

LKL Newsletter

August 2017



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PRICE MOVEMENTS UP, NUDGING 30P

- ♦ **ARLA** + 0.81p/litre to 29.98/litre from 1 August
- ♦ **YEW TREE DAIRY** +1.5P/litre to 29p/litre from 14 August
- ♦ **MEADOW FOODS A price** + 0.85p/litre to 29p/litre from 1 September, B price 33p/l.
- ♦ **DAIRY CREST** + 1p/litre to 29p/litre from 1 September
- ♦ **PAYNES** + 1p/litre to 28.45p/litre from 1 August
- ♦ **FRESHWAYS** + 1.276p/litre to 28.4p/litre from 1 August. Guaranteed minimum increase of 0.6p/litre from 1 September



ARLA NOTICE PERIOD, 1 YEAR

Arla proposes members must observe a minimum of 12 months' notice before they can cancel a milk contract. 2,500 UK Arla members were sent the document by text message on 4 July. The resolution seeks to remove the ability for members to terminate contracts at short notice. Arla has been successful in winning new milk business and needs to strengthen the stability of its milk pool.

GOVE'S BREXIT PROMISES?

The Defra secretary's remark that it was a "fact" there would be a comprehensive free-trade deal with the EU post Brexit has stirred up controversy. Many question whether Mr Gove is in any position to offer such a guarantee with difficult negotiations under way. The speech pointed to a radical reform of UK farm support with environmental policy at its heart. Mr Gove condemned the existing CAP for enriching the wealthy and for failing to put the environment first. The secretary of state said in future, farmers would have to "earn their subsidies" and was highly critical of the current CAP, which, he said, "rewards size of land holding ahead of good environmental practice"

MILK RECORDING GRANTS IN WALES

A new grant scheme will pay farmers in Wales at least £750 to milk record their herds. Funding is part of the European Union dairy support package. To qualify, milk recording samples must be carried out a minimum of four times a year. Farmers have until 19 August 2017 to apply on the Gov.wales website.

FONTERRA RAISE NZ PRICE BY 25C TO \$6.75/KG MS

Fonterra have put up their 2017-2018 price. They also announced a forecast earnings per share increase from 45c to 55c making total payout \$7.30 before coop retentions. The estimated national break even price is \$5.45. Commodity prices indicate more is to come, the only difficulty is the stronger NZ dollar at 75c to the US dollar.

IRISH GRASSLAND AND GRAZING STUDY TOUR LED BY NOEL GOWEN WEDNESDAY 11TH AND THURSDAY 12TH OCTOBER

LKL and Grasstec are hosting a Grazing and Grassland Study Tour to Ireland for a seventh time to see the latest cutting edge research findings on grassland based dairy farming at Moorepark and to visit three top performing Irish commercial farms. Only **£139 + VAT (excluding flights)** includes: all meals, hotel accommodation, coach transfers and entrance to Moorepark.



To secure your place or for more information please call the office on 01722 323546.

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NEWS

CULL COWS BOOST

Firm demand for beef has helped increase cull cow slaughter prices by 15%. There had been an increase in beef cow slaughtering this year, while dairy numbers have fallen back.

WELSH DAIRY CO-OP

Dairy co-operative South Caernarfon Creameries has posted record profits of £3m. The business is the largest farmer-owned milk co-op in Wales. It has 127 farmer members and supplies cheese and butter to major retailers. In the year to March 2017, its operating profit of almost £3m represented 9% of its sales of £33.1m.

FISH OIL FROM GM PLANTS

Scientists at Rothamsted have moved a step nearer to sourcing fish oils from oilseed crops. Using GM techniques, they have matched the seed's biosynthetic products more closely to those of their marine counterparts. Having a viable land-based source of omega-3 fish oils can address the ever-increasing demand for these healthy fatty acids.

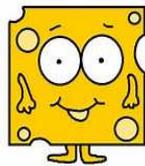
COTTESWOLD DAIRIES FREE RANGE MILK

(180 days and nights outside)

Cotteswold Dairies is promoting its free-range milk, with Asda now stocking its free-range milk from cows guaranteed to spend 180 days and nights outdoor grazing a year.

GB CHEESE EXPORTS BOOMING

Exports of cheese from Britain have increased in the first three months of the year with worldwide sales up 29%. 40,000 tonnes of cheese were exported around the world in the first quarter of 2017 - a rise of 3% compared to the same time last year. EU exports grew by 8% to 32,479 tonnes.



One of the biggest growth markets was Asia where exports rose by 36% to 1,798 tonnes. Exports to Europe are still incredibly strong, it is also encouraging to see non-EU exports have grown. AHDB Dairy has expanded its trade development programme in a bid to promote speciality cheeses. A selection of premium cheese from Britain is being promoted in India and Hong Kong. AHDB Dairy exhibited at the National Restaurant Association Show in Chicago as well as Asia's leading food and hospitality trade show.

SCOTLAND DOWN TO 924 HERDS, BUT COW NUMBERS RISE, 191 HERD AVERAGE

Scottish Dairy Cattle Association (SDCA) dairy herd statistics show a reduction in the number of herds, but an increase in cow numbers. In Scotland, there are now only 924 dairy herds. However, cow numbers in Scotland have increased by 2,622 to 175,928. The average size of herd at 191 is the highest in history.

FATS DRIVING THIS MILK MARKET UP

AMPE and MCVE are now above 36ppl at the factory-gate. They are a good indication of the value of milk diverted into spot markets. Increases are significant, with AMPE up nearly 9ppl since April, and MCVE rising 5ppl. Milk prices look poor compared with commodity market returns of more than 36ppl at the factory gate. The fat element accounted for two-thirds of the total return for AMPE, and fat continues to be the dominant factor behind overall market rises. Despite this, the majority of milk buyers have made no specific adjustment to their pricing schedules to encourage more butterfat production.

LABOUR APPOINTS VEGETARIAN SHADOW DEFRA MINISTER

New Shadow Defra Minister David Drew has been promoted in Jeremy Corbyn's Cabinet. The Stroud MP is a vegetarian.

ANCHOR BRITISHNESS

Arla had rebranded Anchor Butter to showcase its 'Britishness'. The new packaging references Westbury, Wiltshire, where Anchor Butter and Anchor Spreadable are made, as well as a British flag. A £4.5 million campaign will highlight Anchor as 'real butter' made with 100% British milk.



NEWS

TB PROPOSALS

A simpler system of testing for bovine TB, changes to compensation rates for farmers and longer retention of pregnant TB-positive cows are all included in a new consultation. The proposals provide scope for less frequent testing for some lower-risk herds. Defra are planning to halve payments for any cattle brought into TB-restricted herds which subsequently go down with the disease. A cap of £5,000 will apply to any animal compensation payment. The document also proposes allowing farmers to retain in-calf TB test positive cattle.

FARM DEATHS RISE TO 30

Thirty people were killed on UK farms from 2016 to 2017. Farmers aged 65 and above—accounted for nearly half of the deaths with 13 incidents. With a fatal injury rate of 7.61 workers per 100,000, agriculture is six times more dangerous than construction.

- ◆ **9 KILLED WHEN STRUCK BY FARM VEHICLES**
- ◆ **6 KILLED WHEN TRAPPED BY SOMETHING COLLAPSING**
- ◆ **5 KILLED WHEN STRUCK BY OBJECTS**
- ◆ **1 KILLED BY CONTACT WITH ELECTRICITY**
- ◆ **2 KILLED BY FALLING FROM HEIGHT**
- ◆ **2 KILLED BY ANIMALS**
- ◆ **1 KILLED, CRUSHED BETWEEN MACHINE AND A DOOR FRAME**
- ◆ **1 KILLED BY ASPHYXIATION IN GRAIN SILO**
- ◆ **1 KILLED BY INCIDENT INVOLVING A PTO SHAFT**

DEFRA APPROVES BADGER CULL

Eligible farmers in the two original badger cull areas of Somerset and Gloucestershire will soon be able to apply for licences to continue culling, in order to prevent any recovery in the badger population. Natural England to set a minimum and maximum number of badgers to be culled.

Defra farming minister George Eustice has confirmed the government is to relaunch the Badger Edge Vaccination Scheme (BEVS). Mr Eustice says he is confident suppliers of BCG vaccine are sufficient to allow a resumption of BEVS. This will help protect healthy badgers. Some wildlife trusts have already started vaccinating again.

FREE ATV TRAINING FOR YOUNG FARMERS

ATV manufacturer Honda has teamed up with the National Federation of Young Farmers Clubs to offer free maintenance and safety training to all club members between October and January.

AGRI WORKERS HEALTHIEST

People who work in agriculture are among the healthiest in the UK. The average agricultural worker was active for four-and-half hours per day, second only to people working in the health and fitness industries. If you want proof, just look at the step counters on herdsperson's iphones!! Forget trying hard to get to 10,000 steps a day!

NFU REPORT ON LABOUR

The NFU's report, *Access to a Competent and Flexible Workforce*, asks the government to set out its preferred approach to a new immigration system. This must include a "clear and accurate picture" of labour force statistics in the sectors.

The upcoming Immigration Bill must recognise the importance of EU migrant workers to the industry, with a "realistic expectation of the ability and availability of UK workers to fill the jobs."

The report includes potential options. These include:-

- Reintroduction of a seasonal agricultural workers scheme
- An Australian-style points-based immigration system
- A UK-style points system to attract non-EU nationals
- Retaining an element of free movement

Each year, up to 80,000 workers, most from the EU, especially Romania and Bulgaria, come to the UK to work on farms.

The devaluation of sterling, improved living standards in eastern Europe and concerns over Brexit means fewer migrant workers are travelling to the UK.

PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

Happy belated birthday to Pat Carlyle!

Ovi Badarau, Tomasz Krynicki, Cliff Needs, Gary Rudd, Alin-Gabriel Fifirig, Gareth Williams, Martyn Rowell, David Masson, Chris Dare and Paul Murray



WELCOME TO:

FARMERS

Freefolk Farm Partners, MA & NR Bowditch & N A Willis & Son



We are sad to report the death of John Roads of Roadhogs, the pig recruitment and staffing business. John worked for LKL and ran the LKL pig department many years ago and is fondly remembered. By mutual agreement he went on his own to form Roadhogs, but always remained a firm friend of LKL and shared many a frustration but also a good few laughs with us. I visited him in his Frome office only a few months ago and his death is a loss to the agricultural industry.

The funeral is at Mendip Crematorium, Old Wells Road, Croscombe, BA5 3RR on Friday 11 August at 2pm - No black....colourful attire only!

"I often confuse Americans and Canadians.
By using long words"

"Apparently 1 in 3 Britons are conceived in an IKEA bed,
which is mad, because those places are really well lit"

"Netflix and Chill"
because who can afford a TV licence
and heating?

A lot of people say I'm egocentric
—but enough about them.

Relationships are like mobile phones.
You turn on your iPhone 5 on and think, it used to be
a lot quicker to turn this thing on.

Congratulations to Adrian and Bianca Balica on the birth on their son David, born on 2 June 2017, weighing just over 9lbs!



" I went to a pub quiz in Liverpool, had a few drinks so I wasn't much use. Just for a laugh I wrote The Beatles or Steven Gerard for every answer...
.....I came second"

"Why is it old people say "there's no place like home",
yet, when you put them in one...."

"the search for a scapegoat is the easiest of all
hunting expeditions"

US PRESIDENT EISENHOWER

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