

# FORMULA PRICE - AUGUST 2013 - CONFIRMED



Dairy Co Datum data declared for **JUNE**, impacting the Formula milk price position for **AUGUST**.

Net change, **+0.588p/l** to deliver a standard litre price of **31.787p/l\*** (\*mp.com 'flagship')

## BASE PRICE CHANGE - standard seasonality/profile liquid contract variant

Base price	<b>JULY</b>	<b>27.397</b>
JUNE data revision		<b>+0.588</b>
Base price	<b>AUGUST</b>	<b>27.985</b>

## COMMENTARY

August is the third month out of the five months since the launch of the Liquid Formula that it will exceed the equivalent standard litre Liquid price, the advantage of almost +0.4p/l for the August Liquid Formula.

Cumulative increasing cream values continue to strongly influence the Formula price, stimulating virtually the entire incremental increase from the June data for August. Cream values are now at their highest level for two years, at £1,690/t, generating a Datum Cream Index of 9.73p/l. Two years ago, June 2011, cream values were £1,800/t and a Cream Index of 10.03p/l. Latest analyst reports continue to report that Cream values are continuing to rise as milk volumes remain reasonably tight, and demand high.

Feed reports again record a second month at an all time high for 18% concentrate at £273/t. Some energy feed ingredients are indicating reductions/tonne later this year as new season crops come on stream. However, protein ingredients and compound concentrate processing costs remain high.

Fuel, DECC have again made a small adjustment to the results for May, these incorporated within this month's review.

Data below as declared through each month's Datum review. Any subsequent data revisions are incorporated in the rolling sequencing. Revisions indicated through the struck through data below.

## FORMULA INDICES - UPDATE

		<u>Mar 13</u>	<u>APR 13</u>	<u>MAY 13</u>	<u>JUNE 13</u>
Cream	£/t	£1,350	£1,600	£1,610	<b>£1,690</b>
Cream Index	ppl	7.890p	<del>9.370p</del> 9.220p	9.290p	<b>9.730p</b>
Four Pints Retail	4 pints p	124p	124p	124p	<b>124p</b>
Feed - concentrate	£/t	£268	£269	£273	<b>£273</b>
Fertiliser - AN	£/t	£305	£305	£268	<b>£271</b>
Fuel - red diesel	p/l	<del>73.89p</del> 73.70p	<del>71.24p</del> 70.92p	<del>68.45p</del> 68.15p	<b>69.47p</b>

Indices applied via the milk price on a 'month after next basis' i.e. June impacting August price.

<b>MONTHLY FORMULA CHANGE</b>	<b>-0.033p</b>	<b>+0.738p</b>	<b>+0.504p</b>	<b>+0.588p</b>
<b>FORMULA PRICE*</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUGUST</b>
	<b>29.957p</b>	<b>30.695p</b>	<b>31.199p</b>	<b>31.787p</b>
<b>DC STD LIQUID PRICE*</b>	<b>29.890p</b>	<b>31.390p</b>	<b>31.390p</b>	<b>31.390p</b>

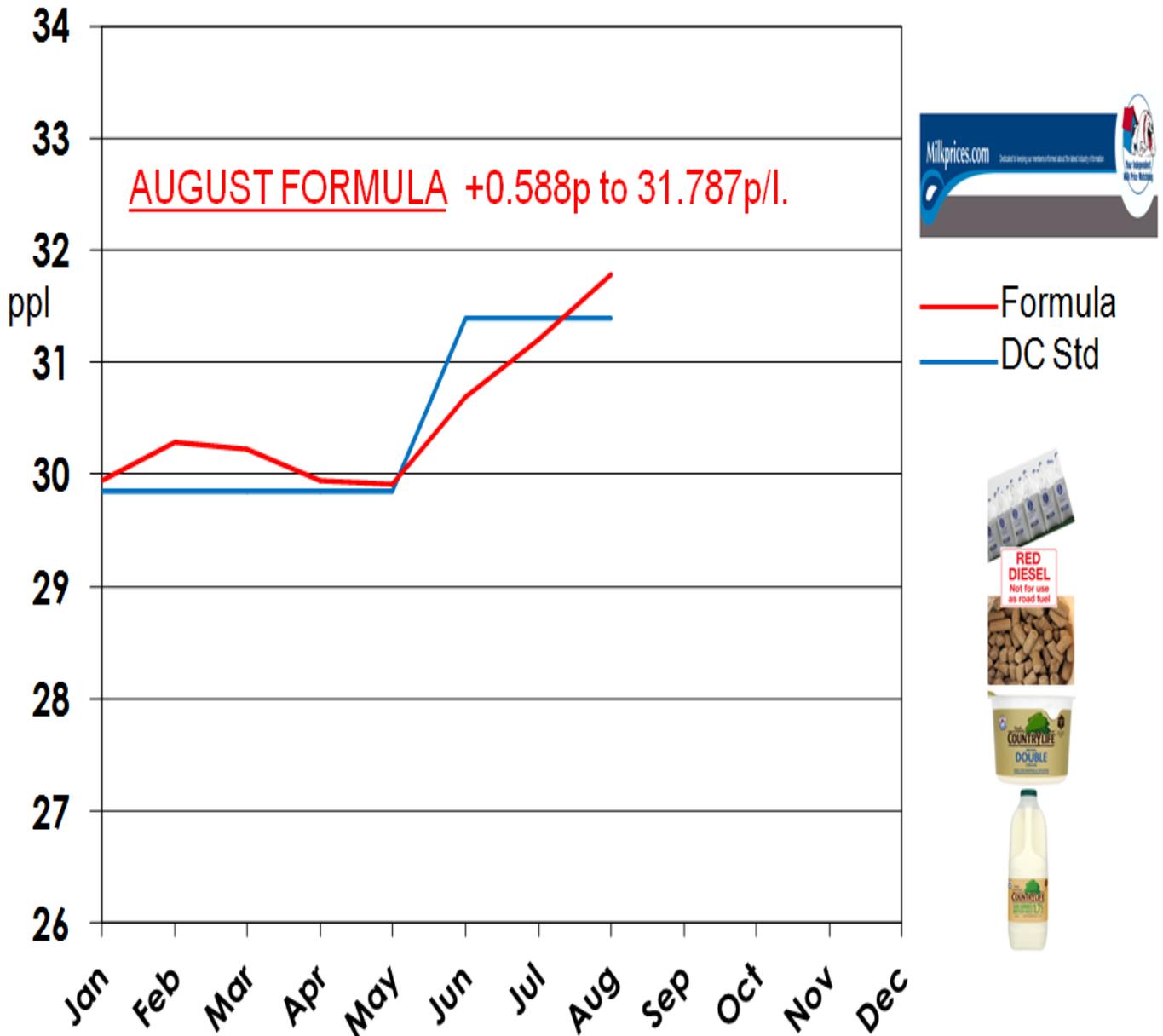
\*Formula and DC Std Litre comparison for consistency based on mp.com flagship league table profile inclusion of 1.10p/l at the April 2013 Formula launch. Latest mp.com profile with RPA production data for May = 1.06p/l.

All data rounded to 3 decimal places.

# FORMULA INDICES - GRAPH DATA - Please see the following updates:

## Using standard litre mp.com flagship table.

JUNE Dairy Co Datum data utilised to generate the AUGUST milk price.



Please see the updated parameter charts below -

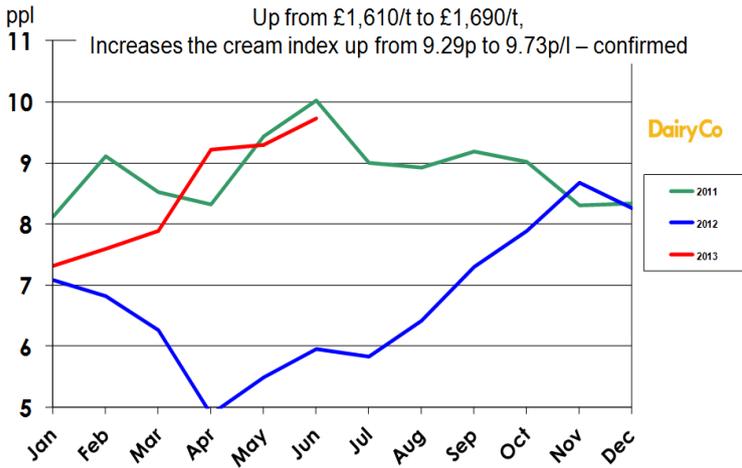
all declared for JUNE 2013 by Dairy Co Datum - with permissions

# FORMULA DATA HIGHLIGHTS - JUNE 2013

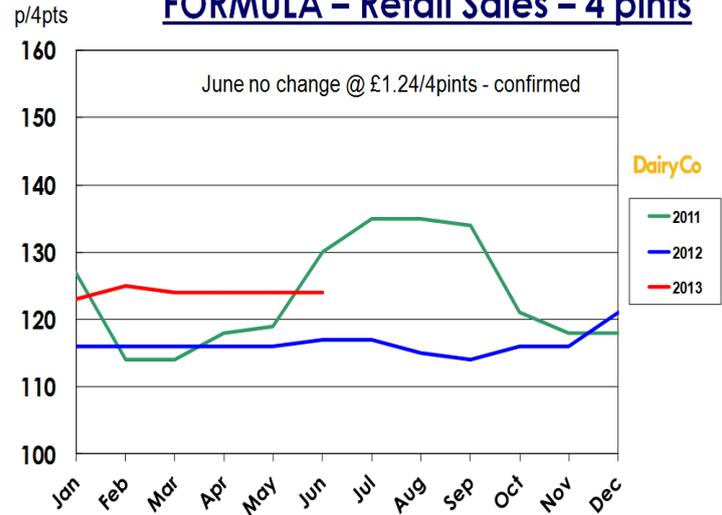
- Cream - a further +£80/t increase - May to June.
- Retail four pints - no changes.
- Feed - no changes.
- Fert - increasing £3/t
- Fuel - increasing by just over 1p/l, with a slight revision downwards of the Dept of Climate Change declared fuel stats for May.

Source: Dairy Co Datum (with kind permissions)

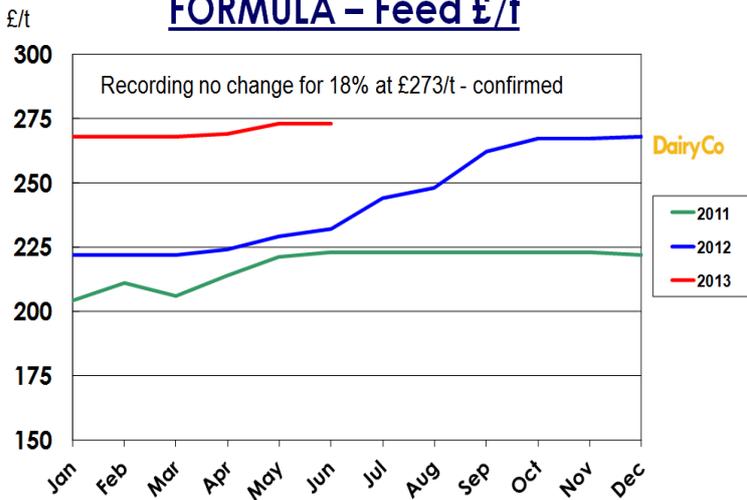
## FORMULA – Cream Index – p/l



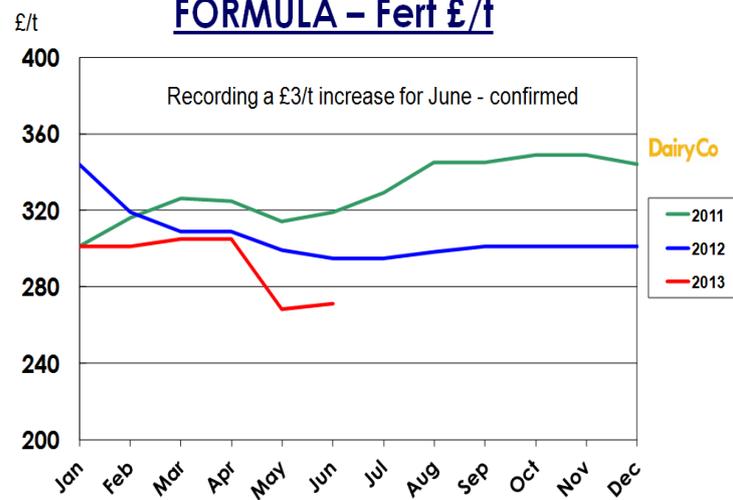
## FORMULA – Retail Sales – 4 pints



## FORMULA – Feed £/t



## FORMULA – Fert £/t



## FORMULA – Fuel p/l

