



# Newsletter

Issue 13

Independent Representation for Direct Milk DPO Members

February 2017

## MARCH STANDARD LIQUID MILK PRICE STAND ON NEW AGRICULTURE DIRECTOR AT MM&I MILK PRODUCTION ON THE INCREASE!

### March Milk Price

#### March No Change

March 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 March. We are disappointed that no further increase could be achieved at this time. Whilst we recognise the positive impact of the 8.686 ppl for the October to February period, we are extremely concerned that the current farmgate price remains below what is required to recover the accrued losses of the last two years.

We firmly believe that further increases should be deliverable from the current market conditions. However we should all recognise that increased production is beginning to impact those markets and that chasing marginal litres now may not be the best solution for the long term sustainability of our industry.

### New Agriculture Director

As you will be aware, Rob Hutchinson has been appointed as the interim Agriculture Director and we look forward to working with him.

Lyndsay Chapman left the business by mutual agreement at the end of January. We would like to thank Lyndsay for her hard work over the last year, integrating the two businesses.

We also thank Lyndsay for her support of Direct Milk and DCD whilst she was employed by Dairy Crest.

### Retail Supplement Impact

The estimated retail supplement for January remains at circa 1.1ppl. Following the February base price increase of 1.25 ppl the estimate for February's additional supplement is circa 0.82ppl. The total February price including this supplement is therefore estimated at 27.506ppl.

The level of supplement is subject to retail sales and the level of milk supply on non aligned contracts in the month. With increasing supply volumes, we expect the supplement for March to be diluted.

Once again we would like to thank **Aldi**, **Lidl** and **Morrisons** for their continued commitment to these payments. However as base prices close the gap towards these commitments we would urge those retailers to consider other routes to providing a sustainable future for their suppliers.

### Contract Changes

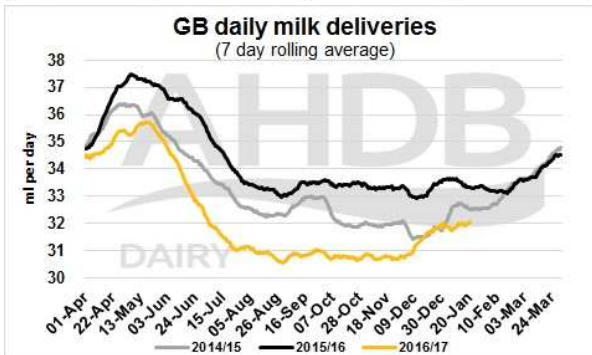
Following feedback from the member meetings, we have been working with the Müller team to review the new contract offer. You will receive the documents at the end of February with details of the sign up process which will be from 1 May 2017.

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## Milk production

GB milk deliveries have increased for the week ending 21<sup>st</sup> January 2017, with a week on week rise of 0.1%. Deliveries are now running 3.8% below the same week last year, equivalent to 1.3m litres per day.

Week ending	GB Deliveries		
	Daily average (ml per day-7 day rolling)		
	2016-17	2015-16*	Yr-on-yr
07-Jan-17	31.76	33.63	-5.6%
14-Jan-17	31.99	33.50	-4.5%
21-Jan-17	32.03	33.31	-3.8%
Wk-on-wk	0.1%	-0.6%	



Source: AHDB

## 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.

Further information with details of the nomination process will be sent to all members in the next week.

*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 Production Reduction Scheme

All members who applied for the Milk Production Reduction Scheme for the months of October, November and December 2016 must complete a MPRS2 form. This form must be received by the RPA together with proof (milk cheques) of actual milk production by 14/2/17.

### Useful Contacts:

Your Board & Forum Member

Contact Details can be found via your website

[www.directmilkdpo.co.uk](http://www.directmilkdpo.co.uk)

### Farm Service Centre:

T: 01630 650200  
E: [farmservices@muller.co.uk](mailto:farmservices@muller.co.uk)

### Direct Milk DPO Office:

Tel.01267 221311

### Other Contacts

Electricity 0844 887 1114  
White Gold:0845 873 1410