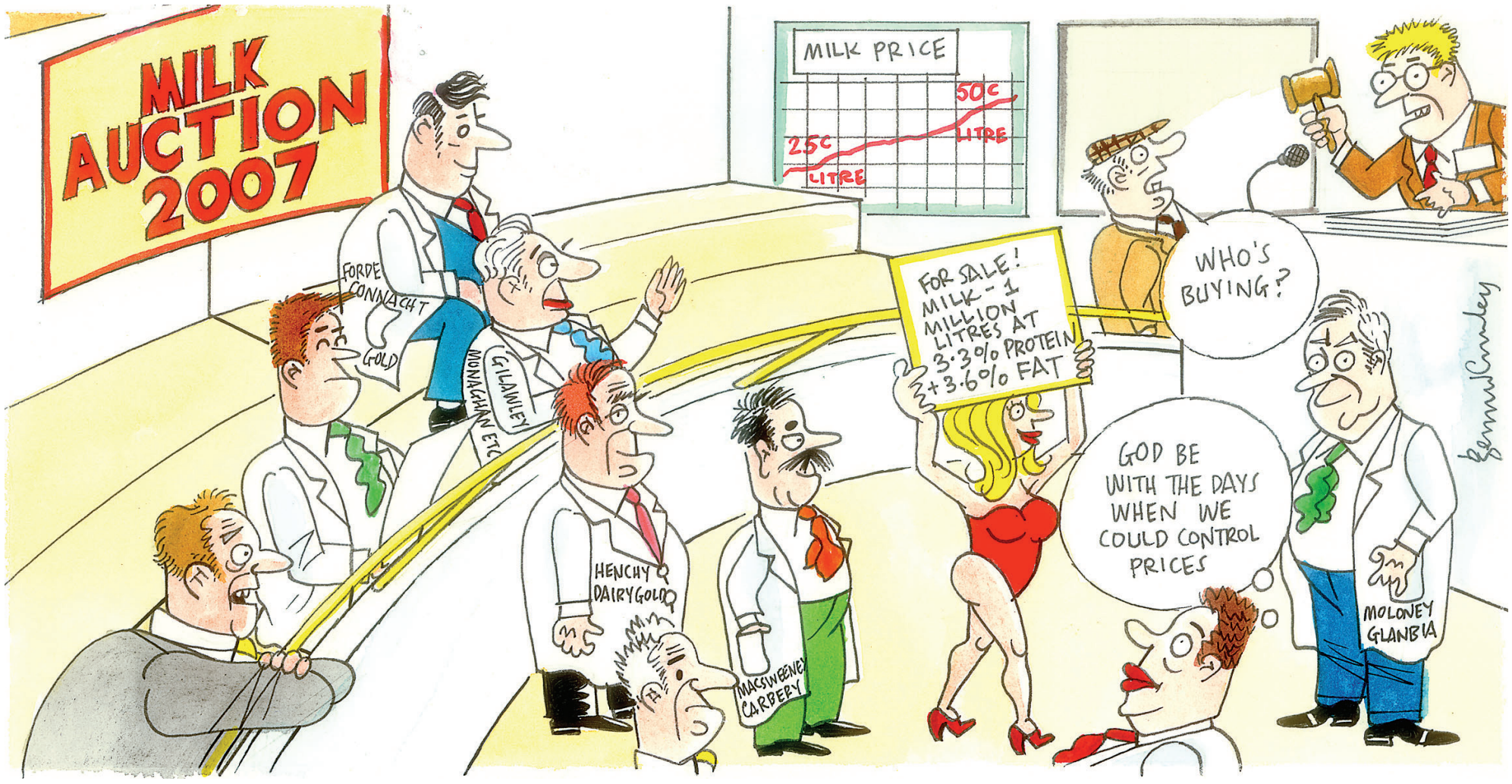

Do I see a bid for 35c /litre?

COMPILED BY
THE IRISH FARMERS JOURNAL TEAM

Has the time come for mobility of supply from one co-op to the next? Is there any reason why a co-op (group of farmers) or producer group should not sell to the highest bidder? If there is a demand for more product with supplies at best static or tightening then why should the best price not be the winner? There is a precedent for milk movement already in Ireland.

We are NOT talking about moving quotas. The milk moves. Liquid suppliers of Drogheda liquid milk supplied Virginia because they gave them a better price.

Why should there not be an auction for milk south of the border similar to what happens 50 miles up the road in Belfast?

Manufacturing milk suppliers like liquid suppliers who are producing over quota would then have a market for milk surplus to quota. Legally standard manufacturing producers have to give notice to their co-op three months in advance of switching purchaser.

Should producers acting as a co-op be allowed participate in the Northern Ireland auction?

The supermarket stranglehold on milk prices has to be broken. It has held dairy farmer incomes in the doldrums for far too long.

Britain is a prime example. There we have seen milk price remain at pre-historic low prices as the supermarkets cream the profits.

INTERNATIONAL SCENE

This year continues with an abundance of optimism and expectations for dairy markets worldwide.

There is now no doubt that the current high milk prices are not a spike but worldwide show strong foundations. The era of cheap food looks to be coming to an end. The consumer will battle somewhat no doubt, but given the percentage of income spent on food in the developed world the higher price should make little difference.

Petrol prices have doubled in the last six years. I don't see too many reducing petrol consumption by travelling less or buying small cars.

The NZ Fonterra boss Henry Van Der Hayden is confident of paying over $5.53/a kg milk solid (20c/litre) which is beating the best price paid in New Zealand since 2001. All this when exchange rates are also very high. Even more encouraging is that one of the leading banking institutions in New Zealand, Westpac, are predicting a $6/kg milk solids (22c/litre) milk price for the 2008/09 season.

My sources in New Zealand tell me the outlook and balance of the dairy industry is more positive than at any time in the last 50 years.

In the US cheese production is predicted to fall behind demand as the year goes on.

This will surely have a hugely positive effect for Glanbia suppliers who in one US factory produce the same volume of cheese that is made in the whole of Ireland.

Base milk price in the US is running at $18.5/100 lbs with bonuses negotiable. This equates to a milk price of 31 c/litre.

In the US, farmers need it all just to keep pace as feed prices also increase substantially with more feed going for ethanol production.

IMPORTANT NOTICE TO ALL FARMERS

* **Mastitis & High Cell Counts**
* **Infertility in Cows**
* **BVD in Cows & Calves**
* **Scour in Calves**
* **Viral Pneumonia in Cattle & Calves**
* **Mineral, Vitamin, Trace Elements Deficiency in all animals**
* **AlrKlenz & HoofKlenz - approved Disinfectants recommended for Bio Security on farms threatened by Foot & Mouth infection**

Infection and disease are costing farmers substantial amounts of money every year. Why not let us take care of your herd without the worry of antibiotic residues, having to withhold your milk or meat. We give all our customers a free back-up service for 1 year for each program undertaken.

Galway Homoeopathics representatives are available to host seminars or participate in discussions with Farmers or Buyer groups wishing to learn more about Homoeopathy and its application in animal healthcare.

For further details contact:
GALWAY HOMOEOPATHICS LTD
The Mall, Tuam, Co. Galway.
Tel: 093-25495
Email: sales@galwayhomoeopathics.com

APRIL 2007 Milk Price League (see explanatory notes)

	Cash price (c/l) ex farm	Collection charge	Average co-op b/f %	Average co-op pro %	€cents paid for each 0.1% butterfat	€cents paid for each 0.1% protein	Average co-op price	Ranking based on avg co-op fat & pro
DIVISION 1 - OVER 29C/L								
Oldcastle Co-op	29.77	0.00	3.70	3.25	0.27	0.50	29.45	1
Monaghan Co-op	29.25	0.40	3.67	3.13	0.36	0.46	27.95	4
DIVISION 2 - OVER 28C/L								
Drinagh Co-op	28.95	0.40	3.52	3.27	0.36	0.48	27.78	7
Lisavaird Co-op	28.82	0.28	3.52	3.28	0.30	0.48	27.87	5
Barryroe Co-op	28.81	0.28	3.52	3.28	0.29	0.47	27.87	5
North Cork	28.67	0.00	3.51	3.16	0.30	0.40	27.42	11
Boherbue	28.67	0.00	3.62	3.26	0.38	0.41	28.58	2
Newmarket	28.56	0.00	3.52	3.18	0.37	0.40	27.79	6
Connacht Gold	28.47	0.00	3.74	3.22	0.27	0.58	28.28	3
Arrabawn	28.40	0.50	3.98	3.09	0.23	0.55	27.15	14
Dairygold	28.32	0.00	3.47	3.24	0.25	0.53	27.36	12
Bandon Co-op	28.28	0.00	3.54	3.27	0.25	0.30	27.72	8
Lakeland Dairies	28.08	0.39	3.73	3.21	0.18	0.42	27.27	13
Kerry Group	28.00	0.00	3.58	3.23	0.26	0.52	27.42	11
DIVISION 3 - OVER 26.50C/L								
Tipperary Co-op	27.96	0.00	3.71	3.23	0.25	0.56	27.53	9
Thurles Co-op	27.92	0.00	3.67	3.26	0.20	0.50	27.44	10
Glanbia	27.46	0.00	3.57	3.25	0.27	0.50	26.68	16
Wexford	26.74	0.00	3.65	3.34	0.28	0.47	26.71	15