



Newsletter

Issue 12

Independent Representation for Direct Milk DPO Members

January 2017

FEBRUARY STANDARD LIQUID MILK PRICE + 1.25PPL MILK PRODUCTION, ON THE INCREASE!

February Milk Price

February Change **+ 1.250 ppl**
February Std Litre **26.686 ppl***

Source milkprices.com flagship standard litre

*excludes any retail supplementary payments.

The Interim Board of the Muller Milk Group (MMG) which includes your three Direct Milk DPO directors presented a strong case for a continuation of milk price improvements for February. We are pleased to report that a further increase has been secured.

This latest increase delivers a total increase of 8.686 ppl (+48.25%) for Direct Milk members for the October to February period.

	<u>Change</u>	<u>Std. Litre</u>
Sep 2016		18.000 ppl
Oct	+1.189 ppl	19.189 ppl
Nov	+1.747 ppl	20.936 ppl
Dec	+2.000 ppl	22.936 ppl
Jan 2017	+2.500 ppl	25.436 ppl
Feb 2017	+1.250 ppl	26.686 ppl
Total Change	8.686 ppl	+48.25%

Retail Supplement Impact

The additional retail supplement for the month of December 2016 has now been confirmed at **+1.163ppl**. As the standard litre price continues to improve, so the differential between this and the `minimum price guarantees` provided within the retail supplement reduces.

The expected payment for January is forecast at 1.1ppl and the actual payment will be confirmed next month. Following the February base price rise the estimate for February is currently 0.82ppl.

The total February price including the retail supplement is therefore 27.506ppl.

Once again we would like to thank **Aldi, Lidl** and **Morrisons** for their continued commitment to these payments.

Contract Changes

Following the Regional Meetings the new MM&I contract is currently being reviewed. We expect the new contract documents to be communicated to all members in February with the option to sign up from the new milk year.

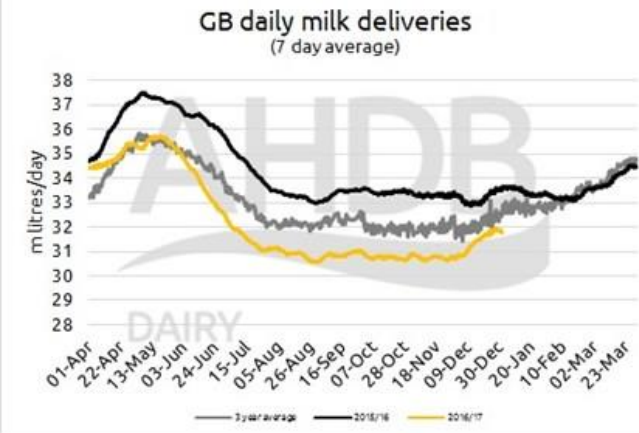
All members currently supplying milk on the Formula contract will revert to the standard non aligned liquid contract with the negotiated Standard Direct Milk price (as shown opposite) from 1 February, with the option to sign the new MM&I contract from the milk year.

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Milk Production

Although national milk production is still lower than both 2015/2016 levels and the 3 year average, the last 4 weeks have shown a trend of increasing milk volumes.

For the two weeks ending 31/12/16, GB daily deliveries averaged 31.8m litres/day and were down 5.0% (1.7m litres/day) from the same period in the previous year. Daily deliveries for this period were 0.5m litres/day (1.7%) lower compared with the 3-year average.



Source: AHDB 2017

MMG Forum elections

Nominations are now being sought for the new MMG Forum with elections due to take place in February.

The Forum will consist of 21 elected members representing farmers supplying MM&I on all contract types – one Rep for circa 100 farms.

The Forum will meet quarterly and is responsible for electing the Board Representatives and approving the MMG budget.

To stand for election to the Forum, you need to:

- Secure three nominations from the farmers in your region.
- Compose a 200 word address, which will be circulated to the electorate with ballot papers.

Look out for a communication explaining the role of the Forum and the nomination and election process. Anyone interested in registering their interest about standing for the MMG Forum should contact the Farm Service Centre.

Please do consider standing for the new organisation, these will be important roles and your direct input and contribution may make all the difference.

Milk Supply Forecast

Thank you to all members for returning the milk supply forecast despite the tight deadline. A return rate of 99.1% was achieved with these forecasts being forwarded to Muller.

Weather Contingencies

In readiness for any adverse weather, please can all members take the necessary precautions to prepare for such events. Please ensure farms are stocked with suitable levels of salt and grit. Please also ensure that insurance cover is in place to cover any potential non collection of milk. Hopefully, as with all insurance, this won't be necessary although an essential precaution.

Your Board & Forum Member contact Details can be found via your website

www.directmilkdpo.co.uk

Farm Service Centre:
T: 01630 650200
E: farmservices@muller.co.uk

Direct Milk DPO Office:
Tel.01267 221311

Other Contacts

Electricity 0844 887 1114

White Gold:0845 873 1410