

STANDARDIZED MILK PRICE CALCULATIONS for February 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	32.83	0.24
Müller(Leppersdorf)	DE	0.51	0.71		31.97	32.17	
DMK Deutsches Milchkontor eG	DE		0.20		31.73	32.77	
Hochwald Milch eG	DE	0.76			32.93	33.07	0.10
Arla Foods DK	DK	0.90			32.70	32.92	2.30
Valio	FI				34.91	35.32	0.92
Savencia (Basse Normandie)	FR	1.18			34.60	33.82	
Danone (Pas de Calais)	FR				34.31	34.36	
Lactalis (Pays de la Loire)	FR		0.39		34.89	34.14	
Sodiaal (Pas de Calais)	FR	0.58		-0.58	35.07	34.67	0.23
Dairy Crest (Davidstow)	UK	0.11	0.67		33.05	32.48	
Dairygold	IE	0.39			31.30	32.43	
Glanbia	IE			3.91	35.52	32.06	
Kerry Agribusiness	IE				31.51	32.55	
Granarolo (North)	IT	0.77			37.87	38.04	
FrieslandCampina	NL				35.97	35.45	0.57
AVERAGE MILK PRICE 2)					33.82	33.69	
Emmi	CH		3.26	-3.43	46.93	48.52	
Fonterra 3)	NZ				30.44	29.78	
United States Class III 4)	US	0.14			31.11	31.90	

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 February 2019 averaged to € 33.82 per 100 kg of standard milk. A decrease of € 0.02 compared to the previous month. Compared to February 2018, the average milk price is € 1.01 or 2.9 % lower.

Despite several price reductions, milk prices remained on average virtually the same as in the previous month. This is mainly because the milk price of the Irish Glanbia has a relatively large seasonal bonus calculated. Without this supplement, the average milk price would have fallen by € 0.25 per 100 kg. Only a few milk prices have risen. In addition to Glanbia (+ € 3.5), this concerns FrieslandCampina (+ € 0.3) and Danone (+ € 0.1). The other milk prices have remained the same or have fallen.

Price changes in February 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: -1.0 and March 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: unchanged.

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

Arla: February and March unchanged, April -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 calculated milk price for January has been reduced retrospectively from € 35.10 to € 34.91. This is because from January onwards the price ratio between protein and fat has changed from 2.8 to 1.7. 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: -0.5 and March unchanged

Danone: (A-price): +0.1

Lactalis: provisional February and March unchanged

Sodiaal (A-price): unchanged.

In February Sodiaal increased the basic price, but at the same time introduced a seasonal levy resulting in an (almost) unchanged milk price.

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 price decrease (-0.5 ppl) and the withdrawal of the supplementary payment for extreme weather partly compensated by a higher value of the British Pound against the euro. March unchanged and April a decrease due to a seasonal levy (basic price unchanged).

Dairygold: -1.0

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.

The calculated price is exclusive of the seasonal bonus for in February delivered milk as this payment will be distributed with the March milk statement.

Glanbia Ingredients Ireland: +3.5

The calculated milk price is provisional as a so-called "late lactation bonus" of € 4.0 per 100 kg for the milk delivered in February is included. In addition the milk price includes a € 0.48 (was € 0.95) support payment paid by the Glanbia cooperative and € 0.95 interim market payment paid by the processor Glanbia Ireland.

Kerry: -1.0

On all milk supplied from May to December farmers received an additional payment of € 0.49 per 100 kg (0.5 cent/liter). This payment is retrospectively added into the calculated milk prices of May-December 2018. The milk price includes a bonus of € 0.1 for the SDAS sustainability program.

Granarolo: unchanged up to and including March.

FrieslandCampina: +0.2 ,March unchanged and April -0.5

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: -0.0

The average milk price of January is corrected from € 33.85 to € 33.83 (see remarks Valio).

Emmi: -3.4 due to a seasonal levy in February.

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: +0.1

Expressed in dollars, the US class III milk price slightly decreased from \$ 13.96 in January to \$ 13.89 per cwt (hundredweight (45.36 kg)) in February.

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	27/3/2019	6/3/2019	Average 2018
Butter	410	407	499
Whole milk powder	303	300	269
Skimmed milk powder	193	175	149
Whey powder	77	80	70

In the EU, the milk supply in January already fell behind the level of the previous year (-1.3%) for the fifth consecutive month. In addition to the Netherlands, the lagging milk supply in France, Germany and Austria was the main determining factor. On the other hand, there was strong growth in Poland and the UK. Milk production in most other important dairy exporting countries also lagged behind or stagnated in January. Only in New Zealand realized a strong growth (+ 7.7%). In the US, growth of 0.9% was still well below average, while in Australia the fall due to drought led to a markedly weak production start of the new calendar year (-11%). On balance, the aggregate growth rate of the major dairy exporters in January was negative: -0.3% (-84 thousand tons).

After the fall in prices in February, the butter market stabilized in March, leaving some room for price rises towards the end of March. Partly seasonal developments in demand play a role in this. There is also increasing interest in exports, as EU product has become more competitive due to rising world market prices. The price quotation of skimmed milk powder remained fairly stable at a level of just under € 200 after a long recovery period until mid-March, but then again lost some ground. The market picture remains fairly calm. In the feed segment, stocks of former intervention products still present in the trade have a price-depressing effect. The price quotation of whole milk powder is still rising, although the price picture is somewhat more stable with little activity in the course of March. Oceania and South America are now out of season. A European product can benefit from this by filling in the potential export demand, which could further support the market.

STANDARDIZED MILK PRICE CALCULATIONS for February 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		32.19	32.30	0.24
Müller(Leppersdorf)	DE	0.51	0.61		31.87	32.08	
DMK Deutsches Milchkontor eG	DE		0.15		31.58	32.61	
Hochwald Milch eG	DE	0.76			32.91	32.97	0.10
Arla Foods DK	DK	0.90			32.64	32.84	2.30
Valio	FI				34.91	35.32	0.92
Savencia (Basse Normandie)	FR	1.18			34.60	33.82	
Danone (Pas de Calais)	FR				34.31	34.36	
Lactalis (Pays de la Loire)	FR		0.24		34.75	34.00	
Sodiaal (Pas de Calais)	FR	0.58		-0.58	35.07	34.67	0.23
Dairy Crest (Davidstow)	UK	0.11	0.33		32.71	32.15	
Dairygold	IE	0.39			31.30	32.43	
Glanbia	IE			3.91	35.52	32.06	
Kerry Agribusiness	IE				31.51	32.55	
Granarolo (North)	IT	0.77			37.87	38.04	
FrieslandCampina	NL				35.85	35.33	0.57
AVERAGE MILK PRICE 2)					33.72	33.60	
Emmi	CH		3.09	-3.43	46.76	48.35	
Fonterra 3)	NZ				30.44	29.78	
United States Class III 4)	US	0.14			31.11	31.90	

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 February 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		32.96	33.07	0.24
Müller(Leppersdorf)	DE	0.51	0.71		31.97	32.17	
DMK Deutsches Milchkontor eG	DE		0.30		31.87	32.91	
Hochwald Milch eG	DE	0.76			32.93	33.08	0.10
Arla Foods DK	DK	0.90			32.72	32.94	2.30
Valio	FI				34.91	35.32	0.92
Savencia (Basse Normandie)	FR	1.18			34.60	33.82	
Danone (Pas de Calais)	FR				34.31	34.36	
Lactalis (Pays de la Loire)	FR		0.39		34.89	34.14	
Sodiaal (Pas de Calais)	FR	0.58		-0.58	35.07	34.67	0.23
Dairy Crest (Davidstow)	UK	0.11	0.89		33.27	32.70	
Dairygold	IE	0.39			31.30	32.43	
Glanbia	IE			3.91	35.52	32.06	
Kerry Agribusiness	IE				31.51	32.55	
Granarolo (North)	IT	0.77			37.87	38.04	
FrieslandCampina	NL				36.01	35.49	0.57
AVERAGE MILK PRICE 2)					33.86	33.74	
Emmi	CH		3.43	-3.43	47.10	48.69	
Fonterra 3)	NZ				30.44	29.78	
United States Class III 4)	US	0.14			31.11	31.90	

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