



Introduction By Shelagh Hancock, Chief Executive



As you'll be aware, at this time of year we'd normally be holding a number of local member meetings across the country to update you on business progress and our plans for the future. Due to the ongoing COVID restrictions it is not possible to do this in the normal way, so we have arranged three virtual meetings in early November, and I hope that you'll be able to join one of them.

We want to make these as interactive as possible, so we are using this newsletter to outline the key subjects we'll be covering, so you can submit questions in advance or during the meetings.

The sessions will be chaired by Robert Craig, farmer director and vice chairman,

and our plan is that I'll start the meetings off with an overview of current business performance, including how we are managing the current COVID situation and what we are doing to prepare for Brexit. I'll also provide an update on our Lake District Biogas acquisition and recent charity activity.

Greg Jardine, our CFO, will then update you on our half year financial performance as well as providing a general overview on capital projects.

We'll then provide an update on how we are focusing on building long-term resilience into our business, with an overview of our plans beyond the current financial year.

Finally, Mark Brooking, our membership director, will give an update on the proposals around graduated bactoscans and somatic cell counts, which you can read more about in this issue, as well as First4Milk and other membership topics.

I do hope you'll be able to join one of our virtual member meetings in the coming days to find out more about all these areas. We welcome your questions, which can either be asked on the day or sent in advance to:

membershipteam@firstmilk.co.uk

I look forward to seeing you there.

November member meetings

To join the November member meetings, please use the following links:

Date	Time	Link
Tuesday 3rd	12 noon	https://tinyurl.com/y3kl9wjw
Wednesday 4th	7.30pm	https://tinyurl.com/y4ftxg35
Thursday 5th	12 noon	https://tinyurl.com/y6kzyuaj

Next week's virtual meetings are being held via a Microsoft Teams Live event. You will be able to submit written questions during the presentations, which the meeting chair, First Milk Farmer Director, Robert Craig, will put to the relevant speaker.



Graduated bactoscan and somatic cell count payments

On 1st April 2021 we are changing the way we incentivise milk quality. As First Milk members, you supply excellent quality milk but we believe the current bonus system does not adequately encourage members to strive for continuous improvement.

Somatic cell count (SCC) and bactoscan (BSC) payments currently operate using a banded system with large steps resulting in significant price adjustment when members supply milk just one point either side of these bands.

The new 'graduated' system is fairer. It recognises continuous improvement and rewards members for every incremental improvement in milk hygiene quality.

For example, there is currently a 0.5ppl difference between having a BSC monthly payment average of 30 and 31. This results in a member losing out on a considerable amount of money, when the effect on the supply chain is negligible. There is also little encouragement for a member to improve within a band, as milk being supplied with a cell count of 350, for example, is paid the same as milk with a cell count of 301. This is despite differences in yields of product

and animal welfare for such a cell count differential being well documented.

The key principle of graduated payments is that members are rewarded for every single point of improvement in milk quality.

The tables detail the adjustments made under a graduated payment system.

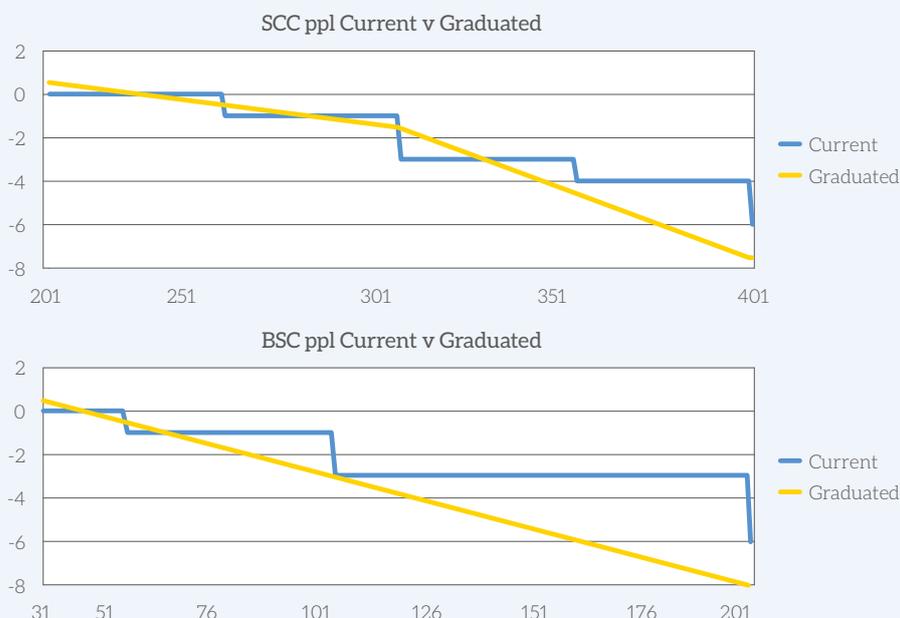
Table 1: Graduated somatic cell count (SCC) payments

SCC	Payment
0-200	+0.5ppl
201-300	less 0.02ppl per 1k SCC above 200
301-400	less 0.06ppl per 1k SCC above 300
401+	-7.5ppl

Table 3: Graduated bactoscan (BSC) payments

BSC	Payment
0-30	+0.5ppl
31 - 200	less 0.05ppl per 1k BSC above 30
200+	-8ppl

The graphs compare the effect on payments under the two systems.



A graduated payment system also offers incentives to members who are not currently receiving the top band bonus in SCC or BSC. It gives the opportunity to improve their returns for each small improvement in hygienic milk quality. It allows for fair payment based on the levels achieved, as opposed to instantly losing out on a bonus when

missing a banding as in the current system. The new system will still be based on 2 or 3 month geometric averages.

These changes will be discussed at the member meetings, but please also contact the membership team if you have any further questions.

2020 Responsible Farming Awards

Over 90% of members have now signed the Pledge so we know the First4Milk priority areas of Animals, Earth and People feature highly in the farming activities of all Pledge signatories. The 2020 Responsible Farming Awards nominees showcase some of the exceptional work being done by First Milk members demonstrating excellence across these three categories.



We hoped the judges would visit each of the nominees before announcing the category winners at the member meetings. But with the tightening of COVID restrictions around the country, this was not possible. We also considered 'virtual' judging but felt this would not allow judges to see each farm adequately. Still keen to celebrate the nominees' successes, we have included a short description of their nominations below and plan to visit the farms for judging early next year.

Animals

Marc Allison, Sychpant Farm, Rhoshill, Cardigan



Marc Allison farms at Sychpant with his wife Lucy and parents, John and Mair. The family is showing outstanding herd health management through the use of custom-built cubicle housing resulting in considerably reduced antibiotic use and improved cow welfare. Total antibiotic use over the 12-month period to August this year was just 5.63mg/PCU. The Allisons designed and built their award-winning climate-controlled cubicle building themselves. Unique features in the building include a moulded cubicle heel stone. This creates a lip to encourage water to flow underneath rather than against it, preventing wash going up on to the cubicle bed.



Richard Baynes with son, Tom and niece, Eva

David and Richard Baynes, Marley Cote Walls, Slaley, Hexham, Northumberland

David and Richard Baynes have invested in animal welfare with herd health software measuring cow data every 30 minutes, a new purpose-built cow shed including fans to reduce heat stress, robots and grazing gates. Introducing robots reduced mastitis significantly. The grazing gates allow cows out after they've milked; most returning voluntarily at lunchtime when the shed troughs are re-filled. They have also reduced calf illness and disease significantly through diligent colostrum management, ensuring all calves receive three litres of colostrum within half an hour of birth.

Earth

Mike and Gem King, Old Green Farm Dairy, Alveston, Bristol



Mike King has embraced digital innovation through his use of robotics. As well as milking robots, he uses grazing gates, a robotic scraper and a robotic feed wagon, enabling him to reduce feed waste and the use of traditional "heavy" machinery. In addition to these developments, the cows' access to pasture has been retained. Located on the edge of Bristol, Mike is acutely aware of his role and the opportunity to represent the dairy industry to an urban population. He carries out many farm tours every year and has installed a milk vending machine on the farm. He is using technology in such a way it's illustrating to the consumer it's the right thing to do.



Reed bed, Rosehill Farm

Andrew McKinley, Rosehill Farm, Thornhill, Dumfries

Rosehill Farm is within the Lower Nithsdale NVZ, just north of Dumfries. As a result, Andrew McKinley is working hard to minimise nitrate losses from his land. He's planted 600 reeds in an existing ditch to filter yard water run-off and created a new pond in a field which couldn't be drained. Andrew is also an active promoter of dairy farming to the public. At the beginning of lockdown, he produced a video about the farm, narrated by his three children, for their school and for use at the Virtual Highland Show. He also participates in a rural skills programme, with local secondary school students visiting twice a year to learn about the farm and take part in practical farm activities.

People

Gavin and Archie Ballantyne, Auchenheath Farm, Lanark



Father and son team, Gavin and Archie Ballantyne are keen to invest in young people as the future of dairy farming. They employ and invest in young staff wherever possible, recently taking on a 16-year old apprentice. They also volunteered to take part in a valuable on-farm filming opportunity this year. The television programme, Dom Delivers, is about the dairy supply chain, with Gavin and Archie illustrating the importance of dairy farming at the beginning of milk's journey from farm to doorstep.



Archie and Gavin Ballantyne

Marc Evans and Will Mason, Cuckoo Grove Farm, Haverfordwest, Pembrokeshire

Having farmed at Cuckoo Grove for some years, fifth generation farmer, Marc Evans, decided to take a step back (but not away completely) from farming. He was keen to assist his wife, Sally, who runs a growing marketing business and to give someone else the opportunity to take control of running the farm. Having advertised locally, they set up a share-farming joint venture with successful applicant, Will Mason in 2017. Will had been



Marc Evans and Will Mason

managing dairy units for other farmers in Pembrokeshire but wanted to progress within the industry. He has been running the farm for four years now while also building equity by owning a proportion of the stock. The venture is heading in a very positive direction with Will always looking to move the farm forward.

Matthew and Sarah Workman, The Beeches, Carleton, Carlisle

Third generation farmer, Matthew Workman, and his wife, Sarah, work tirelessly to promote dairy farming to consumers. Situated on the edge of Carlisle, their close proximity to an urban population has led them to instigate a number of activities aimed at benefiting the local community. They host regular farm events, public open days and school visits, and have converted a hay loft into a classroom, which Sarah uses to run pre-school phonics sessions. Earlier this year, Matthew installed a milk vending machine at the Beeches, which is also a fundraiser for two great causes; the British Heart Foundation and a local child requiring life-saving treatment overseas.

Chairman's Award

An additional award is made to a member demonstrating particular professionalism and dedication to dairy farming.

Council elections

Nominations for this year's Council elections close on 30th October. The three sitting Council members seeking re-election are Willie Campbell, Jessica Mills and Christine Kelsall.

In addition, a vacancy arose due to Mike Smith becoming a farmer director and moving onto the Board. At the time of going to press, one nomination had been received. If only four nominations are received for the four vacancies, and all nominees meet the eligibility criteria, they will be elected unopposed. If further nominations are received, an election will take place in December via online voting.



Telephone: 0141 847 6800

Email: membershipteam@firstmilk.co.uk

First Milk, Cirrus House, Glasgow Airport Business Park, Marchburn Drive, Paisley, Renfrewshire, Scotland, PA3 2SJ

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