

STANDARDIZED MILK PRICE CALCULATIONS for June 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	33.17	0.24
Müller(Leppersdorf)	DE	0.51	0.71		32.47	32.78	
DMK Deutsches Milchkontor eG	DE		0.20		31.26	32.93	
Hochwald Milch eG	DE	0.76			32.53	33.20	0.02
Arla Foods DK	DK	0.90			32.62	33.53	2.30
Valio	FI				34.91	34.91	1.02
Savencia (Basse Normandie)	FR	1.04			34.94	34.58	
Danone (Pas de Calais)	FR				35.34	34.87	
Lactalis (Pays de la Loire)	FR		0.39		34.70	34.96	
Sodiaal (Pas de Calais)	FR	0.58		-0.45	34.83	35.23	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.65	-2.45	29.91	33.02	
Dairygold	IE	0.39			30.80	31.62	
Glanbia	IE				30.68	31.73	0.40
Kerry Agribusiness	IE				31.91	32.37	
Granarolo (North)	IT	0.77			38.84	38.12	
FrieslandCampina	NL				35.24	35.89	0.57
AVERAGE MILK PRICE 2)					33.29	33.93	
Emmi	CH		3.32		51.54	49.94	
Fonterra 3)	NZ				28.75	28.96	
United States Class III 4)	US	0.17			36.49	33.43	

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

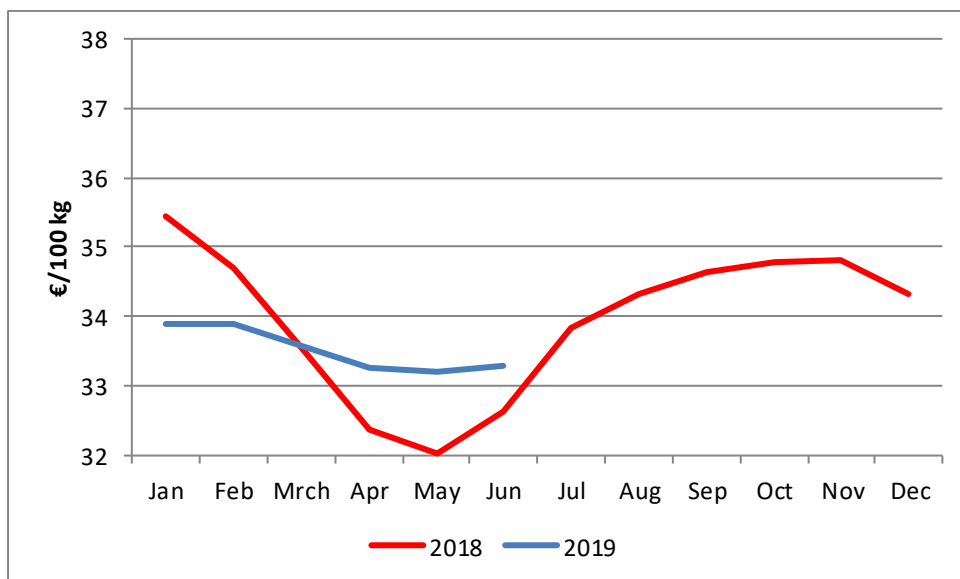
4) Based on USDA announcement

MILK PRICES

The calculated monthly milk prices in June 2019 averaged to € 33.29 per 100 kg of standard milk. An increase of € 0.09 compared to the previous month. Compared to June 2018, the average milk price increased with € 0.66 or 2.0%.

Although the milk prices are still higher than in the same month last year, the difference is decreasing. In addition, milk prices are much more stable this year than in the first half of 2018.

Graph Average milk prices from January 2018 to June 2019



Usually - and therefore also in 2018 - milk prices fall in the spring and are at the lowest level when milk production peaks seasonally in May. After that, normally milk production drops and prices rise. This year the development of milk prices is much flatter. The expectation is that this will remain the case in the coming months. On the one hand in view of the announced milk prices for the coming months and on the other because of developments in the dairy market. Since the end of May, price quotations for - especially - butter and skimmed milk powder have fallen. This makes it unlikely that milk prices will rise in the coming months. In any case not to the same extent as in June and July 2019.

The lack of movement in milk prices is demonstrated by the fact that in June 13 of the 16 dairy companies did not change their milk prices. Only 3 French dairy companies have (slightly) raised the milk price. The calculated milk price of Saputo Dairy UK (formerly Dairy Crest) has fallen slightly, but that is entirely because the value of the British pound against the euro has fallen.

Arla and FrieslandCampina have announced price reductions for July of € 0.1 and € 0.7 per 100 kg respectively, while the milk prices for August do not change. The milk price of DMK remains the same in July. On the other hand, Savencia has announced a price increase for July (+ € 1.0) with unchanged prices in August and September. Lactalis announced a price increase of € 0.2 per 100 kg in July. Although the milk prices of Saputo Dairy UK will not change until August, the calculated milk price will increase in July due to the expiry of the seasonal levy.

As of July 1, the name of Dairy Crest has been changed to Saputo Dairy UK. British Dairy Crest¹ has been taken over by Canadian Saputo, one of the top ten largest dairy companies in the world. Although the name has changed, the milk price still relates to dairy farmers who deliver to the Davidstow cheese factory.

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

Milcobel: unchanged

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: June and July unchanged

The milk price includes an (average) bonus of € 0.66 for participation in the Milkmaster sustainability program, but excludes a € 0.7 bonus for the use of GMO free feed.

Based on the annual report 2018, the average Milkmaster bonus has been increased from € 0.60 with retroactive effect from January 2018 to € 0.66 per 100 kg.

Hochwald eG: unchanged

The milk price does not include the bonus of € 1.00 per 100 kg for the use of GMO-free feed.

Arla: unchanged, July -0.1 and August 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: unchanged, July +1.0 and August and September unchanged

Danone: (A-price): +1.0

Lactalis: +0.2, July +0.2

Sodiaal (A-price): +0.2, mainly due to a lower seasonal levy

Saputo Dairy UK: -0.4 due to a lower exchange rate of British Pound against the euro.

Expressed in pence per liter and before seasonality the milk price remains unchanged until August.

The milk price is based on dairy farmers who deliver to the Davidstow cheese factory.

Dairygold: unchanged

The milk price includes a bonus of € 0.1 for the sustainability program SDAS (Sustainable Dairy Assurance Scheme), but the 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

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

Kerry: unchanged

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

Granarolo: unchanged

¹ In the 1960s butter and cheese were sold by the then Milk Marketing Board (MMB) under the name of Dairy Crest. After the MMB was discontinued, Dairy Crest became an independent dairy company with liquid milk and cheese as the most important products. In 2015, the Dairies business was sold to Müller, Germany.

FrieslandCampina: + 0,5, July -0.7 and August unchanged

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: +0.09

Emmi: +4.2 due to the expiry of the seasonal levy and in July a further increase of

€ 3.5 due to a seasonal premium and a slightly lower price (relatively less A and more B milk). August -0.2 due to a decrease of the B-price.

Fonterra: -0.1

The milk price expressed in New Zealand dollars has not changed, but due to the lower exchange rate of the NZ \$ against the euro, the calculated milk price expressed in euros has fallen.

The calculated milk price is based on a 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 NZ\$ per kg milk solids.

USA: -0.5 mainly due to a lower exchange rate of US dollar against the euro.

Expressed in dollars, the US class III milk price decreased from \$ 16.38 in May to \$ 16.27 per cwt (hundredweight (45.36 kg)) in June.

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	31/7/2019	3/7/2019	Average 2018
Butter	345	363	499
Whole milk powder	278	274	269
Skimmed milk powder	208	203	149
Whey powder	60	67	70

Milk supply in the EU increased modestly (+ 0.2%) in May. The volume increased by 1.6% in March and April. Milk supply in Ireland increased considerably (+ 11%) in May. Double-digit growth was achieved for the third consecutive month. The increase also continued in the United Kingdom. In Poland, milk supply barely increased, following the strong growth in the preceding months. Milk supply in the Netherlands, Germany and France recorded a decrease in May

Milk production in the other, globally important, dairy exporting countries fell in May, analogous to the months of March and April. Volume decreased sharply in Australia and Uruguay in particular. New Zealand milk supply remained virtually stable in May. The US saw production fall slightly (- 0.4%). Due to the stagnation in the first five months of 2019, the aggregate growth rate of the major dairy exporters remained negative during this period: -0.4%.

The butter market has weakened since mid-May following the (temporary) stabilization of the price level in April. Little demand and a wide supply, among other things caused by high stocks, were the reason for the fall in prices. Despite the fact that the prices of European butter are still below those of the world market, there is little growth in export demand. The listing of skimmed milk powder has increased somewhat since the beginning of July, after the slight fall in June. There is currently sufficient buying interest with skimmed milk powder and little pressure from selling parties. The market for whole milk powder is still thin, but stable.

STANDARDIZED MILK PRICE CALCULATIONS for June 2019 deliveries 500,000 kg/yr.

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	0.75		31.19	32.64	0.24
Müller(Leppersdorf)	DE	0.51	0.61		32.37	32.68	
DMK Deutsches Milchkontor eG	DE		0.15		31.10	32.77	
Hochwald Milch eG	DE	0.76			32.51	33.18	0.02
Arla Foods DK	DK	0.90			32.56	33.46	2.30
Valio	FI				34.91	34.91	1.02
Savencia (Basse Normandie)	FR	1.04			34.94	34.58	
Danone (Pas de Calais)	FR				35.34	34.87	
Lactalis (Pays de la Loire)	FR		0.24		34.55	34.81	
Sodiaal (Pas de Calais)	FR	0.58		-0.45	34.83	35.23	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.33	-2.45	29.58	32.69	
Dairygold	IE	0.39			30.80	31.62	
Glanbia	IE				30.68	31.73	0.40
Kerry Agribusiness	IE				31.91	32.37	
Granarolo (North)	IT	0.77			38.84	38.12	
FrieslandCampina	NL				35.12	35.77	0.57
AVERAGE MILK PRICE 2)					33.20	33.84	
Emmi	CH		3.14		51.37	49.77	
Fonterra 3)	NZ				28.75	28.96	
United States Class III 4)	US	0.17			36.49	33.43	

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

STANDARDIZED MILK PRICE CALCULATIONS for June 2019 deliveries 1,500,000 kg/yr.

Prices in euro per 100 kg milk with 4.2% fat. 3.4% protein. 1.500.000 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	1.33		31.96	33.41	0.24
Müller(Leppersdorf)	DE	0.51	0.71		32.47	32.78	
DMK Deutsches Milchkontor eG	DE		0.30		31.39	33.06	
Hochwald Milch eG	DE	0.76			32.54	33.21	0.02
Arla Foods DK	DK	0.90			32.64	33.55	2.30
Valio	FI				34.91	34.91	1.02
Savencia (Basse Normandie)	FR	1.04			34.94	34.58	
Danone (Pas de Calais)	FR				35.34	34.87	
Lactalis (Pays de la Loire)	FR		0.39		34.70	34.96	
Sodiaal (Pas de Calais)	FR	0.58		-0.45	34.83	35.23	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.87	-2.45	30.13	33.24	
Dairygold	IE	0.39			30.80	31.62	
Glanbia	IE				30.68	31.73	0.40
Kerry Agribusiness	IE				31.91	32.37	
Granarolo (North)	IT	0.77			38.84	38.12	
FrieslandCampina	NL				35.28	35.93	0.57
AVERAGE MILK PRICE 2)					33.33	33.97	
Emmi	CH		3.49		51.72	50.11	
Fonterra 3)	NZ				28.75	28.96	
United States Class III 4)	US	0.17			36.49	33.43	

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