

STANDARDIZED MILK PRICE CALCULATIONS for April 2018 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	0.75		29.94	33.68	0.47
Müller(Leppersdorf)	DE	0.51	0.61		30.63	35.28	
DMK	DE		0.15		30.79	35.42	
Hochwald Milch eG	DE	0.76	0.76		32.68	34.84	0.10
Arla Foods DK	DK	0.84			30.53	34.40	1.28
Valio	FI				37.33	36.47	0.92
Savencia (Basse Normandie)	FR	1.04			32.51	34.07	
Danone (Pas de Calais)	FR				32.44	34.94	
Lactalis (Pays de la Loire)	FR		0.24		31.83	33.62	
Sodiaal (Pas de Calais)	FR	0.58			32.62	34.47	0.19
Dairy Crest (Davidstow)	UK	0.11	0.33	-2.50	29.23	32.38	
Dairygold	IE	0.39			32.27	34.75	
Glanbia	IE				31.03	34.46	
Kerry Agribusiness	IE				31.43	34.65	
Granarolo (North)	IT	1.15	3.42		40.71	40.37	
Royal A-ware	NL	0.50			32.89	37.37	
FrieslandCampina	NL				33.87	37.37	1.27
AVERAGE MILK PRICE 2)					32.51	35.21	
Emmi	CH		2.95	-3.28	40.39	48.30	
Fonterra 3)	NZ				31.06	31.38	
United States Class III 4)	US	0.14			30.05	33.23	

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 2018 averaged to € 32.51 per 100 kg of standard milk. A decrease of € 1.07 compared to the previous month. Compared to April 2017, the average milk price is € 0.55 or 1.6 % lower.

For the fifth consecutive month the average milk price has dropped and is in April also below the level of the same month in the previous year.

As in March, most dairy companies also reduced milk prices in April.

The calculated milk price of the British Dairy Crest has fallen the most, but this is largely due to the seasonal levy in April of 2.25 pence per liter (ppl) or € 2.6 per 100 kg. Furthermore, the April milk price was reduced by 1.25 ppl. In May, the milk price will be further reduced with 1 ppl. The milk price will hold for June.

After Dairy Crest, Irish milk prices fell the most.

In May the milk prices of DMK, Arla and Savencia remain unchanged, while the Dutch dairy companies Royal A-ware and FrieslandCampina announced price reductions for this month of € 0.9 and € 0.5 per 100 kg respectively. Arla (+ € 1.0) and FrieslandCampina (+ € 0.5) will price increases prices in June.

Fonterra (New Zealand) has announced an opening milk price of 7 NZD per kg of fat and protein (milk solids (MS)) for the 2018/19 milk season, starting in June and ending in May 2019. Relatively good news for dairy farmers because this strong opening price - only for the seasons 2013/14 and 2015/16 was also given such a high opening price - reflects a positive view on the market for the coming year.

Price changes in April 2018 (€ 100 per kg compared to the previous month) and additional information per company

Milcobel: unchanged

Muller: -0.5

DMK: April and May unchanged

Hochwald eG: -1.0

Arla: -0.2 ,May unchanged and June + 1.0

Valio: unchanged

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

Savencia: -0.6 and May unchanged

Danone: (A-price): -2.1

Lactalis: -0.9

Sodiaal (A-price): -1.0

Dairy Crest: -3.5 (-1.25 pence per liter and seasonal deduction of 2.25 ppl), -1.1 (-1 ppl) and June unchanged

Dairygold: -2.0

At the same time, with a reduction of the basic price of 1 cent per liter (with 3.3% protein, 3.6% butter fat), a lower relief payment of 1 cent per liter (in March 2 c/l) was made in April to support farmers in the consequences of the extreme weather conditions.

Glanbia Ingredients Ireland: -2.0

Both the base milk price and the support payment recognizing the consequences of the extreme weather conditions were reduced with 1 cent per liter.

Kerry: -2.5

Kerry has cut the base milk price with 2 cents per liter and reduced the additional payment with 0.5 cents per liter.

Granarolo: (provisional) unchanged

Royal A-ware: -1.0 and May -0.9 due to a lower protein price

FrieslandCampina: -1.0 , May -0.5 and June +0.2

AVERAGE: -1.07

Emmi: -4.5 For the first time this year for part of the milk supplied the low C-price is paid.

Fonterra: +0.9

Fonterra increased its 2017/18 forecast milk price by 20 cents to 6.75 NZD per kg milk solids (MS). Plus an estimated dividend of 0.175 the calculated milk price is based on 6.925 NZD per kg MS or € 31.06 per 100 kg standard milk. This is an increase of € 0.90 per 100 kg.

The opening milk price for the new season 2018/19 - which starts on June 1 - is 7 NZD per kg MS. Including an estimated dividend of 0.175 the calculated price is € 32.2 per 100 kg standard milk.

USA: +1.7

The USA Class III milk price increased from \$ 14.22 in March to \$ 14.47 per cwt (hundredweight (45.36 kg)) in April.

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	23/5/18	2/5/2018	Average 2017
Butter	605	580	521
Whole milk powder	279	268	285
Skimmed milk powder	153	143	175
Whey powder	70	65	78