

### About Dairy UK:

Dairy UK is a lobbying organisation that represents the interests of the whole dairy industry, from milkmen and farmers to processors and co-ops.. This newsletter picks out issues of interest for milk producers, but Dairy UK is active for farmers in many other areas.

Set up in 2004, Dairy UK has established itself as an influential organisation. By effectively representing the interests of farmers, processors and milkmen, we can speak with a single voice on behalf of the whole dairy sector. Dairy UK compliments but does not duplicate the activities of the established farmer organisations.

Our activities are governed by a Board made up of representatives from all sectors of the industry, including two dairy farmers nominated by the Farmers' Forum. Dairy UK's chairman is Mark Allen.

If you would like to find out more, just give us a call!

020 4786 7244  
[info@dairyUK.org](mailto:info@dairyUK.org)

[www.dairyUK.org](http://www.dairyUK.org)

Issue 7 : June 2009

## Industry rallies round after "deeply sad" DFOB collapse



Dairy UK and its members have responded as fast as possible to the collapse of Dairy Farmers of Britain.

The co-op went into receivership on 3 June, after finding a buyer for its Nene Valley ingredients division. Since then, agreements have been struck to sell the Lubborn creamery to Lactalis and the Llandyrnog creamery to Milk Link, as well as cluster of depots.

Dairy UK director General Jim Begg said he was deeply saddened by the situation and pledged the help of Dairy UK. "The primary focus continues to be on finding a home for DFOB members' milk as soon as possible, and on staff at DFOB sites.

"We've been in touch with the receiver and with Defra officials to offer them our help. And we've said that we will ask the government for any help necessary to improve the situation. The industry has moved very quickly to secure the future for more than 1600 former DFOB farmers. Complex logistics have been organised overnight and in some cases, companies are even making interim milk payments to help farmers with their cashflow. An option that should also be looked at is the advancement of the single farm payment to dairy farmers."

Begg said that Dairy UK would keep in close contact with its members to try to ensure that the transition was as quick and painless as possible. "Inevitably, though, there will be farmers who cannot find a new buyer for their milk and cannot survive with the low price on offer from the Receiver. We must mobilise all available support from regional development agencies, local government and even from farming charities," he finished.

## Dairy UK talks dairy farming with Defra Minister



Jane Kennedy spent nearly an hour discussing farm gate issues at the last meeting of Dairy UK's board in May.

The then Farming Minister heard firsthand about the devastating consequences of bovine TB from Dairy Farmers Forum representatives Roger Evans and Rex Ward. They explained that the heart was being ripped out of cherished dairy herds by the disease and called

for a more meaningful response from government.

Kennedy has since stepped down, to be replaced by Jim FitzPatrick MP, but her frank discussion with the Board demonstrated that she was a supporter of the dairy industry. She offered to help Dairy UK secure an interview with government food policy advisers and agreed that dairy was a key part of a balanced diet.

Dairy UK will be seeking a meeting with Fitzpatrick as soon as possible to build on the good work started by his predecessor.

are you



? [www.proudofdairy.com](http://www.proudofdairy.com)

## Dairy UK sanguine about proposed grocery Ombudsman



Competition Commission proposals to create an ombudsman for the grocery sector have been broadly welcomed by Dairy UK.

The plans should help to regularise commercial practices and provide some benefit to the industry. But this will be at the price of some additional bureaucracy in the supply chain. The Grocery Supply Code of Practice itself only governs relations between retailers and their immediate suppliers. For the dairy industry this largely means relations between retailers and dairy processors.

An Ombudsman will not fundamentally transform the industry's commercial environment, which requires the supply chain to work together with retailers to increase returns from the market place.

**Contact:** Peter Dawson on 020 7486 7244 or [pdawson@dairyUK.org](mailto:pdawson@dairyUK.org)

## Defra opens consultation on new body for animal health

An independent body for animal health must have the power to tackle bovine TB, Dairy UK is to tell government. If responsibility and cost sharing in tackling animal disease is to work, then effective solutions to TB must be found quickly.

The comments will be at the heart of Dairy UK's response to Defra's consultation on the cost sharing proposals. Under the plan, all current animal health policy responsibilities and international commitments will transfer from Defra to a new independent body. Funding would come from three sources: Defra's existing budget, fees and charges, and a levy raised on livestock keepers.

The new body would not be up and running until 2012. At this point in time the concept has cross party support. Dairy UK will be making a full submission which will focus in particular on the ability of the new body to deliver on TB.

**Contact:** Peter Dawson on 020 7486 7244 or [pdawson@dairyUK.org](mailto:pdawson@dairyUK.org)

## Dairies back Project Eden training course



Dairy UK is playing a vital co-ordination role in developing world class dairy training in Cheshire. Project Eden is driven by dairy processors and aims to set up a foundation degree for the processing sector at Reaseheath College.

The new qualification will provide comprehensive technical training over three years, with students spending between 12 and 18 weeks per year at college studying dairy theory, science and practical skills. The remainder of the time will be spent "hands on" in the dairy industry.

A brand new multi-million pound training dairy is being built at Reaseheath, and the industry's first students will start the course in September this year. It is hoped that the Eden degree qualification will become the benchmark across Europe.

**Contact:** Edmund Proffitt on 020 7486 7244 or [eproffitt@dairyUK.org](mailto:eproffitt@dairyUK.org)

## Northern Ireland study to look at life after milk quotas

Dairy UK (Northern Ireland) is to undertake a major research project on the prospects of the NI dairy industry. The aim is to help the sector make the strategic decisions necessary to meet the challenges posed by the phasing out of milk quotas in 2015.

Invest NI and DARD will be funding partners in the project, which is to be carried out by Promar International. Paul Vernon, Chairman of Dairy UK (NI), said it would be a crucial piece of work: "The NI dairy industry is having to cope with extremely difficult conditions. Significantly reduced market returns are being reflected in low milk prices for dairy farmers.

"We are working through these challenging times to the best of our abilities, but we need to look to the future and prepare for the major changes that lie ahead. When quotas disappear in 2015, we will be in relatively uncharted waters.

"This project will map out a number of future scenarios, so that as individual dairy companies, and collectively as an industry, we will be better able to plot a course through the challenges and opportunities of the post quota era."

**Contact: Mike Johnston on 028 9077 0116**

## Green measures can boost the bottom line, conference hears

Over 100 delegates attended Dairy UK's third annual Dairy Farming and the Environment conference in Stoneleigh earlier this month.

Top speakers brought delegates up to date on government environmental policy, the opportunities for better slurry management, nutrient planning and anaerobic digestion. Using case studies, they showed how environmental improvements could save farmers thousands of pounds.

Delegates also heard about help and grant aid available from public bodies and the progress of the processing sector in meeting its Roadmap targets. All the conference presentations, including practical case studies from farmers setting out the economic benefits of environmental measures, are available at [www.dairyuk.org](http://www.dairyuk.org).

**Contact: Ian Wakleing on 020 7486 7244 or [iwakeling@dairyUK.org](mailto:iwakeling@dairyUK.org)**

## Major study on dairy market volatility launched in Europe



A major study of market volatility is being commissioned by the European Dairy Association (EDA).

Volatile markets are a relatively new feature of dairy's commercial landscape, which has for so long been subject to regulation. However, it promises to be a crucial feature in the future.

The EDA project will provide a detailed assessment of the instruments available to the industry to address volatility, drawing heavily on the experiences of industries where volatility is a commonplace feature of the markets. Dairy UK is part of the project team within the EDA. A full report is expected by October.

**Contact: Peter Dawson on 020 7486 7244 or [pdawson@dairyUK.org](mailto:pdawson@dairyUK.org)**