

September 2007 Milk Price League (see explanatory notes below right)

Creamery	Cash price net of VAT transport, levies and cond bonuses	Cash price ex farm plus VAT (c/l)	Conditional bonuses*	Avg Coop b/f %	Avg Coop protein %	Butterfat diff per each 0.10%	Protein diff per each 0.10%	Average creamery price using	Ranking on avg co-op Fat & Protein
DIVISION 1 OVER 36.5 C/L									
Dairygold	37.10	39.66	0.30	39.80	35.30	0.32	0.78	42.05	2
Boherbue	36.87	39.13		41.40	35.70	0.51	0.55	43.05	1
North Cork	36.87	39.13		39.60	35.10	0.30	0.40	40.70	8
Kerry Group	36.81	39.00		39.50	35.20	0.36	0.72	41.57	5
Tipperary Co-op	36.77	39.00		39.60	34.80	0.25	0.56	40.59	10
Newmarket	36.76	38.99		40.10	35.20	0.50	0.55	41.95	3
Thurles Co-op	36.65	38.87		40.10	35.00	0.20	0.50	40.37	11
Drinagh Co-op	36.64	39.18	0.20	39.50	35.30	0.43	0.69	41.64	4
DIVISION 2 OVER 35.5 C/L									
Lakeland Dairies	36.43	38.61		39.10	34.10	0.29	0.63	39.93	14
Monaghan Co-op	36.31	38.60		38.40	33.50	0.38	0.53	39.38	18
Arrabawn	36.30	38.53		38.40	34.30	0.36	0.61	39.78	17
Bandon Co-op	36.24	38.65	0.20	39.00	35.10	0.50	0.55	40.78	7
Oldcastle Co-op	36.19	38.42		39.90	34.80	0.38	0.70	40.80	6
Barryroe Co-op	36.19	38.64	0.20	38.90	35.00	0.29	0.47	39.85	15
Glanbia	36.14	38.42		39.30	34.90	0.38	0.70	40.60	9
Lisavaird Co-op	36.05	38.47	0.20	38.60	35.00	0.41	0.63	40.26	12
Connacht Gold	35.72	38.01	1.04	39.30	34.30	0.37	0.80	39.84	16
DIVISION 3 UNDER 35.5 C/L									
Wexford	35.17	37.35		40.03	35.27	0.42	0.62	40.10	13
Donegal	33.66	35.79		39.90	34.80	0.46	0.51	38.22	19



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Dairygold top for September

Dairygold tops the September league with a price of 37.1c/l. Again the league is based on the actual price that the farmer receives.

This is the quoted price less vat, collection charge, levies and all conditional bonuses. Connacht Gold, Dairygold and the four West Cork co-ops have very good bonus schemes in place to promote the quality of milk for their specific uses and their farmers can benefit from this.

Boherbue comes in next with 36.87c/l, followed by North Cork paying 36.86c/l. Newmarket is paying 36.765c/l and then comes Centenary/Thurles with a price of 36.49c/l, just falling out of the first division. All the rest join

them in division two (above 35.5c/l), except Wexford - who should now be benefiting from improving cheese prices - and Donegal.

CO-OPS' HOLDING FARMERS' MONEY

Between July '06 and September '07, co-ops have received nearly twice as much from the markets than they have paid to farmers. After allowing for the price reduction in skim milk powder, the IDB's price is 48.32c/l.

IFA should lobby to have the three month notice to

change period reduced to one month. This would make it easier for farmers to move to the processor who is prepared to pay the market price for their milk. Farmers in Denmark have moved their supply from Arla to a German company.

This was achieved by setting up a producer co-op. These suppliers will receive 50c/l. Arla was paying 35c/l plus seasonal bonus of 3.55c/l. The transferring to better paying processors may have to come into play in Ireland again.

EXPLANATORY NOTES

- Milk collected ex farm.
- Cash price is as follows - No volume conditions, 3.6% butterfat and 3.3% protein.
- SCC 400,000.
- TBC 50,000.
- Dairy Board and state levies at rate deducted by co-op.
- Connacht Gold based on A+B-C volume charge. Connacht Gold also pay bonuses of 0.44 c/l for 7 milkings capacity, 0.3c/l for milk under 30,000 TBC, 0.3c/l for milk with SCC less than 200,000. If a CG farmer achieves all bonuses the best attainable price is 37.73c/l.
- Dairygold pay 0.3c/l under 200,000 SCC. Max 37.57 c/l.
- Bandon, Barryroe, Lisavaird, and Drinagh also pay 0.2c/l for under 200,000 SCC.
- Average co-op price is price based on co-op average butterfat and protein %.

More volatility in milk prices

AT the Dairy Industry Newsletter's "The Great 2007 Milk Shake-up" conference in London recently, Rick Smith, CEO of Dairy Farmers of America said that there would be more volatility in milk price after the phenomenal hikes this year. He said that "the highs will be higher and the lows will be higher".

Mark Voorbergen, global dairy industry specialist with Rabobank, said that the US was better prepared for milk production expansion in the short term than any country in the world. EU was next in areas where low cost production could be practised. NZ will expand but their costs will be higher than before.

Speakers saw increased demand from Russia, Asia and the Middle East where improved income will see consumers there seeing the health benefit of milk products. Europe should be producing new and innovative products and selling into these emerging markets, he said.

Erhard Richards, who has recently retired from ZMP, the German agricultural market and price reporting agency, felt that the fear of



Rick Smith, chief executive of the Dairy Farmers of America.

acute shortage of milk products have abated in the short term. He said EU skim milk powder would go to world prices, but world prices are still €3400 per tonne. Whole milk powder is holding firmer than SMP. Butter would weaken at year-end, but cheese should improve. Traders felt there was reluctance by buyers to fix prices into 2008. There is resistance in the developing countries to buying skim milk powder at present prices or to simply use less. Butter prices are holding, and cheese prices look solid.

Is this the trade talking down prices or are prices going to weaken next year?

Why did milk prices increase in the first place? We no longer have a million tonnes of skim milk powder in intervention anymore. Family farms in the developed world indicated last year that they would not stay in the business of producing milk at low prices.

There is also the added cost of higher feed prices, new regulatory and environment costs. All indications are that there is no increase in peak supply in NZ and they have sold virtually all this year's production. The EU will put a little less milk to SMP and more to cheese production when supplies increase in spring. The US has the great-

est capacity to increase but would need more cows in the short term to fully capitalise on this.

David Dobbin, the CEO of United Dairy Farmers told the British conference that Northern Ireland's farmers had increased their quota by 28%. He then went on to suggest that the EU should not seek an expansion in milk quota, or at least a very small progressive increase. He explained that expansion would affect prices. David wants the best of both worlds. This leaves farmers in the rest of Europe standing still while his suppliers continue to increase using quota from Britain.

If we don't increase European quotas, it will allow the US to capture all the increase in consumption worldwide.

Department of
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Appointment of Persons to the Independent Panel

The Department of Agriculture and Rural Development (DARD) invites applications from suitably qualified persons to serve as members on its Panel to Review Decisions. These Panels review decisions by the Department, on awards made under a range of financial support schemes. The Panels recommend to the Department whether such decisions should be changed.

Applications are sought from those who can demonstrate:

- the ability to understand and interpret rules and regulations;
- a knowledge of and genuine interest in agriculture, rural development and the work of DARD;
- good oral communication and interpersonal skills,

and have one or more of the following areas of expertise:

- previous involvement as a member of or adviser to an arbitration panel or tribunal;
- grant and/or subsidy administration at management level;
- legal experience and qualification.

and have no interests likely to conflict with being a panel member.

Panel members must have access to transport as panel meetings are held at a number of locations throughout Northern Ireland.

As females are currently under represented on the Review of Decisions Panels, applications from females would be particularly welcome.

In the interest of impartiality, applications will not be accepted from persons who are presently employees of the Department of Agriculture and Rural Development or have been employed by the Department within the past five years. For the same reason, applications will not be accepted from persons who are or have been either officials of the farming unions or office bearers in such organisations within the past five years.

Appointments to the Panels will be for a three-year term, with the possibility of renewal after that period. Persons who are presently members of the Department's Review of Decisions Panels need not re-apply.

Remuneration paid to panel members will be £166.00 gross per day (subject to review), on a pro rata basis to the nearest half-day. A preparation fee of £55.50 gross for a full day or £27.75 for a half-day is also payable. In addition, panel members will receive travel and subsistence at standard NI Civil Service rates. The appointments are non-pensionable.

Further details and an application pack can be obtained from:

The Review of Decisions Secretariat, Department of Agriculture and Rural Development, Room 563, Dundonald House, Upper Newtownards Road, Belfast, BT4 3SB.

Telephone: 028 9052 4667/4962 E-mail: david.setterfield@dardni.gov.uk

Completed application forms must be returned to the above address not later than Friday 7th December 2007.

DARD makes appointments based on merit with an independent contribution, and with openness and transparency of process. The Department is committed to equality of opportunity and welcomes applications from all suitably qualified applicants irrespective of religious belief, gender, race, political opinion, age, marital status, sexual orientation or whether or not they have dependants.

The application form will be made available, on request, in alternative formats including Braille, disc, audiocassette, and large print (for those with vision difficulties) or minority languages.

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