



**Milk. Our craftsmanship, our future.**

# Key figures 2015

- Belgium's n°1 dairy company
- Annual turnover: approximately € 1 billion
- Annual milk collection: approximately 1,2 billion litres (actual 2016 = 1,4 billion litres)
- Cooperative owner structure: 2,700 dairy farmers (+300 ex-RFC since 1 February 2016)
- Ca. 2,000 employees
- 8 locations
- Specialised in: cheese (consumer & industrial), powder, butter and cream, liquid dairy products, ice cream

# Our products



# Our brands



# Production sites

- Industrial products and export
- Ice cream
- Drinks
- Cheese service & distribution
- Consumer cheese
- Consumer butter





# Milcobel Kallo: Powder



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# Milcobel POW(d)ER Project



# Milcobel Langemark: Mozzarella, Cheddar, Powder





# Langemark

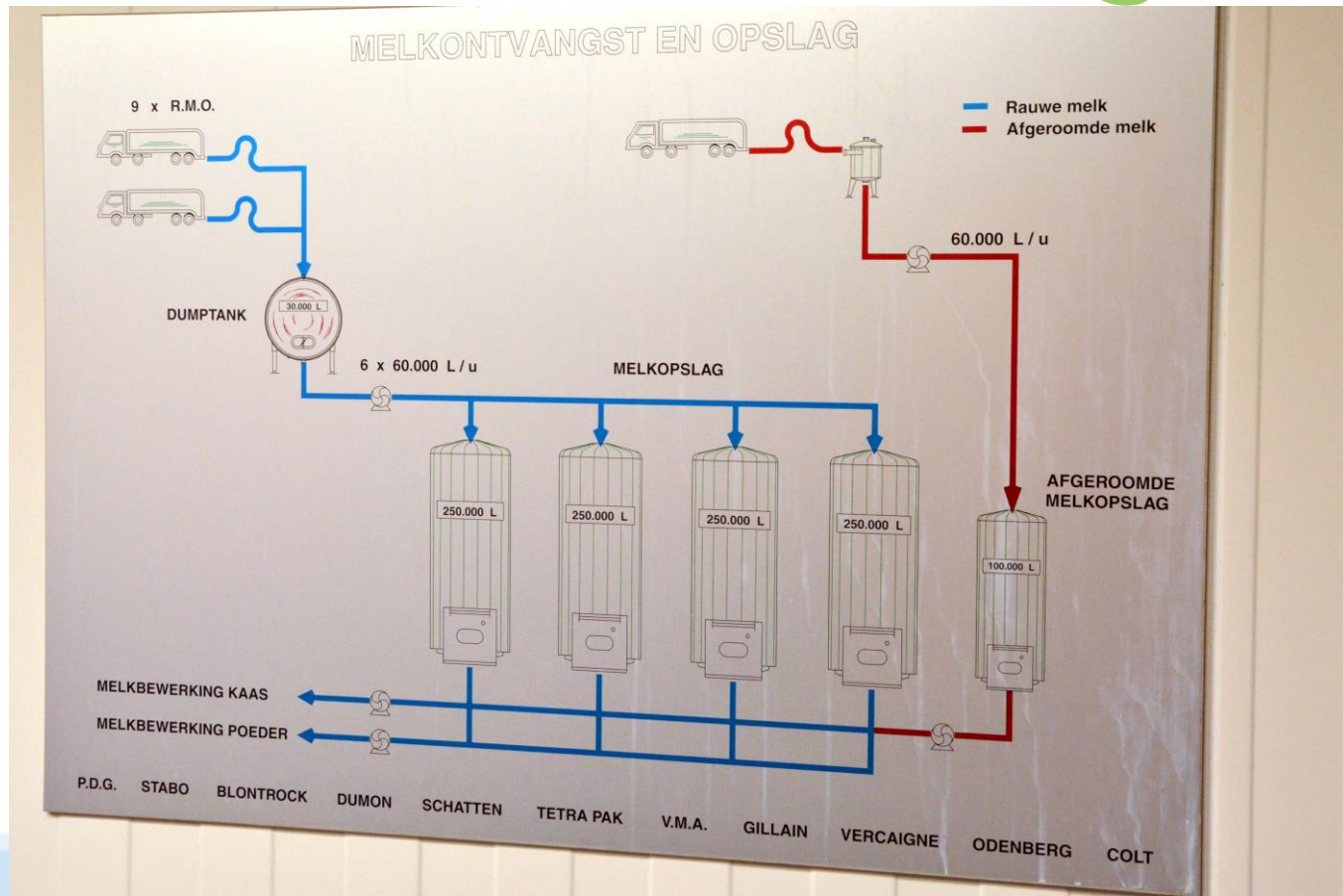


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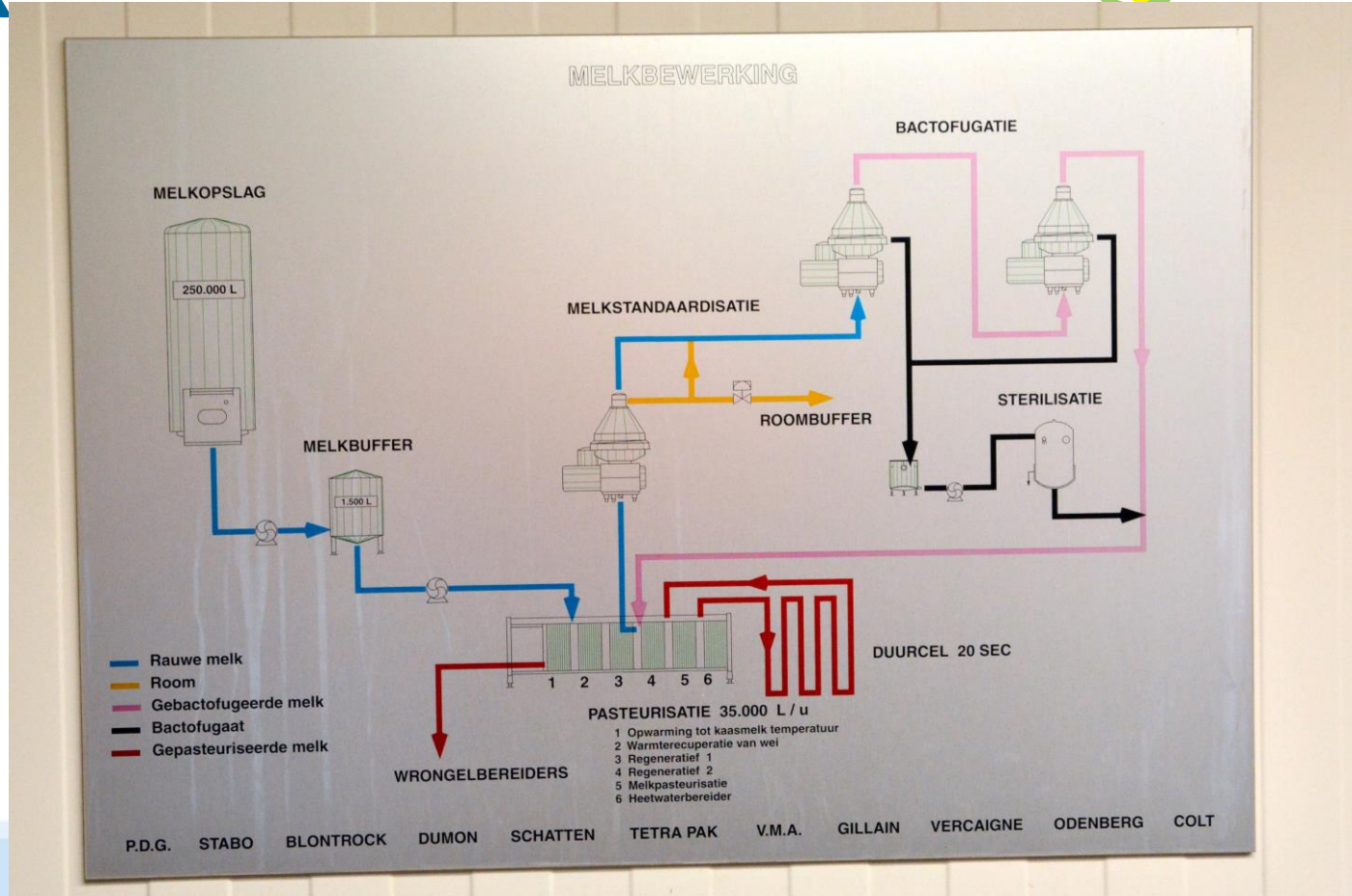
# Langemark



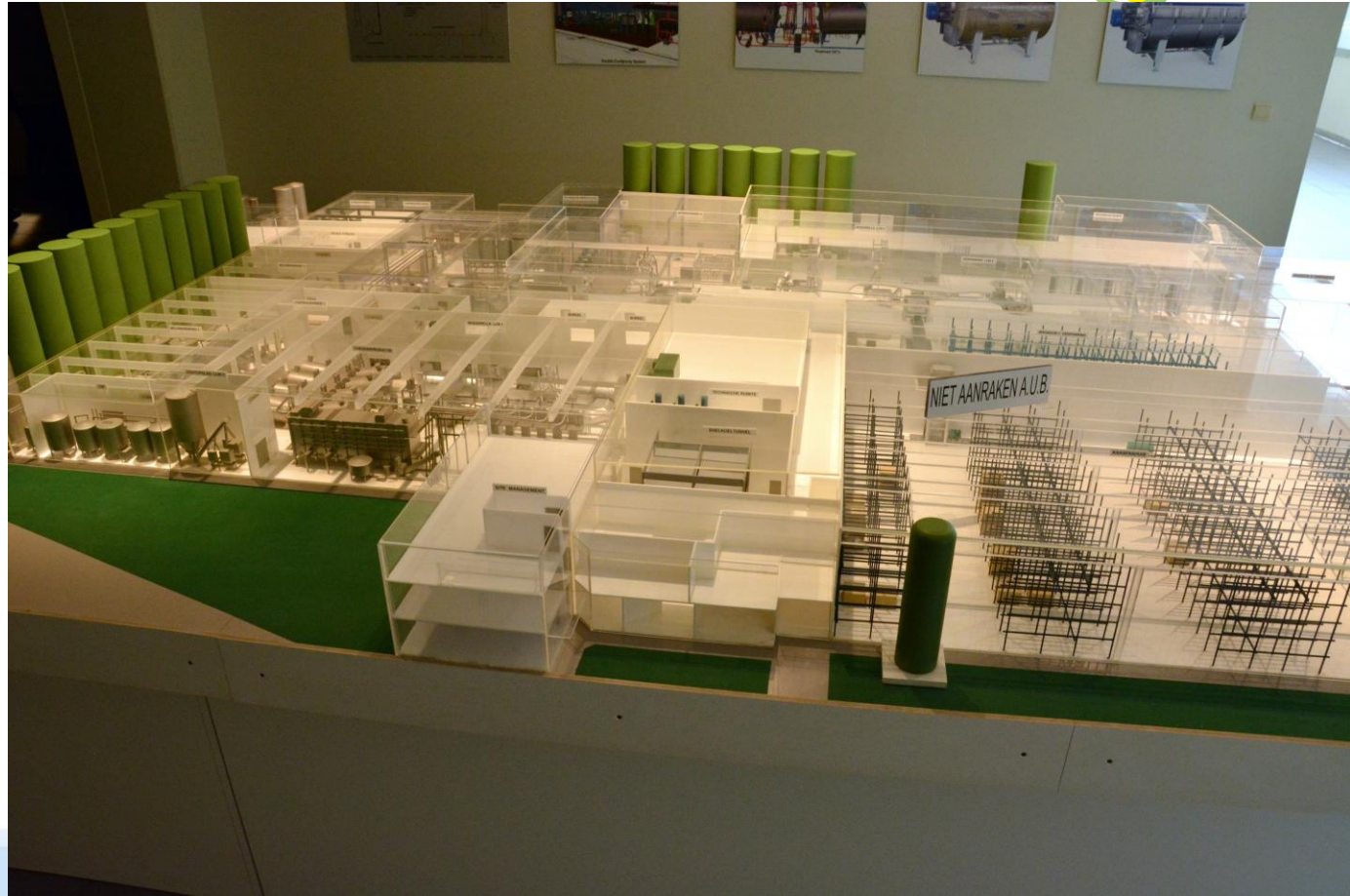
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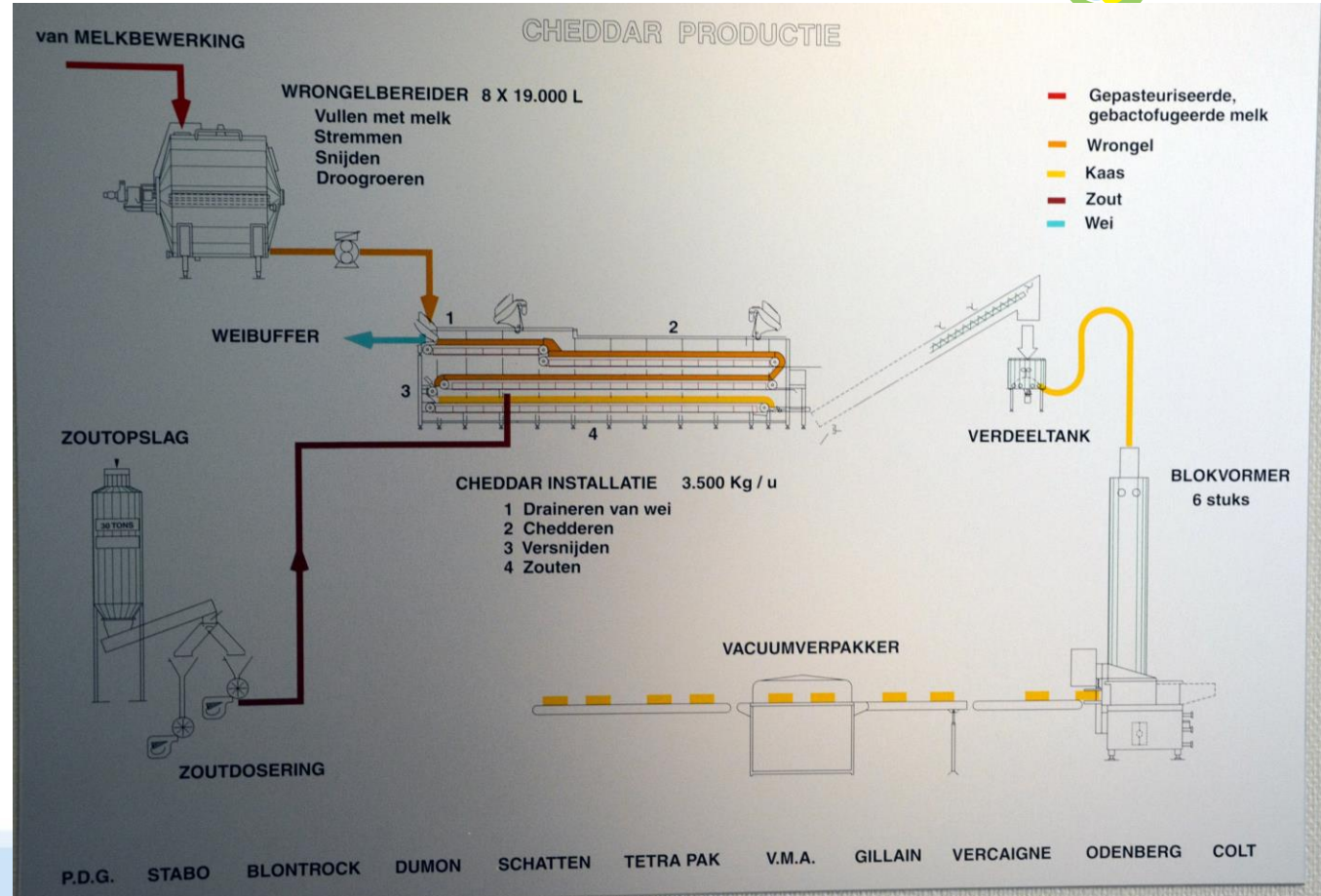


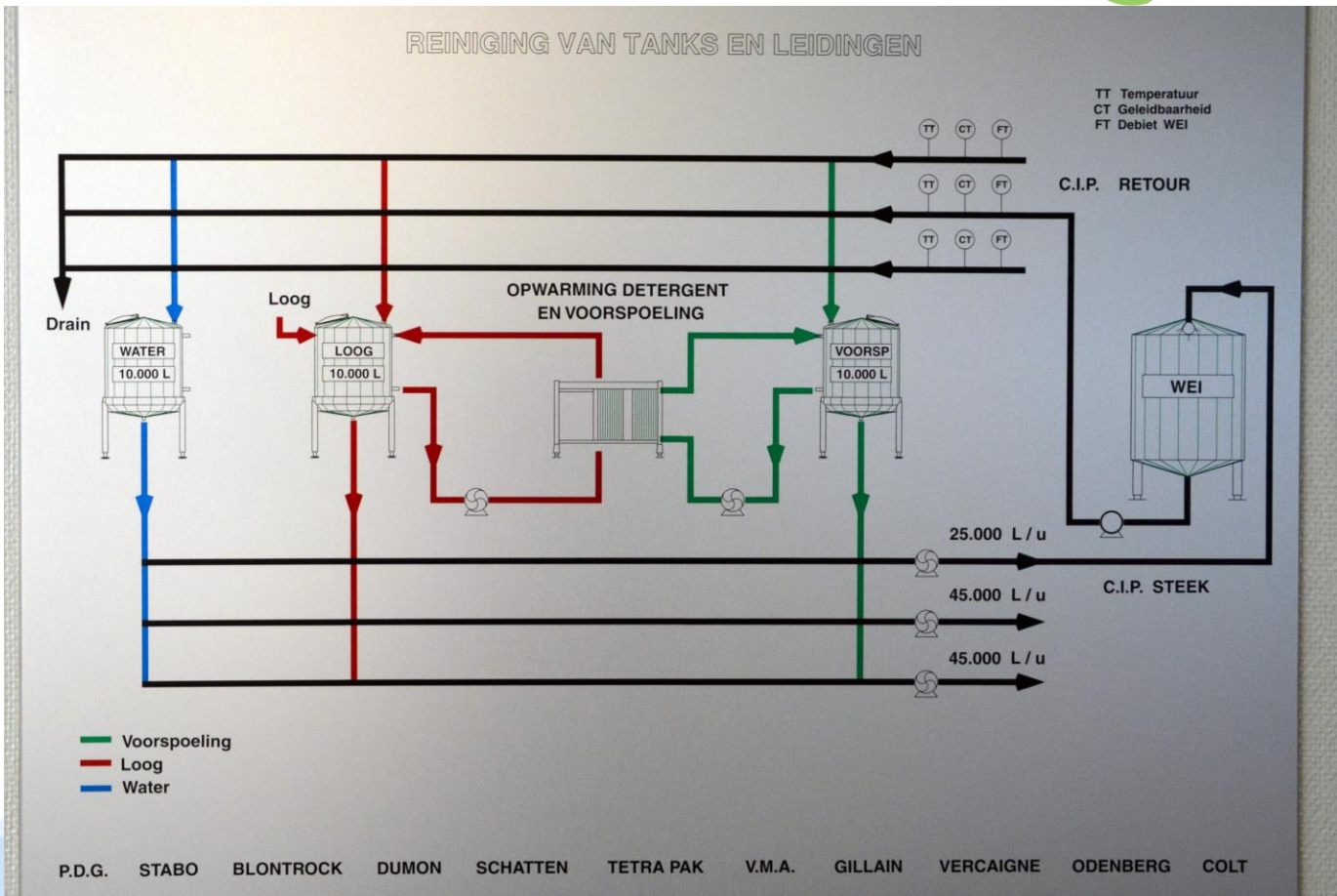
# Langemark



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# Milcobel Moorslede: Consumer Cheese





# Milcobel Schoten: Liquids



# Ysco Langemark + Argentan: Ice Cream





# Cheese Service Dupont



# Group structure 2015



# Strādājošie

## Business profile

### People

Approximately 2,000 employees  
+ approximately 150 temporary

- Central services
- Consumer cheese
- Drinks
- Industrial cheeses & powder
- Ice cream
- Cheese distribution





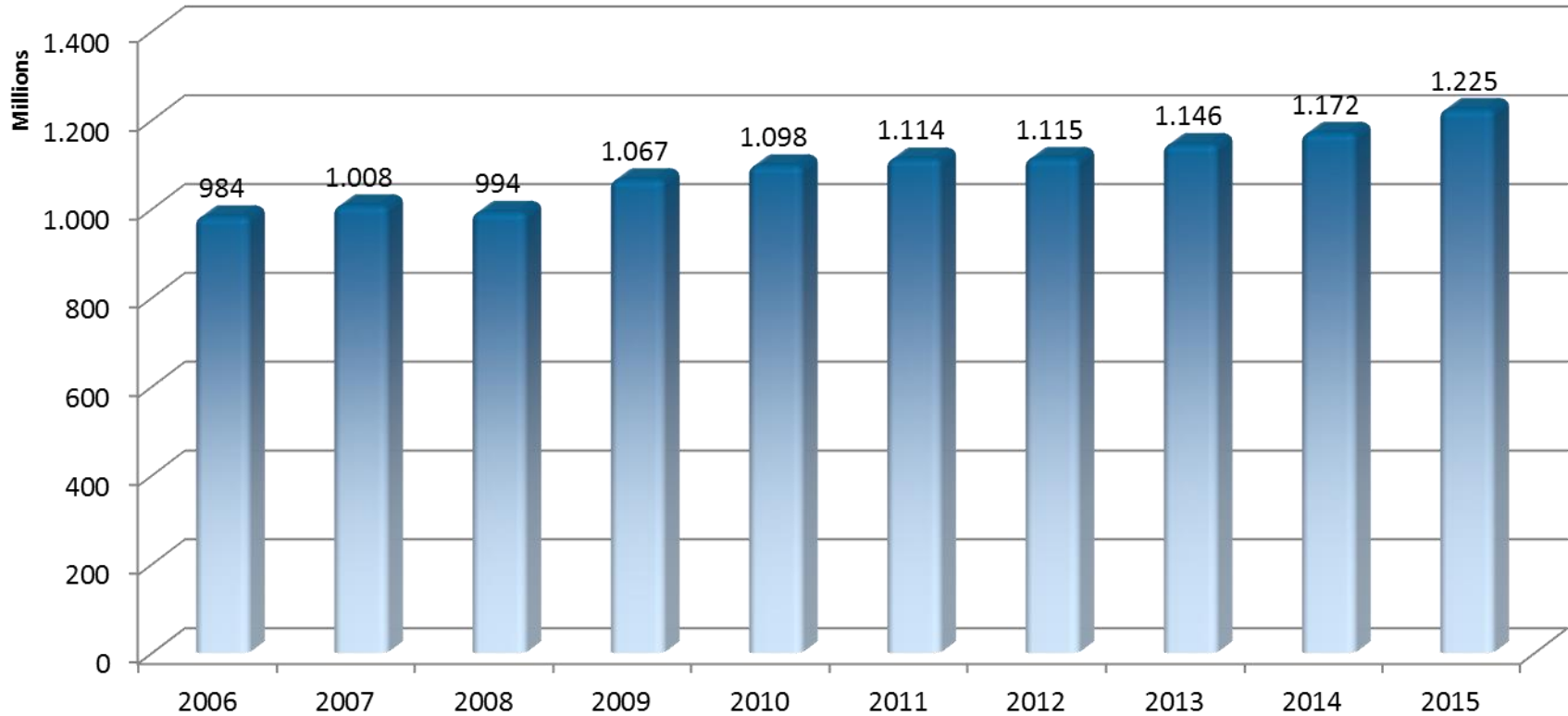


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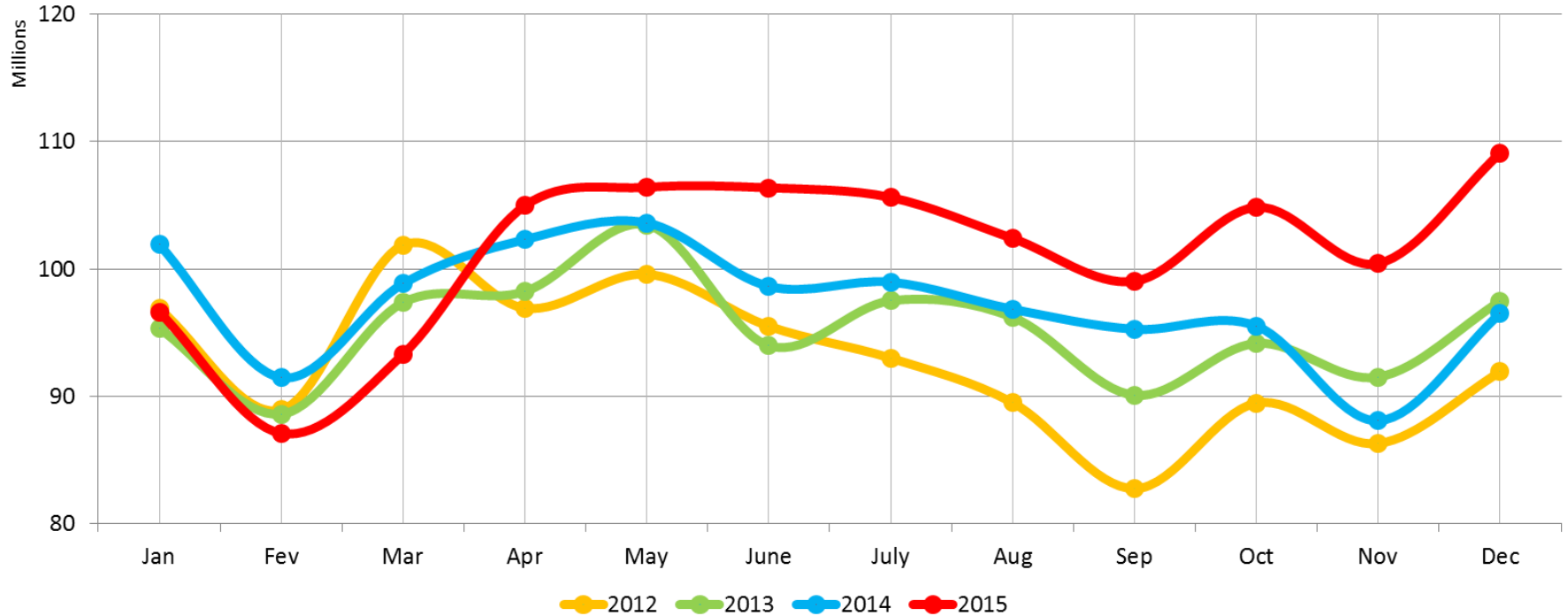
# **1. Milcobel 2015: Milk collection and evolutions**



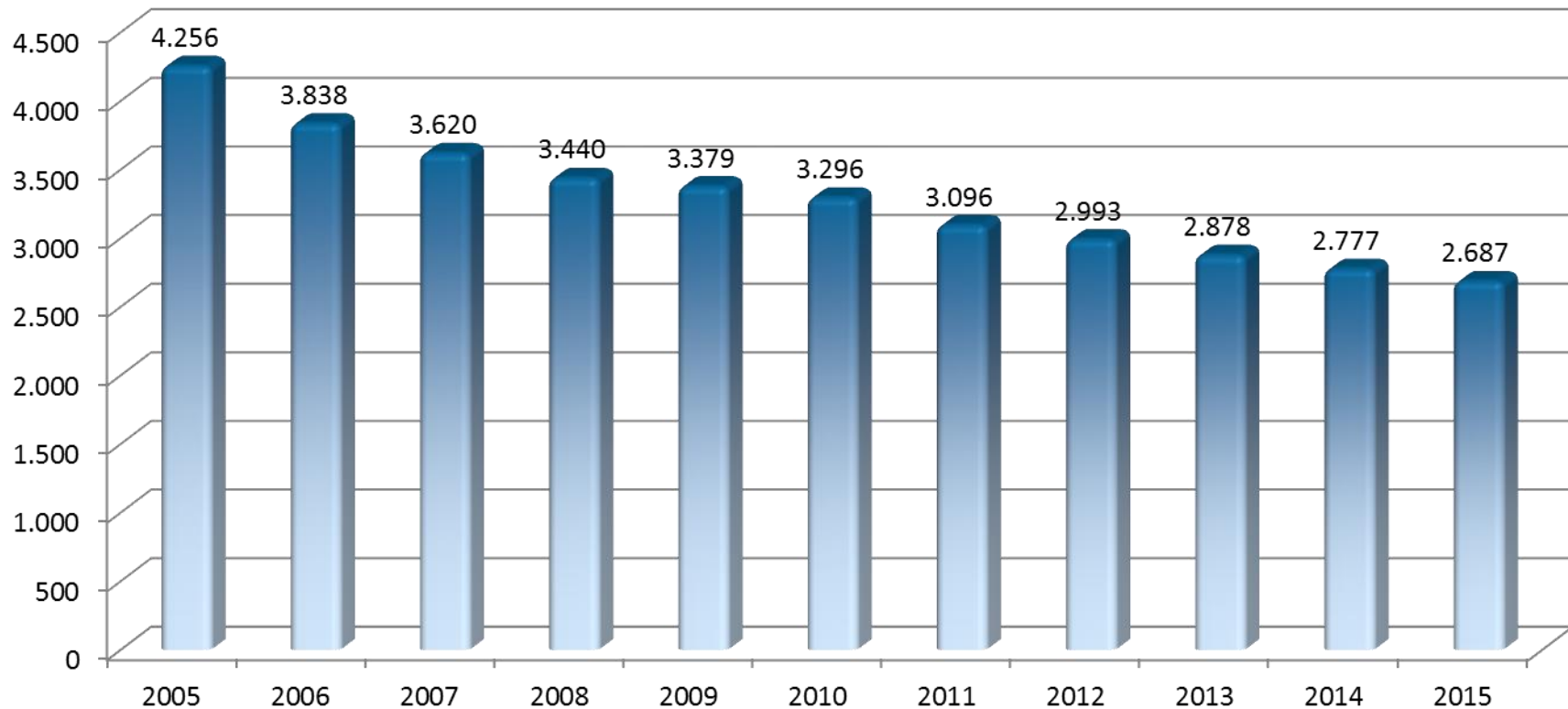
# Evolution milk supply



# Monthly milk supply



# Evolution dairy farmers - members



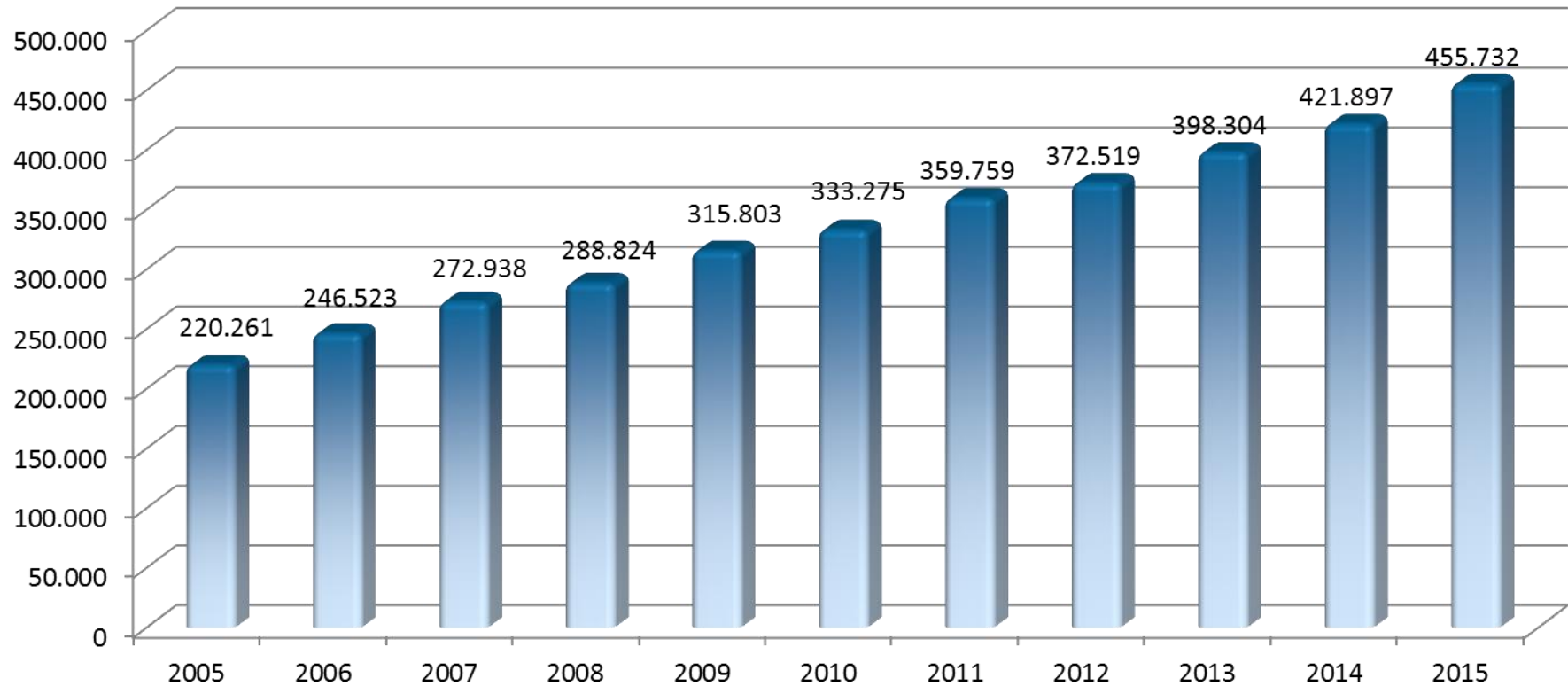
# Milk collection



2015	Members	Litres (full cream milk)
Belgium	2.602	1.141.798.679
Netherlands	50	40.133.568
France	35	34.240.910
Total	2.687	1.216.173.157



# Annual milk supply (in litres per member-farm)

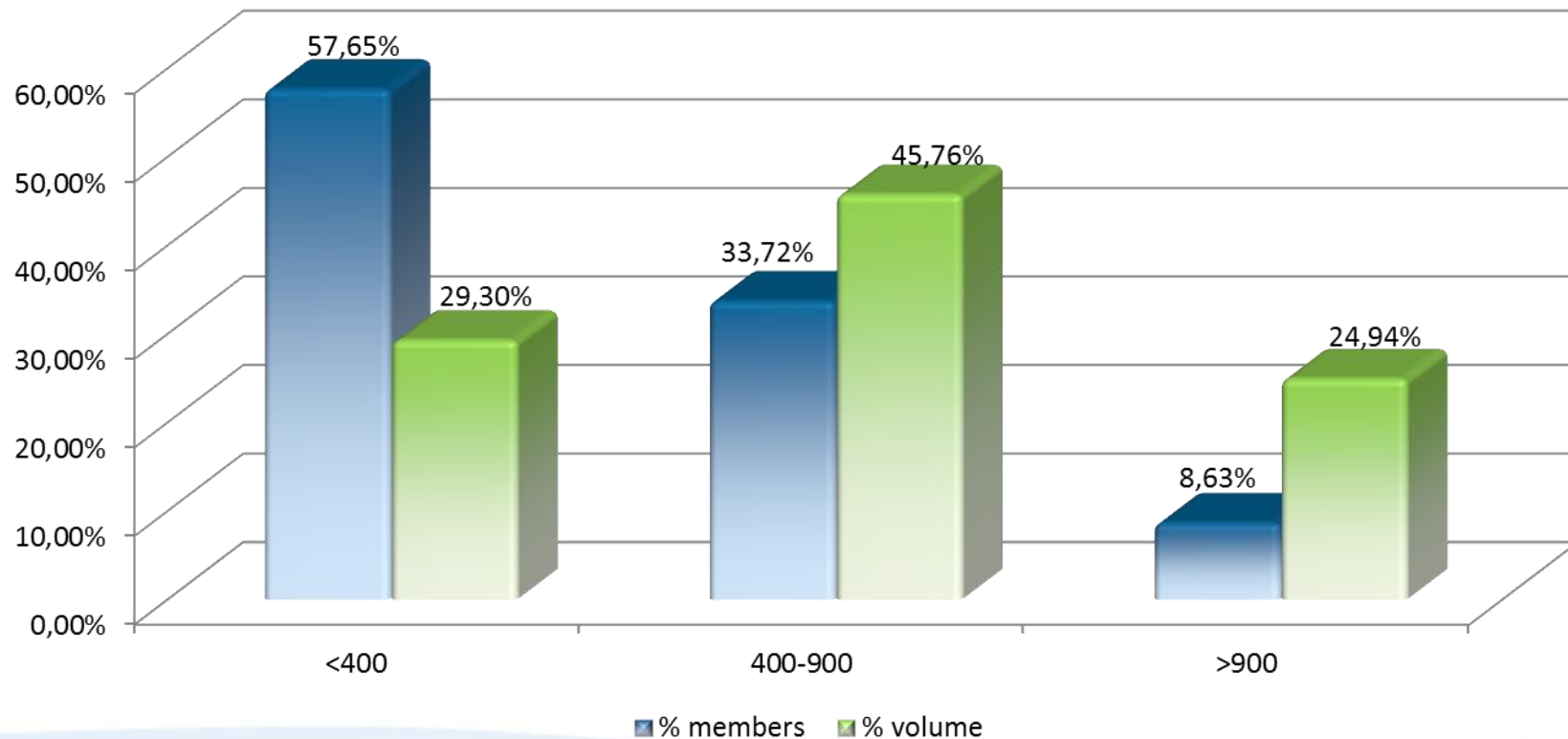


# Member-farms – milk volume 2015



class (x1000)	% members	sum members	% volume	sum volume
<200	25,51%	57,65%	7,15%	29,30%
200-400	32,14%		22,15%	
400-600	20,35%	33,72%	23,22%	45,76%
600-900	13,37%		22,54%	
900-1500	7,16%	8,63%	18,34%	24,94%
1500-2000	1,05%		4,12%	
>2000	0,42%		2,48%	
	100,00%		100,00%	

# Member-farms – milk volume 2015





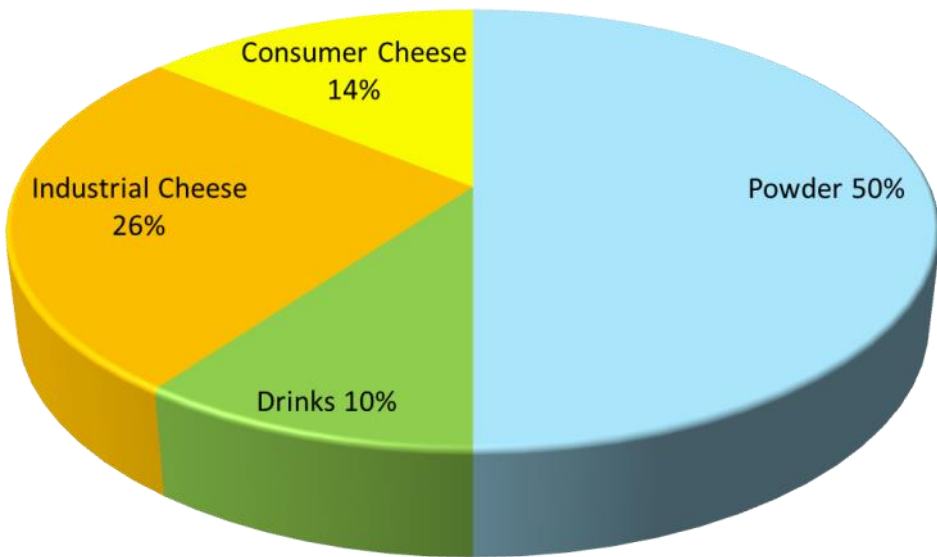
## **2. Milcobel 2015: Milk processing and milk price**



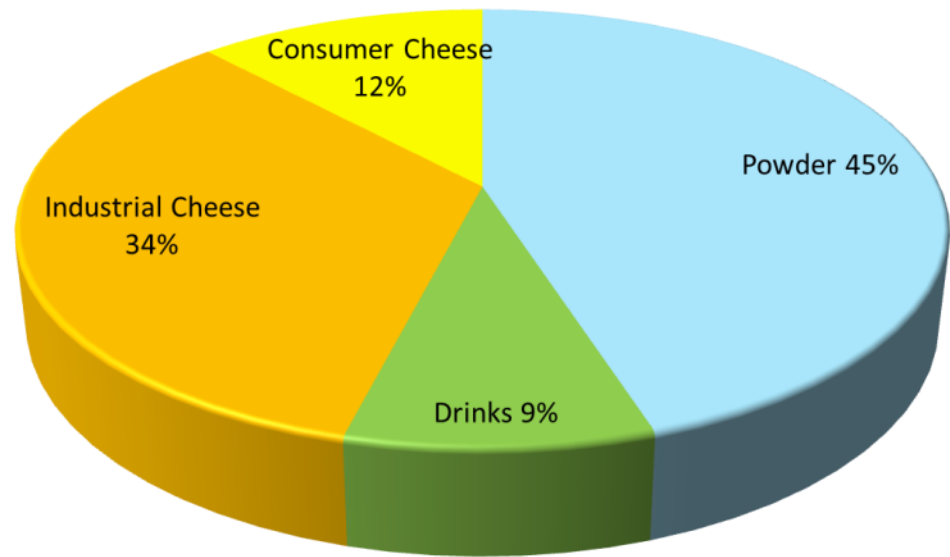
# Milk processing (%)



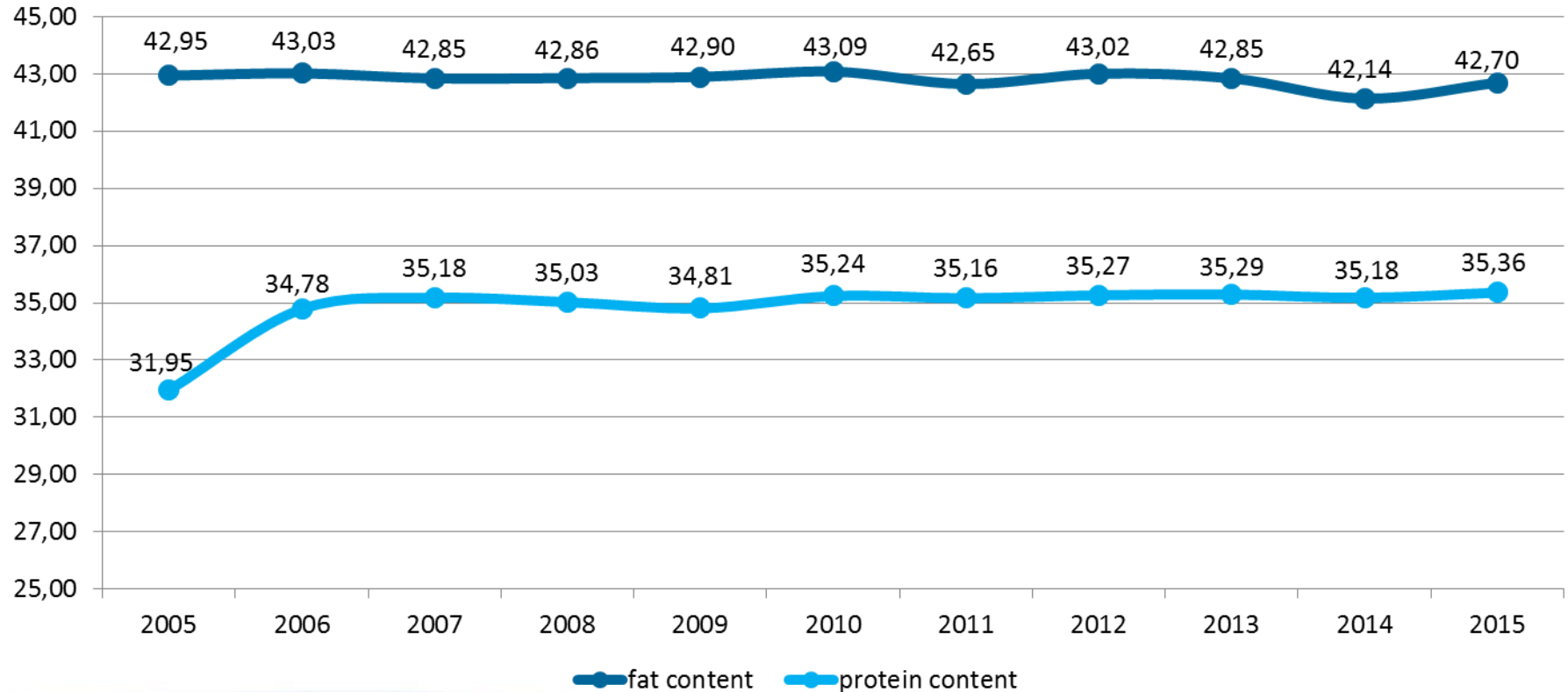
2014



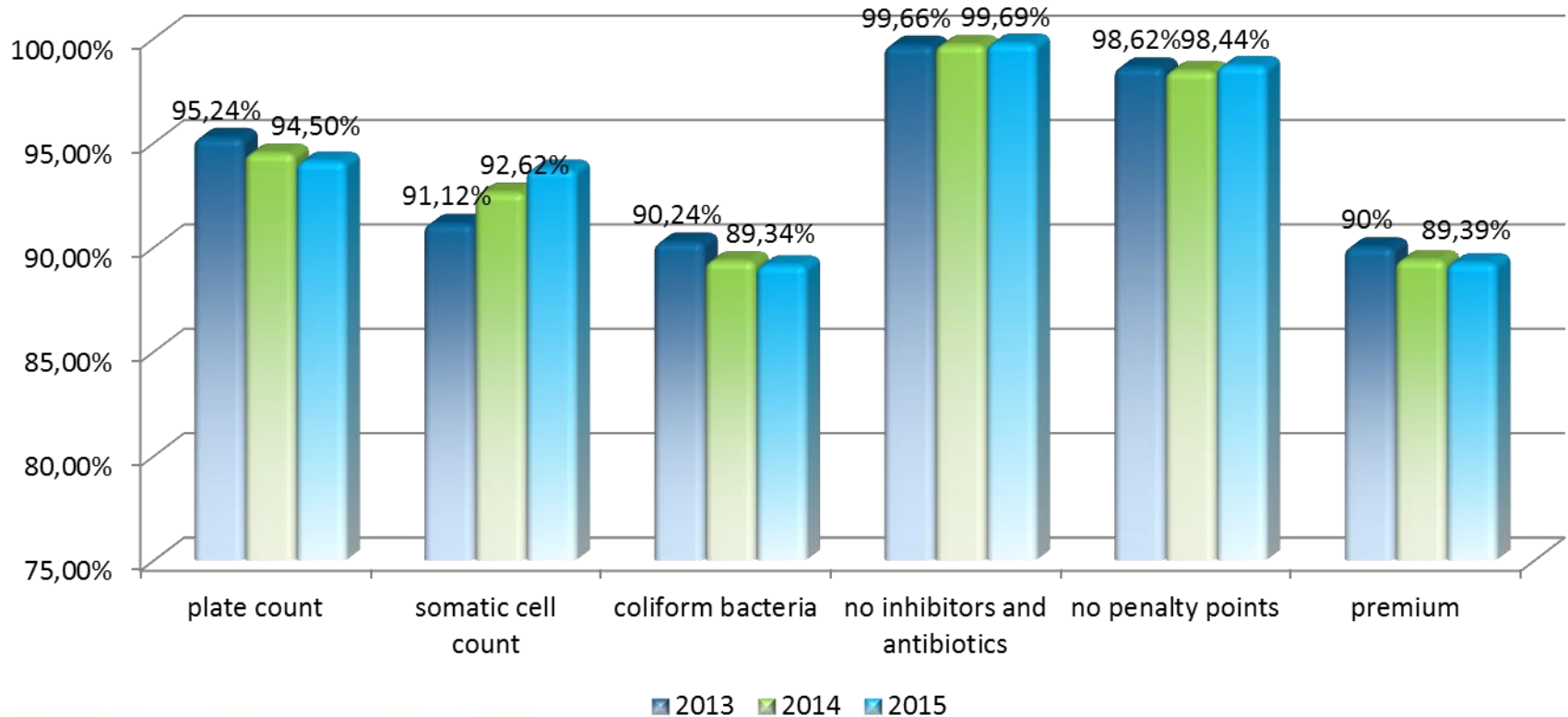
2015



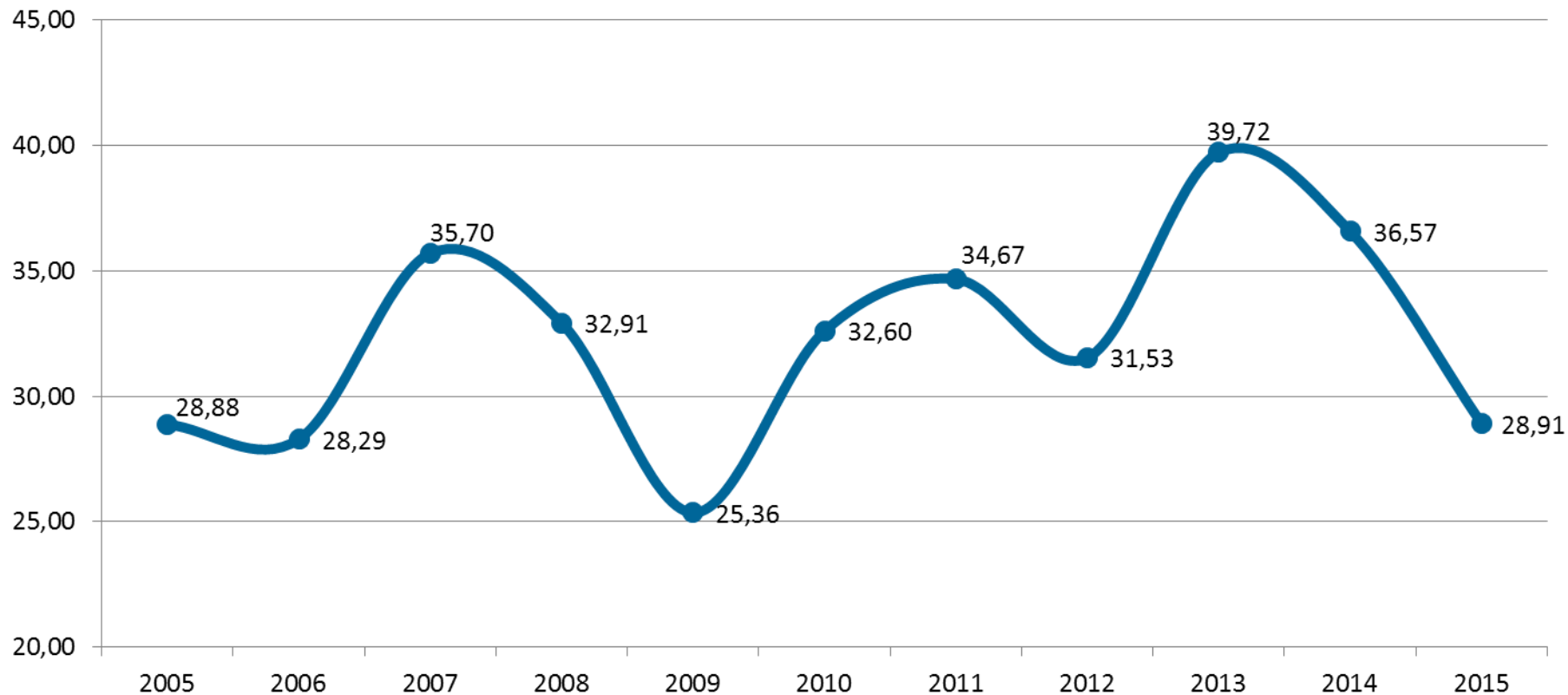
# Average fat and protein content



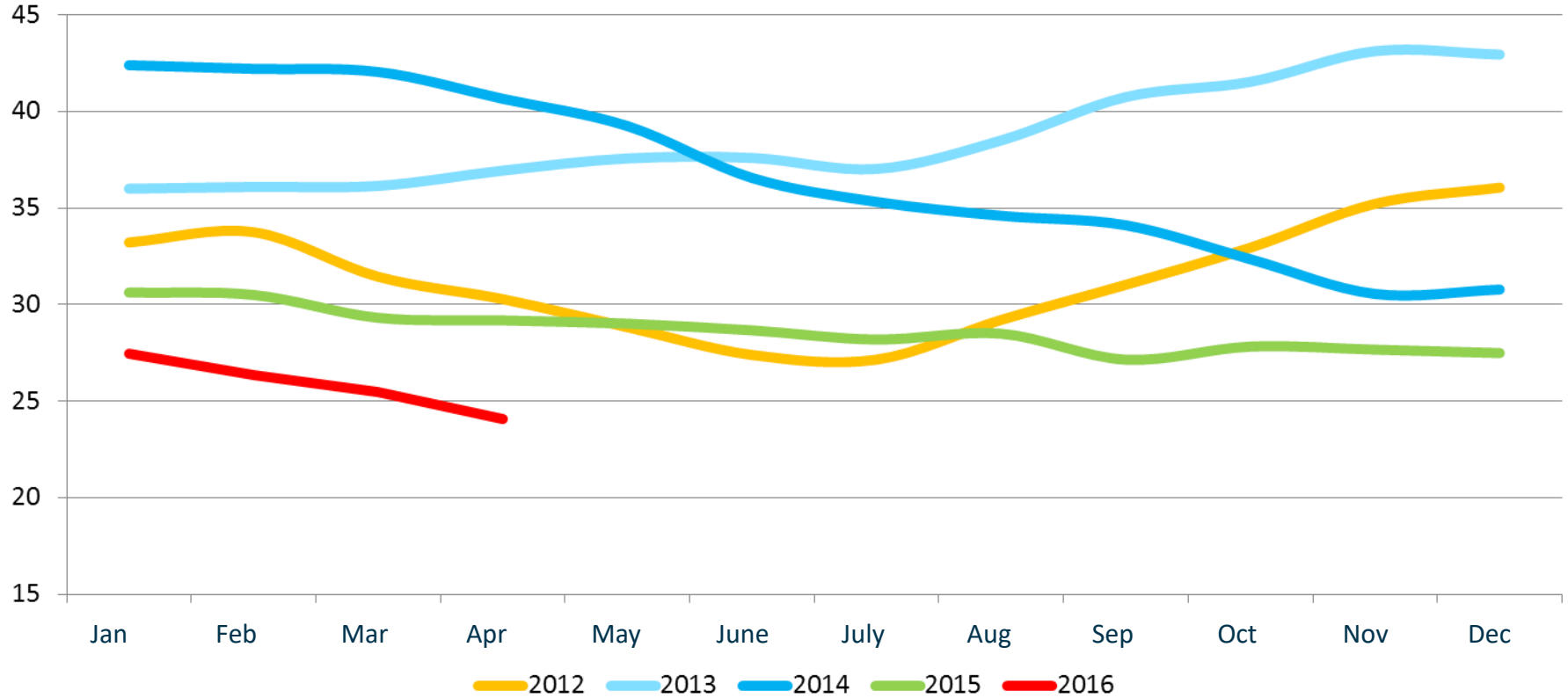
# Milk quality



# Evolution milk price Milcobel



# Really paid milk price per month







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## **Milk price system Milcobel**

# 1. Monthly decision Board of Directors

Standard milk price (42 fat content – 34 protein content)



Fat price / Protein price (35/65)



26,00 € / 100 l

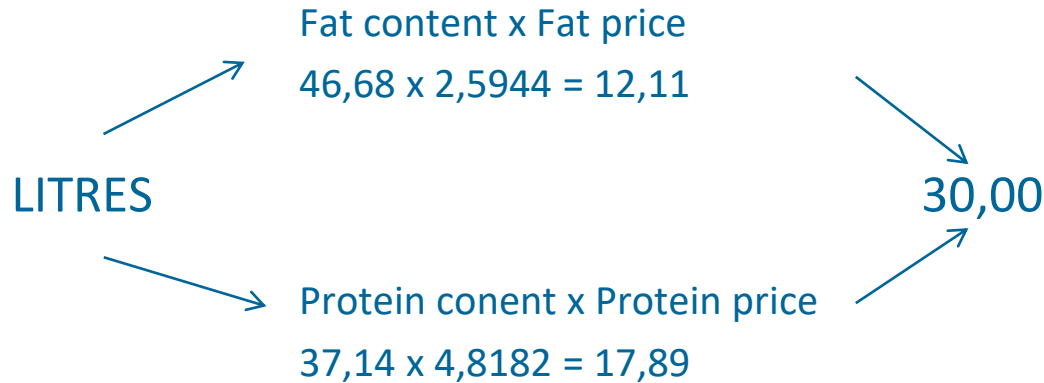


F = 259,44 € / 100 kg

P = 481,82 € / 100 kg

## 2. Individual member

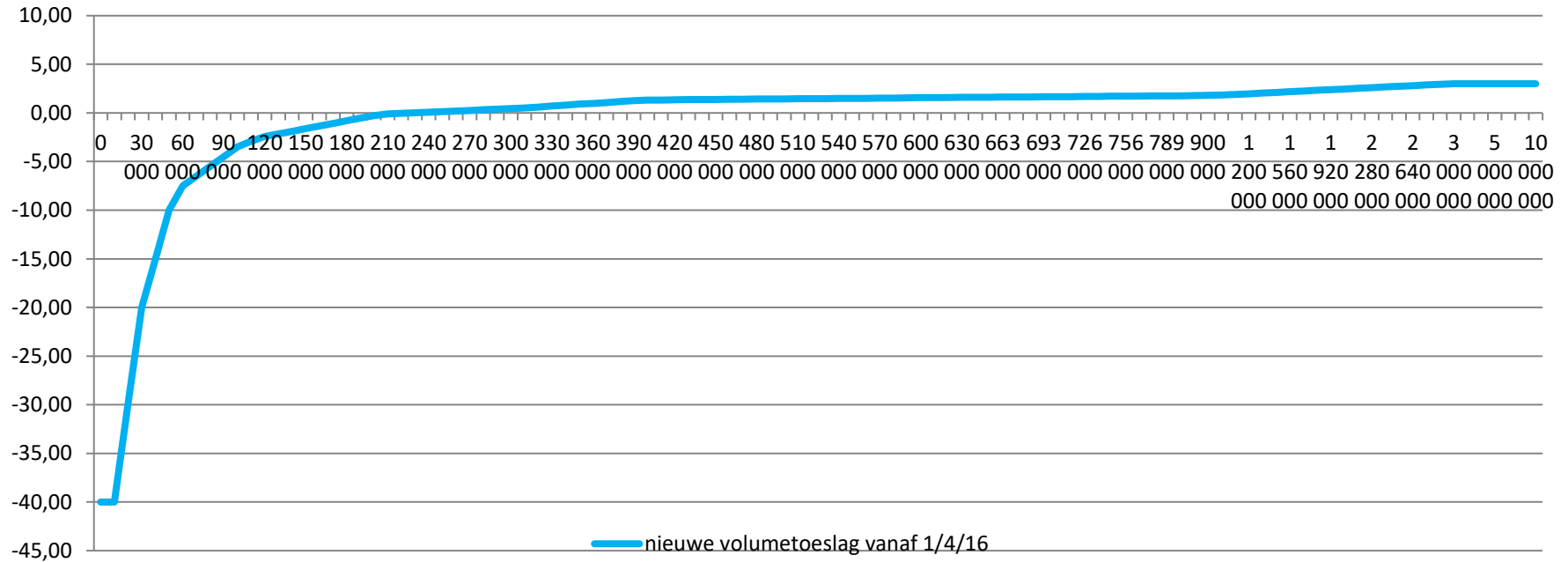
### 2.1. COMPOSITION



### 2.2. PREMIUM FOR QUANTITY

(e.g.:  $45,551 \text{ liter} \times 1.48 \text{ €} / 100 \text{ l} = 674.14$ )

# Premium for quantity ( annual basis )



Lower limit monthly milk delivery	Upper limit monthly milk delivery	New volume premium		Lower limit monthly milk delivery	Upper limit monthly milk delivery	New volume premium		Lower limit monthly milk delivery	Upper limit monthly milk delivery	New volume premium		
1 Lit.	750 Lit.	-40,00	€/100 lit	28.501 Lit.	29.250 Lit.	0,80	€/100 lit	57.001 Lit.	57.750 Lit.	1,65	€/100 lit	
751 Lit.	1.500 Lit.	-40,00	€/100 lit	29.251 Lit.	30.000 Lit.	0,90	€/100 lit	57.751 Lit.	58.750 Lit.	1,66	€/100 lit	
1.501 Lit.	2.500 Lit.	-30,00	€/100 lit	30.001 Lit.	31.000 Lit.	0,98	€/100 lit	58.751 Lit.	59.500 Lit.	1,67	€/100 lit	
2.501 Lit.	3.250 Lit.	-20,00	€/100 lit	31.001 Lit.	31.750 Lit.	1,07	€/100 lit	59.501 Lit.	60.500 Lit.	1,68	€/100 lit	
3.251 Lit.	4.000 Lit.	-15,00	€/100 lit	31.751 Lit.	32.500 Lit.	1,17	€/100 lit	60.501 Lit.	61.250 Lit.	1,69	€/100 lit	
4.001 Lit.	5.000 Lit.	-10,00	€/100 lit	32.501 Lit.	33.500 Lit.	1,26	€/100 lit	61.251 Lit.	62.250 Lit.	1,70	€/100 lit	
5.001 Lit.	5.750 Lit.	-7,50	€/100 lit	33.501 Lit.	34.250 Lit.	1,31	€/100 lit	62.251 Lit.	63.000 Lit.	1,71	€/100 lit	
5.751 Lit.	6.500 Lit.	-6,50	€/100 lit	34.251 Lit.	35.000 Lit.	1,33	€/100 lit	63.001 Lit.	64.000 Lit.	1,72	€/100 lit	
6.501 Lit.	7.500 Lit.	-5,50	€/100 lit	35.001 Lit.	36.000 Lit.	1,35	€/100 lit	64.001 Lit.	64.750 Lit.	1,73	€/100 lit	
7.501 Lit.	8.250 Lit.	-4,50	€/100 lit	36.001 Lit.	36.750 Lit.	1,37	€/100 lit	64.751 Lit.	65.750 Lit.	1,74	€/100 lit	
8.251 Lit.	9.000 Lit.	-3,50	€/100 lit	36.751 Lit.	37.500 Lit.	1,38	€/100 lit	65.751 Lit.	66.500 Lit.	1,75	€/100 lit	
9.001 Lit.	10.000 Lit.	-2,90	€/100 lit	37.501 Lit.	38.500 Lit.	1,39	€/100 lit	66.501 Lit.	70.000 Lit.	1,76	€/100 lit	
10.001 Lit.	10.750 Lit.	-2,43	€/100 lit	38.501 Lit.	39.250 Lit.	1,40	€/100 lit	70.001 Lit.	75.000 Lit.	1,77	€/100 lit	
10.751 Lit.	11.500 Lit.	-2,16	€/100 lit	39.251 Lit.	40.000 Lit.	1,41	€/100 lit	75.001 Lit.	80.000 Lit.	1,80	€/100 lit	
11.501 Lit.	12.500 Lit.	-1,89	€/100 lit	40.001 Lit.	41.000 Lit.	1,42	€/100 lit	80.001 Lit.	90.000 Lit.	1,85	€/100 lit	
12.501 Lit.	13.250 Lit.	-1,62	€/100 lit	41.001 Lit.	41.750 Lit.	1,43	€/100 lit	90.001 Lit.	100.000 Lit.	1,90	€/100 lit	
13.251 Lit.	14.000 Lit.	-1,35	€/100 lit	41.751 Lit.	42.500 Lit.	1,44	€/100 lit	100.001 Lit.	110.000 Lit.	1,97	€/100 lit	
14.001 Lit.	15.000 Lit.	-1,08	€/100 lit	42.501 Lit.	43.500 Lit.	1,45	€/100 lit	110.001 Lit.	120.000 Lit.	2,04	€/100 lit	
15.001 Lit.	15.750 Lit.	-0,81	€/100 lit	43.501 Lit.	44.250 Lit.	1,46	€/100 lit	120.001 Lit.	130.000 Lit.	2,11	€/100 lit	
15.751 Lit.	16.500 Lit.	-0,54	€/100 lit	44.251 Lit.	45.000 Lit.	1,47	€/100 lit	130.001 Lit.	140.000 Lit.	2,18	€/100 lit	
16.501 Lit.	17.500 Lit.	-0,27	€/100 lit	45.001 Lit.	46.000 Lit.	1,48	€/100 lit	140.001 Lit.	150.000 Lit.	2,25	€/100 lit	
17.501 Lit.	18.250 Lit.	-0,10	€/100 lit	46.001 Lit.	46.750 Lit.	1,49	€/100 lit	150.001 Lit.	160.000 Lit.	2,32	€/100 lit	
<b>18.251 Lit.</b>	<b>19.000 Lit.</b>	<b>-0,04</b>	<b>€/100 lit</b>	46.751 Lit.	47.500 Lit.	1,50	€/100 lit	160.001 Lit.	170.000 Lit.	2,39	€/100 lit	
19.001 Lit.	20.000 Lit.	0,02	€/100 lit	47.501 Lit.	48.500 Lit.	1,51	€/100 lit	170.001 Lit.	180.000 Lit.	2,46	€/100 lit	
20.001 Lit.	21.000 Lit.	0,08	€/100 lit	48.501 Lit.	49.250 Lit.	1,53	€/100 lit	180.001 Lit.	190.000 Lit.	2,53	€/100 lit	
21.001 Lit.	21.750 Lit.	0,14	€/100 lit	49.251 Lit.	50.000 Lit.	1,55	€/100 lit	190.001 Lit.	200.000 Lit.	2,60	€/100 lit	
21.751 Lit.	22.500 Lit.	0,20	€/100 lit	50.001 Lit.	51.000 Lit.	1,57	€/100 lit	200.001 Lit.	210.000 Lit.	2,67	€/100 lit	
22.501 Lit.	23.500 Lit.	0,26	€/100 lit	51.001 Lit.	51.750 Lit.	1,58	€/100 lit	210.001 Lit.	220.000 Lit.	2,74	€/100 lit	
23.501 Lit.	24.250 Lit.	0,32	€/100 lit	51.751 Lit.	52.500 Lit.	1,59	€/100 lit	220.001 Lit.	230.000 Lit.	2,81	€/100 lit	
24.251 Lit.	25.000 Lit.	0,38	€/100 lit	52.501 Lit.	53.500 Lit.	1,60	€/100 lit	230.001 Lit.	240.000 Lit.	2,88	€/100 lit	
25.001 Lit.	26.000 Lit.	0,44	€/100 lit	53.501 Lit.	54.250 Lit.	1,61	€/100 lit	240.001 Lit.	250.000 Lit.	2,95	€/100 lit	
26.001 Lit.	26.750 Lit.	0,50	€/100 lit	54.251 Lit.	55.250 Lit.	1,62	€/100 lit	250.001 Lit.	260.000 Lit.	3,00	€/100 lit	
26.751 Lit.	27.500 Lit.	0,60	€/100 lit	55.251 Lit.	56.000 Lit.	1,63	€/100 lit	260.001 Lit.	...	41	3,00	€/100 lit
27.501 Lit.	28.500 Lit.	0,70	€/100 lit	56.001 Lit.	57.000 Lit.	1,64	€/100 lit					



## 2. Individual member

2.3. DQA premium : 0,25 € / 100 l ( incl. participation paratuberculosis-program and sustainability )

### 2.4. EQP (premium for extra quality)

0,30 € / 100 litres if Plate count < 25.000/ml  
and Cell count < 300.000/ml

**OR**

Plate count < 25.000/ml  
and Coliform < 50/ml

OR 0,75 € / 100 litres if Plate count < 25.000/ml  
and Cell count < 300.000/ml  
and Coliform < 50/ml

## 2. Individual member

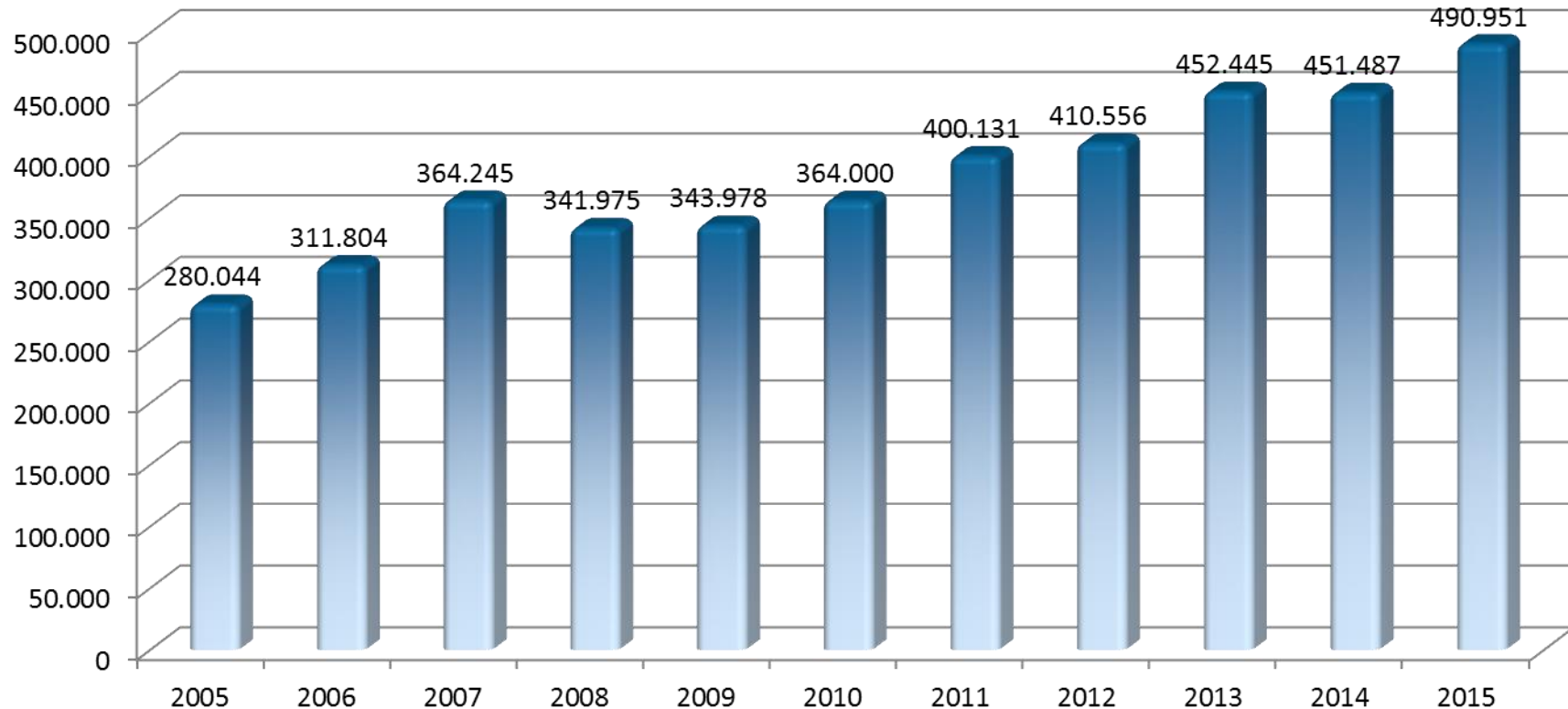
### 2.5. Penalties

- 0,62 € / 100 l monthly delivery
  - Plate count > 100.0000
  - Cell count > 400.000
  - Filtration
  - Freezing point
- 29,75 € / 100 l daily delivery
  - Inhibitors and antibiotics



### **3. Milcobel 2015: Balance sheet data**

# Evolution balance sheet total (x 1000 euro)



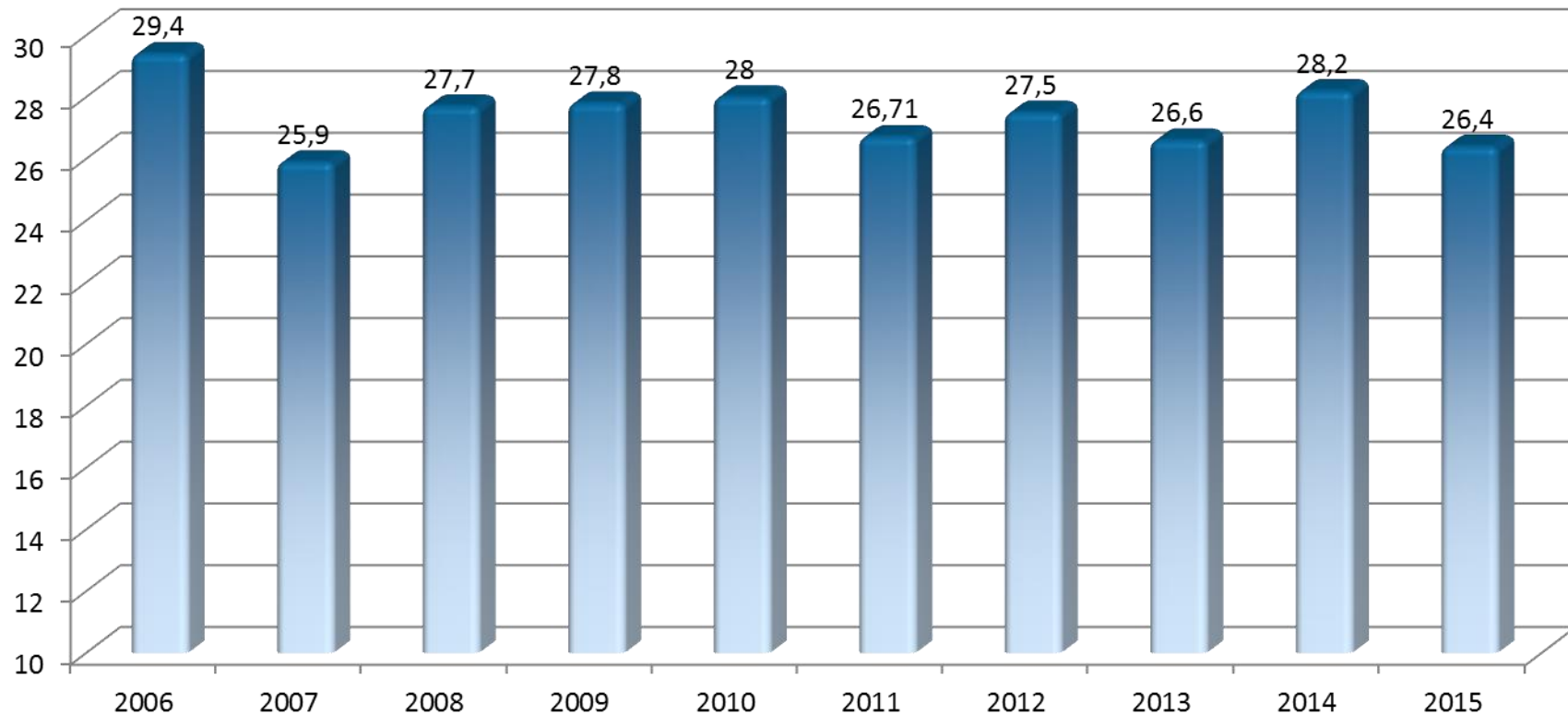
# Investments in tangible fixed assets



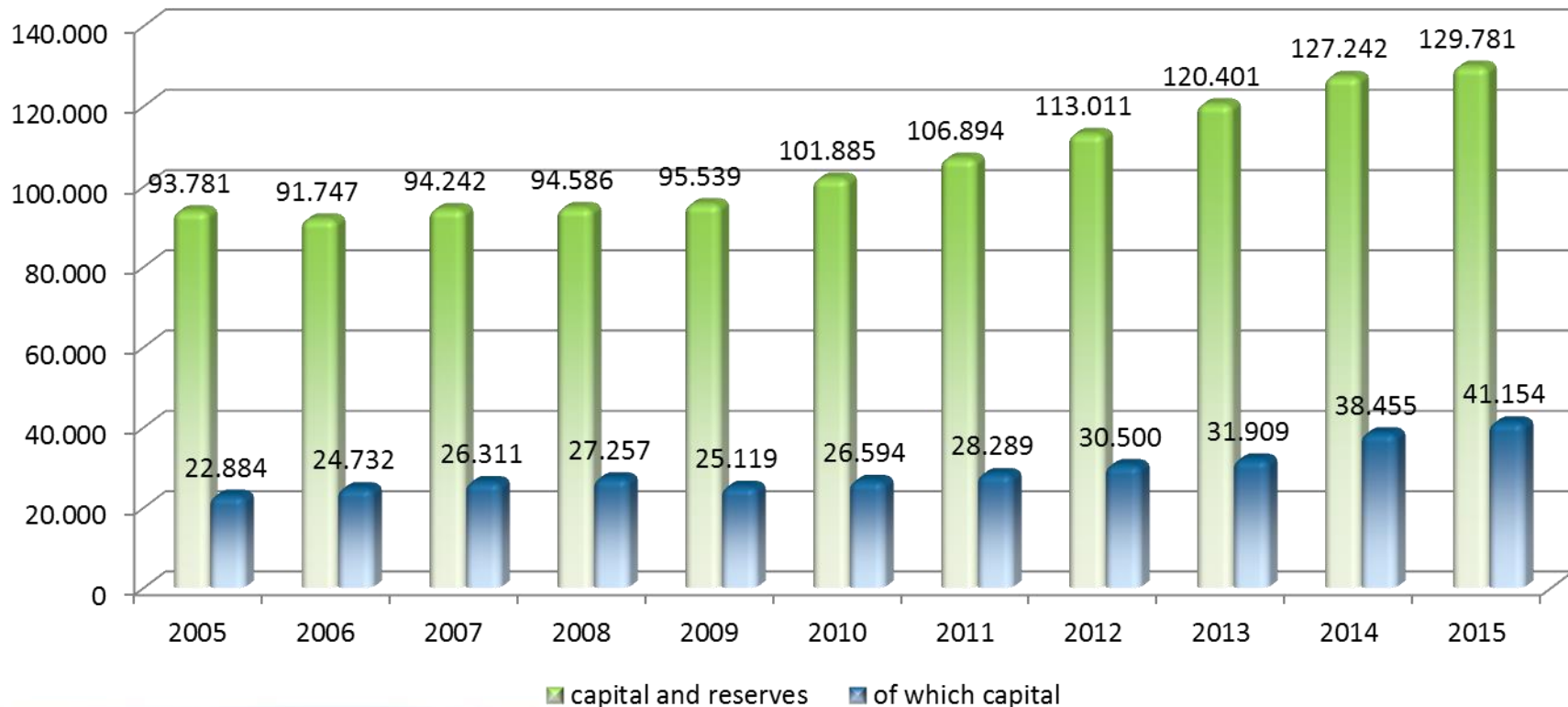
	2012	2013	2014	2015
Milcobel	1.413	1.940	1.722	2.220
Milcobel Dairy	27.744	31.486	22.970	50.348
Ice Cream	5.551	4.610	9.832	6.150
Cheese Service	1.216	2.146	1.649	1.267
<i>Total</i>	<i>35.924</i>	<i>40.182</i>	<i>36.173</i>	<i>59.985</i>



# Solvability



# Evolution capital and reserves (x 1000 euro)

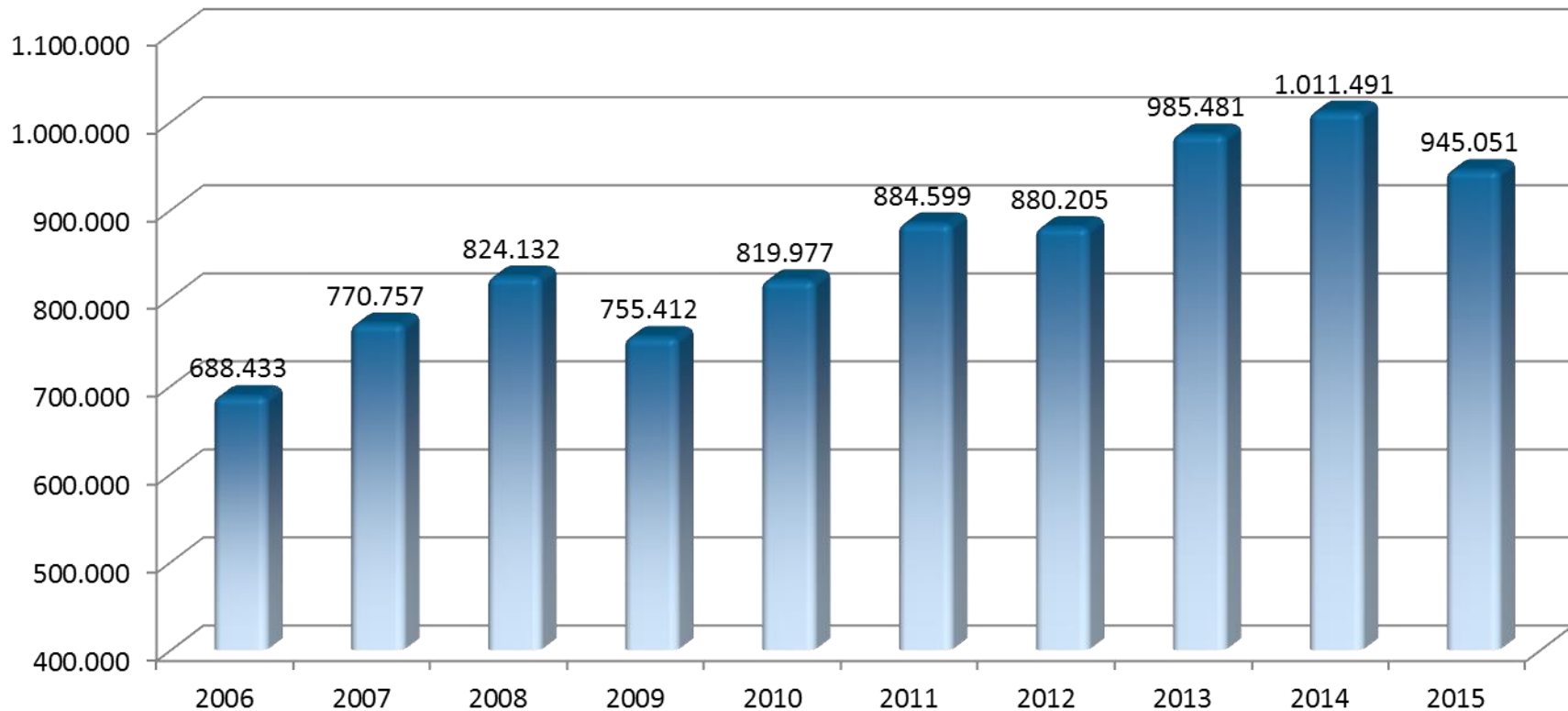




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## **4. Milcobel 2015: Annual results**

# Evolution of the turnover (euro)



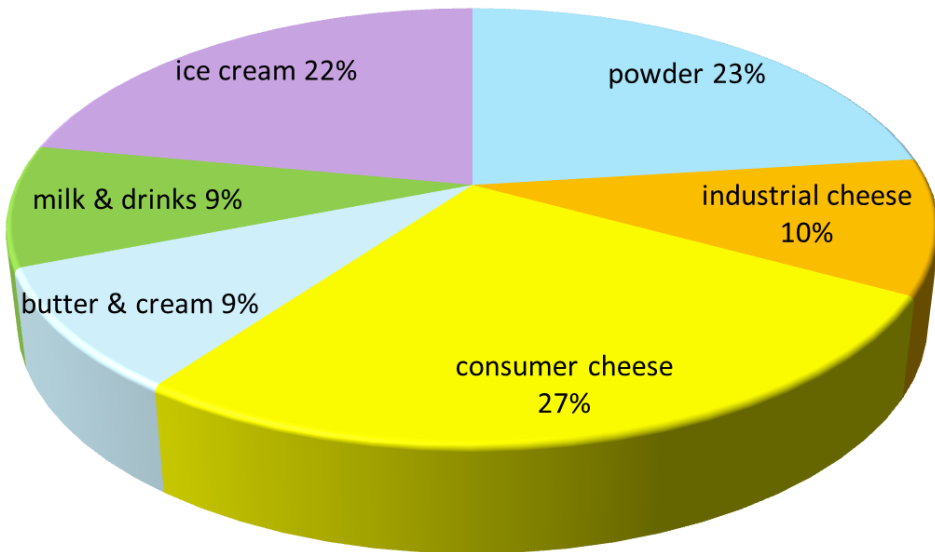
# Turnover by activity (%)



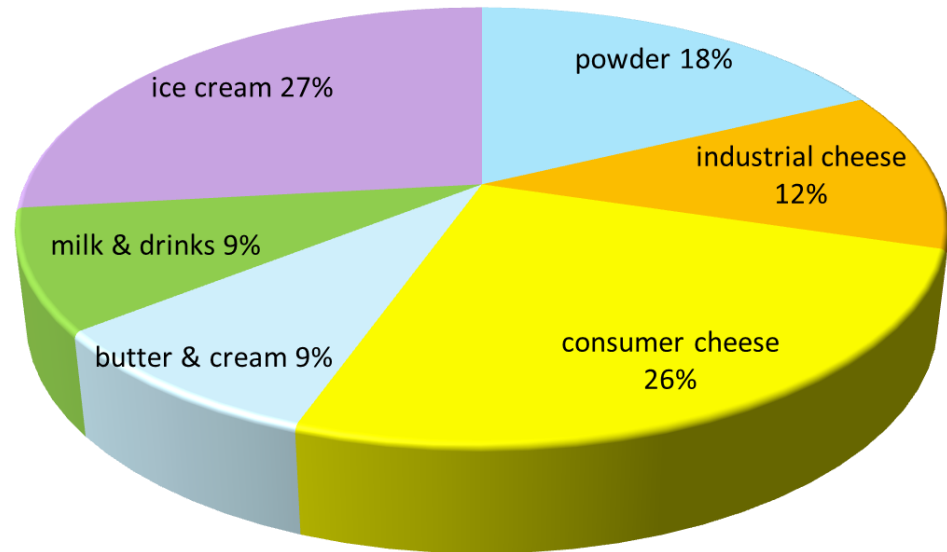
Turnover 2014: 1.011 million Euro

Turnover 2015: 945 million Euro

2014



2015







## **5. With participation of the members**



**milcobel**

Jaarvergadering

Dudemaarde, 16 juni 2015

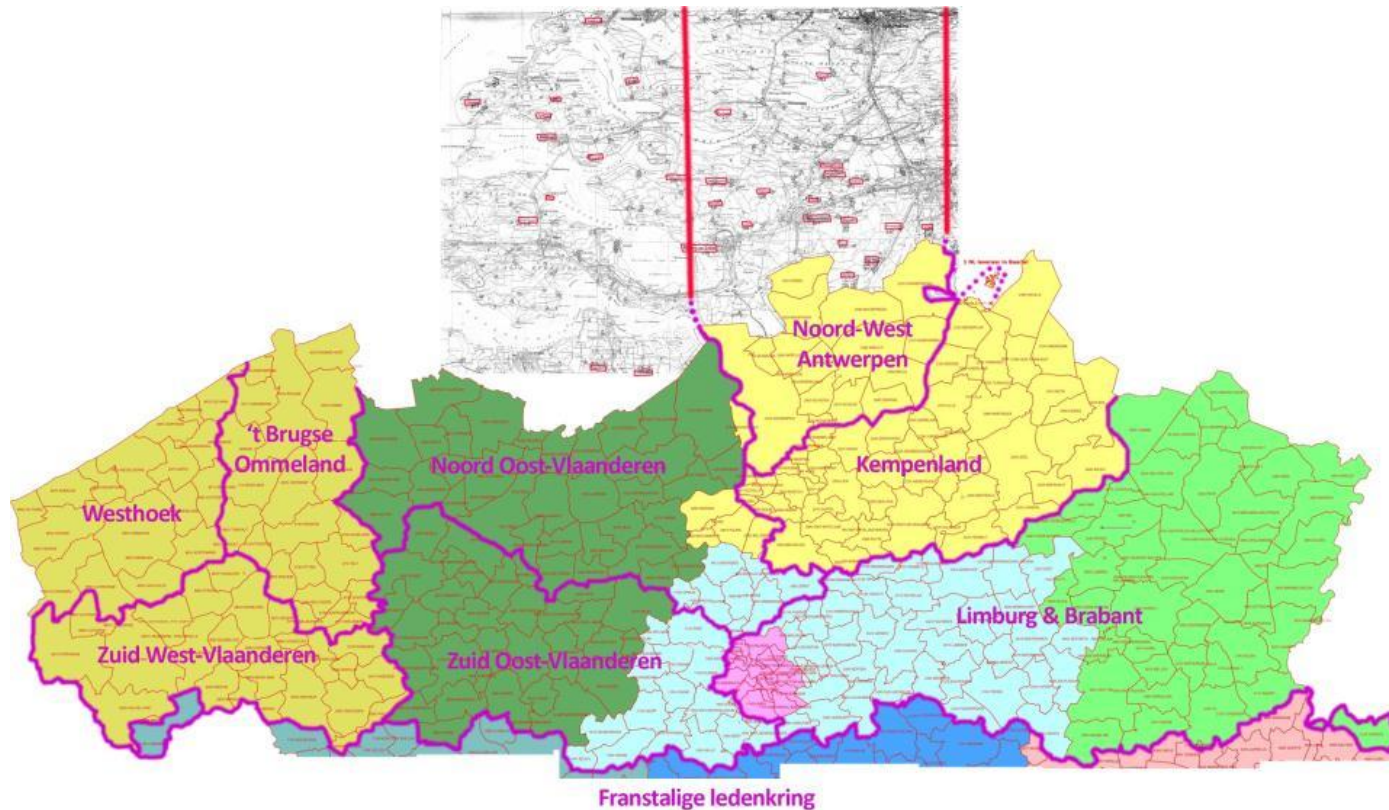
# Membership conditions



Year	Mandatory subscribed capital	Mandatory paid capital
2008	1,00 €/ 100 l	1,00 €/ 100 l
2009	1,00 €/ 100 l	1,00 €/ 100 l
2010	1,25 €/ 100 l	1,25 €/ 100 l
2011	1,50 €/ 100 l	1,50 €/ 100 l
2012	1,75 €/ 100 l	1,75 €/ 100 l
2013	2,25 €/ 100 l	2,25 €/ 100 l
2014	2,75 €/ 100 l	2,75 €/ 100 l
2015	3,25 €/ 100 l	3,25 €/ 100 l
2016	3,75 €/ 100 l	3,75 €/ 100 l
2017	4,00 €/ 100 l	4,00 €/ 100 l
2018	4,25 €/ 100 l	4,25 €/ 100 l
2019	4,50 €/ 100 l	4,50 €/ 100 l
2020	4,75 €/ 100 l	4,75 €/ 100 l
2021	5,00 €/ 100 l	5,00 €/ 100 l



# Milcobel-member area



# Principles of democracy & priority for young members

3,000 members

→ 9 members' circles (regional organisation, ±300 members/circle)

→ 1 member circle for young farmers

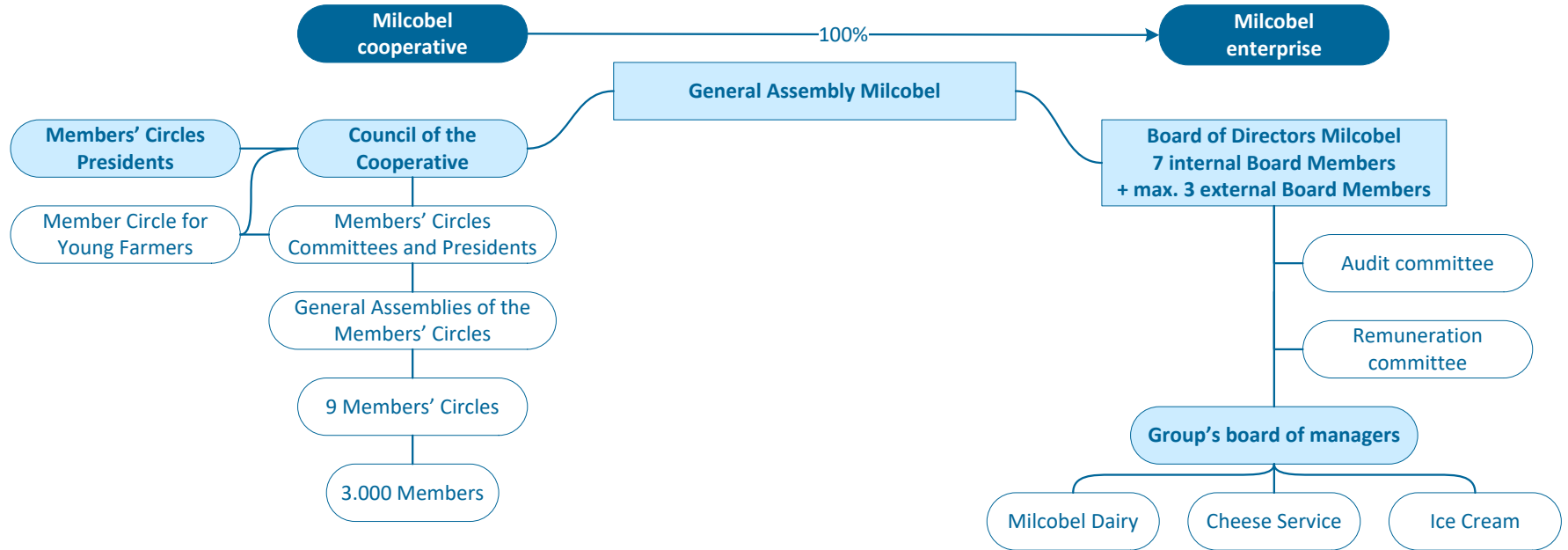
= 300 committee members

= 10% of total amount of members

→ 10 x 4 = 40 council members

→ 7 = board members

# Structure



# Milcobel agreements for the members



1. Was from 1/1/2009 till 16/5/2013 a **CLOSED** cooperative
2. **NO supply management** from the cooperative
3. Following the development of milkproduction of the current members
4. CONSERVATION of “statutory” complete milk delivery and milk collection



## 5. No price differentiation

= preservation of current cooperative price system

- Every month the milk price generated from the market and the activities of the company
- Milk price = average price of the different markets and the different products
- End of the year: division of the result:
  - Post-payment
  - Dividend on capital
  - Reservation



# Thanks for your attention!