

# LKL Newsletter

## January 2018



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### **FIRST MILK JANUARY FREEZE**

First Milk's announcement of a price hold for January means First Milk prices for all pools will remain at 29.09-30.57ppl from January 1.

#### **GLANBIA**

Glanbia announced its price would drop by 1.5ppl. It takes the price for a one million litre producer to 29.50ppl.

### **IRISH RAMP UP MILK PRODUCTION**

Production in Ireland has ballooned to 6.7 billion litres - a 35% increase on 2007-2009 and is on track to exceed the target of 50% more milk by 2020. The increase made possible by the abolition of milk quotas has been fuelled by an increase in cow numbers. Between 2012 and 2016 the national herd has increased by 350,000 cows!



### **MULLER AND LACTALIS PRICES HOLDING**

After its 1st January price cut Muller has announced a stand still until at least 1st March. Lactalis has announced prices are on hold until at least 1st April.

### **WORLD CONSUMPTION TO RISE**

World consumption of dairy is expected to grow by 2.1% according to Fisheries and Agriculture Organisation's 10-year outlook. Milk production across the five key dairy exporters looks set to increase by 1.5% in 2018.



### **ARLA DROPS 1.3PPL TO 31PPL**

Arla announced a 1.3ppl price drop from January 1, mitigated by a positive movement in the currency exchange. It takes the manufacturing litre to 31ppl, including the Arlagarden Plus incentive.

### **AURIVO 29P FIXED**

The Republic of Ireland and Southern Ireland milk processor Aurivo has introduced a new fixed milk price scheme. Northern Irish farmers will be paid 29ppl on up to 10% of their monthly supply for three years.



### **USA FARM ANTIBIOTICS USE 'MORE THAN DOUBLE THE UK'**

Use of antibiotics on livestock farms in the USA is now more than double the level used in the UK. USA Food and Farming body, Sustain, analysed data from the US Food and Drug Administration. Data shows sales of medically important antibiotics for use in animals in the USA increased 26% in the five years up to 2015 and is now twice as high per animal as it is in the UK, where Defra has recorded a 27% drop in antibiotics.



#### **Contents**

- News 2
- League Table & National Costings Insert
- News 3
- Noticeboard 4



### NEWS

#### OVENS REMOVED FROM ARLA BOARD POSITION

Jonathan Ovens has been removed from Arla membership and from his board member role at Arla Foods. The moves follow alleged "serious failings in corporate governance" by Mr Ovens in his role as chairman of Emerald Debtco, a company used by the Arla Farmers Milk Partnership to raise a loan to fund producers' entry fees into Arla.



#### FARMER LOSES 50 COWS TO BOTULISM

A dairy farmer who lost 50 cows to botulism within a matter of days has urged others to vaccinate. James Stephenson from near Clitheroe, Lancashire, first saw signs of the disease on a lunchtime check and found one cow dead. Another cow was floppy and weak. He rang the vet who came to do a post-mortem and in that time another two had fallen. In just a few days 38 were dead. Mr Stephenson said it was likely silage fed to cows had been contaminated with dead game or poultry birds, which are prolific carriers of the bacterium clostridium botulinum, which causes botulism. Mr Stephenson lost 47 high yielding milkers and three bulling heifers out of the 80-strong herd.

#### WHAT THE BREXIT CITIZENS RIGHTS AGREEMENT MEANS

The government recently announced that it had come to an agreement with the EU about citizens' rights post-Brexit. EU citizens living lawfully in the UK and UK nationals living lawfully in the EU by 29 March 2019 will be able to stay. EU citizens wanting to stay in the UK after Brexit will have to apply for "settled status". This means:

- ◆ Close family members will be able to join after the UK has left the EU. This includes spouses, unmarried partners, children, grandchildren, dependant parents and grandparents. Children born or adopted outside the UK after 29 March 2019 will also be covered.
- ◆ People will be able to be absent from the UK for up to five years without losing settled status.
- ◆ Professional qualifications will continue to be recognised where these are obtained before the date of the UK's departure.
- ◆ It will be easy to apply for settled status and there will be a full right of appeal.
- ◆ EU citizens who already hold a valid permanent residence document will be able to have their status converted to settled status free of charge. This agreement provides certainty on healthcare, pensions and other benefits.

EU citizens do not need to do anything at this stage. The process for EU citizens to apply for settled status will start in the latter half of next year and

run for two years after the UK leaves the EU. The Home Office says it will be "much simpler and quicker" to apply for settled status than permanent residence and will cost no more than a passport (currently £72.50). Who is eligible to apply? People who are citizens of other EU countries and who arrive in the UK before 29 March 2019 and have been in the UK for five continuous years, will be able to continue to live and work in the UK for the two-year transition period after Brexit. Information is available here: [www.eucitizensrights.campaign.gov.uk](http://www.eucitizensrights.campaign.gov.uk) and [www.gov.uk/guidance/status-of-eu-nationals-in-the-uk-what-you-need-to-know](http://www.gov.uk/guidance/status-of-eu-nationals-in-the-uk-what-you-need-to-know) page.

#### £40M GRANT SCHEME

Government is giving farmers a £40m 'productivity boost' via a new Countryside Productivity Scheme for investment in technology and new equipment.

#### WYKE FARMS AND OMSCO JOINT VENTURE

Wyke Farms and The Organic Milk Suppliers Co-operative (OMSCO) are partnering to treble organic cheese output and target US and EU markets. The partnership will create a new company - The British Organic Dairy Company. Wyke will source all of its organic milk for organic cheese production from OMSCO.

#### VITMAIN SHORTAGE SPARKS FEED SUPPLY FEARS

Farmers should prepare for higher prices amid a global shortage of vitamin A and E due to manufacturing complications. The effect of the shortage - caused by a Chinese plant closure, and a BASF factory fire in Germany, will hinge on the time taken for those plants to become fully operational.



## NEWS

### NZ DAIRY STATS

The average dairy cow produced 4,259 litres of milk in the 2016-17 season, containing 381kg of milksolids (kg MS), compared to 4,185 litres and 372kg MS in 2015-16. 4.86 million cows nationally - down from 4.99 million in 2015-2016 - while herd numbers have dropped to 11,748 from 11,918. 20.7 billion litres of milk containing 1.85 billion kg MS in 2016-2017.



The previous season was 20.9 billion litres of milk (1.86 billion kg MS). The average herd is now 414 cows, down from 419 in 2015-2016. Friesian/Jersey cross-breeds now comprise 48% of cows (up from 40% in 2010-11). Holstein-Friesians make up 33.5% of the national herd and Jerseys comprise 9.3%.

Cows mated by artificial insemination (AI) increased to 72.7%. The number of yearling heifers mated to AI also increased. The average six-week in-calf rate decreased 0.9% points to 65.6% in 2016-17 (from 66.5% in 2015-16). 27.3% of New Zealand dairy herds operate under a sharemilking agreement in 2016-17, compared with 32.4% in 2014-2015. Variable order sharemaking (VOSM) herd numbers declined in 2016-17. 20-29% sharemilkers decreased by 235 herds (-29%) to 586.

In 2013-14, there were twice as many VOSM herds compared to today (1,357). Herd-owning sharemilking (50:50 sharemilkers) declined (-92 herds) to 19.8% of all herds. Owner-operator herds increased 188 to 8,503 herds in 2016-17. South Island produces 43.4% of national milk solids, compared with 35.6% a decade ago.

### TOUGHER HEALTH AND SAFETY PENALTIES

The Health and Safety Sentencing Guidelines, updated in early 2016, prompted fines to be calculated on farm business turnover, and takes into account the level of culpability. Farm businesses with a turnover of up to £2 million should expect to pay fines of up to £450,000. Fatal incident statistics for agriculture equated to 7.72 deaths per 100,000 workers compared to 1.94 in construction. A few basics:-

- ◆ Use appropriate signage, e.g warnings about vehicle movements or overhead cables.
- ◆ Always turn radios off when moving around. When leaving machinery, turn it off and remove keys from the ignition.
- ◆ Lay heavy objects flat.
- ◆ When working at height ensure there is a safe means of access

### RUNNING LOW ON FEED?

Some farmers are short of forage after silage-making in the summer was hit by torrential rain. Tips for farmers running low on forage:



1. Get silage analysed.
2. Look at cow performance to cull out any passengers.
3. Assess the relative values of feeds and consider costs, such as haulage.

The situation seems to be worst in Scotland and Northern Ireland.

### COGENT SELL 76% TO SEXING TECHNOLOGIES AFTER RUMOURS OF LOSING £4.6M ON £12M TURNOVER in 2016

Cogent has been sold to Texas based Sexing Technologies (ST). Wheatsheaf, (the investment arm of Grosvenor Estate) was the previous owner of Cogent and they have kept a 24% share in the new business, so Grosvenor will still be a minority shareholder in Cogent and ST have bought 76% of Cogent. The sixth Duke of Westminster launched Cogent in the 1990s with Tim Heywood. The objective at the time was to bring world class genetics to UK dairy farmers. Cogent is rumoured to have lost £4.6m last year on a turnover of £12m. ST have new sexing technology to double the number of sperm cells in a sexed AI straw. Cogent market share is in the low teens. Genus has somewhere about 55%. Male sexed bovine semen is predicted to grow quickly. It will be mainly used on cows rather than heifers. Cogent will be able to launch early calving sires into the male sexed semen market. Cogent are confident that 90-94% single sex calves will be born from sexed semen. Conception rates have been consistently achieving 50-60%, with cows, 65% conception rates in heifers. Figures with trials in Germany on new sexed semen have been within five percentage points of conventional semen conception. The market for sexed semen is predicted to double in the next two to three years and a price war between ST and Cogent looks a distinct possibility.



**PEOPLE CELEBRATING SPECIAL BIRTHDAYS!**

Philip Cooke, Peter Day, Colin Bartram, Richard Howarth, Ravinder Singh, Philip Pelling, Tom Froggatt, Krzystof Kosecki, Emanuel Dodea, David Roles



Dear God, my prayer for 2018 is a FAT bank account and a THIN body. Please don't mix it up like you did this year.



Congratulations to Anthony and Emily Mitchell @ A R & E J Miller, on the birth of their baby boy Arthur born on 14 December 2017!



What do you do when you see a space man?  
Park in it man!



**Things British people feel guilty about doing!**

- Consistently forgetting to bring a plastic bag from your bag of 'bags for life' at home and having to buy a new one at the supermarket.
- Promising someone you'd get the next drink and leaving before you could get round to buying them one.
- Putting a measly 50p worth of coins in the pot for a leaving present, just so the sound makes it seem as if you've given more money than you have.
- Having to answer a phone call in a quiet train carriage.
- Not having your ticket before getting to the barriers and having a queue of angry, busy people wait for you to fiddle around in your coat.
- Spending too long bagging your groceries after the cashier's said your total and getting in a right tizz about it.
- Accepting a terribly badly made cup of tea from someone and having to enjoy it!
- Bumping into someone you know and agreeing to go out for a drink knowing full well you'd rather die.
- Suddenly realising you don't want that packet of biscuits after shopping around and leaving it somewhere completely out of the way, like the fish section.
- Meeting someone and going in for a hug when they only wanted to shake your hand.
- Saying a heartfelt, wholesome goodbye and then walking the same way as the other person.

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