

# LKL Newsletter

## June 2018



Editor: George Gordon Layout: Amanda Hargrave

### ARLA UP 1.15PPL-28.58PPL

This rise is driven by stronger commodity markets and gives a price of 28.58pp for manufacturing and 27.51 for liquid contracts. The long cold spring has reduced output across Europe leaving commodity markets short of product.

### SAINSBURY ASDA MERGER

A promise has been made by Sainsbury CEO Mike Coupe to reduce prices by 10% to consumers after a merger with Asda. It's estimated that the reduction amounts to £500m, 70% will be borne by suppliers. 85% of Sainsbury's products come from just 100 suppliers. Senior management from both buying teams will be completing with each other to keep their jobs as the two supermarkets will run side by side. It's been suggested that they will be looking to 'harmonise' prices. If one of them can secure a lower price for a product, it will expect to get the same price for the other retailer. The go-ahead - or not - for the merger will come from the Competition and Markets Authority (CMA). Sainsbury and Asda have requested the CMA waive the usual pre-investigation discussions.

### SAINSBURYS: ASDA - MILK SUPPLIERS

Asda is exclusively supplied by Arla. Sainsbury's dairy development group of 270 farmers supply Sainsburys via processors including Muller and Medina.

### SAINSBURY'S UP TO 0.2PPL

Sainsbury's increased its SDDG milk price by 0.02ppl taking the liquid to 28.12ppl for the Muller supplier and Arla up to 28ppl for Arla suppliers.

### AHDB - AUTUMN CALVING FARM WALK, 11 JULY

LKL clients, the Kinch family and LKL herd manager Ben Redman (a graduate of the LKL Dairy Management Academy Training Programme) have been selected as the latest AHDB strategic farm with a focus on Autumn Calving. The launch day is Wednesday 11 July and will show how the 360 cows have been bred to include Holstein Norwegian Red and Flekveigh crosses. Ben has been instrumental to changes and implemented a drive on fertility in the herd which now has a 5 week calving rate of 86% and a replacement rate of 22%. The herd is near Swindon (Buscot Wick Farm, Buscot Wick, Farringdon, Oxon SN7 8DJ) and LKL will be in support of the open day providing refreshments.

### MULLER + 0.75PPL TO 26.75P

Muller has announced a recruitment drive and an increase by 0.75ppl from 1 June. It is recruiting farmers to join its Muller Direct group to continue focus on displacing imports, following investment at its Telford, Severnside and Foston sites.

### VEGAN ADVERT BANNED

A poster by vegan campaign Viva! linking milk to cancer is unsubstantiated, misleading and must not appear again, says the Advertising Standards Authority (ASA). The advert included the claim: "Milk contains 35 hormones, including oestrogen, some of these are linked to cancer."



### LKL OPEN DAYS

#### Tuesday 12 June, Devon

D W Heard & Partners, Lynch Farms Ltd, Lynch Farm, Thorverton, Devon EX5 5PS

Winner of 'Team of the Year 2018'

#### Thursday 21 June, Wilts

Neston Home Farm Partnership, Neston Park Estate, Neston, Corsham, Wiltshire SN13 9TG

Managed by Paul Newland, 'Herdsman of the Year 2018'



#### Wednesday 11 July, Oxon

Supporting the AHDB Open Day at RCW & M R Kinch, Buscot Wick Farm, Buscot Wick, Farringdon, Oxon SN7 8DJ

LKL Herd Manager, Ben Redman, (LKL Dairy Management Academy Graduate)

#### Thursday 12 July (revised date), Sussex

Plumpton College, Ditchling Road, Plumpton, East Sussex BN7 3AE

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## **NEWS**

### **GOVERNMENT FACES TWO JUDICIAL REVIEWS OF BADGER CULL**

Defra and culling licensee Natural England is facing two legal challenges over its decision to extend the culls. The legal action is being led by Tom Langton, an ecologist, financed through crowdfunding and supported by the Badger Trust, the Born Free Foundation, 20 badger groups and private individuals. Claimants question the way consultation was carried out in 2016-17. The second judicial review relates to the 2017 badger culling licences for five of 11 areas on the grounds that assessments of the ecological impact of culling more than 70% of the badger population "we're not done correctly". Both challenges will be heard by the same judge as the High Court in London from 9 to 11 July.



### **£6M DAIRY RESEARCH CENTRE**

A Centre for Dairy Science has been unveiled at the University of Nottingham, intended to put the UK at the forefront of dairy research. The new facility has been jointly funded by the university, the Centre for Innovation and Excellence in Livestock and Innovate UK. It will see expansion in the university's dairy herd, from 240 cows to 360, together with a "cutting edge" laboratory, eight robotic milking machines and a number of robotic scrapers.

### **MORE DEATHS ON UK FARMS**

In the past month, five people have been killed while working on UK farms. Hugh Henry from County Derry died following a quad bike accident on 12 May. A Perthshire farmer died in an incident involving a forklift truck. Graham Shaw, 54, was handling bags of fertiliser when he was trapped between the machine and a wall. Crofter Hector McLeod, 58, of Berneray, in the Sound of Harris, was found dead in his farm buildings, having apparently been attacked by a bull which he had reared from a young age. A Suffolk based farm have been ordered to pay £28,400 after a haulage contractor was killed by an overhead power line strike. Christopher Wilson died after his tipping trailer was raised and struck overhead power lines. Mr Wilson, a young father, who was in his late 30s, was electrocuted. Agriculture accounts for up to 20% of all reported work-related fatalities in Britain.

### **UNITE DEMANDS ACTION OVER FATALITIES**

Unite, the UK's largest workers' union accused government departments of "looking the other way" rather than taking action to improve the safety of farmworkers. Last year, there were 27 deaths in agriculture, equivalent to 1 in 5 workplace deaths despite the industry employing just 1% of the country's workforce.

### **WYNNSTAY TAKES ON EIGHT COUNTRYWIDE STORES**

Wynnstay has bought eight stores from the administrators of Countrywide. Four are in Cornwall - at Helston, Wadebridge, Otterham and Dartington. The others are in Crewkerne, Somerset; Thame, Oxfordshire; Raglan, Monmouthshire; and Bridgnorth, Shropshire. Wynnstay has a market valuation of £92m and is expanding through acquisition. Profits in Wynnstay's agricultural division of £3.34m, from a revenue of £280.87m. However, it incurred losses of £6.5m from placing pet shop chain 'Just for Pets' into administration, which caused total pre-tax profits to fall from £7.2m to £1.1m.

### **FARM COTTAGE BURGLARIES**

Please be aware that some rural properties, including those occupied by LKL sub-contractors, have been targeted by thieves for burglary in the daytime, when thieves assume houses are empty and staff are away at work. Criminals are interested in phones, iPads and jewellery rather than more traditional items like TV's etc. Much is drug related petty crime, they want to steal items they can turn into cash quickly to buy more drugs. Please ensure you take appropriate security and household contents insurance measures.



### NEWS

#### OVER 54? GET CHEAP GRANDFATHER RIGHTS SPRAYING QUALIFICATION QUICK!

Pesticide and herbicide users born before 31 December 1964 need to complete "the safe use of pesticides replacing grandfather rights" qualification before 31 December or they will face a more expensive qualification to be able to apply products with a knapsack sprayer. Farmers can register for this award until the end of 31 December 2018. From 1 January 2019, farmers without a qualification wanting to spray with a knapsack will require the full PA1 and PA6 qualifications. Previously, people born before 31 December 1964 were exempt from the requirement. The City and Guilds qualification can be done through local training providers. [www.fwi.co.uk/grandfather-rights-course](http://www.fwi.co.uk/grandfather-rights-course)



#### HARPER AND KEELE OPEN VET SCHOOLS

Harper Adams and Keele will offer vet courses in future, they will take their first veterinary students in 2020.

#### EXEMPTION WON FROM THREE-CROP RULE FOR SCOTLAND, IRELAND, BUT ONLY PARTS OF ENGLAND AND WALES

EU farm commissioner Phil Hogan has agreed a derogation from the three-crop rule for 2018 following excessive rain, which has delayed crop planting. The exemption applies in Scotland and Northern Ireland, but only parts of England and Wales.

#### DON'T CRY FOR ARGENTINA

Talks between the EU and Mercosur - Brazil, Argentina, Uruguay and Paraguay - culminated with 99,000t/year of low-tariff beef allowed to enter the EU in return for lower tariffs on EU goods. Beef became unprofitable with the major player, Argentina and the national herd declined by 10 million head between 2008 and 2011. However, the national herd is gradually growing and exports increased by 16% between 2016 and 2017. Argentina supplies beef to the EU under two main beef quotas. Quota 481 is tariff-free. This is set at 48,200 tonnes/year. The Hilton quota is 66,750 tonnes at 20% export duty, with Argentina taking 29,500t of that. The Argentinian Ministry of Agriculture predicts the country will fulfil 90% of its Hilton quota this year. UK consumers eat 1.2m tonnes of beef and veal in 2018. Demand increased by about 1.4% and an increase of 1% is expected in 2018. The UK is only 75% self-sufficient in beef. The EU as a whole was estimated to be 103% self-sufficient in beef in 2017 but it does not have the low cost base enjoyed in South America.



#### WHY ARE MILK SOLIDS IN THE UK LOWER THAN THE REST OF THE EU?

*Short answer:-* Because a massive 50% of our milk is for drinking (liquid contracts) and farmer's milk protein levels are not rewarded (unlike fat). In the EU only 7-16% is for drinking. (\*Based on AHDB analysis).

*Long answer:-* The difference between the UK and the other EU countries is how much drinking milk we produce - half of our total milk, compared to 7%-16% in other countries. This is driven by the UK's love of breakfast cereals and tea with milk. EU countries with a smaller proportion of milk going into drinking milk have higher protein figures, UK fat levels are only slightly lower. It is the lower protein that is most noticeable. There is no benefit to processors for delivering higher protein levels in milk destined for the drinking market. Excess butterfat still has a value, due to milk being fat standardised prior to bottling it is captured but this is not the case for protein. Liquid contracts focus on volume, over solids. The domestic nature of the liquid milk market means it is not as vulnerable to international commodity markets which is why the UK does better in the EU league table when commodity prices are low and poorly when commodities are high.

#### CORNWALL SAYS CHEESE!

Having shut its creamery at Telford, Dairy Crest is to spend £85M at Davidstow in Cornwall to increase capacity by 200M litres and increase the tonnage of Cathedral City and Davidstow cheese from 55,000 tonnes per annum to 70,000 tonnes. The company will work with its 330 suppliers in Devon and Cornwall to produce the extra milk required.

### PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

John Prentice, Robert Stoner, Harry Price and John Ruffe-Williams



Did you hear about the Italian chef that died? He pasta way. We cannoli do so much. His legacy will be a pizza history.



Congratulations to James and Chloe Mortimer, married in Rusper Church, Surrey, on 12 May 2018. We hear James wore his wellies for their first dance!



In Spain, there is a tradition after a bullfight to serve the mayor the bull's testicles at dinner.



One day after a bullfight, the mayor asks the waiter: "Funny, why are they so small today?"

The waiter: "Today, Sir, the bull won".

I'm applying to this awesome job. Under skills can I list: "Undeclared in Duck Duck Goose since 1993".

#### *Notice in a farmer's field:-*

The farmer allows walkers to cross this field for free. But the bull charges.

#### *Message on a leaflet:-*

If you cannot read, this leaflet will tell you how to get lessons.

#### *On a repair shop door:-*

We can repair anything (Please knock hard for entry - bell broken)

#### **LKL CAPS ARE COMING!**

Now the summer is here you should wear a cap for sun protection. Ask your Regional Manager for an LKL cap!



As modelled by our Cassie in the LKL office. Amanda smiling in the background.

My daughter's t-shirt reads:-



*The wifi went down for an hour so I had to talk to my family! They seem like nice people.*

**LKL Services Ltd**  
Agriculture House / Unit C  
Old Sarum Park  
Salisbury  
Wiltshire SP4 6EB  
Phone: 01722 323546  
Fax: 01722 335350  
amanda.hargrave@lkl-services.co.uk  
george.gordon@lkl-services.co.uk



[www.lklservices.co.uk](http://www.lklservices.co.uk)

#### **2019 Calendar Photos**

Please submit your photos for the 2019 LKL Calendar. If your picture gets chosen you will receive a free bottle of whisky!



Email to [carol.adlem@lkl-services.co.uk](mailto:carol.adlem@lkl-services.co.uk)