

# LKL Newsletter February 2019



Editor: George Gordon Layout: Amanda Hargrave

## ARLA HOLD AT 30.24PPL FOR FEBRUARY

Arla say the 2018 drought effect on feedstocks across Europe is finally biting and production is static or falling below the previous year's milk production. Commodity markets have stabilised and futures prices are rising enabling prices to hold for February at a very respectable 30.24ppl, organic 44.45ppl.



## ARLA DIRECTS DROP 1PPL

Arla confirmed it is to decrease its Direct milk supply by 1ppl down to 28.92ppl. Liquid standard to 27.75ppl.

## MULLER HOLDS

Muller's 650 non-aligned Direct dairy farmers will receive 27.5p/litre from next month. Producers who have signed up to the Muller Direct Premium scheme will receive an additional 0.5p/litre bonus. Dairy Crest down 0.5PPL its manufacturing litre by 0.5p/litre to 29.9p/litre.



## DROPS 1PPL

Meadow Foods, Yew Tree and Grahams all reduced by 1ppl.

## CREDITON DOWN 1.25PPL

Crediton is to reduce its milk price by 1.25ppl to 28.75ppl.

## WYKE DROP 0.65P TO 29P

## FIRST MILK DOWN 0.25PPL

First Milk has dropped its February liquid milk by 0.25p/litre. 27.5p for milk, 4% butterfat and 3.3% protein. Producers on manufacturing litre contracts will receive 28.34p/litre.

## PROJECT CALF - Vegan Attack on Dairy

The latest vegan action against dairy farming is to publish a map of UK dairy farms along with trading names and addresses and directions to the farm. This is government published data, publicly available as all milk producers are required to register. For details see their nasty website [www.projectcalf.com](http://www.projectcalf.com) to view exactly what we are up against. They are encouraging their vegan activist followers to stick to public footpaths and take photos and videos of the farm and animals, none of this constitutes unlawful behaviour.

### Your Appropriate Response

1. Keep your cool, don't be abusive or aggressive. Assume you are being secretly filmed and don't behave in a way that could be embarrassing if edited unkindly.
2. Ask any trespassers to leave, if they do not, then ring the police.
3. Photography of people without their consent is not permitted under GDPR (privacy laws). If Project Calf use such images then there may be grounds for a legal challenge.
4. Don't engage in a huge debate with them, you will be wasting your time.
5. Review farm security, what is kept locked? If you have CCTV of untoward behaviour then report that footage to the police.

6. Report any harassment to the police such as repeated visits of activists that have been asked to leave.
7. Ensure all is as it should be on your farm and with your animals and their care.
8. Don't panic, vegans are only 2% of the population, just a very noisy 2%. The miss information and nonsense will unravel in the end and the truth will out.

Arla have produced very useful guidance notes that seem helpful to any farm faced with this challenge and have helped provide the information for this summary.

## THE MILK POWDER MOUNTAIN HAS GONE!

The latest sale of SMP out of intervention leaves only 6% of the total left to sell. 80,000 tonnes were sold at the 8 January tender, bringing the total sold to date to 358,000 tonnes. An estimated 22,000 tonnes will be available for tender on 5 February, almost certainly that auction will see stocks cleared. With stock clearing and demand strong, prices have been rising. Minimum price was €1554/tonne, a €103/tonne (7%) increase and in line with price movements in the market.

### Contents

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



### NEWS

#### MULLER'S SCOTTISH INVESTMENT

Muller has made a £15 million upgrade of its Scottish Bellshill plant and gives the dairy the capacity to process more than 370m litres, provided by 230 Scottish dairy farmers.



Investment included a new filling hall to make cream, two additional fresh milk production lines, energy efficient cooling systems and extended chill space. Dairies in Aberdeen and East Kilbride were as part of the project closed and additional haulage levied on Muller direct farmers in Aberdeen.

#### SCHOOL MILK SCHEME

A consultation under UK legislation sparked fears the free drink scheme will no longer be sustainable in future.

#### HOLSTEIN UK ACCOUNTANT JAILED

A former accounts assistant at Holstein UK has been jailed for three years for stealing £300,000. Richard Dicken pleaded guilty to a charge of fraud and a charge of theft. 19 fraudulent transactions were made ending in April 2017. Dicken blamed a gambling addiction for his crime.

#### NATIONAL TRUST BLOCKS CULL

The National Trust will not allow badger culling to take place on its land as part of UK efforts to eradicate bovine TB. The nation's biggest private landowner has come under fire from leaders of the cull. The National Trust owns 200,000 ha of farmland, it has 1,500 individual tenant farmers and 300 graziers.

#### DECEMBER PRODUCTION HIGHEST FOR 20 YEARS

Milk production for December 2018 is expected to hit 1,040m litres, 8m litres ahead of last year, according



to AHDB Dairy. If confirmed it would be the highest for more than two decades. Production will achieve parity with year-earlier levels through January 2019, says AHDB, as higher feed costs and lower milk prices put downward pressure on yields. Milk production between April 2018 and March 2019 is expected to be just 1m litres behind 2017-18 levels, at 12,409m litres.

#### GDT RISING

Global Dairy Trade online auction continued its revival, in January up 2.8%. All product groups pushed higher. Skim milk powder rose 7.9% to £1,753/t while whole milk powder increased 1.2% to £2,154/t.



#### RABOBANK PREDICTS 1% PRODUCTION RISE ONLY

A tiny rise in production is due to a challenging environment for expansion and a production squeeze driven by tight margins on-farm according to Rabobank's latest quarterly report. While volumes stalled in Europe and Australia, New Zealand was powering ahead. Milk supply across the US, EU, NA, Australia, Brazil, Argentina and Uruguay are predicted to grow only modestly at about 1%.

#### SMALL ABATTOIRS CLOSING

There are now only 56 small red meat slaughterhouses in the UK according to the Campaign for Local Abattoirs. One-third closed between 2007 and 2017 and seven closed last year.

#### SAINSBURY'S TRACKER BOOSTS PRICE 0.56PPL to 30.3PPL

Following its 0.46ppl from October, Sainsbury's has increased its SDDG price by a further 0.56ppl from January 2019, up to 30.41ppl for Muller Milk and for Arla SDDG producer the price rose to 30.29ppl. Cost tracker puts the cost of feeds tracked increasing by the equivalent of 0.48ppl. Red diesel also increased 0.04ppl while the cost of nitrogen increased by the same amount. The three elements combined add up to 0.56ppl increase.

#### IRELAND'S EXPANSION COULD BE CURBED BY EU

Ireland has hit the sector's government food harvest target of a 50% increase, two years earlier than planned, according to Phil Hogan, EU



Commissioner for Agriculture. He has warned that culling of dairy herds will occur if environmental obligations are not reached. Hogan pointed to the 122,000-head cull of dairy cows enforced on the Netherlands due to phosphates, and warned Ireland could be subject to a new quota regime, via carbon emissions and other environmental constraints. Agriculture accounts for 10% of emissions across the EU, but in Ireland the figure is 33%.



**NEWS**

**A HOLSTEIN TAKES TOP SPOT IN SPRING CALVING INDEX**

For the first time since the Spring Calving Index (£SCI) was launched in 2014, a Holstein bull has the number one position,



edging out Danish Jerseys, which always dominated the ranking. The

Holstein bull, Rickland Pickford, is a Holstein whose daughters' small, lightweight frames, combined with their retention of body condition, give them resilience in any grazing-based system. A daughter Fertility Index is on a par with the best of the Jerseys and British Friesians. World Wide Sires markets Pickford. In taking his leading position with an SCI of £490, Pickford shunts every bull in last April's top five down one place. First Jerseys in this ranking emerge in fourth and fifth position. Marco Winters, AHDB Dairy head of animal genetics said: "This list is about finding the right genes; it is not about skin colour or breed."

**LAST EVER LIVESTOCK MARKET IN SHAFTESBURY**

Centuries of tradition has come to an end following the last livestock market in Shaftesbury. Southern Counties Auctioneers are making way for the site to be redeveloped for Lidl.

**SCOTTISH DIARY HERDS FALL BELOW 900**

Herd numbers in Scotland have fallen beneath 900, a drop of 27 herds year-on-year to 891. South West Scotland is still increasing average herd size which has reached 201 cows.

**FARM FINED AFTER 9 YEAR OLD HURT IN ATV CRASH**

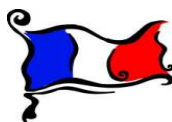
A farming partnership has been fined £30,000 after a child suffered a serious leg injury in an ATV accident. The boy was a passenger in the ATV when the vehicle overturned and trapped his leg between the ground and the rollover protection. The ATV was being driven by a 13-year-old. HSE found the most likely cause of the overturn was the inexperience and age of the driver. No child under 13 should use an ATV for work and children over 13 should only use appropriate-sized lower power ATVs after receiving training.

**TRAMPLING DEATH**

HSE have re-issued guidance after a dog walker died after being trampled by cattle. The 67-year-old man managed to escape the first stampede of cows and their calves, but died after re-entering the field to rescue one of the dogs. HSE said farmers should consider ways to keep cows and young calves segregated from rights of way. Signs should also be displayed when bulls are present.

**FRANCE BANS ROUNDUP**

The licence for Monsanto's glyphosate-based weed killers has been cancelled in France, less than two years after its approval was renewed. An immediate ban has been placed on selling and using Roundup, however this may itself come under more legal challenges.



**PUBLIC BACKS MILK IN SURVEY**

A Farmers Guardian survey of more than 2,000 people found that more than 80% of consumers felt positive about dairy, but acknowledged more needed to be done to connect with younger consumers.



The 'Attitudes to Dairy' survey, commissioned by AgriBriefing and the BBC, found 70% of people had not changed their views on dairy. Only 10% said they had reduced their intake and 2% said they had become vegan. Despite much of the noise from anti-dairy detractors, the public continues to love dairy products. Gen Z born in 1996-2010 remained 'heavy' dairy consumers, but most susceptible to misinformation about dairy products. Dairy UK is working to promote the 'unique package of nutrients' dairy provides, including calcium, protein and iodine. AHDB said its 'Department of Dairy Related Scrumptious Affairs' campaign was designed to engage young parents and millennials (those born in 1980-1995) and had resulted in an 11% drop in those considering a switch to dairy alternatives.

**YEO VALLEY WANT 20M LITRES OF CONVENTIONAL MILK, VIA FIRST MILK**

Yeo Valley are recruiting conventional milk producers to produce more own label yogurt for retailers. Suppliers will be in the Devon/Somerset/Dorset area and supply Yeo Valley via an administration arrangement operated by First Milk.



**PEOPLE CELEBRATING SPECIAL BIRTHDAYS!**

Juraj Galschneider, Jane Militaru, Chris Bysouth



**WELCOME TO:  
FARMERS**

South Battsborough Farm



**Nicola Drummond**

We are desperately sad to report the sudden death of Nicola Drummond following injuries sustained in a road traffic accident on Thursday 17 January. Nicola was a lovely lady and will be sorely missed by family, friends and everyone that knew her. Our thoughts and prayers are with Steve and the children. The funeral is being held on Friday 1 March 2019 at Doncaster Crematorium at 12 noon.

*(Time is yet to be finally confirmed. Check with the LKL office if in doubt).*

Congratulations to Liam and Sophie Tierney on the arrival of their baby daughter, Florence Bea, born on Thursday 3 January weighing 8lb 14oz.



You never realise how long a minute actually is, until you start exercising.

When I was young we used to play a game called 'Knock Down Ginger'. It's where you knocked on someone's door and ran away before they had a chance to answer it. Now it's called Parcelforce.

**Busy farming people - A polite reminder!**

We know that people are flat out at this time of year.....BUT..... **do not forget Valentines day on 14 February.** Supportive partners are vital to us all in the farming industry and we need to show our appreciation! Get it sorted!!



**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)

I was doing a crossword in the pub and said to my Scottish mate, "I'm stuck on one; trapped on a desert island, eight letters, starting with M". He said, "Marooned". I said, "Thanks, I'll have a another pint then!"

