

FORMULA PRICE - JANUARY 2014 - CONFIRMED



Dairy Co Datum data declared for **NOVEMBER**, impacting the Formula milk price for **JANUARY**.

Net change, **-0.198p/l** to deliver a standard litre price of **31.489p/l*** (*mp.com 'flagship')

BASE PRICE CHANGE - standard seasonality/profile liquid contract variant

Base price	DECEMBER	27.882
NOVEMBER data revision		-0.195
Base price	JANUARY	27.687

COMMENTARY

The DC/DCD Liquid Formula milk price reduces by -0.195p/l for January as a result of the combined market and cost parameters recorded by Dairy Co and declared for November.

Increasing demand for cream has seen the November cream price rebound by £50/t after the £40/t fall in October. The resultant cream income for November at 9.90p/l against £1,750/t is slightly lower than back in September (the previous high) when the cream income was at 9.91p/l against £1,740/t. This change in proportionate value due to the reducing rolling average UK butterfat that Dairy Co's cream calculator utilises within it's Cream Index to determine the remaining volume of cream available to market after liquid processing.

Concentrate costs remained static for November, with wheat prices again strengthening by a further £4/t during the month from £167/t to £171/t, this may have contributed to stability after the falls recorded in Aug/Sep.

Similarly, no change recorded with the retail four pint results for the month.

AN fertiliser prices increased by £5/t after the reduction of £22.50/t in October; the first increase since March.

Fuel prices reduced again, also with a backdated revision for October; a combined reduction of 4.05p/l across October/November.

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

		AUGUST 13	SEPTEMBER 13	OCTOBER 13	NOVEMBER 13
Cream	£/t	£1,720	£1,740	£1,700	£1,750
Cream Index	ppl	9.83p	9.91p	9.66p	9.90p
Four Pints Retail	4 pints p	126p	127p	127p	127p
Feed - concentrate	£/t	£270	£256	£256	£256
Fertiliser - AN	£/t	£271	£271	£248.50	£253.50
Fuel - red diesel	p/l	71.38p 71.21p	71.96p 71.80p	69.15p 68.83p	67.75p

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

MONTHLY FORMULA CHANGE	+0.153p	-0.144p	-0.254p	-0.195p
FORMULA PRICE*	OCTOBER	NOVEMBER	DECEMBER	JANUARY
	32.082p	31.938p	31.684p	31.489p
DC STD LIQUID PRICE*	31.390p	32.390p	32.390p	32.390p

*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 Oct = 1.23p/l.

All data rounded to 3 decimal places.

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

Using standard litre mp.com flagship table.

NOVEMBER Dairy Co Datum data utilised to generate the JANUARY milk price.

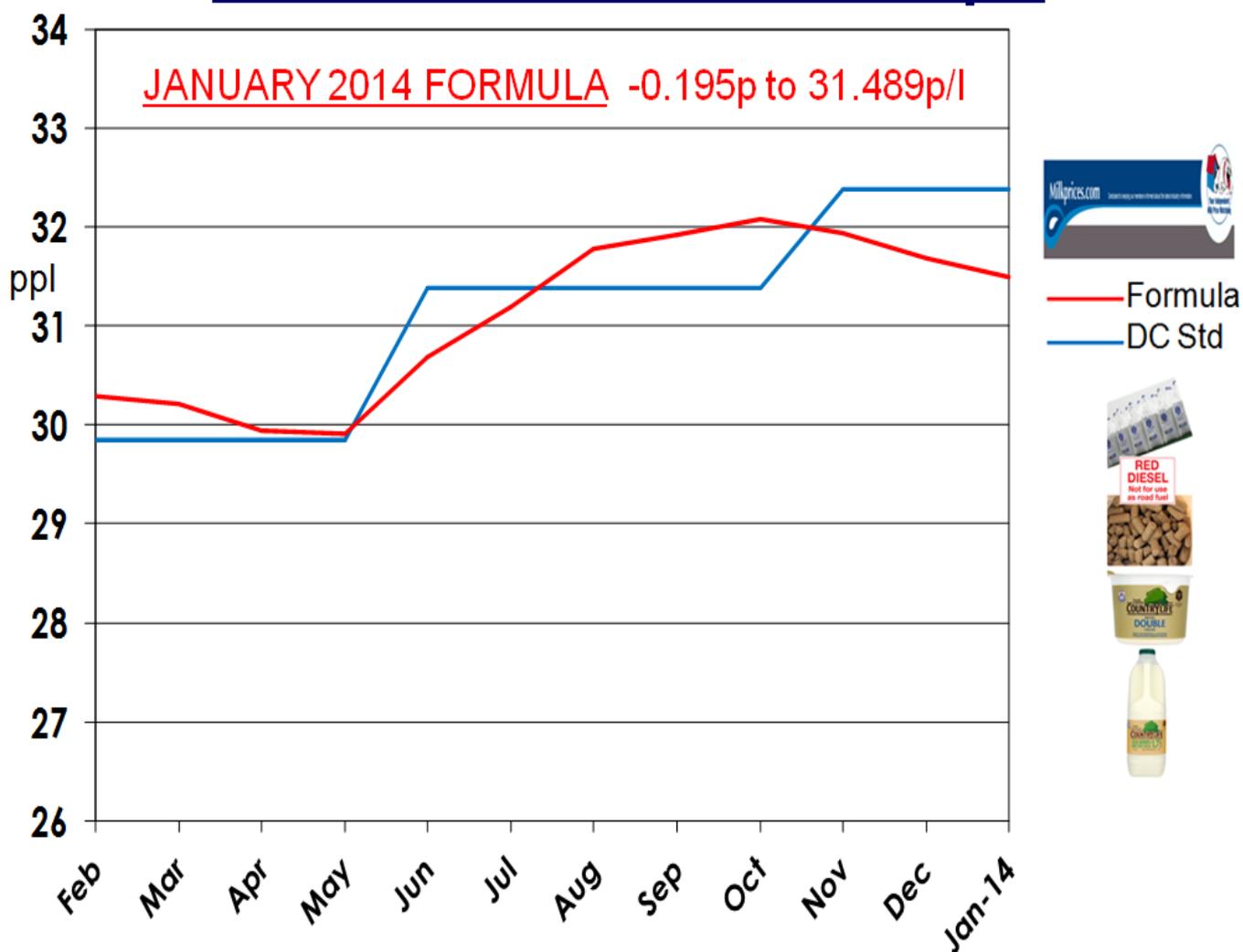
The comparison below made against the existing standard liquid price for January, with an advantage of +0.901p/l in favour of the standard liquid price.

Milk price difference between Standard Liquid and Formula since launch:-

March 2013 **29.850p/l** Standard Liquid

January 2014 **31.489p/l** Formula, difference **+1.639p/l**

FORMULA – Related Price p/l

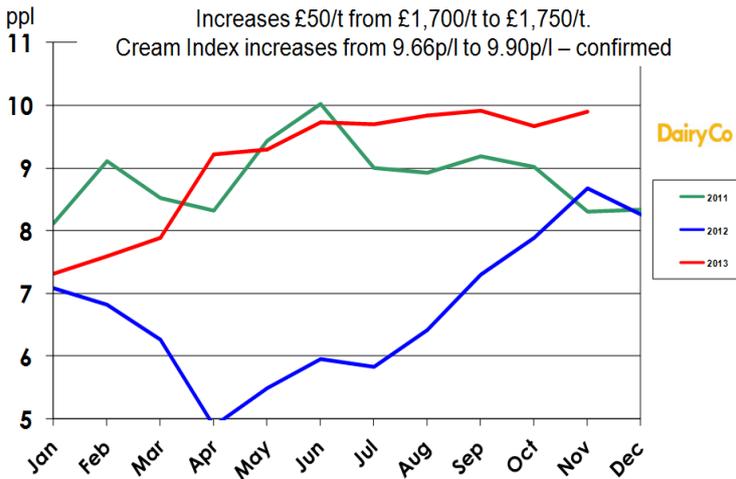


Please see the updated parameter charts below - all declared for NOVEMBER 2013 by Dairy Co Datum - with permissions.

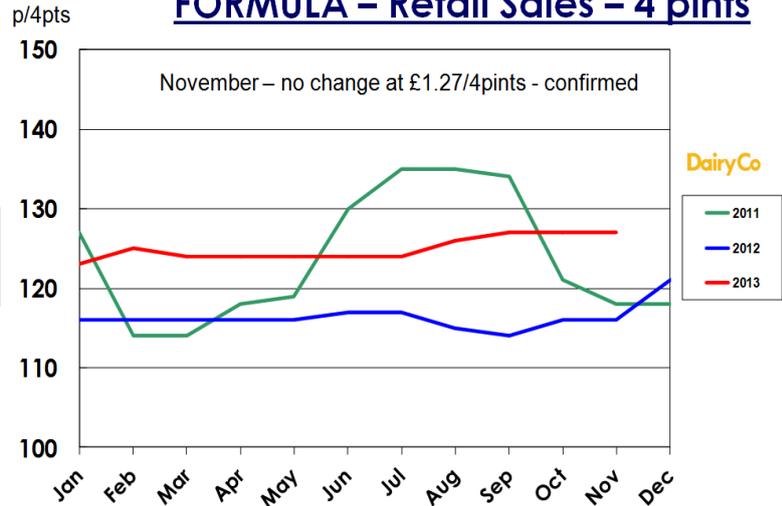
FORMULA DATA HIGHLIGHTS - NOVEMBER 2013

- Cream - increased by £50/t, and by +0.24p/l to the cream index.
- Retail four pints - no change.
- Feed/concentrates - no change.
- Fert - increased by £5/t this month
- Fuel - decreased by -1.08p/l to 67.75p/l, with again a revision downwards of the Dept of Climate Change declared fuel stats for October's *Datum* review.
- Any subsequent revisions are incorporated in the rolling sequencing of the data - see DECC for fuel.

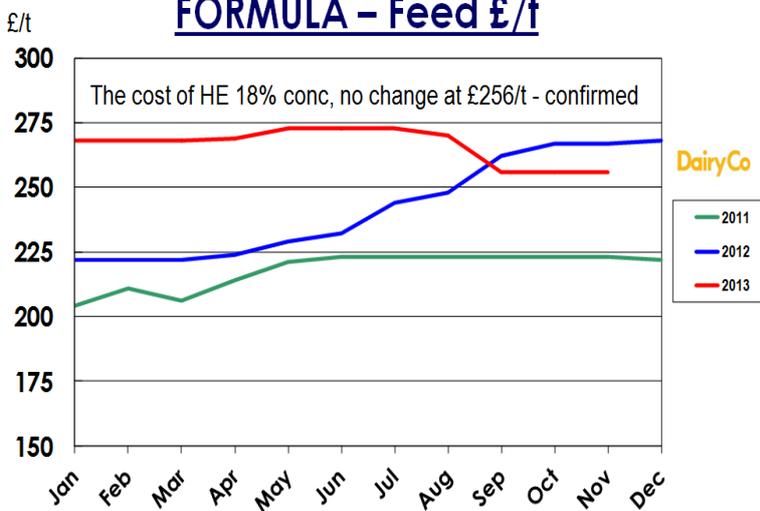
FORMULA – Cream Index – p/l



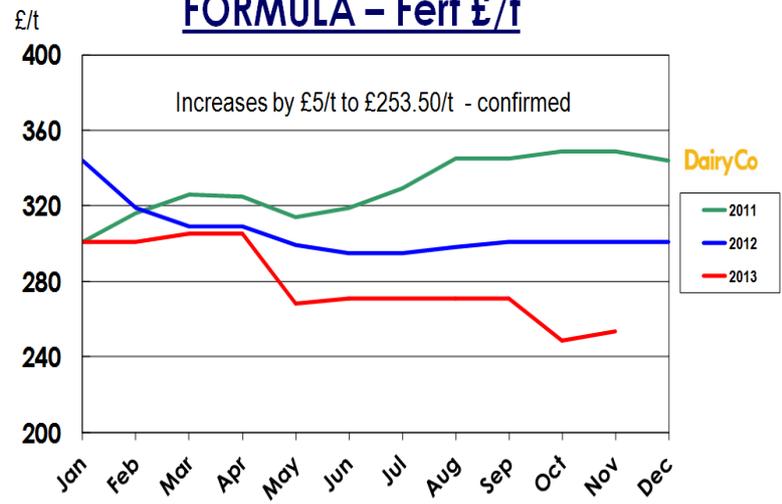
FORMULA – Retail Sales – 4 pints



FORMULA – Feed £/t



FORMULA – Fert £/t



FORMULA – Fuel p/l

