

LKL Newsletter October 2019



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CREAM ROSE 2PPL IN SEPTEMBER

Cream values have risen by 30p, equivalent to over 2ppl in liquid milk value. Forward prices point to stronger butter and SMP prices.

MEDINA LOSE ALL SAINSBURY'S

Medina have lost the Sainsbury's contract after 3 years. Farmers have been distributed to Arla and Muller, Sainsbury's have approximately 270 producers.



MULLER CUT 1PPL

Muller has implemented a 1ppl drop for October. Muller



Direct will get 25.25ppl, an extra 0.5ppl for those meeting the Muller Direct Premium, which involves complying with herd health schemes. Those who chose Muller's fixed price contract stay at 28ppl.

UK DAIRY HERD SHRINKS TO 1.73M

Latest BCMS data shows the GB herd fell 2.7% to 1.73 million head.

MANUFACTURING VERSUS LIQUID GAP WIDENS

Muller's price drop has left it 4.5ppl behind Arla. Cheesemakers like Barber's (27.75ppl) are ahead of Freshways (25ppl) and all liquid processors. Arla has found support from its European business, as well as its brands.

CARRIE SYMONDS 'FRIEND' PERSUADED BORRIS TO CANCEL DERBYSHIRE CULL!

Controlling the reservoir of bovine TB in wildlife is crucial in eradicating the disease in cattle. The decision to refuse permission in Derbyshire came as the government gave the green light to culls in 11 other new areas.



Local farmers have invested heavily in making all necessary and onerous preparations. No cull application has progressed so far only to be turned down at the last moment. Badger Trust chief executive Dominic Dyer wrote to prime minister Boris Johnson urging him to intervene in Derbyshire. Any decision to grant a culling licence is the responsibility of Defra and Natural England, not Downing Street. The prime minister's girlfriend, Carrie Symonds, is an animal welfare activist and helped Mr Dyer carry a banner campaigning against the cull. Ms Symonds met Mr Dyer at Downing Street last month. She was sent a copy of Mr Dyer's letter to the prime minister and is said to have been delighted when Derbyshire was cancelled.

2019 Danish Study Tour led by LKL Regional Manager Ian Lindsay

**Monday 4 November to
Wednesday 6 November**

We are pleased to announce the second study tour brought to you in association with Vilofoss®, arriving into Hamburg and driving to the Danish border. ONLY £299 (+VAT) excluding flights.



The focus of the tour this year is transition management and we will be looking at several high yielding systems - parlour and robots - where attention to detail is the name of the game and how Danish farmers approach milk production in a highly regulated dairy sector where cost of production is always a challenge. Come see how they face those challenges head on ensuring they remain profitable and sustainable!

Places are limited so please respond at your earliest convenience.

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NEWS

PRICE REDUCTIONS

1ppl reduction Heler.
 1ppl reduction Belton Farm.
 1.25ppl reduction Yew Tree to 25.5ppl.
 Medina reduced to under 24ppl.
 1.5ppl reduction to Wyke manufacturing to 26.91ppl and liquid 26ppl.
 1ppl reduction Payne's liquid to 25.75ppl.

PRICE HOLDS

First Milk hold manufacturing 28.37ppl.
 Barber's hold manufacturing 28.56ppl.
 Saputo hold manufacturing 29.90ppl.
 Glanbia hold manufacturing 27ppl.
 Pensworth hold of 24ppl.
 Freshways hold liquid price of 25ppl.

ANTI CULL ZAC GOLDSMITH APPOINTED TO DEFRA

Environmental activist and anti-badger cull, anti-intensive farming conservative MP Zac Goldsmith is now in Defra as a Minister of State! Goldsmith was one of the 'celebrities' who spoke out against the Nocton large dairy venture. He is a staunch anti-cull supporter and tweeted his support for Natural England's decision not to grant a licence to Derbyshire. Badger cull areas were approved before Zac took office. George Eustice continues his support for the cull. Labour has again pledged to ban all cull zones.

SLURRY MIXING WARNING

With the closed period due to commence the Health and Safety Executive is urging farmers to take care when mixing slurry. Slurry gas includes hydrogen sulphide is released very quickly. Mixing is best done on a windy day. Doors should be left open and children should be kept away.

UK LIQUID MARKET IS BROKEN

Once the 'jewel in the crown' of the British dairy industry, liquid milk has now become a 'basketcase'. Prices are behind those in the EU. The problem is that UK liquid processing capacity has been too great. The industry is facing a marginal 1% decline in demand for fresh milk. Rob Hutchinson, Muller's milk supply director, says: "This is



an extremely difficult period for the whole dairy supply chain in the UK and while this supply and demand imbalance persists, it appears likely that market values will remain depressed." Muller has recently announced the closure of its Foston site and it expects further rationalisation. Michael Oakes, NFU dairy board chairman, says it is a strange situation where neighbours could be receiving a 5ppl difference in price.

CHINESE IMPORTS UP 26%

In the first half of 2019, dairy imports to China rose by 26%. The extraordinary figures could be in response to a low stock position or that buyers have been building stocks in anticipation of higher demand.

NZ FREE TRADE DEAL

Trade Secretary and former Defra Secretary Liz Truss met with New Zealand Trade Minister David Parker. Ms Truss said she wanted to 'build our countries trading partnership as we leave the EU'. Farmers were quick to point out the threat of a NZ deal. NZ will be pushing to regain any Tariff Rate Quota that they might lose as part of 50/50 EU tariff split as we leave the EU.

IMMIGRATION RULES

The Home Office announcement contradicts previous Brexit position statements which said the EU freedom of movement would end. The Home



Office's latest announcement sets out measures termed "leave to remain" that will replace the EU freedom of movement policy. The policy will allow EU workers, along with close family members, to enter Britain, even if they have not applied for settled or pre-settled status. This movement will be possible for a transition period of 14 months until 31 December 2020. After this date, any worker wishing to remain in the UK must have applied to stay under a new temporary leave to remain scheme. The new policy is yet to be finalised, but is expected to be in place from 2021 and based on points awarded according to the applicant's skills and talent.

COMPUTER VIRUS HITS NMR

A virus on the NMR IT system is continuing to disrupt services into a third week. The virus disabled normal NMR systems. Bulk milk samples have been tested and reported to milk buyers for payment purposes and to producers, but farmers are receiving basic information via text messaging and email. Testing of milk samples for recording purposes was still not up to date and only basic milk recording was being done. NMR continued to have problem with Herd Companion, and it is not conducting Johne's testing.





NEWS

ROBOTS ANNUAL COSTS DOUBLE WITH AGE

Milking robots offer some advantages, but come with a large up-front investment. Often overlooked is the ongoing maintenance and repairs. A Hoard's Dairyman survey of USA dairy farmers was conducted by dairy extension educators at the University of Wisconsin, University of Minnesota and Penn State University. They asked producers to report their average maintenance and repair costs. In the early years, repairs and maintenance total was around \$5,000 per robot, per year, on average. Those figures climbed to around \$10,000 as they got older. This is mainly due to higher repair costs, since maintenance costs remained constant. This cost-related insight is based on more than 50 complete answers from dairy farmers. Repair and maintenance cost estimates varied considerably. 25% reported maintenance and repair costs above \$15,000 per robot per year including a few producers who reported costs above \$25,000 per robot per year. A key element was the quality of the customer service from AMS dealers.



BASIC NEW LANDROVER DEFENDER STARTS AT £35K!

Land Rover has revealed its latest-generation Defender. The long wheelbase Defender's 110 model is available to order now from £45,240. Prices for Defender 90 and commercial versions are yet to be announced, but guide prices of £40,000 for the 90 and £35,000 for the commercial version are expected.

GERMANY BAN GLYPHOSATE

Germany has announced plans to ban glyphosate by the end of 2023. Last month, 20 French mayors banned the use of glyphosate in their municipalities. It follows a ban in Austria in July. The German agrochemical manufacturer Bayer, which acquired Monsanto last year, released a statement raising its objections to the proposed ban.



EVIDENCE FOR CONSUMING DAIRY 6,000 YEARS AGO

Evidence of human consumption of cows milk 6000 years ago has been found, earlier than previously thought. A milk protein found on plaque of teeth in 7 skeletons in prehistoric Britain proves humans consumed dairy products 6,000 years ago. Although at this stage humans were lactose intolerant and had not yet developed enzymes to be able to drink raw cow's milk, they were processing raw milk into cheese, yogurt and other fermented products. This reduces the lactose content making it palatable. The enzyme to consume lactose developed subsequently in Europeans and gave them a major evolutionary advantage. Clearly the partnership between dairy cows and humans is older than previously appreciated.



ADDITIVES TO WASTE MILK CUTS RESISTANCE BACTERIA

Reading University have used a plant-based feed additive to achieve reductions in antimicrobial-resistant (AMR) bacteria found in waste milk. The additive is from the oregano plant, a well-documented effective antimicrobial. Researchers considered oregano essential oil could be used to reduce the levels of AMR bacteria in the gut of calves fed waste milk. Waste milk was taken from the university's dairy herd and was fed to calves. A control group was fed the same waste milk without oregano essential oil. All calves received the same rate and ration of waste milk. Results demonstrated significant reductions in the abundance of E coli bacteria resistant to fourth-generation cephalosporin antibiotics. Faecal samples from calves fed without oregano oil revealed 44% of E coli was resistant to the cephalosporin. AMR bacteria in treated calves accounted for 12% of samples. Feeding waste milk to calves identified as a serious risk factor in the transfer of AMR. We are transferring AMR bacteria into young calves. If we need to treat them with antibiotics at a later stage, we could have problems. Oregano essential oil is a proven broad-spectrum antibacterial. Orego-Stim is suitable for use in organic production systems and does not have withdrawal period. Research says more work is needed before the additive is used by farmers. We need to understand mechanisms underlying the effect of oregano essential oil on AMR to make feeding this additive sustainable.



WELCOME TO:

FARMERS

H V Wright & Sons Ltd, Legars Limited



Due to recent budget cuts, the light at the end of the tunnel has been turned off.



Banks should top up their cash machines more often. I went to 3 different ones today and they all said "insufficient funds". It upset me so much that I went to the doctor. He said, "Don't worry, it's just withdrawal symptoms".



My kids asked me what it was like growing up in the 80s... so I took their phones away and turned the internet off.

Top Tip!
Start preparing for Christmas early by falling out with all your friends and family now!

A thief broke into my house last night. He started searching for money so I woke up and searched with him.

A ghost walks into a bar. The bartender asks, "What are you having". The ghost says, "I'm here for the Boos"!



Just been blocked by Gary Barlow. Whatever I said, whatever I did, I didn't mean it.

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A PUMPKIN GHOST STORY...

And after they hollow you out, they stick a fire inside you!

