

STANDARDIZED MILK PRICE CALCULATIONS for November 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		32.22	32.25	0.24
Müller(Leppersdorf)	DE	0.51	0.71		31.48	32.22	
DMK Deutsches Milchkontor eG	DE		0.20		31.26	31.71	
Hochwald Milch eG	DE	0.76			32.53	32.89	0.02
Arla Foods DK	DK	0.89			32.47	32.73	2.30
Valio	FI				35.88	35.31	1.02
Savencia (Basse Normandy)	FR	1.18			35.09	35.09	
Danone (Pas de Calais)	FR				34.17	34.99	
Lactalis (Pays de la Loire)	FR		0.39		34.99	34.89	
Sodiaal (Pas de Calais)	FR	0.58		-1.07	34.02	35.24	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.68	2.26	35.89	32.85	
Dairygold	IE	0.39			30.30	30.32	
Glanbia	IE			1.95	32.09	30.42	0.40
Kerry Agribusiness	IE				31.01	31.07	
Granarolo (North)	IT	0.75			41.27	38.98	
FrieslandCampina	NL				35.00	35.22	0.57
AVERAGE MILK PRICE 2)					33.73	33.51	
Emmi	CH		3.37		52.78	51.28	
Fonterra 3)	NZ				31.69	30.15	
United States Class III 4)	US	0.22			46.12	37.09	

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 November 2019 averaged to € 33.73 per 100 kg of standard milk. An increase of € 0.22 compared to the previous month. Compared to November 2018, the average milk price decreased with € 1.09 or 3.1%.

That the average milk price has risen slightly is due to the Irish dairy companies, which have all increased their milk price by 1 euro per 100 kg. Due to the seasonal bonus, the (provisional) milk price of Glanbia has increased even more. On the other hand, there are lower milk prices in France, but this is mainly due to a seasonal effect. In addition to the Irish milk prices, the calculated milk prices of Saputo Dairy UK and FrieslandCampina have also risen, both by € 0.7 per 100 kg. In December and January milk prices of Arla remain unchanged, while FrieslandCampina milk price rises (December + € 0.9) and falls (January - € 1.2 per 100 kg).

The lower milk price of FrieslandCampina in January is mainly due to an adjustment of the system. The monthly milk prices or the guaranteed price of FrieslandCampina is based on the milk prices of other dairy companies in North-West Europe. So far, the milk prices of other companies included maximum premiums. From January these bonuses are disregarded, resulting in a lower guaranteed price. In addition, the guaranteed price applies to higher standard contents with the result that the corresponding fat, protein and lactose prices are set slightly lower. The guaranteed price in January was also corrected (lowered), because the December milk prices of the other dairy companies were afterwards overestimated. Finally, FrieslandCampina also expects slightly lower milk prices in January.

For 12 months in a row, Saputo Dairy UK did not change the milk price before seasonality, but announced a price reduction of 0.7 pence per litre or € 0.8 per 100 kg for February 2020. After a continuous rise until November, the American class III milk price fell again for the first time in December. For the whole of 2019, the USA class III milk price rose by an average of 16% compared to 2018.

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

Milcobel: unchanged, December + 1.5 (provisional)

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: unchanged, December + 1.0

The milk price includes an (average) bonus of € 0.66 for participation in the Milkmaster sustainability program, but excludes a € 0.7 bonus for the use of GMO free feed.

Based on the annual report 2018, the average Milkmaster bonus has been increased from € 0.60 with retroactive effect from January 2018 to € 0.66 per 100 kg.

Hochwald eG: unchanged

The milk price does not include the bonus of € 1.00 per 100 kg for the use of GMO-free feed.

Arla: November, December and January 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 and € 0.5 per 100 kg for welfare.

Valio: unchanged

The milk price includes a bonus of € 2.0 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: -0.2, December unchanged

Danone: (A-price): -0.5

Lactalis: unchanged, December +0.3

Sodiaal (A-price): -2.2 due to a seasonal levy

Saputo Dairy UK: +0.7 due to an increase of the value of the British pound against the euro Expressed in pence per liter and before seasonality the milk price has been unchanged for a year. In February the milk price will decrease with 0.7 ppl or € 0.8 per 100 kg. The milk price is based on producer prices for supplying the Davidstow cheese factory.

Dairygold: +1.0

The milk price includes a bonus of € 0.1 for the national sustainability program SDAS (Sustainable Dairy Assurance Scheme), but the bonuses for participating in milk recording (0.1) and Cattle breeding groups herd health (€ 0.05) are not taken into account.

Glanbia Ingredients Ireland: (provisional) +2.9

The calculated milk price includes a provisional seasonal bonus of € 1.9 per 100 kg.

The milk price includes a € 0.95 support payment paid by the Glanbia cooperative.

Kerry: +1.0

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

Granarolo: November and December unchanged

FrieslandCampina: +0.7, December +0.9 and January -1.2

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: +0.22

Emmi: -3.1 due to the expiration of the seasonal bonus, December (+0.3) and January (+0.5) due to a slight increase of the B-price.

The milk price excluded a bonus of € 2.75 per 100 kg for the national sustainability program swissmilk green.

Fonterra: +0.8 due to a revaluation of the value of the New Zealand dollar against the euro

The calculated milk price is based on a forecast milk price of 6.50 (range of \$6.25-\$6.75) plus forecast earnings of 0.20 (range 15-25 cents) or in total 6.70 NZ\$ per kg milk solids.

USA: +3.7

Expressed in dollars, the US class III milk price increased from \$ 18.72 in October to \$ 20.45 per cwt (hundredweight (45.36 kg)) in November. Though a decrease in December (\$ 19.39) the average Class III price 2019 is 16% higher than in 2018 (16.96 versus 14.61).

MARKET SITUATION

(Source: ZuivelNL www.zuivelnl.org)

Official Dutch dairy quotations (€ per 100 kg)

	8/1/2020	27/11/2019	Average 2019	Average 2018
Butter	355	359	382	499
Whole milk powder	310	310	293	269
Skimmed milk powder	260	257	213	149
Whey powder	72	70	71	70

The EU milk supply increased modestly (+ 0.3%) in October, a slight weakening compared to the previous two months. Cumulatively, the EU milk supply in the first ten months of 2019 was 0.5% higher than in 2018. Growth in France and the Netherlands continued. The Dutch milk supply recorded a plus for the fourth month in a row. In contrast, milk supply in Germany decreased. The Irish milk supply also declined in October, there was no longer any growth in September. This brought an end to an exponential rise.

Milk production in the other globally important dairy exporting countries showed a mixed picture in October, analogous to the preceding months. Milk supply in Argentina (+ 1%) and the US (+ 1%) grew. Volume in Australia (-5%), New Zealand (-3%) and Uruguay (-1%) decreased in this month. The aggregated growth rate of the major dairy exporters (including the EU) was still slightly negative at - 0.1% during this period.

The market is currently stable for all dairy products. The price quotations for butter, skimmed milk powder and whole milk powder have remained at the same level since the beginning of December. The butter market is calm and has recently been mainly supported by the necessary demand for coverage and the good prices of fresh cream. The market for skimmed milk powder is still solid, thanks to good demand and limited supply. However, buyers are gradually gaining some resistance to the high price level of European powder. Moreover, the EU is increasingly experiencing competition on the world market from cheaper US products and is losing ground with this.

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Milcobel	BE	0.73	0.75		31.69	31.72	0.24
Müller(Leppersdorf)	DE	0.51	0.61		31.38	32.12	
DMK Deutsches Milchkontor eG	DE		0.15		31.10	31.55	
Hochwald Milch eG	DE	0.76			32.51	32.87	0.02
Arla Foods DK	DK	0.89			32.40	32.67	2.30
Valio	FI				35.88	35.31	1.02
Savencia (Basse Normandy)	FR	1.18			35.09	35.09	
Danone (Pas de Calais)	FR				34.17	34.99	
Lactalis (Pays de la Loire)	FR		0.24		34.84	34.74	
Sodiaal (Pas de Calais)	FR	0.58		-1.07	34.02	35.24	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.34	2.26	35.55	32.52	
Dairygold	IE	0.39			30.30	30.32	
Glanbia	IE			1.95	32.09	30.42	0.40
Kerry Agribusiness	IE				31.01	31.07	
Granarolo (North)	IT	0.75			41.27	38.98	
FrieslandCampina	NL				34.88	35.10	0.57
AVERAGE MILK PRICE 2)					33.64	33.42	
Emmi	CH		3.20		52.60	51.11	
Fonterra 3)	NZ				31.69	30.15	
United States Class III 4)	US	0.22			46.12	37.09	

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

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Company		adjustments			MILK PRICE this month	rolling average last 12 months 1)	most recent suppl. payment
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Milcobel	BE	0.73	1.33		32.46	32.49	0.24
Müller(Leppersdorf)	DE	0.51	0.71		31.48	32.22	
DMK Deutsches Milchkontor eG	DE		0.30		31.39	31.85	
Hochwald Milch eG	DE	0.76			32.54	32.90	0.02
Arla Foods DK	DK	0.89			32.49	32.75	2.30
Valio	FI				35.88	35.31	1.02
Savencia (Basse Normandy)	FR	1.18			35.09	35.09	
Danone (Pas de Calais)	FR				34.17	34.99	
Lactalis (Pays de la Loire)	FR		0.39		34.99	34.89	
Sodiaal (Pas de Calais)	FR	0.58		-1.07	34.02	35.24	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.91	2.26	36.12	33.07	
Dairygold	IE	0.39			30.30	30.32	
Glanbia	IE			1.95	32.09	30.42	0.40
Kerry Agribusiness	IE				31.01	31.07	
Granarolo (North)	IT	0.75			41.27	38.98	
FrieslandCampina	NL				35.04	35.26	0.57
AVERAGE MILK PRICE 2)					33.77	33.55	
Emmi	CH		3.55		52.96	51.46	
Fonterra 3)	NZ				31.69	30.15	
United States Class III 4)	US	0.22			46.12	37.09	

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