

**STANDARDIZED MILK PRICE CALCULATIONS for July 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		<b>31.72</b>	33.04	0.24
Müller(Leppersdorf)	DE	0.51	0.71		<b>31.87</b>	32.79	
DMK Deutsches Milchkontor eG	DE		0.20		<b>31.26</b>	32.77	
Hochwald Milch eG	DE	0.76			<b>32.53</b>	33.25	0.02
Arla Foods DK	DK	0.90			<b>32.56</b>	33.46	2.30
Valio	FI				<b>35.88</b>	34.99	1.02
Savencia (Basse Normandie)	FR	1.04			<b>35.91</b>	34.66	
Danone (Pas de Calais)	FR				<b>37.59</b>	34.91	
Lactalis (Pays de la Loire)	FR		0.39		<b>34.89</b>	35.00	
Sodiaal (Pas de Calais)	FR	0.58		0.34	<b>35.70</b>	35.28	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.65		<b>32.06</b>	33.10	
Dairygold	IE	0.39			<b>29.80</b>	31.33	
Glanbia	IE				<b>29.68</b>	31.44	0.40
Kerry Agribusiness	IE				<b>30.00</b>	32.02	
Granarolo (North)	IT	0.77			<b>38.84</b>	38.20	
FrieslandCampina	NL				<b>34.51</b>	35.83	0.57
<b>AVERAGE MILK PRICE 2)</b>					<b>33.43</b>	<b>33.88</b>	
Emmi	CH		3.35	3.52	<b>55.44</b>	50.22	
Fonterra 3)	NZ				<b>29.31</b>	28.97	
United States Class III 4)	US	0.18			<b>39.49</b>	34.17	

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

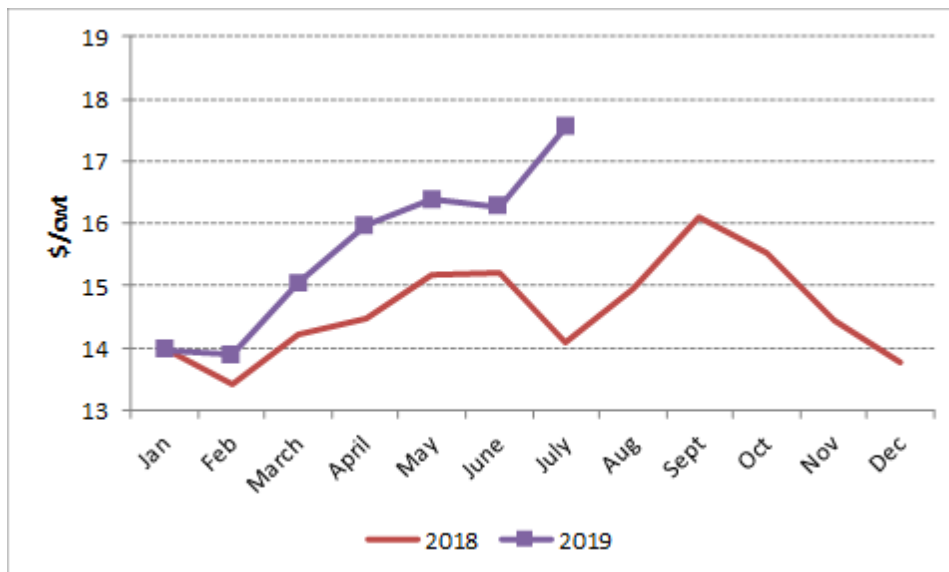
The calculated monthly milk prices in July 2019 averaged to € 33.43 per 100 kg of standard milk. An increase of € 0.14 compared to the previous month. Compared to July 2018, the average milk price decreased with € 0.41 or 1.2%.

For the first time this year since February, the average milk price is below the level of the same month in 2018. It does not look like milk prices will rise in the coming months to the same extent as at the end of last year. Without a revival of the market, it would appear that the price level of 2018 will not be achieved in 2019.

That milk prices in July have risen slightly on average is due to the seasonal fluctuations. The price increases of the French dairy companies are no surprise. During the summer months of July, August and September, French milk prices usually peak. The milk price of Saputo Dairy UK has risen due to a seasonal premium in the month of July. Granarolo increased the milk price in July by € 0.5/100 kg. The calculated milk price of Valio has risen due to an increase in the sustainability bonus. The Irish companies, FrieslandCampina and Müller lowered their prices in July. The prices of DMK, Arla, Savencia, Saputo, Granarolo and FrieslandCampina will remain unchanged for the coming month(s).

The development of the milk price in the USA is at odds with that in the EU. Expressed in dollars, the class III milk price has risen by 27% since January 2019, of which 8% in July. The class III milk price in July is the highest since December 2014. The increase is due to the sharp rise of the prices of cheese (cheddar) (+ 33% in 2019).

### *Graph Development of USA Class III prices in 2018 and 2019*



**Price changes in July 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:** July and August unchanged

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:** -0.1, August and September 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:** + 1.0

The milk price includes a bonus of € 2.0 (was 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:** +1.0, August and September unchanged

**Danone:** (A-price): +2.3

**Lactalis:** +0.2

**Sodiaal** (A-price): +0.9, due to a higher seasonal premium

**Saputo Dairy UK:** +2.2 due to the termination of the seasonal levy.

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

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 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:** -1.0

The milk price includes a € 0.48 support payment paid by the Glanbia cooperative.

**Kerry:** (provisional) -1.9

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

**Granarolo:** +0.5 and August unchanged

**FrieslandCampina:** -0.7, August and September unchanged

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:** +0.14

**Emmi:** +3.9 due to a seasonal bonus, August -0.2 and September +0.1 due to changes in the B-price. From September onwards the Swiss dairy branche introduces a national sustainability program, the so called "Branchenstandard Nachhaltige Scheizer Milch" or "Grüne Teppich" (green carpet). Dairy farmers who meet the criteria receive a premium of 3 Swiss francs (€ 2.71) per 100 kg of A milk. At the moment 66% of the milk supplied is so called A-milk.

**Fonterra:** unchanged

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 NZ\$ per kg milk solids.

**USA:** +3.0

Expressed in dollars, the US class III milk price increased from \$ 16.27 in June to \$ 17.55 per cwt (hundredweight (45.36 kg)) in July.

### MARKET SITUATION

(Source: ZuivelNL [www.zuivelnl.org](http://www.zuivelnl.org) )

Official Dutch dairy quotations (€ per 100 kg)

	28/8/2019	31/7/2019	Average 2018
Butter	339	345	499
Whole milk powder	278	278	269
Skimmed milk powder	211	208	149
Whey powder	60	60	70

EU milk supply showed a small decrease in June (-0.2%) after zero growth in May. Cumulatively, the EU milk supply in the first half of 2019 was 0.4% higher than in the same period in 2018. Milk deliveries in Ireland continue to increase strongly. An increase of almost 8% was achieved in June. Poland has been stagnating in supply since May, following strong growth in the preceding months. Germany recorded a decrease in June, just like in May. The French milk supply remained virtually stable in June. With the exception of New Zealand, a fall was achieved in milk production in the other, globally important, dairy exporting countries in June. The decrease in the US was limited (-0.2%). Australia, Argentina and Uruguay continued on the road of strong decline. New Zealand milk supply recovered in the seasonally lower production month of June after a period of contraction. Due to the stagnation in the first half of 2019, the aggregate growth rate of the major dairy exporters (including the EU) remained negative during this period: -0.4%. Butter prices went down from mid-May to mid-August. Little demand and ample supply, among other things caused by high stocks, were the basis for this. Mid-August a (temporary) bottom appears to have emerged in the market, caused by slightly more demand, also from the world market. The price quotation of skimmed milk powder has increased somewhat since the beginning of July, after the slight fall in June. The price level stabilized in August. There is currently a quiet market with a fixed undertone. There is still little activity on the market for whole milk powder. The price picture is relatively stable.

**STANDARDIZED MILK PRICE CALCULATIONS for July 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		<b>31.19</b>	32.51	0.24
Müller(Leppersdorf)	DE	0.51	0.61		<b>31.77</b>	32.69	
DMK Deutsches Milchkontor eG	DE		0.15		<b>31.10</b>	32.61	
Hochwald Milch eG	DE	0.76			<b>32.51</b>	33.23	0.02
Arla Foods DK	DK	0.90			<b>32.49</b>	33.39	2.30
Valio	FI				<b>35.88</b>	34.99	1.02
Savencia (Basse Normandie)	FR	1.04			<b>35.91</b>	34.66	
Danone (Pas de Calais)	FR				<b>37.59</b>	34.91	
Lactalis (Pays de la Loire)	FR		0.24		<b>34.75</b>	34.85	
Sodiaal (Pas de Calais)	FR	0.58		0.34	<b>35.70</b>	35.28	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.32		<b>31.74</b>	32.77	
Dairygold	IE	0.39			<b>29.80</b>	31.33	
Glanbia	IE				<b>29.68</b>	31.44	0.40
Kerry Agribusiness	IE				<b>30.00</b>	32.02	
Granarolo (North)	IT	0.77			<b>38.84</b>	38.20	
FrieslandCampina	NL				<b>34.39</b>	35.71	0.57
<b>AVERAGE MILK PRICE 2)</b>					<b>33.33</b>	<b>33.79</b>	
Emmi	CH		3.17	3.52	<b>55.27</b>	50.05	
Fonterra 3)	NZ				<b>29.31</b>	28.97	
United States Class III 4)	US	0.18			<b>39.49</b>	34.17	

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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		<b>31.96</b>	33.28	0.24
Müller(Leppersdorf)	DE	0.51	0.71		<b>31.87</b>	32.79	
DMK Deutsches Milchkontor eG	DE		0.30		<b>31.39</b>	32.90	
Hochwald Milch eG	DE	0.76			<b>32.54</b>	33.26	0.02
Arla Foods DK	DK	0.90			<b>32.58</b>	33.48	2.30
Valio	FI				<b>35.88</b>	34.99	1.02
Savencia (Basse Normandie)	FR	1.04			<b>35.91</b>	34.66	
Danone (Pas de Calais)	FR				<b>37.59</b>	34.91	
Lactalis (Pays de la Loire)	FR		0.39		<b>34.89</b>	35.00	
Sodiaal (Pas de Calais)	FR	0.58		0.34	<b>35.70</b>	35.28	0.29
Saputo Dairy UK (Dairy Crest)	UK	0.11	0.86		<b>32.28</b>	33.32	
Dairygold	IE	0.39			<b>29.80</b>	31.33	
Glanbia	IE				<b>29.68</b>	31.44	0.40
Kerry Agribusiness	IE				<b>30.00</b>	32.02	
Granarolo (North)	IT	0.77			<b>38.84</b>	38.20	
FrieslandCampina	NL				<b>34.55</b>	35.87	0.57
<b>AVERAGE MILK PRICE 2)</b>					<b>33.47</b>	<b>33.92</b>	
Emmi	CH		3.52	3.52	<b>55.62</b>	50.39	
Fonterra 3)	NZ				<b>29.31</b>	28.97	
United States Class III 4)	US	0.18			<b>39.49</b>	34.17	

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