



Business update By Shelagh Hancock, Chief Executive



Since our last newsletter the COVID situation has continued to shape all aspects of life across the country and, inevitably, within First Milk.

It is still impacting dairy markets and, while it has continued to defy expectations, markets are feeling finely balanced right now. Some areas of concern remain which could disrupt the stability and positivity we have seen. The continued growth in retail demand has been extremely beneficial, but as COVID cases rise again, increased restrictions and potential changes in the recovery of the food service sector will have an effect.

Of course, COVID isn't the only thing affecting dairy returns and potential disruption from a 'no deal' Brexit is also looking increasingly likely. However, you can rest assured we have advanced plans in place with suppliers and customers to help manage any issues that may occur if the end of the transition period is problematic.

The pandemic has undoubtedly affected our way of working on a day-to-day basis, giving us an unexpected chance to review and reflect. As a result, and with the lease on our office in Glasgow coming to an end, we have decided to downsize this office capacity and move to a smaller 'hub'. Many staff in head office functions

will work from home on a permanent basis. As the last six months has shown, our committed and hard-working team is able to work effectively irrespective of their location, maintaining productivity for our customers and connectivity with you, our members.

Although COVID restrictions have changed the way we work at our production sites, the requirement to meet stringent production and traceability standards does not diminish. As such, it was fantastic to see Haverfordwest Creamery pass a recent unannounced BRC food safety audit by achieving the highest AA+ grade. Not to be outdone, the team at the Lake District Creamery, had a successful two-day Tesco audit, which means the site is now approved to supply Tesco. LDC had temporary supply approval during the peak of COVID, so it was important to secure full accreditation to ensure service levels can be met if there are further impacts to retail supply chains. Both sites are now about to enter a short shutdown period to undergo an important phase in their respective capital investment projects. This ongoing investment helps grow our capacity, efficiency and improve product quality.

While we look forward to the day when we can meet face-to-face with you, it is important we take precautions to keep

you and our colleagues safe. As a result, we have reluctantly decided to hold our Autumn round of meetings digitally. We are committed to updating you on all aspects of your business and, as the digital AGM showed us, such meetings can be productive and interactive – I hope you'll participate if you are able.

We are also keen for members to be involved in this year's charity challenge. I hope you will join us on our 'virtual' journey from Glasgow to Mt Everest in aid of the Mental Health Foundation. Details of how to participate in and/or sponsor the First Milk team are overleaf.

Finally, I'd like to thank members, Gavin and Archie Ballantyne, for welcoming TV cameras onto their farm, reflecting the First4Milk Pledge commitment to promote a positive image of the dairy industry. Their willingness to contribute has enabled the programme to illustrate the importance of dairy farmers at the beginning of milk's journey through the dairy supply chain.

Stay safe and I look forward to seeing you at our virtual meetings in November.

Over 90%
of members
have signed
the Pledge

Top of the World Charity Challenge



The First Milk 'virtual' team is set to walk, bike, run and swim to the Top of the World. Collectively, we are covering the equivalent distance of the First Milk office in Glasgow to Mt Everest, via the Lake District and Haverfordwest Creameries – a total of 6628 miles. With everyone contributing what they can, it's the more the merrier!

The Mission runs for two weeks from Saturday 26th September, finishing on World Mental Health Day on Saturday 10th October. You can register at any time – even after the Mission is underway.

We are using the My Virtual Mission online platform to track our progress across the world. Go at your own pace in your own space. Every step counts as long as you're registered.

Fundraising

We're doing this challenge to raise money for First Milk's 2020 charity, the Mental Health Foundation, the UK's leading charity for mental health. Our aim is to beat last year's total of £10,000.

Registration

To register, call the Membership team on 0141 847 6800 to receive the Mission code then click on the link <https://zentoevent.com/top-of-the-world/> and follow the steps outlined on our Mission Event page to become part of the action.

Register now

Donations can be made on our GoFundMe page: <https://tinyurl.com/y42kshva> or search www.gofundme.com for First Milk Top of the World

If you can't take part, please still encourage friends and family to make a donation and follow the team's progress.

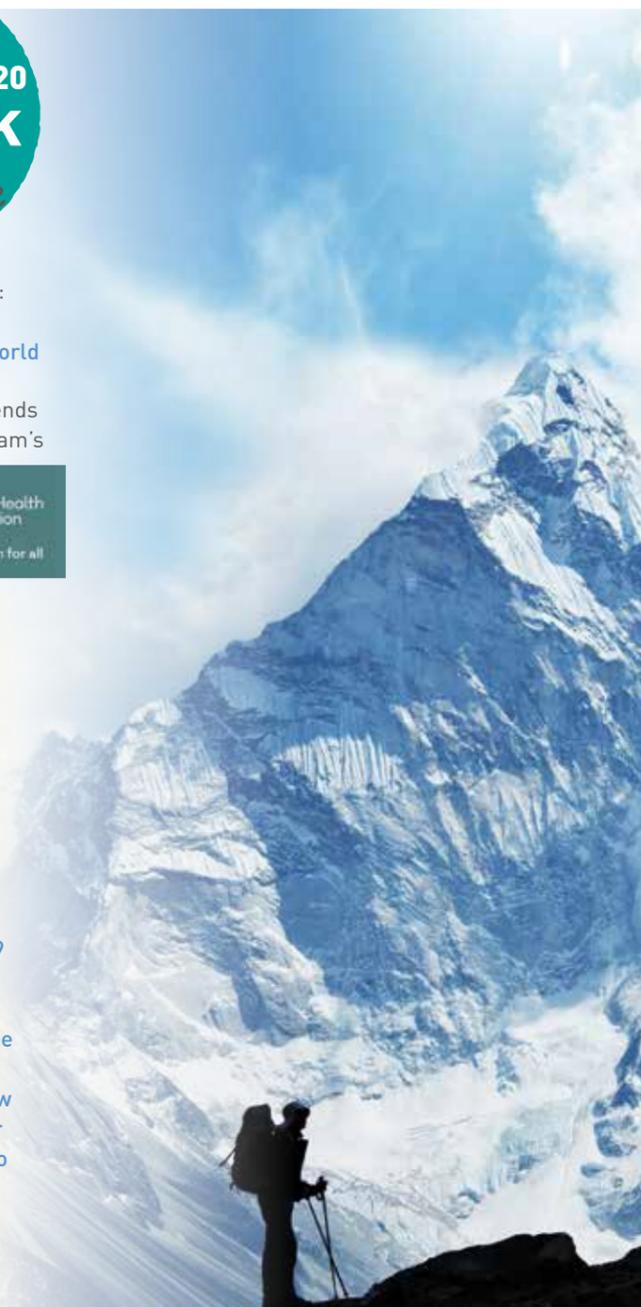
We're on a Mission and we'd love everyone to help.



We hear from one member who joined our charity event last year and is keen to participate again:

"Seeing Alzheimers affect a farming neighbour prompted my husband and I to get involved in last year's challenge in support of the Alzheimer's Society. This year's Charity Challenge, supporting the Mental Health Foundation, is equally relevant as most of us will know someone really struggling with the current Covid-19 situation. Recently I was flicking through last year's photos from the event and our weekly training walks often snatched at the end of a busy farming day when, we just wanted to sit down! They reminded me how beneficial those walks were for us and our own mental wellbeing! I encourage all who can to join us this year - whether you can do a little or a lot, every step counts!"

Christine Kelsall



Dates for your diary – November member meetings

To keep our members and staff safe, the upcoming member meetings are being held by video conference call. To fully use this opportunity to share our plans and hear your views, we encourage you to submit questions prior and during the calls. These meetings will also incorporate the Council election hustings, giving you chance to meet and hear from each candidate.

Joining instructions to follow.

NOVEMBER

Tuesday 3rd	12 noon
Wednesday 4th	7.30pm
Thursday 5th	12 noon

Increased support for members

Peter Llewellyn, First Milk's Area Manager based in Wales has recently taken on the role of Membership Manager. With increased responsibilities and to ensure members in his area receive the same level of support, Peter was joined recently by Lucy Parr as Membership Administrator. Lucy is a business management graduate with previous roles at Pembrokeshire Agricultural Society and Puffin Produce, both based in Haverfordwest.

Her strong business and administration background make her ideally suited to her new role based at Haverfordwest Creamery. As well as being a point of contact for members in West Wales, Lucy will also be visiting members on farm doing the annual Farm Business Reviews.

"I can't wait to meet First Milk members and learn more about the vital role they play within the dairy supply chain," says Lucy. "Please don't be strangers; I'm here to help you."



Lucy Parr

Meet the Team: Stuart Turnbull



Despite the challenges of maintaining business continuity through the pandemic, our production sites are performing well and on target. To further strengthen the team at the Lake District Creamery, we are delighted to have secured a new Site Director to lead its talented and committed team. Stuart Turnbull tells us about his extensive career in food production.

My wide-ranging career in the food industry means I'm bringing experience and knowledge from outside the dairy industry to First Milk, able to build on previous successes. I thrive on finding new ways of working and solutions not thought of previously as well as building relationships to develop others around me. The team

at LDC is doing fantastic work – you can feel it as well as see it – and I'm excited to be joining them.

I began my working life at McVitie's Biscuits in Carlisle as a multi-skilled engineering apprentice. Staying with them after my apprenticeship, I installed the new Ginger Nut line, running at a rate of 360 packets a minute. Today, it is still producing every pack of McVitie's Ginger Nuts.

From biscuits I moved to seafood, joining Cumbrian Seafoods at Maryport, just a few miles from LDC. In my role as Group Project Manager, I ran the capital expenditure projects across five factories in Maryport, Whitehaven and Amble.

Travelling to Amble on the east coast made me realise there was a world outside Cumbria, leading me to

General Mills, and Jos-Rol Pastry, in Berwick-upon-Tweed. As Chief Engineer then Manufacturing Manager in operations, my focus was on process automation.

My final role prior to joining First Milk was in one of the largest prepared meals factories in Europe at Cavaghan and Gray in Carlisle. Originally Head of Engineering and SHE (Safety, Health and Environment), I became Head of Operations working on a large investment programme for new products and the expansion of site capacity and capabilities. Invaluable experience for my role at LDC.

I live and breathe Cumbria. I was born here and, apart from the 10 years I spent on the east coast, I've remained committed to the area. I have two children of 16 and 11 and love anything with an engine – particularly my motorbikes.

Council elections



Nominations are being sought for the First Milk Member Council. The Member Council is an essential part of our governance and we strongly encourage members interested in contributing to the running of First Milk to stand for election.

The eligibility criteria allow producers who are not technically First Milk members but fully involved in a member farm to stand for election. This includes contract and tenant farmers where the landlord is a First Milk member and the grown-up children of members who are not partners in the member business. There is currently a vacancy on Council as former Council member, Mike Smith, has become a farmer director. Three sitting members, Willie Campbell, Jessica Mills and Christine Kelsall, are standing for re-election.

To find out more about being on the Member Council, please contact a Council Member or the Council Chairman, Séan Rickard at sean@seanrickardltd.co.uk

Election timeline:

30th October	Deadline for nominations and submission of CVs and candidate statement
3rd - 5th November	Online candidate hustings during member meetings - see p.3
December	Online voting
Mid-January	Announcement of successful candidates
January-March	New Council member(s) go through induction process and Council meetings
1st April	New Council member(s) take office

For a nomination form, please contact membershipteam@firstmilk.co.uk



“The major advantage of a dairy coop is that its farmer owners have democratic control over the way the business is governed ensuring their interests are paramount. First Milk’s Member Council, with its oversight of the coop’s governance structure, is the steward of members’ democratic control. As a Council member your primary responsibility is to ensure, in a professional manner, the Board and senior executives have the concerns and aspirations of members uppermost when making strategic decisions. Council is the key link between the Board and farmer members, providing invaluable advice to executives based on its knowledge and dealings with dairy farmers. Council also has key roles in the appointment and remuneration for non-executive directors as well as First Milk’s investment decisions. Serving as a Council member is a proven route for a member who has ambitions to become a First Milk farmer director, but more generally offers scope for self-development and a wider understanding of business realities. Most importantly, as a Council member, you have a unique opportunity to directly help your fellow farmers achieve the higher returns and greater stability they deserve for their hard work as dairy farmers.”

Séan Rickard, Council Chairman

“I joined Council in April this year, so it’s been a pretty unconventional start to my term. Modern technology has helped a great deal but I’m looking forward to resuming face-to-face farmhouse meetings. I was reluctant to stand for Council originally, unsure I had enough time or understanding, but very glad I did. I spend about three days a month on Council business and enjoy learning about how First Milk operates. The role of Council is important and very much a two-way process. It gives members influence over company decisions as well as providing a channel for communicating and interpreting board decisions back to members. As members, we all have a vested interest in First Milk’s success and I’m glad to be doing what I can to support it.”

Louise Davies, Council member



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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