

LKL Newsletter January 2019



Editor: George Gordon Layout: Amanda Hargrave

PRICE CUTS

1ppl Muller to 28ppl.
1.25ppl Crediton to 28.75ppl.
1ppl for Arla Direct to 28.92ppl.
1ppl Barbers to 29.65ppl.
1ppl to Joseph Heler.
1ppl South Caernarfon Creameries 29.53ppl.
1ppl Wyke farms to 29.66ppl.
1ppl Wensleydale Creamery to 29.95ppl.
1ppl to Pattermores Dairy to 28.5ppl.

MILK PRICE CHANGES

Müller Booths contract, Dairy Crest Direct have announced a hold on its price. The farmgate price reflects the decreasing market returns. AHDB's Milk Market Value (MMV) indicator, suggests downward pressure. Wholesale price shifts have been driven by high levels of milk production. The southern hemisphere has had strong year-on-year growth, with New Zealand at record high production. Ample supplies have applied downwards pressure to dairy markets.

MEXICO NOW NO 2 IMPORTER



Mexico is to overtake Russia as the world's second largest importer of dairy products after China, according to the FAO. Imports are expected to increase by 11% this year to a total 4.4m tonnes.

FURIOUS DEBATE ON MILK CONTRACTS MISSES THE POINT, RETAILERS NOT PROCESSORS DICTATE TERMS ULTIMATELY!

Farming unions across the UK are reiterating their desire for further contract legislation. Farmer representatives with Dairy UK's member organisations state that they are firmly opposed to the idea. They warn of the laws of unintended consequences to flexibility and pricing that legislation could bring. Companies included Arla, Dale Farm, First Milk, Crediton Dairy, Dairy Crest and Glanbia. Farming unions were insistent that they want to see "fairer contract terms" to rebalance where the risk sits within the dairy supply chain. The NFUs say that "the dairy market needs to be fit for purpose; commercially focused, innovative and competitive. It is vital that we have a properly operating dairy market". The market is driven by intensive competitive pressures higher up the chain than the processors. A futures market where a tiny amount of product in relation to the physical market dictates the price; that is influenced by global production which is difficult to predict. There's an imbalance of power, but mainly with powerful retailers. The risk balance from farmer to processor will do little to address this imbalance, the processors are still under the cosh from retailers.

FONTERRA SHOCK CLAWBACK OF JUNE - NOVEMBER MILK

NZ Coop Fonterra has shocked its members by announcing a clawback of milk payout in January 2019. Fonterra posted its first ever loss recently and has a \$6.2 billion debt. It told farmers its advance rate has been reset from \$4.15 to \$4. Thus in January Fonterra's 10,000 farmers will be paid less than advised, plus Fonterra is clawing back 15c/kg for all milk supplied between June and November 2018. Fonterra will reinstate \$4.15 for milk from February 2019 onwards. Whilst 15c/kg MS is not a huge sum of money, farmers are shocked at the way their Coop has treated them.



KRAFT CHEESE SOLD TO ARLA

MONDELEZ has announced it will sell its Kraft-branded cheese business in the Middle East and Africa to Arla Foods. Arla is looking to expand its business in the Middle East.

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NEWS

SMP STOCKS HALVED

SMP stocks are now half the size they were, with 190,000t out of 380,000t of product sold. Stores will be empty within six months and traders are already factoring in the implications. Combined with the slowing of milk volumes in Europe there are grounds for optimism on milk prices.

MORRISONS INCREASES SHOP PRICE

Morrisons is the first major retailer to increase the price of four pints to £1.15, up from £1.10. It has also increased the price of its Milk for Farmers range, supplied by Arla and with four pints up 5p to £1.38. It has not increased the additional 10p it pays to farmers. So far none of Morrisons' rivals have increased. The move to £1.15 comes a year after Morrisons moved from £1 to £1.10 for four pints, the long-standing £1 glass ceiling was broken after four years.



NEW TB COMPENSATION

New legislation came in on 1 November 2018, relating to compensation payments. 50% of the average market price for the same category cattle will be paid for any animal brought into a TB breakdown herd which then fails a TB test whilst that breakdown is still ongoing. Cattle keepers that have joined a CHeCS accredited TB scheme prior to the breakdown will continue to receive 100% compensation.



VOLUMES ACROSS EUROPE

Cumulative volumes are about 114,560m litres, which is 1.8m, and 1.6% more than last year. Germany's production is now the same as last year, France is down 1.7%, the Netherlands down 4.5%, Ireland is up 9.5%. A static volume across Europe as a whole.

ONE IN FIVE ROADKILL BADGERS BTV-POSITIVE

One in five badgers in the Edge Area of the bovine TB epidemic tested positive. Out of 94 badgers, 20 tested positive. The strain of M.bovis was the same as that found in cattle in the same area. NFU Cheshire chairman Phil Latham said: "The study demonstrates it is incontrovertible that local badgers pose a disease risk to farmers with livestock".

IRISH 2010 TARGET TO INCREASE MILK BY 50%, MET 2 YEARS EARLY, WITH 2019 PREDICTED TO RISE ANOTHER 6%!

In 2010, Ireland set the target to up milk production by 50% by 2020 from 4.9bn to 7.4bn litres. Latest outlook puts production at 7.5bn litres for 2018, 3% up on 2017 and ahead of the 2020 target. The forecast for 2019 is up a further 6% on 2018.

FIRST MILK DROP JANUARY BY 0.75P/LITRE

First Milk announce a 0.75p/litre reduction. This means the price for a liquid standard litre (4% butterfat, 3.3% protein) will fall to 27.75p/litre to 28.69p/litre for a manufacturing standard litre (4.2% butterfat and 3.4% protein).

TRUMP CHINA TRUCE

President Trump has called a temporary truce with China over tariffs. Trump agreed not to increase tariffs to China from 10% to 25% after a meeting at the G20 summit. In return, China has agreed to look at increasing imports of US agricultural products. China imposed retaliatory tariffs of 25% on dairy products.

RABDF ATTACK MAC REPORT

The report into migration published last month by Migration Advisory Committee (MAC), has been heavily criticised by the Royal Association of British Dairy Farmers (RABDF). The MAC's call for evidence gained over 400 responses, including a comprehensive submission from the RABDF, alongside the NFU. The organisation says the key role played by stockpeople and herd and dairy farm managers has been ignored. RABDF policy director Tim Brigstocke says, "we believe there is failure to appreciate a much bigger and long-term problem in other sectors". The RABDF has carried out several surveys since 2014. Farmers have reported increasing issues recruiting labour; in 2014 results showed 40% of farms had encountered difficulty with staff recruitment, by 2016 this number had risen to 51%. A survey of the British public in 2016 indicates that British nationals will not fill this gap. Survey results can be accessed online at www.rabdf.co.uk/labour

METALDEHYDE (SLUG PELLET) BAN 2020

The UK Government's decision to ban metaldehyde from 2020 is 'very disappointing', said the NFU. Michael Gove made the decision to ban use of the chemical. NFU deputy president Guy Smith said: "These products have been reauthorized for use in 21 EU member states. It gifts a competitive advantage to farmers abroad. Mr Gove encouraged farmers to use ferric phosphate as an alternative to metaldehyde. But Mr Smith warned relying on only one active ingredient could develop resistance. Without metaldehyde, products to tackle slugs narrowed down to ferric-based ones at double control costs per hectare.



NEWS

AUTOMATED TEAT DIP AND BACKFLUSH LAUNCHED BY BOUMATIC

BouMatic has launched the e-DIP, automation of post-dip, disinfection and rinsing of the cluster with a backflush system. E-DIP brings together three operations: post-dip, disinfection of the liners and backflush. The end-of-milking signal triggers the post-dip; the system sprays the post-dip product with a foaming effect on the teat, then once the claw is removed, the product-delivery circuit is rinsed and dried with filtered air. Next, the cluster is disinfected with OxyBrosse (based on peracetic acid) then rinsed with clear water and dried with filtered air. Finally, rinsing (backflush) is performed by injecting clear water to rinse the entire milk tube, claw and milking liners.

HARPER ADAMS UNIVERSITY

The Agri-EPI Centre focuses on engineering, precision and innovation. Professor Mark Rutter heads the department. He says: "We now have some 80 companies involved with the project, which is looking into all aspects of the dairy industry." "We are trying to create a platform where any manufacturer's machines will work with another, with minimal modification." At the heart of the project is a 50-cow shed measuring 60 by 24 metres. Housed year-round, cows are milked through a robotic parlour and bedded on cubicles. "The shed was designed so that wherever a cow is in the shed, it can have an unobstructed view to the outside."

NZ - LIC SEXED SEMEN LAUNCHED FOR SPRING 2019

Sexed semen from elite bulls will be available for UK dairy farmers, the first time from LIC. The aim is to have eight bulls sexed, five proven sires will be on offer. Maire IG Gauntlet-ET, a pedigree A2A2 bull; Jersey sires Bells CM Conrad Okura LT Integrity, KiwiCross bull Glen Koru Epic and Arkarns Beaut-ET. Some bulls sex better than others. "We've taken our time to select bulls that have been proven to sex well". New Zealand trials have shown the 4M straw (four million cells) is the most effective. Sexed semen will not be for everyone, especially when farmers need to keep to a very tight block calving system. Restrict usage to maiden heifers, the most fertile, and the most likely to get into calf, or on a cow that calved early and displayed a strong heat prior to mating. Pregnancy rates on average with sexed semen are lower. As the technology improves, so will the conception rates. It's a huge step in the right direction and will help to address the bobby calf issue which is a growing challenge across the world.



CALCIUM

Calcium maintains healthy, fertile soils. It is estimated that 60% of UK soils are below optimal levels of pH and calcium. The benefits calcium has on plant growth and cow performance should be of interest to grassland farmers. In 4,000 soil tests carried out in Wales by Farming Connect, 70% had a soil pH

lower than 6.0. A soil pH of 5.5 can result in a 10% loss of grass yield compared to a pH of 6.0. Failure to optimise soil pH is the most yield limiting factor on grassland farms. Calcium plays a key part in improving soil structure, the bulk density and porosity of soil and improving its water holding capacity. Negative impact of hypocalcaemia and associated health problems cost dairy producers an average of £500 for every affected cow. One of the biggest contributing factors in hypocalcaemia is high potassium levels in cows. Calcium in a cow is stored in her bones and this calcium is released as part of a hormone response. When cows ingest potassium-rich grass, the potassium, inhibits calcium release into the blood stream. This is especially problematic in dry cows, which have a greater demand for the calcium. Grass silage is an excellent source of calcium for cows, but grass grown in different types of soils will produce grass with different levels of calcium. Grass silage will provide 80% of a 25-litre cow's requirement for calcium, but it needs topping up when grass silage only comprises part of the ration.



PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

Peter Ayrton, Ioan Brata and Alin-Florin Iures

WELCOME TO:

FARMERS

Manasseh & Roberts



Congratulations to Luke and Jemima Patton on the birth of their daughter Luna Louise, born on Saturday 8 December, weighing 7lb 1oz. Well done!



This woman is 57 years-old. She is TV health guru Gillian McKeith. She advocates a holistic approach to nutrition & health, promoting a vegetarian diet high in organic fruit and vegetables. She recommends detox diets, colonic irrigation and supplements.

This woman is also 57 years-old. She is TV chef Nigella Lawson. She eats butter, meat, chocolate and desserts... also washed down with copious amounts of wine.

I REST MY CASE



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

Advance Notice

Small herd of around 90-100 classic British Friesian Dairy cows from closed herd. Been closed down since March with TB testing **which have shown no positive pm results.**

Now hoping to go clear in mid Jan and putting the herd on immediate sale. Our family lines go back to pre war. Milk quality running at 4.8% + b/f 3.6% pro. Herd SCC around 100-150, Bacto single figures. Herd average CiS records around 6,600 litres.

A nice bunch of quiet cows, many fully trained to robotic milking which was removed two seasons ago.

We would like to sell them in groups or preferably as a lot to a good grassland farm, West Sussex.

They are straw bedded from Nov until late March early April, then grazed with buffer fed maize silage as needed.

Worth a visit if you need to increase your herd. Please contact Nick on 07831 762236 or Emma on 07885 274912.

Estate/Farm Manager living in the Home Counties

Hands on manager with experience in large dairy, arable, AD plant, hydro power, biomass, golf course, commercial and residential property and staff management. Available to start Jan/Feb for permanent, part-time, self-employed/employed, hourly or day rate, short or long term contract, everything considered.

Please contact Robert Wytchard on 07831 833689 or via email at r.wytchard@outlook.com

TB restricted calves for sale from January 2019. 80 + from 3 weeks to 14 weeks. Organic. Mostly AAX with some HEREFORDX. Out of a crossbred dairy herd, no Channel Island blood. Named sires. Would split. Small window in which to sell due to TB restrictions. Offers? Stockbridge Hampshire - phone 07879641938, 07985256203.