

PRICES IN EURO PER 100 KG STANDARD MILK WITH 4.2% FAT, 3.4% PROTEIN, 1,000,000 KG PER YEAR, TBC 24,999 PER ML AND SCC 249,999 PER ML, VAT EXCLUDED

COMPANY		prices (€/kg) ¹		bonuses/deductions (included) ²				MILK PRICE this month	av. last 12 month. ³	recent suppl. payment ⁴	
		fat	protein	quality	quantity	season	sustainability				Milk flows
Milcobel	BE	7.43	7.43	0.73	0.85		0.69		58.51	50.88	0.90
DMK Deutsches Milchkontor eG	DE	6.91	8.98		0.20		0.50	1.00	61.37	50.36	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	59.07	48.40	0.50
Arla Foods DK	DK	6.31	8.20	1.58			1.00	1.50	57.71	48.30	1.89
Capsa Food	ES	3.00	3.00						50.51	42.04	
Valio	FI	3.90	6.50				1.94		49.77	43.71	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.18					46.73	42.43	
Danone (Pas de Calais)	FR	2.96	5.39						44.07	40.05	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		46.85	42.20	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58		0.73	0.19		44.94	41.05	0.19
Saputo Dairy UK (Dairy Crest)	UK	5.10	10.19	-1.12	0.78	2.23			56.32	44.99	
Dairygold	IE	6.24	10.22	0.39			0.10		57.55	52.73	
Glanbia	IE	4.99	9.98				0.50		57.96	52.45	0.15
Kerry Agribusiness	IE	6.48	9.73				0.10		57.46	52.38	
FrieslandCampina	NL	4.99	9.99				0.25	0.66	60.21	50.23	0.14
AVERAGE MILK PRICE⁵									53.93	46.81	
Emmi	CH	4.09	5.11			3.98	2.07		75.67	67.47	
Fonterra	NZ	5.35	5.35						40.64	42.49	5.27
United States class III	US	8.20	5.50	0.22					56.21	50.66	

1) Payment per % fat and % protein above or below 4.2% and 3.4% respectively. France and US true protein and not in crude protein as in most European countries.

2) These premiums and deductions are included in the milk price, but it is not a complete list. There may also be other premiums and deductions included.

3) Weighted average based on the basis of national monthly deliveries exclusive of most recent supplementary payment.

4) The most recent supplementary payment is stated to give an indication of a possible supplement to the monthly milk prices after the calendar year.

5) Arithmetic average.

MILK PRICES

The calculated monthly milk prices in October 2022 averaged to € 53.93 per 100 kg of standard milk. This is an increase of € 0.72 compared to the previous month. Compared to October 2021, the average milk price increased by € 17.12 or 46.5%.

The average milk price increased further in October. The calculated milk prices were only lowered in October from Ireland's Kerry and France's Danone. All other dairy companies have increased their milk price or kept it the same.

For the remaining months of 2022, milk prices are expected to rise slightly on average. For example, DMK, Arla, Savencia and Lactalis have announced price increases for November. However, this is offset by a decrease in the milk price of Milcobel. Saputo Dairy UK puts a guaranteed floor in its milk price until the 1st March 2023.

The milk prices of FrieslandCampina and Arla are known up to and including December. FrieslandCampina's milk price remains the same in November and rises slightly in December, while that of Arla rises in November and remains the same in December. The average advance milk price of both companies increased by about 45% in calendar year 2022 compared to 2021. A similar percentage applies to the - expressed in euros - milk price increase of Saputo Dairy UK in 2022 compared to the previous year.

The fall in Emmi's milk price is due to a lower B price and a devaluation in the Swiss franc against the euro. The milk price of Fonterra has not changed, but due to the fall of the New Zealand dollar against the euro, the calculated milk price expressed in euros in October is lower than in the previous month. In the US the milk price (class III) has risen.

PRICE CHANGES IN OCTOBER 2022 AND ADDITIONAL INFORMATION

(€ per 100 kg compared to the previous month)

Milcobel: unchanged/ November -1.5

The milk price includes an (average) sustainability bonus of € 0.69.

DMK Deutsches Milchkontor eG: unchanged/ November +1.0

The milk price includes an (average) bonus of € 0.50 for participation in the Milkmaster sustainability program and the bonus of € 1.00 for the use of GMO-free feed.

Hochwald eG: +1.0

The milk price includes sustainability (Cool Farm Tool) bonus of € 0.60 and € 1.00 per 100 kg for the use of GMO-free feed (VLOG certified).

Arla: +1.1/November +1.5/ December unchanged

The milk price includes a bonus of € 1.00 for the Climate Check programme and a bonus of € 1.50 per 100 kg for the use of GMO-free feed.

The most recent supplementary payment for milk delivered in 2021 was € 1.95 based on the Arla annual report 2021, but is actualised to € 1.89 per 100 kg based on the milk statement.

Capsa Food: +2.4

The calculated milk price of Capsa is based on an average of an A- (70%) and a B-price (30%). The increase in the milk price is mainly due to an increase of the additional bonuses. These are not listed separately in the table, but are included in the calculated milk price.

Valio: unchanged

Milk prices of Valio are based on milk statements of one of its member coops. The base price is a weighted average of the A-, B- and C-price.

The milk price includes a bonus of € 1.94 for participation in the sustainability/animal health program NASEVA.

Savencia: +0.6/ November +0.7

Danone (A-price): -0.2

Due to a slightly decrease of the A-price the calculated milk price decreased.

Danone's milk price is based on a contract whereby 50% of the A- milk price development is determined by market indicators and 50% by cost price development at dairy farms.

Lactalis: +2.5/ November +1.3

The milk price includes a premium of € 0.07 per 100 kg for participation in the national programme Carte des Bonnes Pratiques d'Elevage (CBPE).

Sodiaal (A-price): +1.0

La Route Du Lait (LRDL) is Sodiaal's sustainability programme. Dairy farmers receive a premium of € 0.19 per 100 kg for participation which is included in the milk price.

Saputo Dairy UK: +2.5/ no reduction until 1st March 2023

Mainly due to the seasonal bonus, the milk price increased compared to September. The calculated milk price of Saputo Dairy UK is based on dairy farmers supplying the Davidstow cheese factory.

Dairygold: unchanged

The milk price includes a bonus of € 0.10 for the national sustainability program SDAS (Sustainable Dairy Assurance Scheme).

Glanbia Ingredients Ireland: +0.5

Supplementary payments for milk delivered in the years 2020 and 2021 have not yet been calculated, so for the time being the most recent supplementary payment in the table relates to the milk delivered in 2019.

Kerry: -0.9

The decrease in the milk price is due to a lower payment as part of contractual commitment to pay a leading price.

FrieslandCampina: +1.0/ November unchanged/ December +0.2

The calculated milk price includes an (average) payment of € 0.25 per 100 kg for the quality and sustainability program Foqus planet and an average premium for outdoor grazing (meadow milk) of € 0.66 per 100 kg.

The most recent supplementary payment is based on the 13th month payment for 2021 deliveries.

AVERAGE: +0.72

Emmi: -2.1/ November -3.7 (due to the expiration of the seasonal bonus)/ December -0.7 (lower B-price)

Emmi's milk price is based on a weighted average of an A -(66%) and a B- price (34. Emmi's milk price includes the bonus for the sustainability program 'gruner Teppich' (green carpet). The milk money statements come from a dairy farmer who is a member of a producer organization that supplies milk to Emmi.

Fonterra: -1.5 (due to exchange rate change)

The calculated milk price for October is, like September, based on NZD 9.25 per kg of milk solids (fat and protein). The most recent supplementary payment relates to the dividend of NZD 0.20 per kg of milk solids, or € 0.91 per 100 kg of milk, paid for milk delivered in 2021/22.

USA: +5.3

Expressed in dollars, the USA class III milk price increased from \$ 19.28 in September to \$ 21.81 per cwt (hundredweight (45.36 kg) in October. Converted into euros, however, the calculated milk price has risen more, due to the decline in the value of the euro against the dollar.

MARKET SITUATION

(Source: **ZuivelNL** www.zuivelnl.org)

Official Dutch dairy price quotations (€ per 100 kg)

	20/11/2022	26/10/2022	avg. 2021
Butter	560	640	425
Whole milk powder	415	467	329
Skimmed milk powder	297	330	265
Whey powder	89	89	100

The EU milk supply increased by 0.6% in September. This ended a long period of decline. The strongest increase took place in the Netherlands (+4%) and Poland (+3%). Germany (+1%) and Ireland (+1%) also showed an increase. The French milk supply remained virtually the same. On balance, the EU milk supply in the first three quarters of 2022 was 0.5% lower than last year.

Milk production in the other globally important dairy exporting countries still showed a mixed picture in September. The milk supply in Oceania decreased sharply again, Australia and New Zealand recorded a decrease of 6% and 3% respectively. In the US, on the other hand, there was an increase (+1%) for the third month in a row. Uruguay recorded an increase (+2%) for the first time this year. Argentina hardly showed any growth in September. The aggregated volume of the major dairy exporters (including the EU) was 0.8% (1.81 billion kg) lower in the period up to and including September 2022 compared to the same period in 2021. However, the gap with the previous year is gradually narrowing.

Dairy market prices under pressure

Since the beginning of October, the picture on the dairy market has clearly changed. A drop in demand due to the high price level, in combination with the recovery of milk supply in a number of key dairy countries and falling prices on the energy market, put strong pressure on prices. Now that the market has entered a downturn, buyers are taking an even more wait-and-see approach in the hope that prices will fall further. This is especially the case with butter. The price quotation has fallen by more than 22% in a short period of time. At the end of November, at € 560 per 100 kg, this was well below the € 600 limit. The price quotation for skimmed milk powder has also fallen sharply since the beginning of October. From mid-November some stabilization occurred around the level of € 300, despite still disappointing demand and an increase in supply. The quotation of whole milk powder slowly fell along with that of butter and skimmed milk powder.

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