

STANDARDIZED MILK PRICE CALCULATIONS for APRIL 2016 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		23.27	26.60	0.47
Müller(Leppersdorf)	DE	0.51	0.61		24.64	26.91	
DMK	DE		0.15		23.21	26.24	
Arla Foods DK	DK	0.78			26.79	28.50	1.37
Savencia (Basse Normandie)	FR	0.88			29.00	31.60	
Danone (Pas de Calais)	FR				31.12	32.83	
Lactalis (Pays de la Loire)	FR		0.24		28.03	30.57	
Sodiaal (Pas de Calais)	FR	0.58			29.93	32.43	
Dairy Crest (Davidstow)	UK	0.12	0.37	-2.76	23.49	32.29	
Dairygold	IE	0.39			22.56	26.01	
Glanbia	IE				22.01	24.76	
Kerry Agribusiness	IE				23.89	26.73	
Granarolo (North)	IT	1.15	3.42		36.35	38.12	
DOC Cheese	NL	0.03	0.34		23.34	25.09	
FrieslandCampina	NL		0.75		26.67	28.54	3.49
AVERAGE MILK PRICE 2)					26.29	29.15	
Emmi	CH		3.21	-3.57	42.64	50.87	
Fonterra 3)	NZ				20.32	20.14	
United States Class III 4)	US	0.15			30.55	34.61	

All prices are VAT excluded, paid to producers and assuming milk is collected every other day.

- 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 April 2016 averaged € 26.29 per 100 kg standard milk. A decrease of € 1.15 compared to the previous month. Compared to April 2015, this is a reduction of € 4.79 or 15.4 %.

The calculated milk prices in April fell by about the same amount as in March. With the exception of Irish Glanbia all companies reduced their milk prices.

The milk price of British Dairy Crest fell most, largely as a result of the seasonal levy in April. The second largest reduction was the milk price of Italian Granarolo (minus € 1.9)

For the coming months further price reductions are announced. The guaranteed milk price of FrieslandCampina decreases in May with € 2.5 and remains unchanged in June. Arla milk prices are reduced with € 1 in May and € 1.3 in June. Other price reductions relate DOC Cheese (and DMK) with € 2.1 in May and €1 in June and Dairy Crest. The latter dairy decreases the milk price by 0.3 pence per liter (ppl) in May and 1 ppl in June or a total of about € 1.5 per 100 kg standard milk.

New Zealand's Fonterra announced for the new 2016/17 season, which starts in June, an opening forecast price of 4.25 NZD per kg fat and protein. Including an estimated dividend of 0.5, the milk price is 4.75 NZD or € 21.93 per 100 kg standard milk. This price is above the expected milk price for the current season (4.40 NZD), but is still much lower than the price of milk in the previous years.

Price changes in April 2016 (€ 100 per kg compared to the previous month) and additional information per company

Milcobel: -1.0. The supplementary payment for 2015 deliveries is corrected from € 0.49 to € 0.47 per 100 kg.

Muller: -0.5

DMK: -1.5, May -2.0 and June -1.

Arla: -0.9 ,May -1.0 and June - € 1.3.

Savencia: -0.6, partly due to a lower quality bonus.

Danone (A-price): - 0.4

Lactalis: - 0.9. The volume bonus (specialization premium) has been corrected retrospectively so the milk prices are reduced with € 0,34 per 100 kg.

Sodiaal (A-price): -1.0. Retrospectively the calculated milk prices are increased with € 0.21 per 100 kg based on the so called ASAP premium. Assumed is the farmers get on average this amount for forecasting future milk deliveries.

Dairy Crest: - € 4.2 for a large part due to the seasonal levy, May and June respectively -0.3 and -1 pence per liter or in total about € 1.5 per 100 kg.

Dairygold: -1.0

Glanbia Ingredients Ireland: unchanged. The milk price is exclusive of coop support (1.9 cent per liter).

Kerry: -1.5. Kerry made an additional payment of 0.6 cent per liter including VAT for 2015 liters delivered. This amount is retrospectively included in the 2015 milk prices.

Granarolo: -2.0.

DOC Cheese: -0.9 May -2.1 and June -1.

FrieslandCampina: -1.0 May -2.5 and June unchanged.

Average: - 1.15

Emmi: - 3.1 due to lower A- and B – prices and a higher seasonal levy. Milk prices of 2014 are adjusted based on an additional payment of € 0.07 per 100 kg.

Fonterra: unchanged

USA: - 0.9 due to the exchange rate and a slightly decrease of the milk price. The US Class III milk price decreased from to \$ 13.74 in March to \$ 13.63 per hundredweight (45.36 kg) in April.

MARKET SITUATION

Official Dutch dairy quotations (€ per 100 kg)

	1/6/16	6/1/16	Average 2015
Butter	270	275	295
Whole milk powder	200	210	235
Skimmed milk powder	168	167	181
Whey powder	55	51	65

The growth of milk production in northwest Europe weakened slightly. Despite the slightly lower growth rate in Europe the increase in global milk surplus still is mainly a European issue. Milk production in the US is also increasing, although in April the growth was lower than in February and March. In Oceania, the milking season is almost over. Australian milk production slowed down because of adverse weather conditions. The New Zealand milk supply also decreased. However, the decline was less than expected.

The market seems currently slightly more positive. There is an upward correction in the market, which moved too much downwards in recent months. The bottom was reached in mid-April, after which the dairy quotations increased due to a slightly weaker than expected growth of supply and an increase demand. Much skimmed milk powder is sold for intervention. Meanwhile the new ceiling of 218,000 tons is reached. In June purchase by tender will be launched.