

# 12-month price comparison

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NORTHERN EDITOR

## Milk prices rolling average: September 2009 to August 2010

**Table A: 350,000 litres per year producer, alternate day collection**

Milk buyer	Good quality	Rank	Average quality	Rank	Below average quality	Rank
Donegal	25.29	(4)	24.34	(4)	23.18	(1)
Fivemiletown	25.42	(3)	24.12	(5)	22.48	(6)
Glanbia Cheese	24.79	(7)	23.73	(7)	22.35	(7)
Glanbia Milk	25.62	(1)	24.38	(2)	22.65	(5)
Lakeland	25.24	(5)	24.36	(3)	22.94	(2=)
Monaghan	25.43	(2)	24.40	(1)	22.94	(2=)
United	25.10	(6)	23.84	(6)	22.75	(4)
First Milk			20.88			

**Table B: 1,000,000 litres per year producer, alternate day collection**

Milk buyer	Good quality	Rank	Average quality	Rank	Below average quality	Rank
Donegal	25.29	(7)	24.34	(6)	23.18	(5)
Fivemiletown	25.80	(2)	24.49	(5)	22.86	(6=)
Glanbia Cheese	25.63	(4)	24.57	(4)	23.19	(4)
Glanbia Milk	25.82	(1)	24.58	(3)	22.86	(6=)
Lakeland	25.51	(6)	24.64	(2)	23.21	(1=)
Monaghan	25.70	(3)	24.67	(1)	23.21	(1=)
United	25.56	(5)	24.30	(7)	23.21	(1=)
First Milk			21.86			

Lakeland has slipped a little for some qualities but is in first equal spot for the prices paid to the larger producer of 'below average' quality milk.

United Dairy Farmers has

slipped a little across the qualities, but is still first equal for one million litres, below average quality.

In Britain, First Milk has paid considerably lower

prices on average over the past 12 months. They are 3.52ppl and 2.81ppl below the Monaghan prices for 350,000 litres and one million litres respectively.

## Fiddlersgreen Holsteins sell to 4,600gns

AUSTIN Alexander of the Fiddlersgreen herd near Newcastle got a top price of 4,600gns at the first part of his dispersal sale in Moira.

It was for a 10-month-old heifer calf bred from seven generations of EX or VG cows.

She was Fiddlersgreen Planet Sara, out of a Mascol dam from the Truesdale's Castletru herd and sired by Ense-nada Taboo Planet.

Austin's breeding has made substantial use of red

Holsteins and the best calf in the sale made 2,200gns.

She was the eight-month-old Rock Trixie Red sired by Baileys Red Rock Red and out of his Victor Trixie cow, an EX90, who sold for 1,100gns.

### CALVED HEIFERS

Calved heifers sold well from 1,500gns to 2,050gns, the latter price paid for a heifer sired by Regancrest Mr Sam and calved four months and giving 32kg of milk daily.

Cows sold to a top price of

**Table 1: Fiddlersgreen averages**

	Not sold	Average price
Calves	12	885gns
Maiden heifers	6	1,610gns
Calved heifers	9	1,824gns
Cows	15	1,259gns

1,800gns paid for a fourth calver, Lone Zwartina, EX91 and with EX in each generation back to her fourth dam, the Ballycrochan Zwartina 56 from Aubrey Patterson's herd.

In her third lactation, she gave 16,837kg at 4.38% fat and 3.28% protein with a value of £3,523.

Her one-month-old heifer calf, by KC Roses Chatter Red sold for 650gns.

**Table 1: Milk qualities for August 2010**

	Good	Average	Below Average
Butterfat	4.24	3.97	3.77
Protein	3.44	3.3	3.09
Lactose	4.92	4.73	4.59
TBC	under 10	11 to 20	26 to 50
SCC	under 100	101 to 200	201 to 400

**Table 2: 350,000 litre producer**

Net price (p/litre) for various milk qualities – assuming alternate day collection (brackets include ranking by price paid).

Milk buyer	Good Quality	Average Quality	Below Average
Donegal	27.07 (3)	26.23 (2)	24.96 (2)
Fivemiletown	26.75 (5)	25.60 (5)	23.63 (5)
Glanbia Cheese	26.05 (6)	25.10 (6)	23.58 (6)
Glanbia Milk	27.16 (2)	26.04 (3)	24.18 (4)
Lakeland	26.91 (4)	25.99 (4)	24.63 (3)
Monaghan	27.50 (1)	26.57 (1)	24.99 (1)
United	24.81 (7)	23.52 (7)	22.42 (7)
First Milk		21.12	

**Table 3: 1,000,000 litre producer**

Net price (p/litre) for various qualities – assuming alternate day collection (brackets including ranking by price paid)

Milk Buyer	Good Quality	Average Quality	Below Average
Donegal	27.07 (5)	26.23 (4)	24.96 (2)
Fivemiletown	27.12 (4)	25.97 (5)	24.00 (6)
Glanbia Cheese	26.89 (6)	25.94 (6)	24.42 (4)
Glanbia Milk	27.36 (2)	26.24 (3)	24.38 (5)
Lakeland	27.18 (3)	26.26 (2)	24.90 (3)
Monaghan	27.77 (1)	26.84 (1)	25.26 (1)
United	25.28 (7)	23.99 (7)	22.89 (7)
First Milk		22.61	


### FOOTNOTES

• **Transport costs:** The prices in Table 2 and Table 3 are after deduction of the milk transport charges shown in Table 4.

• **Glanbia Milk:** Prices include term bonus (0.3p/l) and group bonus (0.3p/l for groups supplying over 10 million litres per year).

• **Fivemiletown Co-op:** Profits made by the Society may be distributed among milk supplying members.

• **United Dairy Farmers:** Has not made dividend payments for past two years but has issued bonus shares. The issue of one additional share for each 1,000 litres of milk supplied during the year 2008 to 2009 was reckoned to be worth 0.1p/l to United producers (this was double the bonus issue of the previous year).



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## DAIRY COUNCIL academic bursary

James Kirk (centre), a dairy farmer from Co Down, has been awarded the first Dairy Council for Northern Ireland academic bursary in the MSc in Agri-food Business Development at the University of Ulster. Also pictured (from left) is William Hanna, chairman of the Dairy Council; Professor Rodney McAdam, University of Ulster; Dr Mike Johnston, chief executive, Dairy Council for Northern Ireland and Dr Geoff Simons from the University of Ulster.



Milk league compiled by James Campbell and Tom Morrow

## August Milk Price League

Based on:

- Average sized supplier (500,000 litres/year)
- Average seasonality of supply
- Average quality milk
- 3.25% protein
- 3.90% butterfat
- 4.65% lactose
- TBC 19,000/ml
- Somatic cell count 235,000/ml

MILK BUYER	Net price (p/litre)		Estimated share of total milk (%)
	Alternate day collection	Daily collection	
Town of Monaghan	26.25	25.96	20
Donegal	25.81	25.81	3
Glanbia Milk	25.53	25.17	2.5
Lakeland Dairies	25.4	25.04	14
Fivemiletown Co-op	25.25	24.85	1
Glanbia Cheese	24.8	24.43	5
United Dairy Farmers	23.47	23.11	55
First Milk	21.4	20.85	

Table 4: August transport charges (p/l)

	350,000 litre producer			1,000,000 litre producer		
	daily	Every other day	Diff	daily	Every other day	Diff
Donegal	0.25	0.25	0	0.25	0.25	0
Fivemiletown	1.15	0.57	0.58	0.4	0.2	0.2
Glanbia Cheese	0.82	0.52	0.3	0.42	0.18	0.24
Glanbia Milk	0.71	0.31	0.4	0.29	0.11	0.18
Lakeland	0.66	0.22	0.44	0.29	0.15	0.14
Monaghan	0.71	0.42	0.29	0.29	0.15	0.14
United	1.1	0.61	0.49	0.55	0.24	0.31

Footnote: These transport charges per litre are based on daily collections of 960 litres from a 350,000 litre producer and 2,742 litres (1,000,000 litre producer) or alternate day collections of double these volumes.

## Six out of six for Town of Monaghan

TOM MORROW  
NI CORRESPONDENT

**T**own of Monaghan have topped the Northern Ireland milk price league for the sixth month in succession, with their August price of 26.25pence/litre for milk collected on alternate days. For daily collections, they are top at 25.96ppl.

Compared with July, these prices are up by 0.2ppl (for alternate day collections) and 0.16ppl (for every day collections) although Monaghan's base price in August at 26ppl was unchanged from July. The increase is due to August butterfat estimated at 3.9% and protein estimated at 3.25% (in both cases higher than in July).

The improvement in quality in August was insufficient to prevent a fall in the price paid by United Dairy Farmers, with the quality bonuses more than offset by the reduction of 0.7ppl in United's base price.

The United price calculated in the league fell by 0.57ppl to 23.47ppl for alternate day collections and to 23.11ppl for every day collections.

These prices left United firmly at the bottom of the league for August this year —

a contrast with their mid-table position in August 2009 and top of the league standing in August for six years from 2003 to 2008.

The only other company to cut its base price in August this year was Fivemiletown Co-op who shaved 0.25ppl off. With their premium price for protein, the reduction in the price calculated in the league was 0.11ppl for alternate day collections and only 0.06ppl for every day collections and they maintained their fifth place in the league.

The other places in the league are unchanged from July, with Donegal holding second and Glanbia Milk placed third. All of these other buyers had August milk prices around 0.2ppl above their July prices.

## GAP

The price gap between bottom of the league, United, and all other buyers has widened. For August milk, United trails the league topping Town of Monaghan by 2.78ppl for alternate day collections and 2.85ppl for every day collections — up from 2ppl (alternate day) and 2.12ppl (every day) in July.

Across the differing milk qualities compared in Tables 2 and 3 for the 350,000 litre per year and one million litres per year producers,

Town of Monaghan is in top spot and United is bottom.

The gap from top to bottom for 'average' quality is over 3ppl for the 350,000 litre producer and is 2.85ppl for the one million litre producer. For the other qualities, the top to bottom gap is slightly less.

Lakeland Dairies milk prices in Table 3 (for suppliers of one million litres) include a volume bonus of 0.3ppl. Their bigger producers, with more than 120,000 and 160,000 litres in the month get bigger bonuses of 0.4 and 0.5ppl but these are not included in Table 3.

Elsewhere in NI, the suppliers to Strathroy Dairies who are paid at the Town of Monaghan price have been getting top prices in August. Suppliers to Farm View Dairies at Castlereagh, who get the United price plus 1ppl have fallen below the sixth ranked price paid by Glanbia Cheese.

In Britain, the August milk price paid by First Milk to suppliers classed as 'regional compositional' was 21.12ppl for the 350,000 litres per year producer and 22.61ppl for the one million litres supplier.

These prices are 2.4ppl and 1.38ppl below the United prices and trail the Town of Monaghan prices by over 5ppl and 4ppl respectively.

Table 5: Base prices used in August milk price comparison

Standard Butterfat Base 3.8% - 3.84%  
Standard Protein Base 3.15% - 3.19%  
Standard Lactose Base 4.8% - 4.84%

Donegal*	25.50
Fivemiletown	24.75
Glanbia Cheese**	24.50
Glanbia Milk***	24.40
Lakeland	25.00
Monaghan	26.00
United****	23.80

\*Donegal Base - Lactose not applicable

\*\*Glanbia Cheese Base - Lactose 4.60% to 4.64%

\*\*\*Glanbia Milk Base excludes +0.3ppl

Term Bonus, +0.3ppl Group Bonus, Lactose not applicable

\*\*\*\*United Dairy Farmers Base - Butterfat 4.00%, Protein 3.18%, Lactose not applicable

## PRICES AT UNITED DAIRY FARMERS STANDARD QUALITY BEFORE TRANSPORT CHARGES

Donegal	25.86
Fivemiletown	25.11
Glanbia Cheese	24.86
Glanbia Milk	24.76
Lakeland	25.29
Monaghan	26.36
United	23.80

## August prices well above last year

THE strong market for milk this year has maintained the trend of prices in 2010 being well above those of recent years, especially 2009.

In August, this is particularly so for Town of Monaghan and Donegal Creameries. The Monaghan price is 8ppl above the August 2009 price and 3ppl above 2008. For suppliers to Donegal, their August price is 7.5ppl above August 2009 and 3ppl above 2008. Glanbia Cheese, Glanbia Milk and Lakeland are 7ppl to 7.25ppl above August 2009 and 2.55ppl above August 2008.

The year-on-year price improvements at Fivemiletown are less at 5.75ppl and 1.5ppl.

In the case of United Dairy

Farmers, the August 2010 price is 5.3ppl above August 2009 and matches closely the year-on-year change in option milk price at 5.26ppl.

At this time of year, United has the advantage of extra money coming in from the new selling arrangements under which processors pay for the fat and protein content in the milk. The *Irish Farmers Journal* estimates that this averaged an additional 0.14ppl on top of the option milk price in August 2010.

This was small when compared with the drop in the option milk price of 0.83ppl between 2008 and 2010. Relative to August 2008, the United producer milk price this year was down by 0.8ppl, very

Table 6: Changes in Aug '10 milk prices in p/l compared to:

	2009	2008	2007
Town of Monaghan	8.00	3.00	2.00
Donegal Creameries	7.50	3.00	1.65
Lakeland Dairies	7.25	2.50	1.70
Glanbia Milk	7.00	2.55	1.35
Glanbia Cheese	7.00	2.00	1.00
Fivemiletown Co-op	5.75	1.50	1.00
United Dairy Farmers	5.30	-0.80	-0.75
Option milk	5.26	-0.83	-1.13
Quality adjusted selling price*	5.15**	-0.69	-0.99
First Milk	-0.48	-4.02	3.27

\* +0.14p quality adjustment, the 100% rate for August 2010

\*\* +0.25p quality adjustment for August 2009

similar to the option milk price reduction.

In Britain, the pattern of milk prices is different. First Milk in August 2010 is 0.48ppl below August 2009 and just

over 4p below August 2008.

The year over year price comparisons are based on the prices paid for average quality milk for the 350,000 litres per year supplier.

## Option milk price at 24.8p/litre

THE option milk price for August settled at 24.8ppl, which was the average of the successful bids at the milk auction run by United in July.

United's income from the auctioned milk and from the 'option milk' allocated to processors is boosted by the

values for fat and protein above the United base levels of 4.0% butterfat and 3.18% protein. For August, this gave an upward adjustment, estimated at 0.14ppl.

The seasonal increase in fat and protein reverses the trend of May, June and July when the corresponding

price adjustments were downwards.

## ADJUSTMENTS

The adjustments are 0.018ppl per 0.01% butterfat and 0.032ppl per 0.01% protein, based on test results coming from samples taken from the tankers as they deliver milk

to the customer. The price adjustment is applied to the milk sold at auction and to option milk on a customer by customer basis.

After a phasing-in period, the full 100% adjustment been made by United on its billing to customers since April 2010.

## UGS dairy meeting

THE autumn meeting of the Ulster Grassland Society is to take place on the Blelock family dairy farm, near Aldergrove on Tuesday 5 October at 10.30am. It is Ivy Farm, 143 Ballyrobin Road, Crumlin, BT29 4EG.

Pre-book with George Reid by Friday 1 October by phoning 07920 037 910.

• 110 high yielding commercial pedigree Holsteins.

- Regular reseeding.
- Silage with 40% DM.
- Maize and whole crop wheat
- Successful participant in the Thompson/AFBI/CAFRE heifer rearing project. Heifers routinely calved at two years and surplus heifers are sold. Sexed semen is used on heifers.
- Cluster flushing system in the parlour.
- Automated climate control.
- Foam system used for preventative foot treatment



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