



Department
for Environment
Food & Rural Affairs

INTL FCStone[®]

INTL FCStone Ltd.

DirectMilk
DPO

UK Milk Futures Equivalent

DAIRY FUTURES/UK MILK FUTURES EQUIVALENT - 25 APRIL 2016

Through our Dairy Fund Projects, we engaged with industry EEX Futures specialists, INTL FC Stone and milk.prices.com to pursue Dairy Futures opportunities. This to provide greater market knowledge of future dairy ingredient returns, and the potential longer term for Dairy Futures trades to be accessible to our dairy farmers. **UKMFE Futures** results recorded below are gross derived from future trades in butter/SMP converted to UK pence/litre equivalents at the latest exchange rates.

FUTURES RESULTS - Summary Updated - 250416

Further to recent improvements in GDT, on-going currency and EU dairy auctions - sentiment has improved. Resultant UK Milk Futures Equivalent based on latest EEX Futures therefore record improvements or no change across all months verses one month ago. Futures markets are indicating a gross price of 20p/l remaining from March 2017 - which is an improvement on recent results. The data for the forthcoming quarter (in red box) demonstrates how the market has declined for this same period during the past year losing OVER 5p/l latest trade vs. the Futures markets May 2015.

BELOW - LATEST AND BACKDATA ALL EXPRESSED AS GROSS UKMFE p/l.

To translate into a Net Price (after transport and processor margin) delivers a low of 13.84p/l May 2016 (up +0.24p/l from 13.60p/l 'LOW' 21st March), and compares with AHDB March AMPE less 2p/l transport of 13.50p/l, and a UKMFE high of 18.54p/l June 2017 (up +1.01p/l from the 'HIGH' from 21st March).

TRADE DATE	MM&I STD	SEP 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUNE 16	JULY 16	AUG 16	SEP 16	OCT 16	NOV 16	DEC 16	JAN 17	FEB 17	MAR 17	APR 17	MAY 17	JUN 17	
2015/16	PPL	21.69	21.69	21.69	21.69	21.69	21.19	20.69	19.34	18.49	18.00													
25 MAY	23.09	19.07	19.94	20.29	20.30	21.39	21.41	21.42	21.99	22.01	22.22	22.42												
23 JUN	23.09	18.02	18.09	18.37	18.65	19.91	19.93	19.95	20.67	20.70	21.73	21.73	21.76											
20 JUL	23.09	16.17	16.29	16.06	17.29	17.12	17.14	17.16	18.05	18.07	18.09	19.42	19.44	19.47										
24 AUG	23.09	16.31	16.50	16.29	16.31	17.21	17.81	17.83	18.43	18.54	18.75	19.49	19.69	19.89	20.46									
28 SEP	21.69		18.45	18.74	19.32	19.14	19.70	19.63	20.93	20.95	20.97	21.36	21.76	22.15	22.54	22.93	23.32							
31 OCT	21.69			17.52	17.50	17.54	17.79	18.15	18.51	19.43	19.67	20.58	20.60	20.85	21.58	21.61	21.64	22.03						
23 NOV	21.69				16.38	16.65	16.84	17.11	17.47	18.12	18.40	18.78	18.80	19.35	20.33	20.36	20.39	20.55						
14 DEC	21.69					16.66	16.84	17.10	17.49	17.98	18.31	18.04	19.02	19.23	19.75	19.96	20.16	20.73	20.76					
18 JAN 16	21.69						17.50	17.62	17.62	18.00	18.18	18.90	19.11	19.32	20.01	20.21	20.44	20.93	21.15	21.36				
22 FEB 16	20.69							16.17	16.21	16.28	16.34	16.45	16.51	16.66	17.26	17.47	17.69	18.77	18.98	19.19	19.89			
21 MAR 16	20.69								16.42	16.68	17.04	17.18	17.40	17.63	18.16	18.36	18.55	19.30	19.52	19.74	20.34	20.56		
25 APR 16	19.34									16.86	17.04	17.49	17.86	18.07	18.41	18.82	19.33	19.45	19.95	20.57	20.88	21.20	21.62	
										+0.18	n/c	+0.31	+0.46	+0.44	+0.25	+0.46	+0.78	+0.15	+0.43	+0.83	+0.54	+0.64		

a) Periods of trade on left axis, b) DC/Muller std Liquid (in green), c) **UKMFE Futures** (in blue), d) change since last review (in red). ALL PRICES IN TABLE GROSS PENCE PER LITRE

With many thanks and permissions: Stephen Bradley of milkprices.com and Charlie Hyland of INTL FC STONE.

