

STANDARDIZED MILK PRICE CALCULATIONS for JUNE 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		28.49	30.53	
Müller(Leppersdorf)	DE	0.51	0.31		27.55	31.43	
DMK	DE		0.15		28.16	31.34	
Arla Foods DK	DK	0.87			29.78	32.45	1.53
Hämeenlinnan O.	FI				37.77	40.81	1.94
Bongrain (Basse Normandie)	FR	1.04			34.01	34.94	
Danone (Pas de Calais)	FR				33.08	34.54	
Lactalis (Pays de la Loire)	FR				31.50	33.99	
Sodiaal (Pas de Calais)	FR	0.58			32.15	35.89	
Dairy Crest (Davidstow)	UK	0.13	0.40	-3.03	31.55	36.69	
First Milk (compositional)	UK	2.02	1.35		28.14	31.16	
Glanbia	IE				25.97	30.43	
Kerry Agribusiness	IE				28.45	31.26	
Granarolo (North)	IT	1.15	3.42		38.29	41.80	
DOC Cheese	NL	0.03	0.34		25.62	29.98	1.02
FrieslandCampina	NL	0.05	0.75		29.66	33.26	2.92
AVERAGE MILK PRICE 2)					30.64	33.78	
Emmi	CH		3.36		53.14	50.46	
Fonterra 3)	NZ				24.87	22.78	
United States Class III 4)	US	0.17			37.21	38.87	

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 June 2015 averaged € 30.64 per 100 kg standard milk. A decrease of € 0.20 compared to the previous month. Compared to June 2014, this is a reduction of € 8.44 or 21.6%.

Although the calculated average milk price decreased for the 12th consecutive month, the price is still obviously higher than in 2009 when a historical low was reached. In the second quarter of 2009 the average milk price was around € 25 per 100 kg.

While milk prices from April onwards usually begin to increase, this year milk prices continue to decrease gradually. Facing some seasonal price increases most dairies decreased the prices. The calculated milk prices of DOC Cheese and Glanbia even dropped below € 26 per 100 kg.

The differences are large as the French milk prices remain above € 31 per 100 kg.

For the coming months, further price cuts are expected. The calculated milk price of Arla Foods and FrieslandCampina will fall in August to below € 28 per 100 kg.

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

Milcobel: unchanged (for the 4th consecutive month)

Muller: -1.0

DMK: -1.0, July -1.0

Arla: -1.0, July -0.9 and August – 1.0 taking the price to € 27.9 per 100 kg.

Hameenlinnan Osuusmeijeri: (provisional) + 2.0 (due to seasonal adjustment)

Bongrain: +2.0

Danone (A-price): + 0.9

Lactalis: unchanged

Sodiaal (A-price): +0.2

Dairy Crest: +0.4 (due to seasonal adjustment), July unchanged, August + 0.5 (+ 0.25 pence per liter)

First Milk (A-price): +0.3, July -1.3 (-1 ppl)

Glanbia: -1.5, milk price exclusive of coop support (2 cent per liter)

Kerry: unchanged

Granarolo: unchanged

DOC Cheese: -3.0

FrieslandCampina: June -1.5, July – 0.5 and August a reduction of – 1.5 to € 27.7 per 100 kg.

Emmi: +3.5 due to seasonal adjustment

Fonterra: +1.5

Fonterra announced their opening forecast milk price for the 2015/16 season of 5.25 NZD per kg

milk solids. This opening milk price is higher than the milk price in the past season (forecast 4.40 exclusive of dividend), but much lower than milk prices in previous years.

USA: +1.0

Expressed in dollars, the US Class III milk price increased from \$ 16.19 to \$ 1672 per hundredweight (45.36 kg).

MARKET SITUATION

Official Dutch dairy quotations (€ per 100 kg)

	5/8/2015	1/7/2015	2/1/2014
Butter	269	294	406
Whole milk powder	187	222	379
Skimmed milk powder	166	172	330
Whey powder	53	59	99

The most recent price quotations are about 20 to 30% lower than in the first week of August last year. Except for skimmed milk powder the current prices are still at a higher level than in the year 2009 when dairy prices were historically low.