

STANDARDIZED MILK PRICE CALCULATIONS for March 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		32.72	33.02	0.24
Müller(Leppersdorf)	DE	0.51	0.71		32.47	32.32	
DMK Deutsches Milchkontor eG	DE		0.20		31.71	32.83	
Hochwald Milch eG	DE	0.76			31.94	32.90	0.10
Arla Foods DK	DK	0.90			32.70	33.08	2.30
Valio	FI				34.91	35.11	0.92
Savencia (Basse Normandie)	FR	1.18			34.60	33.95	
Danone (Pas de Calais)	FR				34.02	34.32	
Lactalis (Pays de la Loire)	FR		0.39		34.89	34.33	
Sodiaal (Pas de Calais)	FR	0.58		-0.39	35.07	34.79	0.23
Dairy Crest (Davidstow)	UK	0.11	0.68		33.60	32.53	
Dairygold	IE	0.39			31.30	32.17	
Glanbia	IE				30.69	31.86	
Kerry Agribusiness	IE				31.82	32.26	
Granarolo (North)	IT	0.77			37.87	37.87	
FrieslandCampina	NL				35.97	35.54	0.57
AVERAGE MILK PRICE 2)					33.52	33.68	
Emmi	CH		3.28	-3.45	47.36	48.72	0.88
Fonterra 3)	NZ				30.56	29.79	
United States Class III 4)	US	0.15			33.72	32.28	

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

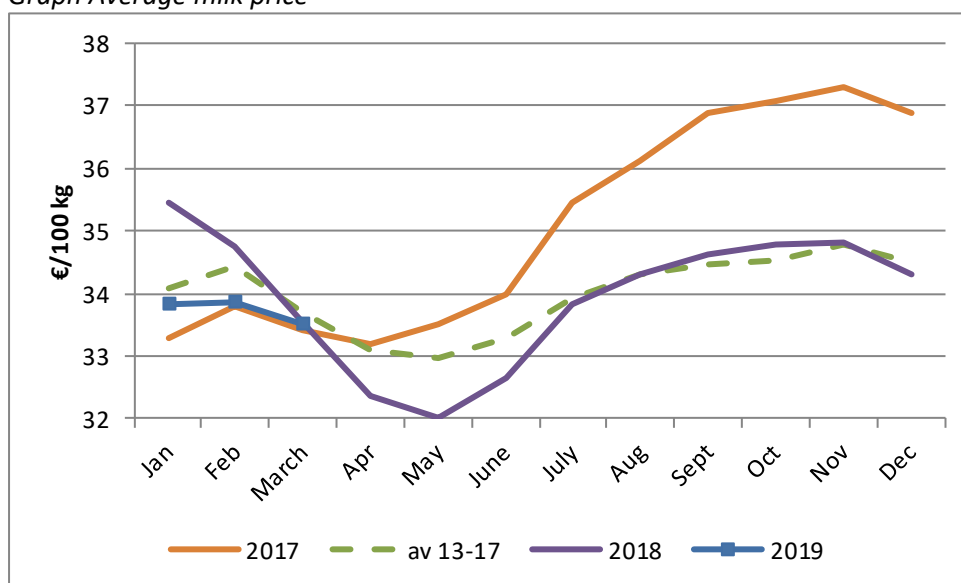
4) Based on USDA announcement

MILK PRICES

The calculated monthly milk prices in March 2019 averaged to € 33.52 per 100 kg of standard milk. A decrease of € 0.33 compared to the previous month. Compared to March 2018, the average milk price is unchanged.

The average milk price has fallen slightly mainly due to the fall in the calculated milk price of Glanbia. This price included a late lactation bonus in February. In addition to Glanbia, only Hochwald and Danone have decreased their milk prices. Most dairy companies have left the milk price unchanged. Only a few milk prices have risen slightly. It is striking that the average milk price in March 2019 is not only the same as in the same month in previous year, but also (almost) the same as in 2017 and the average of the previous 5 years (2013 to 2017).

Graph Average milk price



Milk prices fall seasonally at the beginning of the year to the lowest level when milk production peaks in April / May. The graph shows that price development at the start of 2019 follows a flatter pattern than in previous years. Based on the announced milk prices of Arla (April -0.1 and May unchanged), DMK (April unchanged), Dairy Crest (unchanged up to May) and the French dairy companies this relatively stable development seems to continue for the coming months. Despite the announced price reductions (April -0.5 and May -0.7) FrieslandCampina's milk price also contributes to this stable development, because FrieslandCampina lowered their milk prices less than in the same period last year.

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

Milcobel: unchanged

Muller: unchanged

The milk price of February has been corrected (+0.5).

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: March and April unchanged

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: -1.0

The milk price does not include a bonus of € 1.0 for participation in the MilchPlus sustainability program.

Arla: unchanged, April -0.1 and May 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, April +0.3 and May and June unchanged**Danone:** (A-price): -0.3, April +0.4**Lactalis:** unchanged, April -0.4 and May unchanged**Sodiaal** (A-price): unchanged.

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

Dairy Crest: +0.6 due to a higher value of the British Pound against the euro. The base price in pence per liter and before seasonality will be unchanged until May.

Dairygold: unchanged

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: -4.8

The price fall is mainly due to the so-called "late lactation bonus" of € 4.0 per 100 kg included in the February milk price, but not in March. In addition no interim payment is made by the processor Glanbia Ireland (was € 0.95 in February).

The milk price includes a € 0.48 (was € 0.95) support payment paid by the Glanbia cooperative.

Kerry: +0.3

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

Granarolo: unchanged**FrieslandCampina:** unchanged, April -0.5 and May -0.7

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: -0.33

The average milk price of January is corrected from € 33.84 to € 33.82 (see remarks Müller).

Emmi: +0.4 due to a slight rise in the B price in combination with a small rise in the Swiss franc against the euro, April +0.1 and May -0.1.

Fonterra: unchanged

The calculated milk price is based on a forecast milk price of 6.45 (range of \$6.30-\$6.60) plus forecast earnings of 0.20 (range 15-25 cents) or in total 6.65 NZ\$ per kg milk solids.

USA: +2.6

Expressed in dollars, the US class III milk price slightly increased from \$ 13.89 in February to \$ 15.04 per cwt (hundredweight (45.36 kg)) in February. This price increase is entirely due to a higher valuation of the protein component.

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	1/5/2019	27/3/2019	Average 2018
Butter	414	410	499
Whole milk powder	303	303	269
Skimmed milk powder	195	193	149
Whey powder	75	77	70

Milk supply in the EU remained virtually stable in February. In the first two months of 2019, there was still a (limited) backlog (-0.6%). In addition to lower production in the Netherlands, the determining factor in particular was that in France and Germany. On the other hand, there was strong growth in Poland and the UK. Milk production in most other globally important dairy exporting countries also lagged behind or stagnated until February. In New Zealand, production was still growing (+ 4.3%), but completely stagnated in February due to drought. In the US, weak margins limited growth to 0.5%. On balance, the aggregate growth rate of the major dairy exporters for the first two months of 2019 remained negative: -0.4%. In general, the current supply seems to be in balance with demand, resulting in a relatively calm market picture. The butter market, for example, moves fairly stably around slightly higher price levels in April than in March. Due to sufficient supply for the short term and as yet limited demand, the market lacks a clear direction. For the time being, expectations regarding increasing opportunities for EU exporters due to higher world market prices are not being met with butter. With skimmed milk powder there is a steadily continuing EU export, like to China. The further development of demand from exports in the second half of April resulted in a slight upward movement in the price quotation of skimmed milk powder. In the meantime, the market for whole milk powder remains stable.

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Milcobel	BE	0.73	0.75		32.19	32.49	0.24
Müller(Leppersdorf)	DE	0.51	0.61		32.37	32.22	
DMK Deutsches Milchkontor eG	DE		0.15		31.55	32.68	
Hochwald Milch eG	DE	0.76			31.92	32.81	0.10
Arla Foods DK	DK	0.90			32.64	33.01	2.30
Valio	FI				34.91	35.11	0.92
Savencia (Basse Normandie)	FR	1.18			34.60	33.95	
Danone (Pas de Calais)	FR				34.02	34.32	
Lactalis (Pays de la Loire)	FR		0.24		34.75	34.18	
Sodiaal (Pas de Calais)	FR	0.58		-0.39	35.07	34.79	0.23
Dairy Crest (Davidstow)	UK	0.11	0.34		33.26	32.20	
Dairygold	IE	0.39			31.30	32.17	
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FrieslandCampina	NL				35.85	35.42	0.57
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