at elevated levels. In August prices for most products firmed a little more or held their value underpinned by still tight global supplies.

Also inventory levels remain low. It is expected that global supplies will remain tight until at least New Zealand hits peak production in late October.

Demand is quiet for the moment. Usual return of demand after summer holiday and Ramadan has not yet taken place in full. Buyers are only seeking coverage for near term needs for the moment.

However in the months ahead prices will remain very sensitive to supply announcements and any change in milk production volumes will therefore closely watched.