

LKL Newsletter

May 2017



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ARLA HOLDS MAY MILK PRICE

Arla will hold its UK milk price, despite a 1c/kg drop for European producers. The UK Arla Farmers Co-operative (Ukaf) board has used a reserve fund to maintain the conventional manufacturing price at 28.13p/litre, in anticipation of a cash benefit from the exchange rate mechanism. The liquid price of 27.03p/litre, will also be unchanged for May. The decision to leave UK prices unchanged follows a 0.42p/litre reduction from 1 April. From 1 January 2018, Arla will move to a manufacturing schedule only.

ARLA SLIP IN EUROPEAN PRICE LEAGUE TABLE

After many years when Arla held most of their business in the Danish market, they were well in the lead in the European milk price league table. They are now slipping behind their Dutch rivals FrieslandCampina, who have successful investments in the Far East. Arla are heavily invested in the UK and Germany, two of the toughest markets in Europe. The UK is now Arla's biggest single market. Danish milk suppliers are wondering if big investments in the UK were a good idea! It is starting to impinge on their Danish milk price on the co-op principle that all suppliers are paid the same.



MEADOW FOODS DOWN 0.4PPL

Meadow Foods has announced it's A price for May will fall by 0.4ppl to 27.15ppl due to weakening dairy markets on the back of increased spring supplies.

BARBER'S DOWN 1.25PPL

Barber's dropped its price for May by 1.25p/litre for its 130 supplier farms. Producers will receive 29.05p/litre. Farmers on the processor's existing contract will be paid 27.55p/litre.

GDT DAIRY BAROMETER RISES 3.1%

The Global Dairy Trade (GDT) auction saw its third consecutive rise on 18 April increasing by 3.1%. The rise was led by strong performance, skimmed milk powder (SMP) and whole milk powder (WMP). SMP was up 7.1% while WMP rose by 3.5%. Rises were largely a result of disruption by cyclones affecting milk production in New Zealand and Australia, alongside record levels of trading on New Zealand's NZX dairy futures market. In Europe, SMP prices have dropped since the beginning of the year. Poland, Lithuania and Germany put forward combined 1,201t of SMP for intervention, the first time powder had seen offered in 2017. SMP stocks continue to hang over the market at 375,300t. In the GDT auction, cheddar (+6%), lactose (+1.2%) and butter (+2.9%) all rose.

LKL FARM OPEN DAYS

Get the date in your diary!

- ◆ 6 June - Y Farms Ltd, Shepton Mallet, Somerset
- ◆ 13 June - J Pinsent & Co, Ivybridge, Devon
- ◆ 4 July - South Lynch Dairy, Hursley Estate, Nr Winchester, Hampshire
- ◆ Sussex - date to be finalised shortly



We have a great line up of farms, speakers and points of interest for you to come and see.

LKL Regional Managers will prepare a fresh steak BBQ for all our visitors at all open days! Your invitation will be on its way in due course.

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NEWS

AGRICULTURE FACES GROWING LABOUR CRISIS

The labour shortage in the UK agriculture and horticulture is in danger of becoming a crisis unless urgent measures are taken to fill the gaps, MPs have warned. The Environment, Food and Rural Affairs (Efra) committee says it does not share the UK government's view that the sector does not have a supply problem. In a report published on 27 April, *Feeding the nation: labour constraints*, MP's say government statistics are inadequate for measuring agriculture's labour needs, particularly where seasonal migrant workers are concerned. The report says there are around 75,000 temporary migrant workers employed in UK agriculture. The NFU says the sector will need to meet the demand for 95,000 seasonal workers by 2021. The report warns that the sector's temporary shortfall has been exacerbated by recent events, including increased living standards in Eastern Europe, a fall in the value of sterling and uncertainty created by Brexit.

CAP ON MIGRANT WORKERS PROPOSED BY 'LEAVE MEANS LEAVE'

A pro-Brexit pressure group of MP's, including former Defra Secretary Owen Paterson, has called for a five-year ban on unskilled migration and annual cap on the number of seasonal farmworkers entering the UK. The group, Leave Means Leave, has published a report written by ex-UKIP MEP Stephen Woolfe which said only 50,000 seasonal agricultural workers should be granted permits each year. Mr Woolfe also suggested cutting the number to 30,000 from year two to 'encourage businesses to train replacements'.

GALLACHER/HANCOCK/ SHELDON

Shelagh Hancock led Medina Dairy from an operating loss of £166,000 to a profit of £1.98m in the year to last April. As new CEO, the experienced Mike Sheldon goes into Medina as their new Sanisbury's contract comes into effect. Hancock will be returning to co-op/cheese and has former Milk Link colleague Carl Ravenhall at hand as a non-exec director. Ornu, now important to First Milk's cheese operations, have the comfort of knowing her from her time at Glanbia. Outgoing F/M CEO Mike Gallacher, can leave with his business credentials intact and F/M members being paid a competitive milk price.

WORLD-FIRST ROBOTIC ARABLE FIELD

The world's first field to be grown and harvested without anyone setting foot in it is under way, with the drilling of the chosen spring barley variety. Researchers at Harper Adams started the ambitious "Hands Free Hectare" project last year, have completed the first stage of their plan. They have created autonomous farm machinery - using small-scale equipment that is already available and adapting it in the university's engineering laboratories. The machines will operate independently in the field. For safety reasons, laser scanners will be used to monitor the front of the tractor and prevent mishaps. The team found an appropriate drill and spray control system. A suitable combine was more difficult to source until the decision was taken to modify an old trials plot combine.

SCHOOL MILK SCHEME

Research on milk consumption at schools by Tetra Pak finds that only 55% of primary aged children are currently drinking milk at school, with consumption levels declining. The report entitled 'Making More of Milk' finds 28% say the main reason their children are not drinking milk in school is because they are unaware they are eligible for free or subsidised milk. The report finds overwhelming support for free school milk with 89% of parents and 93% of teachers saying all children in Reception should be eligible for free school milk. The current model makes it complicated for teachers to administer.



GRANT AVAILABLE - COUNTYSIDE PRODUCTIVITY SCHEME

The Countryside Productivity Scheme did not run in 2016, but Defra has confirmed it may open again. When the scheme ran in 2015 it offered small grants (up to £35,000) to help pay for LED lighting for livestock housing, slurry management systems and remote crop sensing. The grant was for up to 40% of eligible costs. Second-hand equipment was eligible, provided certain conditions were met.



GRANTS TO FUND LIVESTOCK PRECISION KIT

Farmers in England may be eligible for grant support which is part of the Rural Development Programme for England (RDPE). Applicants have to demonstrate how the purchase of precision farming equipment can increase their farm productivity. Getting approval can take from three to six months. The maximum grant rate is typically capped at 40% with the maximum grant between £35,000 and £50,000.

LKL'S NATIONAL HERDSMAN OF THE YEAR 2017

We are now several years into running our annual competition to find LKL's national herdsman, team and improver of the year. Once again, there proved to be no shortage of nominations from our Regional Managers who got together at the end of last year and after much debate, discussion and scratching of heads came out of their darkened room with a shortlist for each category.



Judges were appointed in the New Year and Jonathan Huxtable of Zinpro, David Pettit from Kingshay and David Bowyer a freelance consultant agreed to give their valuable time to further shortlist and criss-cross this country in search of the winner for their category. Visits were made, talks took place, notes and photographs were taken in February and March this year. Common criteria based around Vision, Culture, Roles and Responsibilities, Efficient Processes, Leadership, Relationships, Communications, Skills, Innovation and Diversity were used by the judges to assess the finalists. The feedback from all three judges was that it had been the toughest year to date as the standards were exceptionally high and we had the cream of the crop!

After much pondering, winners were chosen, cups were engraved, certificates drawn up and announcements were made during the after dinner speeches at The National Herdsmans Conference on 10th April 2017. Jonathan Huxtable was there to present the winners cup to Mr Barry Sumption for Herdsman of the Year 2017. Barry has been Herd Manager for David Food Ltd and has successfully managed the 200 cow dairy herd near Dorchester for the last four years. Jonathan awarded runner up certificates to Nick Haigh and Chris Gowen.

George Gordon presented the winners cups to both the winning Team and the young Improver of the Year. The team at Heaselands Estate in West Sussex represented by Silvec Janczak stood up to receive the winners cup. Joe Smith, Assistant Herdsman for 3 years for Rob Clapp on a 1200 dairy cow farm outside Glastonbury won the Improvers cup.

Congratulations go to all the worthy winners but also to the runners up who took part and helped make this years competition a huge success.

PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

Kamil Grzesznik, Andrew Carnell, Matthew Crossman



WELCOME TO:

FARMERS

Orchid Meadow Farm



Huge congratulations to Simon and Sheila Collier on the birth of their granddaughter, Sofie Lily weighing 6lb 4oz!



Who is the coolest person working in the hospital?

The ultrasound guy!

When he's on holiday who is the coolest person ?

The hip replacement guy!

What do you get when you cross a robot and a tractor?

A transfarmer.

An old farmer was walking down the path to the pond when he spotted a bullfrog.

He reached down and grabbed the frog and started to put him in his pocket when the bullfrog said, "Kiss me on the lips and I will turn into a beautiful farmers wife."

Again the old farmer started to put the frog in his pocket.

The frog asked, "Didn't you hear what I said?"

The farmer looked at the frog and said, " At my age I'd rather have a talking frog."



What I think I am driving!

George Gordon



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