

STANDARDIZED MILK PRICE CALCULATIONS for April 2019 deliveries 1,000,000 kg/yr.

Prices in euro per 100 kg milk with 4.2% fat, 3.4% protein, 1,000,000 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	1.13		31.72	33.15	0.24
Müller(Leppersdorf)	DE	0.51	0.71		32.47	32.48	
DMK Deutsches Milchkontor eG	DE		0.20		31.71	32.91	
Hochwald Milch eG	DE	0.76			31.94	32.82	0.02
Arla Foods DK	DK	0.90			32.63	33.26	2.30
Valio	FI				34.91	34.91	0.92
Savencia (Basse Normandie)	FR	1.04			34.94	34.16	
Danone (Pas de Calais)	FR				34.37	34.49	
Lactalis (Pays de la Loire)	FR		0.39		34.50	34.56	
Sodiaal (Pas de Calais)	FR	0.58		-0.97	34.09	34.93	0.23
Dairy Crest (Davidstow)	UK	0.11	0.68	-2.53	30.93	32.66	
Dairygold	IE	0.39			30.80	32.01	
Glanbia	IE				30.68	31.83	0.40
Kerry Agribusiness	IE				31.41	32.39	
Granarolo (North)	IT	0.77			38.84	37.96	
FrieslandCampina	NL				35.48	35.66	0.57
AVERAGE MILK PRICE 2)					33.21	33.76	
Emmi	CH		3.27	-3.45	47.38	49.36	
Fonterra 3)	NZ				29.43	29.02	
United States Class III 4)	US	0.16			35.89	32.78	

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 monthly milk prices in April 2019 averaged to € 33.21 per 100 kg of standard milk. A decrease of € 0.30 compared to the previous month. Compared to April 2018, the average milk price increased with € 0.85 or 2.6%. For the first time since March 2018 the average milk price is higher than the year before.

Although there is relatively little movement in milk prices, the average milk price has fallen slightly. This is mainly due to the seasonal effect. The largest price falls occurred at Dairy Crest and Sodiaal with - € 2.7 and - € 1.0 per 100 kg standard milk, respectively. These price decreases are entirely caused by a seasonal deduction.

Milcobel has also reduced the milk price by € 1.0 per 100 kg of milk. Italian Granarolo has increased the milk price in April by € 1.0 per 100 kg.

In the United States of America, milk prices are clearly rising from the low levels before. For the second consecutive month, Class III milk prices have risen by more than € 2 per 100 kg of standard milk. It is striking that this increase is entirely due to higher protein prices.

Fonterra has lowered the price forecast for the current 2018/19 season. Without a currency exchange rate effect, this corresponds to a decrease of approximately € 0.8 per 100 kg of standard milk. For the new milk price year, which starts in June, Fonterra has announced a milk price range of NZD 6.25-7.25 per kg of milk solids. This differs little from previous milk price years.

The price picture is fairly stable for the coming months. Arla and FrieslandCampina announced no or limited price changes for May and June. The milk price of Arla remains unchanged in May and June, while FrieslandCampina increases the price in June by € 0.5 after a reduction in May (- € 0.7).

Price changes in April 2019 (€ 100 per kg) compared to the previous month and additional information per company

Milcobel: -1.0

Muller: unchanged

The milk price is exclusive of a bonus of € 1.0 per 100 kg for the use of GMO free feed.

DMK Deutsches Milchkontor eG: unchanged, May -0.5

The milk price includes an (average) bonus of € 0.6 for participation in the Milkmaster sustainability program, but excludes a € 0.7 bonus for the use of GMO free feed.

Hochwald eG: unchanged

For 2018 (and 2017) deliveries dairy farmers suppliers received a supplementary payment of € 0.0175 per 100 kg. The milk price does not include a bonus of € 1.0 for participation in the MilchPlus sustainability program.

Arla: -0.1 ,May and June unchanged

The milk price includes a bonus of € 1.0 for participation in the quality and sustainability program Arlagarden Plus, but excludes a bonus of € 1.0 per 100 kg for the use of GMO free feed.

Valio: unchanged

The milk price includes a bonus of € 1.0 for participation in the sustainability/animal health program NASEVA.

Milk prices of Valio are based on milk statements of one of its member cooperatives.

Savencia: +0.3 ,May and June unchanged

Danone: (A-price): +0.4, May unchanged

Lactalis: -0.4 and May unchanged

Sodiaal (A-price): -1.0 due to a seasonal deduction

The milk price does not include a bonus for the participation in the sustainability program 'La Route du Lait'.

Dairy Crest: -2.7 due to a seasonal deduction. Expressed in pence per liter and before seasonality the milk price remains unchanged until June.

Dairygold: -0.5

The milk price includes a bonus of € 0.1 for the sustainability program SDAS (Sustainable Dairy Assurance Scheme), but the new sustainability bonuses for participating in milk recording (0.1) and Cattle breeding groups herd health (€ 0.05) are not taken into account.

Glanbia Ingredients Ireland: unchanged

Coop members received a supplementary payment for milk supplied in 2018. This so called trading bonus is funded from the coop 60% share of dividend paid by Glanbia Ireland. The bonus varies among the individual members depending on the level of trade with the coop, like purchases of feed etc. The calculated supplementary payment is based on the average trading bonus of € 0.40 per 100 kg standard milk.

The April milk price includes a € 0.48 support payment paid by the Glanbia cooperative.

Kerry: -0.4

The milk price includes a bonus of € 0.1 for the SDAS sustainability program.

Granarolo: +1.0, May and June unchanged

FrieslandCampina: -0.5 ,May -0.7 and June + 0,5

The milk price includes an (average) bonus of € 0.63 for outdoor grazing, but excluding a bonus of € 1.0 per 100 kg for the use of GMO free feed.

AVERAGE: -0.30

Emmi: unchanged in April and May. In June + 3.6 due to a seasonal bonus.

Fonterra: -0.3

The calculated milk price is based on an updated forecast milk price of 6.35 (range of \$6.30-\$6.40) plus forecast earnings of 0.125 (range 10-15 cents) or in total 6.475 (was 6.65) NZ\$ per kg milk solids. The opening milk price for the new 2019/20 season (starts in June) is in a range of 6.25-7.25 NZ\$ per kg milk solids. The current 2018/19 season started with an opening milk price of 7.00 NZ\$ per kg milk solids.

USA: +2.2

Expressed in dollars, the US class III milk price slightly increased from \$ 15.04 in February to \$ 15.04 per cwt (hundredweight (45.36 kg)) in February. This price increase is like the previous month entirely due to a higher valuation of the protein component.

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	29/5/2019	1/5/2019	Average 2018
Butter	399	414	499
Whole milk powder	295	303	269
Skimmed milk powder	209	195	149
Whey powder	72	75	70

Milk supply in the EU showed an increase of more than 1% in March. For the first time in six months, there was growth again. Ireland, Poland and the United Kingdom in particular saw a strong increase in volume. There was also a slight growth in Germany during this month. In addition to the Netherlands, production in France also lagged behind in March. Milk production in the other, globally important, dairy exporting countries fell in March. Volume declined sharply in both Oceania (Australia and New Zealand) and South America (Argentina and Uruguay). The United States also contracted in this month, for the first time in more than two years. Due to the stagnation in the first quarter of 2019, the aggregate growth rate of the major dairy exporters remained negative during this period: -0.4% (-320 thousand tons). After the (temporary) stabilization of the price level in April, the butter market became weaker again since mid-May. There is limited buying interest and sufficient supply. Despite the fact that the prices of European butter are still below those of the world market, there is no growth in export demand. The price quotation of skimmed milk powder stabilized in March and April. The market picture was fairly calm in these months. Thanks to a further development in demand from exports, there was room for an upward movement in the price level from the end of April. This is now well above € 200 per 100 kg. In the meantime, the market for whole milk powder remains stable, with a price that has been around € 300 since the beginning of March.

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DMK Deutsches Milchkontor eG	DE		0.15		31.55	32.75	
Hochwald Milch eG	DE	0.76			31.92	32.75	0.02
Arla Foods DK	DK	0.90			32.57	33.20	2.30
Valio	FI				34.91	34.91	0.92
Savencia (Basse Normandie)	FR	1.04			34.94	34.16	
Danone (Pas de Calais)	FR				34.37	34.49	
Lactalis (Pays de la Loire)	FR		0.24		34.36	34.41	
Sodiaal (Pas de Calais)	FR	0.58		-0.97	34.09	34.93	0.23
Dairy Crest (Davidstow)	UK	0.11	0.34	-2.53	30.59	32.33	
Dairygold	IE	0.39			30.80	32.01	
Glanbia	IE				30.68	31.83	0.40
Kerry Agribusiness	IE				31.41	32.39	
Granarolo (North)	IT	0.77			38.84	37.96	
FrieslandCampina	NL				35.36	35.54	0.57
AVERAGE MILK PRICE 2)					33.12	33.67	
Emmi	CH		3.10	-3.45	47.21	49.19	
Fonterra 3)	NZ				29.43	29.02	
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FrieslandCampina	NL				35.52	35.70	0.57
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Emmi	CH		3.45	-3.45	47.55	49.53	
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