Creamery league

Co-op Mar 2010	Cash Price Nett of Levies,transport and conditional bonuses @ 3.6 BF and 3.3 PR	Price change since last month	Total milk Price Increase or Decrease this Quota year	Avg Coop Protein %	Avg Coop Butter Fat %	Creamery Average net of levies using of coop fat and protein	Ranking on Avg Cr Fat &Protein	Feb Milk payment for farmer supplying 4% of 230,000 Quota at 3.6bf and 3.3pr	Feb Milk payment for farmer supplying 4% of 230,000 Quota creamery Avg bf and pr	A	B	C		€ / kg MS A+B-C
Division 1														
Barryroe Co-op	25.61	0.66	2.48	3.14	3.95	26.257	1	€5,300.74	€5,435.29					3.58752792
Lisavaird Co-op	25.56	0.67	3.79	3.10	3.94	25.992	2	€5,290.90	€5,380.33					3.572444991
Drinagh Co-op	25.53	0.66	2.73	3.03	3.87	25.939	3	€5,283.77	€5,369.37					3.569517262
Kerry Group	25.51	1.91	3.86	3.06	3.82	24.860	16	€5,279.62	€5,145.94					3.55679674
Division 2														
Boherbue	25.40	0.90	1.9	3.09	3.97	25.478	5	€5,258.51	€5,274.03					3.546952312
Bandon Co-op	25.40	0.67	2.49	3.07	3.88	25.197	12	€5,256.78	€5,215.79					3.538247695
Arrabawn	25.38	1.60	5.08	3.10	3.94	25.209	10	€5,253.39	€5,218.20					3.540905154
Newmarket	25.37	0.00	3.65	3.02	3.86	25.212	9	€5,251.03	€5,218.78					3.562948073
North Cork	25.37	0.96	2.95	3.00	3.83	24.555	19	€5,250.64	€5,082.97					3.554793049
Glanbia	25.37	0.96	5.67	3.10	3.85	25.035	13	€5,250.64	€5,266.58	5.9035	2.5682	0.04		3.538194
Oldcastle Co-op	25.37	0.96	5.67	3.13	3.95	25.442	6	€5,250.64	€5,182.33					3.541269218
Centenary / Thurles	25.36	0.95	3.66	3.11	3.86	24.936	15	€5,248.59	€5,161.65					3.52640843
Dairygold	25.35	1.17	5.65	3.01	3.92	24.757	17	€5,246.54	€5,124.76	6.01	2.5	0.04		3.497165
Lakeland Dairies	25.29	0.94	3.32	3.17	3.98	25.318	8	€5,235.35	€5,240.90	6.25543	2.220561	0.035		3.5836
Tipperary Co-op	25.08	1.14	4.38	3.19	4.04	25.410	7	€5,191.61	€4,017.92					3.483769795
Division 3														
Monaghan Co-op	24.97	0.00	3.42	3.13	3.78	24.723	18	€5,167.84	€5,117.74					3.498533911
Connacht Gold	24.53	0.25	3.69	3.21	4.02	25.876	4	€5,078.65	€5,356.32	6.171	2.04	0.04253		3.205275
Donegal	24.43	1.5	4.62	3.18	3.97	25.205	11	€5,056.31	€5,217.36					3.435406929
Wexford	24.00	0.30	1.9	3.23	4.10	24.982	14	€4,967.29	€5,171.19					3.353988322

Barryroe on top of league in March

JOHN BOYLAN
IRISH FARMERS JOURNAL

West Cork continues to dominate the milk league, with Barryroe paying 25.61c/l plus VAT to return to the top of the March league, followed closely by Lisavaird and Drinagh paying 25.56c/l and 25.53c/l respectively. Kerry has moved back into the first division after a long absence with a price of 25.51c/l.

Boherbue, Bandon, Arrabawn, Newmarket, North Cork, Centenary Thurles, Glanbia, Oldcastle, Dairygold and Lakeland make up the second division paying between 25.40c/l for Boherbue and 25.08c/l for Tipperary.

Monaghan, who are paying 24.97c/l top the third division, followed by Connacht Gold 24.54c/l and Donegal with 24.43c/l. Wexford are on the bottom probably because the cheddar they manufacture has not increased in price yet. Barryroe also top the creamery average for March paying 26.26c/l.

EXPLANATORY FOOT 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 deducted by co-op.
- Glanbia have a two-year interest free supplier loan in place where suppliers are given 2c/l for April supply and 2c/l for May paid out with the May cheque and 1c/l to be given out with the June cheque. This is to help their suppliers with cashflow over this loss-making period and is due to be repaid over the same period in 2011.
- Centenary/Thurles also pay an additional 0.2c/l bonus for all milk supplied under 200,000-cell count.
- Dairygold have a quality bonus points table where suppliers can achieve an additional 0.4c for 55 points. They claim that 70% of their suppliers are achieving a 0.2c bonus for 45 points. Connacht Gold also pays 0.3c/l extra for milk under 200,000 SCC, 0.3c/l for under 50,000TBC and 0.4c/l for suppliers with a capacity for seven milkings. Bandon, Barryroe, Lisavaird, and Drinagh pay 0.4c/l for milk supplied less than 200,000 SCC.
- All quality related conditional bonuses that are available to all producers are included in the creamery average price.
- For an introductory period, the A+B-C will be on the right side of the table.
- The A is the protein value, B the fat value and the C is the handling charge.
- The next column displays the value of a kilo of milk solids calculated at the published price and using the national average protein and fat levels as per CSO, which will be updated each year.

EU dairy exports increase by 118% during January

EXPORTS from the EU increased for all dairy products in January 2010, according to CLAL consultancy.

There was 31,410 tonnes of SMP exported out of the EU in that month, an increase of 118% on the previous January.

WMP exports increased by 9.47% to 34,685 tonnes, whey by 15.17% to 30,898, butter by 76% to 12,028, and cheese exports rose by 21% to 42,762 tonnes.

WORLD EXPORTS

The total world dairy product exports of the main exporting countries, including Argentina, Australia, New Zealand, US, EU 27, Ukraine and Switzerland, were 98,529 tonnes of SMP an increase of 19.74%,

The figure for WMP was 145,622 tonnes an increase of 26.73%.

Whey exports was 76,067, which was an increase of 25.53%.

There was an increase of 20.66% in butter 64,099 tonnes and a 16.95% rise in cheese, which brought the figure to 107,528 tonnes.

The principal demand for the improved exports comes from China, whose imports of WMP from January to March 2010 was 84,503 tonnes an increase of 62%.

The biggest danger of such a high dependence on China is that the Government may impose import restrictions, which together with the high stockpile of WMP could affect the trend in the next few months.

US cheese exports up by 16.2%

TOTAL dairy exports from the US accounted for 9.8% of dairy production, while imports amounted to 2.9%.

Cheese exports from the US were up by 2,727 tonnes (16.2%) to 16,818 tonnes for the first two months of this year.

Butter exports in February were down from January but compared with February 2009, they were up by 399 tonnes (19.3%) to 2,045 tonnes.

There was 15,455 tonnes of NFDM (Non Fat Dry Milk) exported in February, which was 21.9% above the same month last year.

Milk prices in the US are expected to improve as the year progresses. Milk production will decline during the summer and the demand for milk, cheese and butter is forecast to increase in the fall and early winter.

Dairy exports are also predicted to increase, according to Dr Bob Cropp, professor emeritus with the university of Wisconsin. Dr Cropp said what is required here for a much needed milk price increase is a slowdown in milk production. Class 111 future prices for July is $14.35 per 100lbs (23.2c/l), a peak of $15.10 (24.4c/l) is expected in July and back to $14.68 (23.72c/l) per 100lbs for December.

While these prices are higher than 2009, higher prices are needed for dairy farmers to recover last year's losses. He said there is still a possibility that prices could do better than this, especially in the second half of the year.

Milk prices in the US are expected to improve as the year progresses

German quota prices fall

THE cost of milk quota in Germany dropped in the April exchange to an all-time low of 11c/kg.

The average price last November was 18c/kg and the average price for all exchanges in 2008 and 2009 was over 30c/kg.

The fall was precipitated by the drop in milk supply as a result of lower milk prices and the end of the quota regime in 2015.

Dairy commodity prices rise in Britain

BRITISH milk deliveries are down by 1.1% for the first quarter of 2010. This brought the annual supply for the year to 12.8 billion litres, or 13% below their annual quota. The market prices have generally benefited from the tightening of world and EU supplies and most product prices have moved higher, despite the strengthening of sterling.

There is a big drop in the volumes of product going into PSA (Private Storage Aid). There was just 13,954 tonnes of butter placed in PSA since 1 March, bringing the total to 25,00 tonnes in PSA. This is 40,000 tonnes below the same time last year and indicates that butter may become scarce later in the year.

All dairy commodities have increased in Britain. Butter prices have increased by £400 per tonne (15.4%) since March, which takes the price to £3,000 per tonne, and the cream price rose by £75 (6.1%) to £1,300 per tonne.

The spot price for all types of milk powder has also moved ahead because of limited supply and good export demand. SMP prices are up by £50 (2.7%) to £1,900 per tonne, a price not achieved since October 2008.

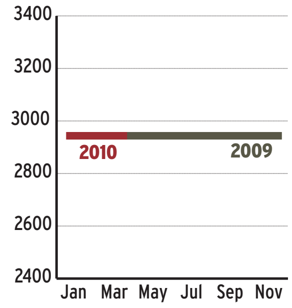
After months of relatively weak prices, the market for cheddar cheese has also improved with the price of mild cheese increasing by £50 to £100 to £2,650 per tonne in a more active trade.

Dairy prices in Britain

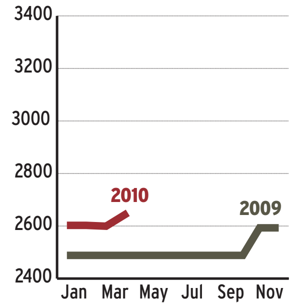
£ per tonne	April 2010	One month before	12 months before
Butter (unsalted)	3,000	2,600	1,950
SMP	1,900	1,850	1,500
Mild cheddar	2,650	2,600	2,500
Mature cheddar	2,950	2,950	2,950
Bulk cream	1,300	1,225	820

See text above and notes below graphs
Source: DIN Consultancy

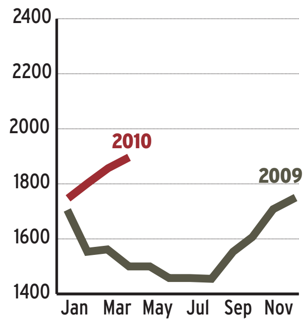
Mature cheddar £/tonne



Mild cheddar £/tonne

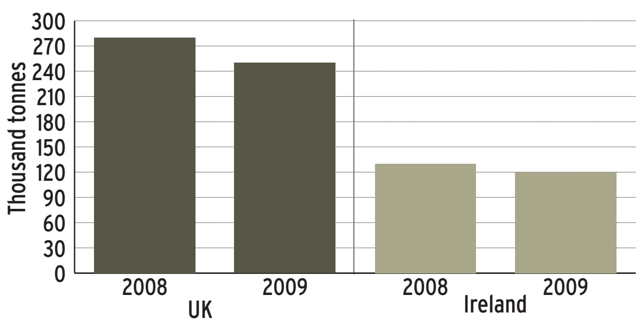


Skimmed milk powder £/tonne



Unsalted butter £/tonne

Irish and UK cheddar production



Milk supplies lower

THE result of lower milk supplies in both Britain and Ireland will see lower cheddar cheese production, especially in Britain, where liquid milk will have first call on supply.

Irish milk processors may turn to WMP instead of cheese where there is a better return. This should drive up the cheddar cheese prices from the present €3,160 towards €3,500 later in the year. The price of Gouda has increased from €2,600 to €2,900 (11.54%), Emmental is up by €100 to €3,200 (3.2%), Edam has increased by €250 to €2,800 (8.5%) and mozzarella is up to €2,700.

INBRIEF

World milk production

The lack of late season rain is forecast to bring a faster than normal end to the milk season especially in the North Island of New Zealand. Although production is higher in the South Island, the production for the entire country is likely to be up by less than 1%.

While there been a slight increase in milk production in Australia in February, this was a 6.4% decrease on the same month of the previous year.

EU production continues to decline especially in Eastern Europe, where low milk prices driving farmers out of production.

The Ukraine is down 3.3% for February, which continues a downward trend started in 2009.

Argentina produced 2% less milk in 2009 than 2008 and this trend is likely to continue until there is a change in government policy.

There was an increase in milk production 0.62% in Brazil, 1.5% in Mexico and 1.3% in Russia, while China also shows an increase in 2009 despite the melamine scandal.

Increase in optimism among British farmers

THE 2010 Farmers Intention Survey highlights a small increase in confidence in the industry, with 81% of British dairy farmers optimistic about the future of the industry, compared with 72% in 2009.

Thirty-five percent of British dairy farmers intend to increase their milk production within the next two years.

Milk production in Britain as a whole is predicted to rise by 1% over the next two years.

The percentage of dairy farmers intending to spend in excess of £250,000 has risen from 2% in 2008 to 9% in 2010.

However, the intentions to increase production are reliant on a sustainable milk price, which would allow individuals to invest in their business and also attract new entrants into the industry.

Milk production in Britain is predicted to rise by 1% over the next two years