

# LKL Newsletter

## April 2019



Editor: George Gordon Layout: Amanda Hargrave

### ARLA HOLD AGAIN

This is Arla's third consecutive monthly price hold from 1 April. Arla's performance this year has led the market and the gap is growing!

Arla	Conventional	Organic
Manufacturing Litre	30.23ppl	41.98ppl
Liquid	29.06ppl	40.34ppl

### MILK PRICES FALLING

**1PPL DROP TO 28PPL, GLANBIA**

**1PPL DROP TO 28.14PPL, DALE FARM**

**0.75PPL DROP TO 26.75PPL, MEADOW FOODS**

**0.75PPL DROP TO 26.75PPL, YEW TREE DAIRY**

**HOLDS**

**MULLER HOLD AT 26.75PPL**

Muller hold this month after 1.25ppl drop for March remaining at 26.75ppl.

**BELTON HOLDS AT 28.75PPL**

**BARBERS HOLD AT 29.13PPL**

**DC HOLD AT 29.9PPL**

Dairy Crest will hold prices for milk supplied to Davidstow for a fourth consecutive month.

### 2019 SPRING PEAK, LIKELY TO BE A 46 MILLION LITRES/DAY RECORD

Higher yields per cow supported by increased concentrate feeding and a kind spring and mild winter are driving expectations of a record breaking milk production year in 2019/20. Forecast by AHDB is for 12.59 Bn litres, up 0.7% on 2018/19 and the highest since 1990/91. Spot milk is now under 20p, although almost no tonnes of SMP remain in EU Intervention compared to 380,000 tonnes in 2017. The UK has only produced 45 million litres a day on two days previously but this year we could touch 46 million litres/day which puts the processing industry under enormous pressure. Do we have the capacity to process all the milk? How vulnerable is the UK to plant breakdowns or problems at peak? Could distressed milk and very cheap spot milk destabilise the market? Quite apart from Brexit dramas, worrying times!



Do we have the capacity to process all the milk? How vulnerable is the UK to plant breakdowns or problems at peak? Could distressed milk and very cheap spot milk destabilise the market? Quite apart from Brexit dramas, worrying times!

### BSE COSTS FALL ON FARMERS

The Government has updated its BSE information to say the animal's owner will be responsible for the cost of taking transmissible spongiform encephalopathies samples from fallen stock cattle from April 1. The cost is likely to be at about £7.50/head.

### FURY AS MEDINA DITCH A PRICE BASKET SYSTEM AND MOVE TO DISCRETIONARY PRICING

Medina has introduced discretionary pricing in advance of government reforms aiming to outlaw the practice. Medina is supplied by 156 producers in the south of England, Yorkshire and South Wales and is ditching its current basket price mechanism. Producers were given three weeks' notice of the changes. The move is an example of why Defra's proposed dairy contract reform was necessary, according to NFU dairy board chairman Michael Oakes. He added that according to the Medina contract, the change is permitted. Medina is paying 27.77p/litre to 28.28p/litre for March. Defra is still committed to contract reform. The timing of this move ahead of an expected record spring flush is ..... interesting!

### MORRISONS SIGN UP TO ARLA 360 SCHEME

Morrison's has become the second retailer to sign up to the new  **MORRISONS** Arla 360 standards. 200 Arla farmers are aligned to Morrison's and will be paid a bonus thought to be @ 1ppl.

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### NEWS

#### 0.54PPL INCREASE FOR MARKS & SPENCERS

To a standard liquid price of 33.36ppl.

#### FIRST MILK RISE

First Milk confirmed its April price would rise by 0.25ppl to 27.75ppl for liquid and 28.68ppl for manufacturing.



#### RAW MILK PRODUCERS

A group of dairy farmers has launched the Raw Milk Producers Association (RMPA) to work with the Food Standards Agency and ensure new controls are proportionate and supportive. Raw milk sales in the UK have soared in recent years. RMPA chairman Jonny Crickmore says the association is keen to maintain a strong relationship with the FSA. Any raw milk producer can join the RMPA.

#### PRODUCER NUMBERS DROP BELOW 9,000

Dairy producer numbers in England and Wales fell at the fastest rate since 2007, according to the AHDB. The rate of dairy departures has increased in recent months, however, the rate of decline has proven contentious. The Food Standards Agency has said it is recalibrating and cleaning up its database. The rate of decline may be accelerated by the data clear-up. Animals sold by those leaving dairy farming are mainly incorporated into larger herds.



#### DAIRY ON THE BIG SCREEN

Cinema advertising will be used in a forthcoming AHDB and Dairy UK joint consumer marketing campaign. The Department of Dairy Related Scrumptious Affairs campaign will target millennials at cinemas nationwide.

#### NO DEAL BREXIT, BATTERY EGGS ROW

Opening floodgates to imported eggs from battery hens would be a 'national disgrace', according to the British Egg Industry Council (BEIC). It is seven years since the UK banned barren battery cages. BEIC is urgently seeking assurances from the Government to stop eggs and egg products from non-EU countries, including the USA, Ukraine, India and Argentina, where animal welfare standards are lower.



#### GDT AUCTION PRICES

The Global Dairy Trade is at its highest level for 18 months. Index prices rose by 1.8% on 19 March. Increases were driven by the strong performance of whole milk powder (WMP) and cheddar. WMP increased by 4% to \$3,317/t. Cheddar rose by 3.9% to £3,040/t while butter leapt by 9.3% to average £3,834/t.

#### SEASONAL FARM LABOUR POST BREXIT

The UK will remain open to seasonal workers from other EU member states. If there is a deal there will be no change to current arrangements for EU citizens in 2019 and 2020, with workers able to enter the UK on an EU passport. If the UK doesn't reach a deal any EU citizens arriving after 29 March and wanting to stay for more than three months will need to register for European Temporary Leave to Remain. Those already in the UK can apply for status under the EU Settlement Scheme. Applicants will be given permission to stay and work for up to three years.



#### ROBERT GOODWILL APPOINTED FARM MINISTER

Yorkshire MP and farmer Robert Goodwill has been appointed Defra farm minister following the resignation of George Eustice. Mr Goodwill is a former regional chairman of the NFU's cereals and livestock committee. A Newcastle University agricultural graduate farming 100ha near Malton, Mr Goodwill is a Euro sceptic. Alongside his farm business, he runs an environmentally friendly cemetery offering "green burials" near York.

#### 0.25PPL 13TH PAYMENT TO FIRST MILK

This 13th payment is calculated based on capital invested. To receive the full 0.25ppl a member must have reached their capital contribution target. Taking into account the 0.25ppl payment this increased the First Milk manufacturing price to 28.68ppl.



### NEWS

#### UK DAIRY PRICES EASE DRIVEN BY FAT FALLS

Brexit agony and continued high production volumes have dampened demand with SMP and cheese falling 1% and cream and butter 5%. AMPE fell 1p in March to 28.3ppl and MCVE fell 0.6p to 30.8ppl. Traditionally it is relevant to deduct @2p from those prices to allow for transport from farm to dairy.

#### CHRIS PACKHAM BACKED WILDLIFE GROUP SEEKS BAN ON CROW AND PIGEON SHOOTING

Shooting birds such as pigeons, rooks and magpies could become impractical if conservationists succeed in a legal challenge in the High Court. Recently formed group called Wild Justice, set up by



BBC presenter Chris Packham, challenges the general licence system used by Natural England that authorises the shooting of certain birds. The general licence is issued each year by Natural England (NE) and is an "open" licence. There are 15 species covered, including pigeons, crows, jackdaws, jays, magpies and rooks. Wild Justice believes all birds should be protected. Wild Justice says these open licences should only apply where Natural England is satisfied that no alternative non-lethal means exist, such as bird scaring! The Countryside Alliance says the current system works perfectly well in helping control pest species, without threatening their overall population.

#### McGRANTS TO ARLA SUPPLIERS

McDonald's awarded 33 Arla farmers £273,243, an average £8,000 each in their capital grant scheme. The



fund is focused on raising animal welfare standards. Grants have been awarded for investment in footbaths, remote sensing, youngstock housing and milking parlours.

#### ARLA TO GO CARBON NEUTRAL

Arla are seeking to be carbon net zero by 2050. It is managing almost 50% more milk since 2005, but its CO emissions have dropped 22% across production and packaging. On farm, emissions per kg of milk had dropped 24% since 1990.

#### REES-MOGG PROMISES CHEAPER FOOD

MP Jacob Rees-Mogg has been slammed by farmers for suggesting consumers can look forward to cheaper food after Brexit.

#### NO DEAL DAIRY TARIFFS

In the event of a No Deal Brexit the following tariffs will apply:-

Butter - £605/t

Cheese - £180-290/t

18% of dairy imports subject to tariff.

Republic of Ireland send 54% of butter imports and 88% of cheese imports to the UK. There is confusion about exactly how much enters the UK via Northern Ireland which would be exempt, products from the Republic would be subject to import tariffs.

#### LAMENESS AND JOHNE'S AFFECT COW LYING TIME

A cow's behaviour can change when under pressure from illness or disease. Research by Harper Adams using activity monitors on dairy cattle, aims to provide evidence. The study ran using all-year-round Holstein Friesian cows yielding 9,800kg, housed for most of their lactation. The cows lay for about 10.3 hours per day and on average took 1,600 steps per day. When cows were expected to enter oestrus, progesterone levels dropped and there was a reduction in lying time from about 10 hours to about seven hours. Through oestrus, cows with locomotion score one showed a big spike in the number of steps per day. Score two and three cows showed enough of an increase in steps to trigger an oestrus alert. On the day of oestrus, locomotion score one cows had a step count above the heat threshold for about 12 hours. Locomotion score three cows only showed increased activity for about six hours. Therefore, there was a shorter duration of oestrus activity. Activity monitors were also used to monitor the behaviour of cows diagnosed with Johne's. They found lying time per day was decreased for JD5 cows by about one hour per day. Body condition score, mobility, step count and milk yield all remained the same for JD5 cows. The only difference was lying time. It is thought that these cows spent more time eating, in a bid to try and compensate for the fact that they were less able to digest nutrients efficiently.





## PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

James Gwynne, Mateusz Grzelak, Kevin Pinnegar, Mick Rae, Craig Costello, Casian Gatea, Tamas-Miklos Hegyi, Nigel Hall



## WELCOME TO:

### FARMERS

North Shropshire, Walford and Herefordshire College, C F Halhead & Son



In order to prove you are not a robot, please tick every box containing a useless \*\*\*\*



Time flies like an arrow. Fruit flies like a banana.

What's the best thing about Switzerland?  
I don't know, but the flag is a big plus.

Where do classical musicians live?  
In A flat.

Two TV aerials got married. The wedding was terrible but the reception was brilliant!

Don't worry if someone doesn't text you back. Most people only check their phones every five seconds all day long.

Dating someone based only on looks is shallow. Consider other things like, do they have lots of money?

When people say, 'it's the last place you look'. Of course it is! Why would you keep looking after you have found it?

If you think no-one cares if you're alive, try missing a few car payments.

I've got all the money I'll ever need, if I die at 4 o'clock.

**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)

A cement mixer collided with a prison van on the Kingston Bypass. Motorists are asked to be on the lookout for 16 hardened criminals.

What does an air conditioner have in common with your computer? They both lose efficiency as soon as you open windows.