

STANDARDIZED MILK PRICE CALCULATIONS for May 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	33.26	0.24
Müller(Leppersdorf)	DE	0.51	0.71		32.47	32.63	
DMK Deutsches Milchkontor eG	DE		0.20		31.20	32.93	
Hochwald Milch eG	DE	0.76			32.53	33.11	0.02
Arla Foods DK	DK	0.90			32.62	33.44	2.30
Valio	FI				34.91	34.91	1.02
Savencia (Basse Normandie)	FR	1.04			34.94	34.38	
Danone (Pas de Calais)	FR				34.37	34.70	
Lactalis (Pays de la Loire)	FR		0.39		34.70	34.81	
Sodiaal (Pas de Calais)	FR	0.58		-0.58	34.64	35.17	0.29
Dairy Crest (Davidstow)	UK	0.11	0.67	-2.78	30.29	32.88	
Dairygold	IE	0.39			30.80	31.81	
Glanbia	IE				30.68	31.91	0.40
Kerry Agribusiness	IE				31.91	32.38	
Granarolo (North)	IT	0.77			38.84	38.04	
FrieslandCampina	NL				34.75	35.77	0.57
AVERAGE MILK PRICE 2)					33.21	33.88	
Emmi	CH		3.28	-3.45	47.33	49.68	
Fonterra 3)	NZ				28.85	28.96	
United States Class III 4)	US	0.17			37.00	33.16	

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 May 2019 averaged to € 33.21 per 100 kg of standard milk. A decrease of € 0.05 compared to the previous month. Compared to May 2018, the average milk price increased with € 1.20 or 3.7%.

Just like last month there is little movement in milk prices. The milk prices in the first 5 months of 2019 are remarkably stable compared to other years. Milk prices are also not expected to change much in June. For example, the prices of DMK, Arla and Savencia remain the same in June, while Lactalis (+ € 0.2 per 100 kg) and FrieslandCampina (+ € 0.5) have announced small price increases. On the other hand, in July there are price cuts from Arla (-0.1) and FrieslandCampina (-0.7). The basic milk price of Dairy Crest will remain the same in the coming two months, but due to seasonal levies and bonuses, the calculated milk price will fall slightly in June and rise in July.

Price changes in May 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: -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

With retroactive effect from January 2019, the calculated milk price has been increased by € 0.6 per 100 kg. Hochwald pays a bonus of € 1.0 for participation in the MilchPlus sustainability program. According to the company, an average of € 0.60 per 100 kg of milk is paid on all milk. This average bonus is included in the calculated milk price. The milk price does not include the bonus of € 1.00 per 100 kg for the use of GMO-free feed.

Arla: May, June unchanged and July -0.1

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: May and June unchanged

Danone: (A-price): unchanged

Lactalis: unchanged, June +0.2

Sodiaal (A-price): +0.4 due to a lower seasonal deduction

With retroactive effect from January 2019, the calculated milk price has been increased by € 0.16 per 100 kg. On the one hand, the bonus for a low butyric acid content has been corrected from € 0.1 to € 0.2 and on the other hand, the calculated milk price has been increased by a bonus of € 0.07 for participation in the La Route du Lai. Dairy farmers receive a supplement of € 0.1 per 100 kg for participation in this sustainability program. According to the company for 70% of the milk this premium is paid. For this reason the calculated milk price has been increased by an average bonus of

0.7 x 0.1 = € 0.07.

Dairy Crest: -0.6 due to a higher seasonal deduction.

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

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: +0.5

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

Granarolo: May and June unchanged

FrieslandCampina: -0.7, June + 0,5 and July -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: -0.05

The previously published milk price for April has been changed from € 33.21 to € 33.26 per 100 kg (see comments at Hochwald and Sodiaal).

Emmi: -0.1

In June an increase of € 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).

Fonterra: -0.6

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 (was 6.65) NZ\$ per kg milk solids.

USA: +1.1

Expressed in dollars, the US class III milk price increased from \$ 15.96 in April to \$ 16.38 per cwt (hundredweight (45.36 kg)) in May. This price increase is like the previous months entirely due to a higher valuation of the protein component.

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	3/7/2019	29/5/2019	Average 2018
Butter	363	399	499
Whole milk powder	274	295	269
Skimmed milk powder	203	209	149
Whey powder	67	72	70

Price quotations for butter and whole milk powder have fallen by around 10% since the end of April. The butter market has weakened since mid-May following the (temporary) stabilization of the price level in April. Low demand and a large supply, among other things caused by high stocks, were the reason for the decline. 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 prices of skimmed milk powder also came under some pressure after the rise between the end of April and the beginning of June. Europe is no longer the cheapest supplier on the world market and competes with powder from, among others, the US. The market for whole milk powder is currently weak and needs to keep pace with the downward movement of milk fat / butter and prices on the world market (Oceania).

Dutch milk supply has been showing a downward trend for more than a year. However, the rate of contraction has fallen slightly since February. In May the decrease amounted to 2.5%. The volume in the first five months of 2019 was 2.7% lower than in the same period last year.

EU milk supply showed an increase of 1.5% in April, a growth comparable to that in March. Ireland, Poland and the United Kingdom in particular saw a strong increase in volume. On the other hand, German milk supply stagnated in April, following slight growth in March. The downward trend in milk supply was continued in France and the Netherlands.

Milk production in most other globally important dairy exporting countries fell in April, like in March. Volume declined sharply in both Oceania (Australia and New Zealand) and South America (Argentina and Uruguay). Milk production in the United States was slightly higher in this month (+ 0.3%) than in the previous year. Due to the stagnation in the first four months of 2019, the aggregate growth rate of the major dairy exporters remained negative during this period: -0.3%

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Müller(Leppersdorf)	DE	0.51	0.61		32.37	32.53	
DMK Deutsches Milchkontor eG	DE		0.15		31.04	32.78	
Hochwald Milch eG	DE	0.76			32.51	33.07	0.02
Arla Foods DK	DK	0.90			32.56	33.37	2.30
Valio	FI				34.91	34.91	1.02
Savencia (Basse Normandie)	FR	1.04			34.94	34.38	
Danone (Pas de Calais)	FR				34.37	34.70	
Lactalis (Pays de la Loire)	FR		0.24		34.55	34.66	
Sodiaal (Pas de Calais)	FR	0.58		-0.58	34.64	35.17	0.29
Dairy Crest (Davidstow)	UK	0.11	0.33	-2.78	29.96	32.55	
Dairygold	IE	0.39			30.80	31.81	
Glanbia	IE				30.68	31.91	0.40
Kerry Agribusiness	IE				31.91	32.38	
Granarolo (North)	IT	0.77			38.84	38.04	
FrieslandCampina	NL				34.63	35.65	0.57
AVERAGE MILK PRICE 2)					33.12	33.79	
Emmi	CH		3.11	-3.45	47.16	49.51	
Fonterra 3)	NZ				28.85	28.96	
United States Class III 4)	US	0.17			37.00	33.16	

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

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Arla Foods DK	DK	0.90			32.64	33.46	2.30
Valio	FI				34.91	34.91	1.02
Savencia (Basse Normandie)	FR	1.04			34.94	34.38	
Danone (Pas de Calais)	FR				34.37	34.70	
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Sodiaal (Pas de Calais)	FR	0.58		-0.58	34.64	35.17	0.29
Dairy Crest (Davidstow)	UK	0.11	0.89	-2.78	30.52	33.10	
Dairygold	IE	0.39			30.80	31.81	
Glanbia	IE				30.68	31.91	0.40
Kerry Agribusiness	IE				31.91	32.38	
Granarolo (North)	IT	0.77			38.84	38.04	
FrieslandCampina	NL				34.79	35.81	0.57
AVERAGE MILK PRICE 2)					33.25	33.92	
Emmi	CH		3.45	-3.45	47.50	49.85	
Fonterra 3)	NZ				28.85	28.96	
United States Class III 4)	US	0.17			37.00	33.16	

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