

STANDARDIZED MILK PRICE CALCULATIONS for FEBRUARY 2015 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

Company		adjustments			MILK PRICE this month	rolling average last 12 months 1)	most recent suppl. payment
		quality	volume	season			
Milcobel	BE	0.73	1.37		29.54	34.32	0.97
Müller(Leppersdorf)	DE	0.51	0.31		28.54	34.44	
DMK	DE		0.15		28.16	34.83	
Arla Foods DK	DK	0.85			29.25	36.05	1.53
Hämeenlinnan O.	FI				37.79	43.11	2.52
Bongrain (Basse Normandie)	FR	1.18			32.90	36.75	
Danone (Pas de Calais)	FR				32.82	36.75	
Lactalis (Pays de la Loire)	FR				32.43	36.12	
Sodiaal (Pas de Calais)	FR	0.58			33.11	37.60	
Dairy Crest (Davidstow)	UK	0.13	0.39		35.63	38.81	
First Milk (compositional)	UK	1.05	1.31		28.33	35.01	
Glanbia	IE				30.44	35.17	
Kerry Agribusiness	IE				30.37	35.59	
Granarolo (North)	IT	1.15	3.42		41.20	44.23	
DOC Cheese	NL	0.03	0.34		29.03	33.20	1.03
FrieslandCampina	NL	0.05	0.75		30.63	36.29	2.83
AVERAGE MILK PRICE 2)					31.88	36.77	
Emmi	CH		3.31	-2.75	52.47	51.63	
Fonterra 3)	NZ				24.69	26.72	
United States Class III 4)	US	0.15			33.78	40.49	

- 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 February 2015 averaged € 31.88 per 100 kg standard milk. A decrease of € 0.21 compared to the previous month. Compared to February 2014, this is a decrease of € 9.11 or 22.2%.

Most dairy companies have not changed their milk prices in February compared to January. Exceptions are DOC Cheese and FrieslandCampina with increases of € 1.43 and € 1.21 per 100 kg, while the calculated French and British milk prices have dropped. Most notable was the drop in milk price of Hameenlinnan Osuusmeijeri with € -2.73. Since October 2014, the calculated milk price of this Finnish cooperative declined by a total of € 8.56 per 100 kg.

In March and April milk prices of Arla (April + 1.55) and FrieslandCampina will increase (March + 2.43, April -0.73 , total +1.70).

Various dairy companies have paid or announced supplementary payments for milk delivered in 2014. The provisional calculated supplementary payments over 2014 in euro per 100 kg are (in () 2013):

Arla 1.53 (2.01), FrieslandCampina 2.83 (2.91), DOC Cheese 1.03 (2.31), Glanbia 0.49 and Kerry 0.20.

Price changes in February 2015 (€ 100 per kg compared to the previous month) and additional information per company

Milcobel: Unchanged

Muller: Unchanged

DMK: Unchanged

Arla: -0.04 due to exchange rate DKK versus euro, March unchanged, April +1.55.

The provisional supplementary payment over 2014 is based on a supplementary payment of 4.05% of the basic value (excluding quality bonus). This corresponds to 11.5 DKK or € 1.53 per 100 kg. A part (4.1 DKK) is not paid in cash but added to the member's capital.

Hameenlinnan Osuusmeijeri: -2.73.

The provisional milk price of January has been corrected from € 41.97 to € 40.52.

Bongrain: -0.5

Danone (A-price): -0,9

Lactalis: -0.3

Sodiaal (A-price): -0.5

Dairy Crest: -0.3. Until June no further price drop.

First Milk: -0.8, March unchanged, April - 1 (A-price).

Glanbia: Unchanged

The milk price of January is slightly adjusted from € 30.50 to € 30.44 due to a changed value added tax (VAT) rate of 5.2% from 1 January (was 5.0%). The calculated milk price for January (VAT excluded) was based on an unchanged milk price inclusive VAT.

Glanbia member suppliers received a coop bonus of € 0.5 per 100 liters of milk delivered in 2014. This payment (€ 0.49 per 100 kg) is retroactively included in the monthly milk prices of 2014 and

therefore the rolling average of the last 12 months.

So far, no seasonality (winter) bonuses are included in the calculated milk prices, because additional information is missing.

Kerry: Unchanged

Kerry paid € 0.22 (inc. VAT) on 2014 liters. This milk price adjustment (€ 0.20 per 100 kg, VAT exclusive) is like Glanbia retroactively included in the monthly milk prices of 2014 and therefore the rolling average of the last 12 months.

Granarolo: Unchanged

DOC Cheese: +1.4

For 2014 deliveries a provisional supplementary payment of € 1.03 is calculated based on 1% of the advance milk price plus a membership fee of € 0.68.

Retrospective from January 2014 onwards the calculated monthly milk price of DOC Cheese have been adjusted. Based on the recently published annual report 2014 the (average) bonus for outdoor grazing of 0.23 is replaced by a sustainability bonus of (on average) € 0.84 per 100 kg.

FrieslandCampina: + 1.2, March + 2.4 and April -0,7.

With retrospective effect from January 2014, the calculated monthly milk FrieslandCampina have been slightly altered. Based on the recently published annual report the (average) bonus for outdoor grazing is € 0.29 (was € 0.31) per 100 kg.

Emmi: +0.3

The increase in the calculated milk price of the Emmi is entirely due to the appreciation of the Swiss franc against the euro. Expressed in national currency, the calculated milk price decreased by 1.33 to 55.72 CHF.

Fonterra: -0.3

Recently Fonterra announced their half-year results. The forecast farm gate milk price for the 2014/15 season remains 4.7 NZD per kg milk solids (fat and protein). The estimated full year dividend is 20-30 cents. Based on a dividend of 0.25 (was 0.30) the calculated milk price of Fonterra is based on 4.95 NZD per kg MS (was 5.0).

USA: -0.5

Expressed in dollars, the US Class III milk price in February fell by \$ 0.71 to \$ 15.46 per hundredweight (45.36 kg).

MARKET SITUATION

Official Dutch dairy quotations (€ per 100 kg)

	1/04/2015	4/03/2015	2/1/2014
Butter	318	342	406
Whole milk powder	279	283	379
Skimmed milk powder	201	220	330
Whey powder	81	86	99

After increases in January and February the official Dutch quotations declined in March due to a change in the market since early March. The expectation of increasing supply after the end of the milk quota plus sufficient coverage for the short term leads to a wait and see attitude among buyers.