

LKL Newsletter October 2017



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CONGRATULATIONS TO WENDY AND TERESA, 30 YEARS AT LKL

LKL office manager Teresa Organ and LKL accounts manager Wendy Brindley both started work at the company in October 1987 and celebrate their 30th work anniversaries this month.



We are enormously lucky to benefit from their dedicated input. They are wonderful people and lynch pins of the company. On behalf of all customers, herdspersons, managers and staff, congratulations and **THANK YOU!**

MEADOW FOODS

Meadow Foods has announced a 1ppl increase from October 1, to 30ppl. Its 'B' price for August at 35ppl and projected the range for September would be between 33ppl and 36ppl.



FIZZY MILK DRINK



Arla is planning to expand its range of dairy products by adding a "fizzy milk" product. A sparkling fruit and milk drink is in development at Arla Foods' innovation centre in Aarhus, Denmark.

1.5PPL INCREASE FOR ARLA TO 32.3PPL

Arla have increased October milk price by 1.5ppl to 32.30ppl. The organic manufacturing price increases to 43.47ppl and the organic liquid price to 41.79ppl.

FIXED PRICE CONTRACTS

Muller has launched its Muller Direct futures contract, allowing producers to lock in a monthly milk price for up to 25% of their milk for 12 months. Muller said there had been a 'very healthy interest' in its new option. In Ireland, Glanbia has offered a five-year fixed milk price at 31 euro cents per litre (28ppl) plus an extra 2ppl if farmers lock in Glanbia feeds.

CREDITON FIXED PRICE 28PPL OFFER

Crediton Dairy has offered a two-year fixed price contract. Farmers can fix the price on either 20% or 10% of their monthly base litres at the standard litre price of 28ppl. Crediton Dairy has allocated 10 million litres to this scheme.

PAYNE'S DAIRIES

Have increased their price to 30ppl from 1 October.

YEW TREE

Have increased by 1ppl to 30ppl.

0.24PPL COST OF PRODUCTION MILK PRICE INCREASE FOR SAINSBURYS

This takes the price to 28.21ppl for Muller and 28ppl for Arla.

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

GLOBAL MARKETPLACE

The Horizon report on the prospects for dairy is available on the AHDB website. This report assesses the key overseas markets beyond the EU. Analysis concludes China presents the highest value trading opportunity for British dairy outside the EU; other key growth markets are Japan, Singapore, South Korea and Algeria. Asia is the world's largest grocery market, growing at 6.3%, as wages rise in the region, so too does the appetite for a Western diet. Spending on dairy products in China is projected to grow by 10% to 11% per annum to 2021. The UK 'brand' represents quality. This reputation is particularly strong among Chinese consumers and presents a major opportunity.

MAKE THE MOST OF BREXIT OPPORTUNITIES

AHDB's Head of Strategic Insight David Swales said demand for dairy commodity products was a key growth area over the next decade, with a 'phenomenal' increase forecast in the Asia-Pacific region, fuelled by rapid expansion of the middle class. With the UK a massive net importer of dairy products, displacing some of these imports was also identified as an opportunity. AHDB Board Member and Dairy Chair Gwyn Jones said dairy farmers should be looking to raise their game and that AHDB was there to help them, citing a new publication recommends the British dairy farms that narrow production to one of two systems - block calving within a 12-week window or all year round calving - in order to achieve significant competitive gains.



M&S POOL MOVE TO RSPCA ASSURED

All farms in the Marks and Spencer dairy pool will now have to comply with RSPCA Assured standards. The move follows negative publicity over the use of calf hutches after the Daily Mail highlighted breaches of animal welfare measures. M&S head of agriculture and fisheries Steve McLean said: "One of our farmers made a mistake, so we worked with the farmer to rectify the issue and took the decision to strengthen our standards by asking an independent to assess all of our dairy farms." Each of the 37 farms in the M&S milk pool were audited by RSPCA assessors during April and had 332 standards checked on each visit. 14 farms met all the standards immediately, with all other non-compliances corrected mid-July.

DAIRY EXPORTS PREDICTED TO GROW 22% BY 2026

Global dairy exports are expected to increase 22% by 2026 according to OECD-FAO projections. The largest rise in absolute terms is set to come from the EU, with a 37% increase of 715 thousand tonnes, 41% of the projected growth in exports.

Country	Exports 2016 (000 tonnes)*	Projected export growth 2016-2026 (000 tonnes)
USA	885	145
New Zealand	2,418	548
EU28	1,946	715
Australia	424	17
Argentina	195	108
ROW	1,955	224
Total	7,822	1,758

Source: OECD-FAO Agricultural Outlook 2017-2026

CULL EXTENDED

Badger culling will take place in 11 new areas this autumn. The new areas are in addition to 10 zones where culling will continue as part of Defra's 25 year plan to eradicate TB. New four-year culling licences were announced by Natural England. In Wiltshire, marksmen have been issued licences to cull badgers in three new zones. Other new culls will take place in Devon, Dorset and Somerset, alongside existing culls. Culls in Herefordshire and Gloucestershire will continue, bringing the total number of culling zones in England to 21. In total, 21,981 badgers will be culled across all counties this autumn.



SHIFT FROM SKIM BACK TO WHOLE MILK

Over the last two years, consumption of skimmed milk has been falling, with whole milk back in favour. Skimmed milk sales are 7.4% lower than the same period in 2015. Year-on-year the move to whole milk, and away from skimmed, is accelerating. Semi-skimmed milk accounts for 60% of milk sales. The move is effectively taking butter and cream off the market and adding to the shortage of butter. Source AHDB.





NEWS

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
- ⇒ 3 killed by contact with electricity
- ⇒ 2 killed by falling from a height
- ⇒ 2 killed by animals
- ⇒ 1 killed when crushed between machine and a door frame
- ⇒ 1 killed in an incident involving a pto shaft

MILK FAT IS GOOD AFTER ALL!

Analysts say the increased demand for fat is due to new research that has driven consumers away from margarine back to butter, as well as a renewed enthusiasm for baking. A milestone could be McDonald's decision to replace margarine in its products with real butter. That accounts for 000's of tonnes of butter worldwide.



ORGANIC US KINGDOM CHEESE EXPORT MARKET THREATENED

Dairy farmers will be forced to cease production of an award winning cheese unless the UK and US reach a deal on organic standards. Kingdom cheddar - made by British farmers for the American market will stop at the end of this year without a UK-US equivalency agreement says (OMSCo). OMSCo became the first EU dairy business to qualify for USDA-certified organic status in 2015. The US, where annual demand for organic dairy products has grown by more than 20%, is a key market. Arrangements granting farmers access to the US market are between the US and EU, rather than the US and UK. When the UK leaves the EU in March 2019, that agreement will no longer apply to UK farmers unless a new "equivalence" arrangement on organic standards is signed between the UK and the US. It takes more than a year to process, mature, pack and ship Kingdom cheese and ensure it has a suitable shelf-life period once it arrives in the US. One in four OMSCo farmers have made changes to their farming practices to meet US organic standards. It may take six months for a new certificate allowing UK organic cheese exports to continue, believes Jennifer Wilson, of the United States Department of Agriculture (USDA). Experience suggest a solution would be found, says Ms Wilson.

SOYA AND ALMOND MILK MAY PUT HEALTH AT RISK

Trendy dairy alternatives such as soya and almond milk may be putting people's health at risk, researchers say. Scientists at the University of Surrey warn these products do not contain nearly enough iodine - a crucial mineral.



Dairy milk is the main source of iodine in our diet, providing 40% of the average daily intake. As estimated 70% of teenage girls in Britain are iodine-deficient, and doctors are also concerned that pregnant women are not consuming enough. In the first British study of its kind, researchers examined the iodine content of 47 milk alternatives including soya, almond, coconut, oat, rice, hazelnut and hemp. The products on average contained 2% of the iodine found in cow's milk, the British Journal of Nutrition reports. Iodine is required to make thyroid hormones, which help keep cells and the metabolic rate healthy. It is especially important for the brain development of babies, particularly while they are in the womb. If avoiding milk and dairy products, consumers need to ensure that they have sufficient iodine from other dietary sources.



PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

Mirosław Rempalski, Abi Green, George Holly, Zsolt Szekeres, Paul Mellor, Isabelle Dommett



WELCOME TO: FARMERS

W & J Parkinson & Sons, Brown & Beer, NJ & KC Bowden, A & J M Forster, DJ & S Tomlinson, Cole & Sons



She texted me, "Your adorable".
I replied, "No. You're adorable."
Now she thinks I like her. All I did was point out her typo!

So I was in the shop and saw a man throwing milk and cheese about. I looked at him and thought "how dairy".



When you lied on your CV about having previous sheepdog experience!



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Thank goodness for Halloween, all of a sudden the cobwebs in my house are decorations!

