

PRICES IN EURO PER 100 KG STANDARD MILK WITH 4.2% FAT, 3.4% PROTEIN, 1,000,000 KG PER YEAR, TBC 24,999 PER ML AND SCC 249,999 PER ML, VAT EXCLUDED

COMPANY		prices (€/kg) <sup>1</sup>		bonuses/deductions (included) <sup>2</sup>				MILK PRICE this month	av. last 12 months <sup>3</sup>	recent suppl. payment <sup>4</sup>	
		fat	protein	quality	quantity	season	sustainability				Milk flows
Milcobel	BE	7.43	7.43	0.73	0.85		0.69		<b>58.51</b>	47.28	0.90
DMK Deutsches Milchkontor eG	DE	6.79	8.83		0.20		0.50	1.00	<b>60.35</b>	46.63	
Hochwald Milch eG	DE	2.50	5.00	1.00			0.60	1.00	<b>58.07</b>	44.86	0.50
Arla Foods DK	DK	6.19	8.04	1.55			1.00	1.50	<b>56.64</b>	44.87	1.95
Capsa Food	ES	3.00	3.00						<b>46.73</b>	39.56	
Valio	FI	3.90	6.50				1.94		<b>48.80</b>	41.39	1.84
Savencia (Basse Normandy)	FR	2.95	5.43	1.04					<b>45.62</b>	41.00	
Danone (Pas de Calais)	FR	2.96	5.39						<b>44.25</b>	39.17	
Lactalis (Pays de la Loire)	FR	2.60	6.60		0.39		0.07		<b>44.38</b>	40.79	
Sodiaal (Pas de Calais)	FR	2.96	5.39	0.58		1.36	0.19		<b>43.92</b>	40.05	0.19
Saputo Dairy UK (Dairy Crest)	UK	5.09	10.18	-1.15	0.80	-2.30			<b>51.70</b>	41.91	
Dairygold	IE	6.24	10.22	0.39			0.10		<b>57.55</b>	49.41	
Glanbia	IE	4.99	9.98				0.50		<b>57.46</b>	48.99	0.15
Kerry Agribusiness	IE	6.48	9.73				0.10		<b>57.93</b>	48.42	
FrieslandCampina	NL	4.81	9.63				0.25	0.66	<b>58.06</b>	46.68	0.14
<b>AVERAGE MILK PRICE<sup>5</sup></b>									<b>52.66</b>	<b>44.07</b>	
Emmi	CH	4.13	5.16			4.02	2.10		<b>77.36</b>	65.07	
Fonterra	NZ	5.72	5.72						<b>43.51</b>	42.87	0.94
United States class III	US	7.31	6.34	0.24					<b>55.88</b>	48.32	

1) Payment per % fat and % protein above or below 4.2% and 3.4% respectively. France and US true protein and not in crude protein as in most European countries.

2) These premiums and deductions are included in the milk price, but it is not a complete list. There may also be other premiums and deductions included.

3) Weighted average based on the basis of national monthly deliveries exclusive of most recent supplementary payment.

4) The most recent supplementary payment is stated to give an indication of a possible supplement to the monthly milk prices after the calendar year.

5) Arithmetic average.

## MILK PRICES FROM JANUARY 2021 UNTIL AUGUST 2022

The calculated advance milk prices paid in August 2022 averaged to € 52.66 per 100 kg of standard milk. This is an increase of € 1.12 compared to the previous month. Compared to August 2021 the average milk price increased with € 16.72 or 46.5%.

Due to the lack of data from March 2021 onwards, the milk prices of Müller (Leppersdorf) and Granarolo are no longer calculated and published. Retrospectively, the average milk price from January 2021 onwards does not include milk prices of these two companies.

In addition, some milk prices of other companies have been adjusted retrospectively (see explanation per company), so that the average milk prices for January and February 2021 have been updated to € 33.59 (was € 33.77) and € 33.81 (was € 33.98) per 100 kg.

The standards and assumptions of this international milk price comparison have not changed. When participating in sustainability programmes, where the amount of the bonus depends on the performance of the dairy farmer, the average supplement paid by the dairy company is applied as much as possible. In the case of special milk flows, the supplement is fully included if a substantial share of dairy farmer suppliers receive this premium and the aim of the dairy company is all milk in the future is delivered from cows that are fed without genetically modified feed (GMO-free)..

## PRICE AUGUST 2022 AND ADDITIONAL INFORMATION

### Milcobel

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	+0.78
August 2021:	+22.89

From May 2021, Milcobel has increased the fixed costs deductions per month from € 75.00 to € 150.00. At the same time, a sustainability premium and a premium for meadow milk have been introduced. Depending on the score, the dairy farmer can receive a maximum sustainability premium of € 0.50 (from May 2022 onwards € 1.00) per 100 litres of milk. The calculated milk prices are based on an average sustainability premium of € 0.31 and € 0.69 per 100 kg respectively.

The premium for meadow milk is € 0.50 per 100 litres. Because it is unknown how many dairy farmers receive this bonus, the (average) bonus is not yet included in the calculated milk price. After halving from May 2021 onwards, the quantity premium has been increased by 50% with effect from August 2022.

A supplementary payment of € 0.90 per 100 kg of milk delivered in 2021 (€ 0.118 per kg of fat and € 0.90 per kg of protein) has been calculated. Incidentally, this supplementary payment (cooperative return) was not paid out, but withheld for individual members capital accumulation.

### DMK Deutsches Milchkontor eG

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	+3.07
August 2021:	+23.05

Because from July 2021 DMK uses a conversion factor of 1 liter is 1.03 kg, the calculated milk prices of DMK are no longer corrected for this.

The milk price includes an average bonus of € 0.50 (was € 0.40) for participation in the Milkmaster sustainability program. From 2022 onwards this bonus includes a so called climate check. This is an annual survey for farmers to complete.

The calculated milk price includes a surcharge for the use of GMO-free feed. From January 2022, this is € 1.00 per 100 kg of milk. This is equal to the maximum bonus, because it is assumed that (almost) all dairy farmers receive this premium. In 2021 the average surcharge was € 0.80 per 100 kg.

DMK has paid a supplementary payment of € 1.00 (January to November) and € 0.60 per 100 kg (December) for the milk delivered in 2021. These supplementary payments are retrospectively incorporated in the monthly milk prices and therefore not in the last column with most recent supplementary payment.

**Hochwald eG**

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	+2.00
August 2021:	+22.63

The calculated milk price includes a sustainability premium of € 0.60 per 100 kg. This is a bonus for applying the Cool Farm Tool, an online calculation tool to calculate the greenhouse gas emissions at farm level per kg of milk. The bonus for the quality and sustainability program Milchplus has expired from 2022 onwards.

The calculated milk price includes a bonus of € 1.00 per 100 kg for the use of GMO-free feed. All milk is GMO free.

The supplementary payment for 2021 is based on an advance payment of € 0.50 per 100 kg paid out with the milk statement from March 2022.

**Arla**

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	+1.02
August 2021:	+19.55

Because from July 2021 onwards Arla uses a conversion factor of 1 litre is 1.03 kg, the calculated milk prices of Arla are no longer corrected for this.

The calculated milk price includes a surcharge of € 1.00 for the climate check and a surcharge for GMO-free milk of € 1.50 from March 2022 (was € 1.00).

The surcharge for the quality and sustainability program Arla garden plus has expired from April 2021.

A supplementary payment of € 2.01 per 100 kg has been calculated for 2020. Part of this supplementary payment has been credited to the individual member account. For 2021, an average supplementary payment of € 1.95 is provisionally assumed, based on the Arla annual report 2021.

**Capsa Food**

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	+3.59
August 2021:	+13.81

The calculated milk price of Capsa is based on an average of an A- (70%) and a B-price (30%). The A-price has been increased to € 315 per 1000 litres in April 2022. The increase in the monthly milk prices in the past year is due to the (significantly) increased B-price. From August 2021, this has increased monthly to € 607.74 per 1,000 litres in June 2022. After that, the B-price fell again slightly, but extra incidental bonuses were paid in July and August 2022. In August, for example, a total of € 4.53 per 100 kg extra was paid out. This is to compensate for, among other things, increased (fertilizer) costs. These bonuses are not listed separately in the table, but are included in the calculated milk prices.

**Valio**

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	unchanged
August 2021:	+13.54

The basic milk price is based on a weighted average of an A, B and C price from 2021. The A price applies to 98% of the milk delivered within the quota and the B price to 2%. If the limit for delivery is exceeded, a very low C-price will be paid.

Valio's milk price includes a € 1.94 bonus for participating in the NASEVA sustainability animal health program.

The supplementary payment for the milk delivered in 2021 is € 1.84 per 100 kg.

Milk prices of Valio are based on milk statements of one of its coops.

**Savencia**

Price change (€ per 100 kg) August 2022 compared to:

July 2022:	unchanged
August 2021:	+8.16

After February 2021, no changes have occurred in the payment system of Savencia.

**Danone: (A-price)**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +1.69

August 2021: +4.32

Danone's milk price is based on a contract whereby 50% of the A- milk price development is determined by market indicators and 50% by cost price development at dairy farms.

**Lactalis**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: unchanged

August 2021: +8.35

The milk price includes a premium of € 0.07 per 100 kg for participation in the national program Carte des Bonnes Pratiques d'Elevage (CBPE) and a quantity premium.

From October 2021 the calculated milk prices includes an extra bonus due to a contract concluded by Lactalis with supermarket chain Leclercq regarding the supply of consumption milk under private label.

**Social: (A-price)**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +1.46

August 2021: +5.73

La Route Du Lait (LRDL) is Sodiaal's sustainability program. For participation, the dairy farmers receive a premium of € 0.19 per 100 kg. This is incorporated in the calculated milk price.

**Saputo Dairy UK**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +1.71

August 2021: +19.66

From April 2021, a quality deduction applies of 1 pence per litre (was 0.5 ppl) or € 1.15 per 100 kg. This relates to a somatic cell count of 249,999 per ml.

The milk price is based on dairy farmers supplying the Davidstow cheese factory.

**Dairygold**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: unchanged

August 2021: +21.25

The calculated milk price includes a bonus of € 0.10 for the national sustainability program SDAS, but excludes supplements for participation in the milk recording (0.1) and an heard health program (0.05).

No supplementary payments have been paid for milk delivered in 2020 and 2021.

**Glanbia Ingredients Ireland**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: unchanged

August 2021: +21.88

With effect from January 2022, the premium of € 0.40 as a share in the profit of Glanbia Ireland has expired. Since January 2022, dairy farmers receive a premium of € 0.50 for (mandatory) participation in a sustainability program. From April 2022, the milk price also includes a support payment for the increased input costs, rising from 2.98 (April) to 5.95 per 100 kg in August. In the calculated milk prices both payments are adjusted to reflect standard constituents of 4.2% fat and 3.4% protein.

Supplementary payments for milk delivered in the years 2020 and 2021 have not yet been calculated, so for the time being the most recent supplementary payment in the table relates to the milk delivered in 2019.

**Kerry**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +1.42

August 2021: +24.72

The milk prices of July 2021, January to June 2022 and August 2022 include additional payments as part of contractual commitment to pay a leading milk price.

The calculated milk price includes a bonus of € 0.10 for the SDAS sustainability program.

**FrieslandCampina**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: unchanged

August 2021: +21.25

From 2021, the calculated milk price includes an (average) surcharge of € 0.25 per 100 kg for the quality and sustainability program Foqus planet. The average supplement paid to dairy farmers applying pasture grazing (meadow milk) in 2020 and 2021 is € 0.66 per 100 kg. These amounts are based on FrieslandCampina 2021 annual report. For the time being, € 0.66 per 100 kg of milk is also assumed in 2022.

The most recent supplementary payment concerns the supplementary payment for the milk delivered in 2021 according to the annual report. No supplementary payment has been made for 2020.

**AVERAGE:** € 52.66 per 100 kg

**Emmi**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +1.09

August 2021: +14.97

An important part of Emmi's price increase is due to the sharp rise in the value of the Swiss franc against the euro. Based on the exchange rate of August 2021, the calculated milk price for August 2022 would be considerably lower, namely € 69.65 per 100 kg!

Because from 2024 all milk must meet the industry standard for sustainable Swiss milk, the so called 'grüner Teppich' (green carpet) this premium is from 2021 included in the calculated milk price. This binus of 3 SF per 100 kg only applies to A-milk (=66% of the milk supplied) or an average of € 2.10 per 100 kg for all milk.

Milk prices are based on milk statements of a producer organization that supplies milk to Emmi.

**Fonterra**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +0.74 (due to exchange rate)

August 2021: +1.62

On September 22, 2022, Fonterra has announced a forecast 2022/23 farm gate milk price range of NZ\$ 8.50-10.00 per kg milk solids (fat and protein). The calculated milk price for June 2022 to May 2023 – so also August 2022- is based on NZD 9.25 per kg of milk solids, the midpoint of this forecast.

The final 3021/22 farm gate milk price of Fonterra is NZ\$ 9.30 per kg of milk solids. The calculated milk prices from June 2021 to May 2022 are based retroactively on NZ\$ 9.30 per kg of milk solids. In addition, Fonterra has paid a dividend of 0.20 ND\$ per share. Based on 1 share per kg of milk solids, this dividend payment is included in the table as the most recent supplementary payment (€ 0,14 per 100 kg standard milk).

For the milk price year 2020/21, the definitive milk price was NZ\$ 7.54 per kg of milk solids and the dividend payment was NZD 0.20 per share.

**USA**

Price change (€ per 100 kg) August 2022 compared to:

July 2022: +0.28

August 2021: +22.33

Expressed in dollars, the USA Class III milk price has increased from \$15.96 in August 2021 to \$ 22.52 per cwt (hundredweight (45.36 kg)) in August 2022 (+41%). Expressed in euros, the price increase in this period is much higher (66%) due to the sharp rise in the value of the dollar against the euro.

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