

Milk protein self regulation testing not working

By Joe Rea

Irish Farmers Journal

THE outstanding milk testing survey undertaken by Richard Kennedy and his IFA cohorts in Limerick is very disturbing. The results on protein are alarming. Fat levels, while not 100% correct are reasonable. Why the difference between fat and protein results?

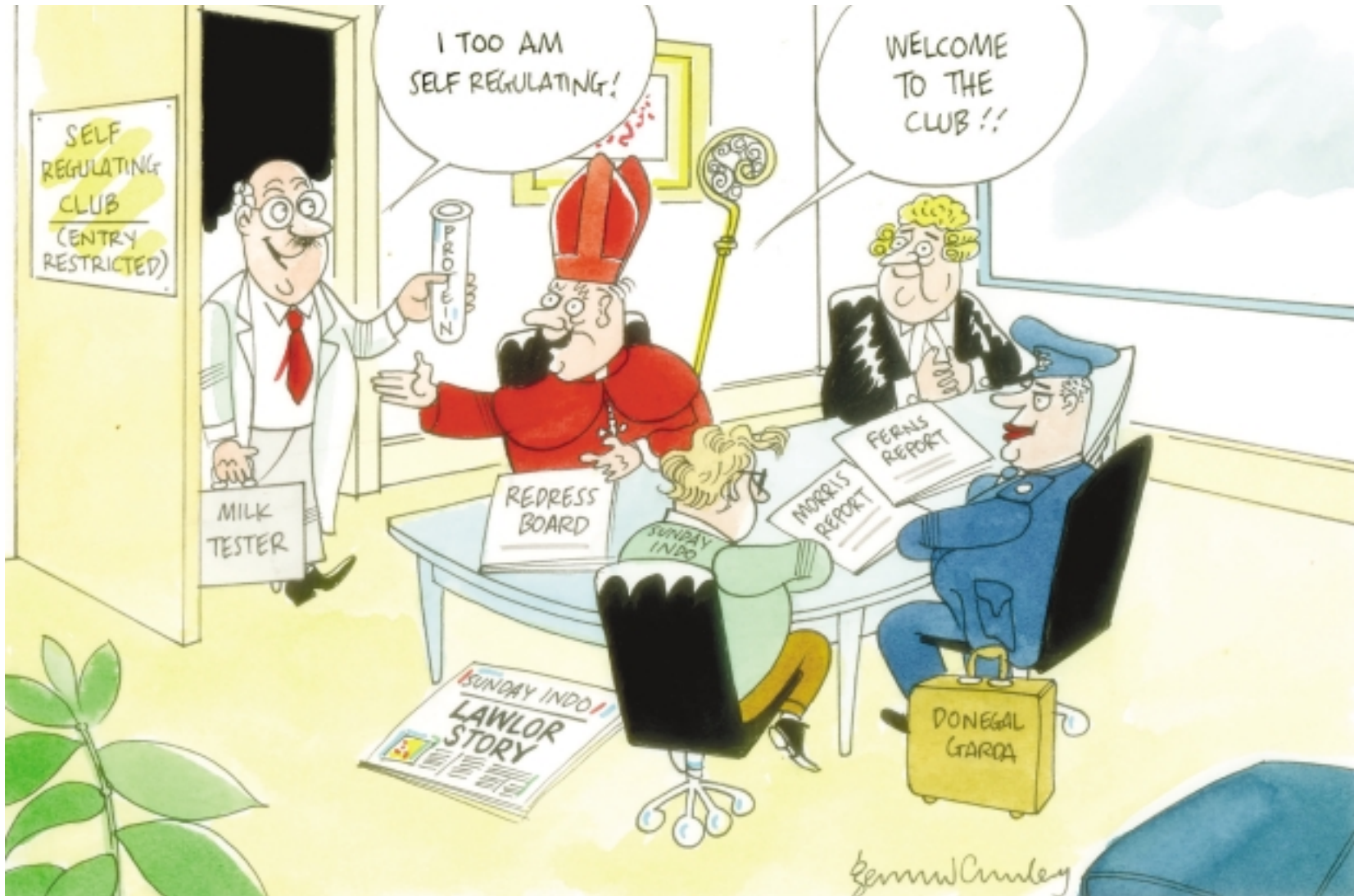
Fat testing operates under statutory provisions of the Department of Agriculture. Protein is self regulating, no state provisions. Why should we be surprised that self regulating protein testing does not work? Let's look at what has happened to other self regulating procedures in the state. The outcome has been horrendous.

2005 will be remembered sharply and sadly in cases as the year when it was fully realised that self regulation was a sham. In many cases it was just a cover up with lots of hardship and suffering for many in our Republic.

This collapse of self regulation permeated throughout our society.

The self regulation collapse was apparent in the Church, the legal profession, Donegal gardaí and journalists. The whole self regulating circus was inoperative, just a great big smokescreen.

The failed self regulation has been well documented — the



Ferns Report — the Morris Report re Donegal — legal eagles double charging on the compo circuit — the horror of the incorrect Lawlor story in the Sunday Indo.

All those professions have one common denominator. The church, the gardaí, the legal profession and journalists supposedly self regulated their own professions. We now

know that this was a fantasy. However, there is now some light. Civil Law, rather than Canon Law will impact on church activities. Garda will not be guarded by guards but

by an Ombudsman procedure. Journalists will be subject to a Press Council. Those changes are essential if those professions are to retain credibility in society.

The bottom line is that today nobody trusts self regulation be it for protein milk testing or anything else. This charade is over for good. Lets move on.

Limerick milk survey results

SO we come to the Limerick Milk Survey. How has self regulating protein testing worked? How were dairy farmers supplying Kerry, Dairygold and Tipperary treated by this system? The answer is unsatisfactory.

In the case of Kerry only

16.7% of those tested for protein were within the test tolerance level. The Tipperary figure was 41.7%. however it must be pointed out that only six Tipperary suppliers were covered. The real disappointment was Kerry. One of the world's great cream-

eries where only 16.7% was within the tolerance. In the context of such poor figures Dairygold look good with a score of 75% - but of course 25% outside the tolerance level (see chart). Kerry 83% outside the tolerance.

The Kerry results for former Golden Vale suppliers is especially upsetting. Golden Vale prior to the takeover by Kerry had an independent milk testing procedure operated very efficiently by SWS. Despite a request from Golden Vale suppliers that independent testing continue Kerry abolished the testing.

Why was the Dairygold results so far ahead of Kerry? It is interesting to note that milk testing guru Jack Cahill who headed up the now departed Golden Vale independent testing procedure is now operating in the Dairygold fold.

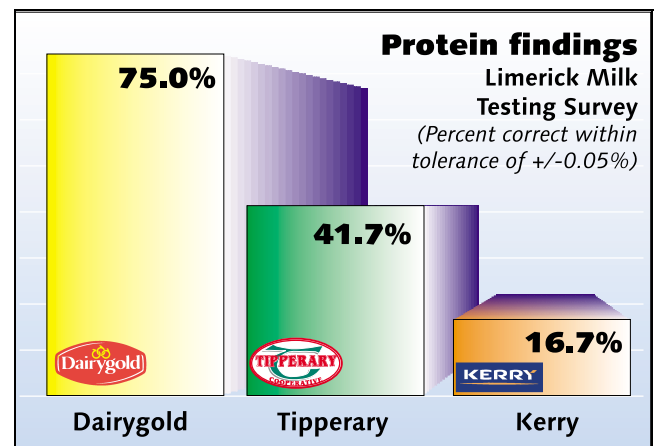
Cahill's great skills and expertise are important both in training drivers how to collect samples and on overall test procedures. Dairygold now has six



• Richard Kennedy, chairman, Limerick IFA Dairy Committee and a former Macra president, is now responsible, with his colleagues, for the groundbreaking Limerick Survey.

tests per month for fat, protein and SCC. Results are texted to suppliers a couple of days after the test. 70% of Dairygold suppliers now have this service. The implications for accuracy and cow herd management are obvious.

One of my regrets in life for both the IFA and myself is that over thirty years of effort we



failed to establish independent milk testing naturally. In the early days of the 1970s when we made check testing endeavours in IFA South Tipperary, Dublin IFA were always uneasy. They dreaded that creameries would cancel IFA creamery orders. In those days were were told "go easy" by Head Office.

One of the great achievements of the current professional management in IFA Farm Centre is that they have built a secure financial base. Therefore they are not subject to threats. This enabled IFA to financially fully support the Limerick survey. Money very well spent.

The message from the Limerick survey is clear. Self regulating of protein testing in a non runner. Like all the other self regulating procedures which plagued our country it should be abandoned forthwith.

Lakeland creameries have evolved an excellent milk testing procedure using an independent outside source SWS. In the interest of fair play this model should be immediately put in place nationally. This would bring Ireland into line with France, Denmark and the Netherlands on milk testing. In those countries self regulating milk testing does not exist.

MILK SUPER LEVY SITUATION

The Department of Agriculture and Food announced today that estimated milk deliveries as submitted by Milk Purchasers for the period up to 31 October 2005 were 1.8% under quota when account is taken of the butterfat content of milk deliveries during the same period. Producers are reminded of their responsibility to manage their own quotas and of the possible Super Levy risks attached to exceeding that quota.



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Dairygold top on payout and constituents

IN the September League Dairygold returns the highest actual payout price at 29.25c/l (104.65p/g). They are also

tops for total constituents returning a magnificent 4.07% butter fat and 3.56% protein. They share this protein figure

with Kerry who are in second place on payout at 29.03c/l. Third place in this category goes to Newmarket also beat-

ing 29c/l. On the standardised League basis Kerry and Dairygold share the No. 1 spot. They are both paying 26.7c/l.

However the Dairygold price includes a bonus of 0.3c/l for an SCC of under 200,000. The next places all paying 26.65c/l are North Cork, Newmarket and Drinagh.

September 2004 compared to September 2005 in the case of Kerry shows a price reduction of 0.72c/l. The Dairygold drop when the SCC is excluded is 0.51c/l. All good figures in the current climate.

Bottom of the table, Donegal shows a significant reduction of 1.24c/l September 05 - v- Sept 04. All the indications are that the October price will hold at the September level.



● Jack Cahill, Ireland's top milk testing expert whose skills are now impacting positively on Dairygold

September 2005 milk price league

All cash price in column (A) are based as follows: ★ No volume conditions ★ 3.60 per cent butterfat ★ 3.30 per cent protein ★ Protein bonus not included ★ SCC 400,000 ★ TBC 50,000 ★ Dairy Board and state levies at rate deducted by creamery ★ Transport charges based on 30,000 gallons per year collected ex-farm. ★ Farmer not required to have more than bulk size for five milkings.

Creamery	Cash price c/l Sept 2005	Cash price c/l August 2005	Max price	Collection charge	Average creamery fat	Average creamery protein	B/F difference per each 0.10%	Protein difference per each 0.10%	Price based on average creamery fat and protein	Ranking based on average creamery fat and protein
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Division No. 1 Over 26.50

Kerry	26.70	26.70	-	Nil	3.99	3.56	0.25	0.50	29.03	2
*Dairygold	27.00	26.40	-	Nil	4.07	3.56	0.29	0.46	29.25	1
North Cork	26.65	26.65	-	Nil	3.96	3.50	0.30	0.40	28.60	6
Newmarket	26.65	26.65	-	Nil	3.98	3.55	0.35	0.39	29.01	3
*Drinagh	26.65	26.65	-	0.29	3.95	3.47	0.34	0.46	27.85	4
Lakeland	26.62	26.62	-	0.39	3.95	3.45	0.29	0.47	28.65	5
Boherbue	26.62	26.62	-	Nil	4.03	3.52	0.30	0.40	28.85	4
Wexford	26.55	26.55	-	Nil	3.95	3.46	0.28	0.47	28.30	7
*Barryroe	26.52	26.52	-	0.28	3.89	3.47	0.29	0.47	28.20	10

Division No. 2 - 26.00 - 26.50

Arrabawn	26.30	26.30	-	0.50	3.97	3.45	0.35	0.40	28.35	8
*Lisavaird	26.30	26.30	-	0.28	3.89	3.47	0.28	0.45	27.90	11
Monaghan	26.30	27.26	-	0.43	3.83	3.38	0.36	0.40	27.50	15
*Bandon	26.30	26.30	-	Nil	3.87	3.46	0.25	0.44	27.75	13
Tipperary	26.20	26.20	-	0.18	4.01	3.50	0.25	0.56	28.35	8
Glanbia	26.00	26.00	-	Nil	3.91	3.49	0.26	0.47	27.75	13
Oldcastle	26.00	26.00	-	Nil	4.02	3.50	0.26	0.47	27.85	11
Centenary	26.00	26.00	-	Nil	4.01	3.50	0.20	0.50	27.80	12

Division No. 3 - Under 26.00

Connacht Gold	25.92	25.92	-	0.64	3.97	3.48	0.26	0.40	27.65	14
Donegal	25.82	25.82	-	1.20	3.95	3.62	0.26	0.47	28.25	9

*Prices inc SCC Bonus for under 200,000

International standardised milk price – September '05

All prices based as follows: Vat Rate 4.8%; Fat 3.60% Protein 3.30% and SCC 249,999, TBC 24,999. Every other day collection with Annual Milk Supply 350,000 Litres.

Creamery	Country	Sept 05 c/l	Sept 04 c/l	Rolling avg last 12 mths
Kymppi	Finland	36.65	37.50	35.52
Danone	France	32.84	33.40	30.14
Bongrain	France	31.55	32.35	30.00
Lactalis	France	31.45	32.00	29.87
Friesland	NL	30.82	30.50	29.30
Campina	NL	29.25	29.65	29.50
Nordmilch	Germany	29.05	29.50	27.90
MilcoBel	Belgium	28.68	29.86	29.76
Humana	Germany	27.86	29.30	27.86
Arla	Denmark	27.68	28.00	29.34
First Milk	UK	26.60	26.75	24.40
USA	US	28.86	29.30	28.04
Fonterra	NZ	17.00	16.20	18.30

* Rolling avg. is weighted avg. for each month which inc. bonus payments.

* Based on payout forecast of Fonterra. Based on Class III US price All figures based on original date from the Dutch Dairy Board More information available at www.milkprices.nl

International prices hold

DESPITE warnings of dramatic price decreased the September International Table has a stable look about it. Finland' Kymppi continues to lead. For September they are paying an extraordinary price of 36.65c/l (131.12p/g). This is only a reduction of just over 1c/l compared to their very high level in September 04.

France

The next three places are held by the French trio - Danone 32.84c/l, Bongrain 31.55c/l and Lactalis 31.45c/l. Again reductions compared to a year ago are modest. The overall average reduction of the three French operators September 05 -v- September 04 is only 0.65c/l. Indeed compared to a year ago Dutch prices are largely unchanged.

Denmark

Another indication of stability was the recent statement from the new Arla Chief Executive, Padar Tuburgh that his suppliers could expect the same milk price in

2006 as they received in 2005.

Arla have also announced a new milk from their R&D Department. This new milk known as Mini Milk 30 has 30% less calories because Lactose has been removed. The target is the teen market. According to a recent survey, 75% of Danish teenage girls don't drink the recommended minimum intake of milk to meet their calcium requirement.

New Zealand

With typical candour the salaries of New Zealand Fonterra chairman and Board members are in the public domain. No cover up as is the situation in Irish Co-ops.

Henry Van der Heyden, the Fonterra Chairman got an increase of 10%. This brings his annual salary to €132,000. Fonterra Board Members increased by 8% to €63,000. I know a number of the people benefiting from those increases - they are high calibre and great value at that kind of reward.

September 2005 Northern Ireland milk league

55,000 gals Milk buyer

Price (litre)	Transport charge litre	Price litre plus 4.8% VAT (55,000)	Price in euros plus 4.8% VAT (55,000)	Estimated share of total milk %
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Division No. 1 - Over 17.50p

United Dairy Farmers	18.91	0.65	19.82	29.34	56
Fivemiletown Co-Op	17.61	0.50	18.46	27.31	1.5
Lakeland Dairies	17.60	0.22	18.44	27.30	14
Donegal Creameries	17.52	0.57	18.36	27.17	3

Division No. 2 - Under 17.50p

Town of Monaghan	17.21	0.65	18.04	26.69	19
Glanbia Milk	17.11	0.50	17.93	26.54	2.5
Glanbia Cheese	17.10	0.74	17.92	26.52	5

United pays 29.34c/l

UNITED continues to set the Northern price. Their September 05 price is 29.34c/l (104p/g). This compares to 29.59c/l for September 05. A marginal reduction of only 0.25c/l. A very fine performance. The United price is more than 2c ahead of other Division 1 players, Fivemiletown, Lakeland and Donegal. The gap between United at the top and Glanbia Cheese at the bottom is 2.82c/l (10p/g).

Those differences may not tell the full story. United operates their traditional price system which is about further flattening the peak to valley ratio. This means that they Autumn/Winter price is pitched at a higher level compared to other performers. This points to the need of an annual milk audit in the North as currently operates in the South.