

LKL Newsletter

September 2019



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FRESHWAYS NEW DISCRETIONARY PRICING, CRASH 2.1P TO 25P

Freshways crashed its price by 2.1ppl to 25ppl after it scrapped its basket pricing mechanism, which would have kept the price higher (Arla announced a further price hold at 30.22ppl). It puts Freshways behind Muller at 26.75ppl. Freshways managing director Bali Nijjar said the reason was a drop in cream prices and an oversupply of milk.

FIRST MILK CONSOLIDATING

First Milk's turnover is up 7.8% year-on-year to £272.3 million. Operating profit is 2.6% of turnover, and the company reduced net debt by £3.8m with its relative milk price also continuing to improve.



The closure of the Arran creamery and uncertainty over Campbeltown exposes the vulnerability of First Milk members in remote milk fields like Kintyre and Arran, milk production is likely to cease in such areas.

PRICE FALLS

1ppl Glanbia Cheese
1.35ppl Pensworth Dairy.

PRICE HOLDS

Muller Direct at 26.75ppl.
Yew Tree Dairy at 26.75ppl.
Payne's at 26.75ppl.
Saputo manufacturing 29.9ppl
Belton manufacturing of 28ppl.
First Milk manufacturing 28.37ppl.
Wyke Farms manufacturing price at 28.47ppl.
Pattimore's manufacturing 28.05ppl.

NORTHERN IRISH MILK WOULD BE A PROBLEM IN NO-DEAL BREXIT

The NFU has warned surplus milk from Northern Ireland could be dumped on the Great British market in a no-deal Brexit. A third of all milk produced in Northern Ireland is sent to the Republic of Ireland for processing. Ulster Farmers' Union president Ivor Ferguson dismissed a BBC report which warned a dairy cow cull may become necessary if Northern Irish milk could no longer be processed across the border. NFU dairy board chairman Michael Oakes said it would hit prices on the mainland. "This is why we are urging the Government to make sure we do not have a no-deal scenario. Chris Walkland pointed out Great Britain lacked the capacity to process displaced milk. "If Ireland cannot or will not take Northern Irish milk, I do not rule out some sort of support coming into play, such as export refunds to cover any World Trade Organisation tariff, or a milk reduction scheme, or intervention".



MEADOW DROP 1.7P TO 25PPL

Meadow Foods announced a drop of 1.7ppl for September to 25ppl. Meadow Foods highlighted weak butter prices and high volumes of stock.

ARLA HOLD FOR 8TH MONTH AT 30.22PPL

Arla will hold its price for an eighth consecutive month for conventional milk at 30.22ppl and 41.97ppl for organic milk. The co-op said European milk production remained in line with 2018 overall, enabling it to hold the price with a reduction in butter prices offset by increases in skimmed milk powder.

BADGER CULL EXTENDED TO 10 NEW AREAS, MAKING 42 NATIONWIDE

The badger cull will be extended to 10 new areas this autumn, including Derbyshire. Natural England has received 14 applications from prospective farmer-led culling companies. Government can approve 10 of these areas, which would increase the number of cull zones to 42 stretching from Cornwall to Cumbria. 32,000 cattle were slaughtered in England. 32,600 badgers were also culled in 32 areas in Dorset, Cornwall, Devon, Gloucestershire, Herefordshire, Somerset, Cheshire, Wiltshire, Staffordshire and Cumbria.

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NEWS

**UK PRODUCTION SLOWING,
FALLING STERLING IS
HELPING SOFTER
COMMODITY MARKETS**

Deliveries are only running 1.5% ahead of the same week in 2018. The prospect of a no deal Brexit has weakened sterling and is helping to offset falling dairy commodity values.

**GEORGE EUSTICE RETURNS
AS FARM MINISTER UNDER
DEFRA SECRETARY THERESA
VILLIERS**

In February Farming Minister, George Eustice resigned. Boris Johnson sacked Robert Goodwill (a strong Jeremy Hunt supporter) and Eustice was reinstated. New Defra Secretary Theresa Villiers knows little of farming. Eustice has knowledge and opinions on farming and is likely to be influential and delegated to more so than when under Mr Gove. The new Agriculture Bill is stuck in any case until Brexit is sorted out.

**SOMERSET COW GIVES
BIRTH TO TRIPLETS**

A cow at Yeo Valley Organic's Holt Farm defied one-in-100,000 odds to give birth to healthy triplet calves. The five-year-old cow was a fourth-calver and farm manager Jon Wilson had no idea that she was carrying triplets. "They were half the size of an average single calf and weighed about 15kg each", he said.

**LABOUR PLEDGES TO BAN
BADGER CULL**

Labour has vowed to ban the badger cull and end the use of poultry cages by 2025. It calls the badger cull "inhumane" and says Labour supports a move away from highly intensive, environmentally damaging farming methods.

**UK VOLUMES FALLING
BACK**

Milk volumes are returning to historically normal levels according to AHDB. In March, daily milk yields were up nearly 8%. In June yields are slightly less at 4.2% higher than 2018. It now expects volumes to return to normal levels. Volumes over the last weeks are only 1.32% higher.

**SEAN RICKARD'S REPORT
ON AGRICULTURE SHOWS
DAIRYING TO FARE 'LEAST
WORST' IN NO DEAL BREXIT**

A report has been written by former NFU chief economist Sean Rickard, commissioned by Farmers for a People's Vote (a group claiming to represent the interests of UK farmers against crashing out of the EU without an EU trade deal). Dr Rickard warned agriculture would be the most adversely affected sector of the economy. Enhanced environmental payments promised by Michael Gove were unlikely to come "anywhere near"



compensating for lost income. Dairying is likely to fare less badly than other UK farm enterprises, since the domestic price of milk and dairy products is close to world prices, said Dr Rickard. But one third of the milk produced in Northern Ireland is processed and marketed in the Republic. His projections showed dairying would be the only UK enterprise still making a positive farm income after the loss of BPS and agri-environment scheme payments—cereals, general cropping and grazing livestock enterprises would all be in the red without this support.

TWO FARM FATALITIES

Two fatal farm accidents prompted reminders for farmers to stay safe. The first accident took place on 29 July in Cumbria involving a farmer falling through a fragile roof. The second, on 8 August in Hertfordshire, involved a worker killed by a bull.

**DAIRY LOWERS RISK OF
HEART DISEASE**

Eating more dairy will lower your risk of death and cardiovascular disease according to a global trial across 21 countries and 1 3 5 , 0 0 0 people. The study looked



at the diets of people from five continents. People that consumed over two servings of dairy a day—the highest level of consumption—had a 15% to 20% reduced likelihood of death, major cardiovascular disease (CVD) or composite of death CVD—compared to those that didn't eat any dairy. The effect of dairy on stroke risk was particularly marked with the highest consumers a lot less likely to suffer from a stroke. Professor Andrew Mente from The Population Health Research Institute of Canada said whole fat dairy proved most beneficial. When it came to types of dairy, higher intakes of yoghurt and milk were associated with lower risk of each of the clinical outcomes.

NEWS

SKIN TESTS THAT CAN DIFFERENTIATE BETWEEN TB AND VACCINATED CATTLE

Welsh scientists have developed two new skin tests for TB. Two scientists from Aberystwyth University have formulated two tests; one that can detect if an animal is infected with bTB and the other that can detect if the animal has been vaccinated. The combination of the essential proteins enable the differentiation between vaccinated cattle and positive bases of bTB.

US CHINA IN TRADE WAR

US farmers had a severe setback after China announced it would effectively stop imports of US farm products as the trade war escalates. Agriculture exports to China dropped by more than half last year.



100,000 ATTEND OPEN FARM SUNDAY

Open Farm Sunday had the best turnout in its five-year history—365 farms with a third having a dairy enterprise accounting for 100,000 visitors. Visitors surveyed said that they wanted 'a family day out' (46%) and 'wanted to show their support for British farmers' (31%). People reported they were "amazed to see how farmers are trying to balance crop production and protecting woodland, birds and pollinators" and "how much farming contributes to the environment." **LKL's** Simon Collier helped steward at the Simon Martin Farm's day near Salisbury, attended by 1700 people, well done all concerned!

UK HAS FALLEN TO ONLY 61% FOOD SELF SUFFICIENCY

Minette Batters has called on government to commit to retaining British self-sufficiency at 61%. The call came on the 11 August, the day the country would notionally run out of food if we had only eaten British food from 1 January 2019. British self-sufficiency was 78% in 1984, 70% in 1996. Our population is forecast to grow to 73 million people in the next 20 years.



£163K FINE AND JAIL FOR TB OFFENCES

A Pembrokeshire dairy farmer has been jailed for six months. Paul Vizza, 57, of Brynfa Farm, near Fishguard, was sentenced after admitting to moving animals without licences, failing to maintain cattle passports and proper animal identification systems, and failing to notify authorities about animal deaths. Mr Vizza was ordered to pay £20,000 of prosecution costs and £143,000 of profits have been confiscated. Judge Thomas described the defendant as "devious" and said he would serve additional sentences if the money is not paid within six months.



SEAWEED CUTS LIVESTOCK METHANE

Cattle and sheep fed a variety of seaweed reduced the amount of methane they produce according to research in Australia and the US. A lab experiment, carried out at



CSIRO, the Australian government research agency showed methane could be reduced significantly. A trial with sheep showed a 60% reduction in methane emissions, even though some sheep in the trial only had 1% of the dry matter in their diet as seaweed. Holstein cows at the University of California Davis (UC Davis) were fed 1% seaweed in terms of DM and methane emissions fell by almost 60%. Researchers also saw feed intakes go down, probably because of the very salty taste. Provided cattle could become accustomed to seaweed, there is potential to improve feed conversion efficiency and reduce feed costs. 15% of feed expenses are lost to methane, which could improve milk yields. Researchers are trialling one specific seaweed—Asparagopsis taxiformis. Chemicals in the algae diminished the microbes in cows' stomachs which caused them to burp. 90% of methane is burped and 10% comes out the other end. DSM, a giant Dutch conglomerate, is working on a synthetic additive for cows. Researchers found that a methane inhibitor know as 3-nitrooxypropanol, or 3NOP, cut emissions by 30% in lactating Holsteins. The study noted that milk production wasn't affected and the 'spared methane energy' helped generate tissue, resulting in higher body weights.

PEOPLE CELEBRATING SPECIAL BIRTHDAYS!

Paul Emanuel Hasmasan, Stelian Marisan, Daniel-Florin Maglasu, Adrian Balica, Ivo Albolnieks, Oana-Stefania Cafadaru, Denver Ricamona and Andrew Frecknell



WELCOME TO:

FARMERS

Noman Bros (The Leen) Ltd



Went into the butchers this morning and asked for some tripe. He gave me a DVD box set of Love Island!

If you were a child when "Red Red Wine" was released....
...UB40ish now

Roy Hodgson is being touted as the next Prime Minister. He has a fantastic record of leaving Europe swiftly.

What's driving Brexit? From here it looks like it's probably the Duke of Edinburgh

A cowboy asked me if I could help him round up 18 cows. I said, "Yes, of course. That's 20 cows".

A Thesaurus is great. There's no other word for it.
- Ross Smith.

Sleep is my favourite thing in the world. It's the reason I get up in the morning.

I accidentally booked myself into an escapology course. I'm really struggling to get out of it.

To be or not to be a horse rider, that is Equestrian.
I've got an Eton-themed advert calendar, all the doors are opened for me by my dad's contacts.

I asked my friend from North Korea how it was there, he said he couldn't complain.

Why is it old people say, "There's no place like home", yet when you put them in one



I've been happily married for four years - out of a total of 10.

Why is Henry's wife covered in tooth marks?
Because he's Tudor.

I went to a pub quiz in Liverpool. Just for a laugh I wrote The Beatles or Steven Gerrard for every answer..... I came second!

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