



Introduction By Shelagh Hancock, Chief Executive



In what continues to be an unusual year, we saw a lower and prolonged 'spring' peak running well into June. Operationally, performance at the creameries remained good during this longer peak period and supply has fallen seasonally closer to the expected levels.

Overall trading for the year to date is broadly in line with our plan and we are pleased to have delivered a fourth month of consecutive milk price increases. We understand there are continued financial pressures on farm so remain committed to maximising returns for you, our members, whenever possible.

This year's capital expenditure plans, announced in March, are making good progress. The £12.5 million commitment being invested across the two sites will help us grow capacity while improving operating efficiency and securing resilience and reliability. These

efficiencies include savings in energy and water use supporting our net zero carbon emissions by 2040 ambitions.

At Lake District Creamery, planning and preparation is underway for the installation of major equipment towards the end of August. This includes work on a new room to house the upgraded blockformers, a central part of our cheese production process. An extension has also been completed to accommodate new milk silos.

In Haverfordwest, the current whey separator was relocated and re-commissioned on schedule and is fully operational. Preparation for another whey clarifier is now underway with a second whey pasteuriser also expected later this month. These are all fundamental components of our cheese-making operations.

The smooth-running of these significant capital expenditure projects, amid COVID-related labour and material supply challenges, is testament to the hard work and expertise of the project team at both sites. My sincere thanks goes to them all.

You will have received our annual report recently showing a year of significant progress, growth and a strengthening of our balance sheet. We are particularly pleased this year to be able to share these results with you at our AGM on 5th August. The easing of COVID restrictions and successful vaccination rollout are welcomed and give us the opportunity to meet in person once again. While hopeful this signals a longer-term return to unrestricted movement, we are mindful cases are rising again and remain vigilant.

The AGM is our first face-to-face meeting for many months and we are really looking forward to seeing some of you in Penrith.

First Milk AGM Thursday 5th August 2021 at 11.30am

The meeting is being held at the North Lakes Hotel, Ullswater Road, Penrith, CA11 8QT

Please do join us at this in-person meeting

To register your attendance, contact the secretary at anguswaugh@firstmilk.co.uk or call the Membership Team on **0141 847 6800**.

Reminder

Regenerative Agriculture



First Milk's member council has many important roles. As well as approving business processes and generally holding the board to account, the council is also used as a sounding board to inform decisions, particularly those impacting members.

One recent discussion was about securing maximum participation by members in our regenerative farming initiative, seen as critical for our long-term prosperity.

The discussion identified considering a financial incentive to reward members who adopt regenerative practices. In the first instance, this is likely to be demonstrated through completing a regenerative action plan. Longer-term payments may be linked to the outcomes of such actions.

The council also felt it was vitally important members are given sufficient information at the upcoming regenerative workshops, as well as using feedback from these events to guide future policy. Council therefore strongly encourages members to attend the workshops.

Regenerative Farming workshops

Having been unable to hold the workshops scheduled for July, we are hosting the nationwide series of 'live' on-farm workshops in September. Now we can meet in person, we look forward to discussing and demonstrating face to face how regenerative farming principles can play a key role in helping us deliver dairy prosperity together.

The workshops are being run by a combination of Farm Carbon Toolkit team members, First Milk staff and other soil experts. All workshops start at 10.30am. For more information, please contact your Area Manager.



View from council member, Alan Trainer:

First Milk recognises many of us are already practising regenerative farming techniques on our farms and is keen to promote this to their customers. I am very supportive of this approach and feel it's right members are rewarded for what they are doing or planning to do so we gain a share the benefits alongside First Milk. This is about carbon 'insetting' rather than offsetting, allowing us to keep the credit for carbon capture on our land within the dairy industry and our own supply chain.



On our farm near Lanark, we've been experimenting with a few ideas to increase carbon sequestration and improve overall soil health:

- 1) **Undersowing barley with white clover:** we've chosen a very small leaf clover so it stays close to the ground and doesn't interfere at harvest
- 2) **Diversifying grass species:** until now, we've tended to grow pure ryegrass, but are looking to diversify our seed mixtures with other species such as Timothy
- 3) **Red clover silage:** I'm keen to re-introduce red clover to my silage leys. I'm a great advocate despite weed control being a challenge; it's more persistent than many realise.
- 4) **Direct drilling:** With help from our contractor, next time we reseed we're hoping to replace ploughing with direct drilling where conditions allow
- 5) **Dung samples:** we're analysing dung samples from all our youngstock on a monthly basis so our worming treatments are more targeted. This month none required treatment.

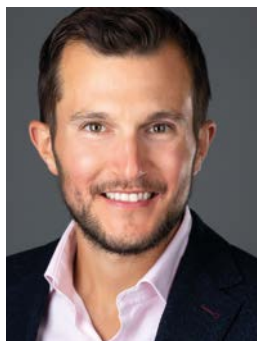
This is a big topic and the opportunities are numerous. For it to work, we need members' involvement and feedback. We're keen to develop measures being used already, rather than prescribing something new. Tell us what works and what you think might not.

I feel we have to accept consumer concerns and admit the industry does have an impact on the environment. We need to set targets to minimise this impact and measure what we're doing to show we're achieving them. This is something as a co-operative we're ideally placed to do.

Dates	Location
Tuesday 24th August	East Drumlemble Farm, Campbeltown PA28 6PN
Wednesday 25th August	Auchenheath Farm, Auchenheath, Lanarkshire ML11 9XA
Thursday 26th August	Bridgend, Coylton, Ayrshire KA6 6LX
Tuesday 31st August	Shacklehill, Mossblown, Ayr KA6 5AS
Wednesday 1st September	Searigg Farm, Carrutherstown, Dumfries & Galloway DG1 4NX
Thursday 2nd September	Beech House, Hayton, Aspatria, Wigton, Cumbria CA7 2PD
Friday 3rd September	Raisgill Hall, Tebay, Penrith, Cumbria CA10 3UB
Monday 6th September	New Buildings Farm, Burnaston, Etwell, Derbyshire DE65 6LL
Tuesday 7th September	Coleg Sir Gar Gelli Aur, Golden Grove, Carmarthen, SA32 8NJ
Wednesday 8th September	Sychpant, Rhoshill, Cardigan, Pembrokeshire SA43 3DJ
Thursday 9th September	Moor Farm, Walwyns Castle, Haverfordwest, Pembrokeshire SA62 3EE

Welcoming a new team member from a strong dairy nation

Guido Meneghelli brought his agri-food credentials to the UK seven years ago, and now joins First Milk's commercial team as Commercial Manager.



Guido studied food technology and human nutrition to master's level at the University of Naples Federico II not far from his home in Pompei. Before graduating, his wanderlust began by taking him to Madrid on the Erasmus programme, doing his final project at the University of Valencia.

Guido started his working life in the UK with technical positions at ABP Beef, before moving to commercial roles in the dairy industry at Fayrefield Foods and Dairy Partners. During the last five years with these two companies, Guido has gained invaluable experience of selling and marketing cheese to the foodservice and manufacturing sectors, both in the UK and in export markets.

His new role sees him working across the full product range of cheese, whey protein concentrate (WPC) and liquid milk with First Milk's major customers including Centurion, Havero and Yeo Valley, amongst others.

Away from work, Guido loves travelling and has visited over 40 countries. He also enjoys salsa and bachata dancing, scuba diving, playing volleyball and skiing.

"I'm excited to be working for a dairy cooperative, particularly one leading in sustainability," says Guido. "I feel I'm doing something good for our members and our planet. My goal is to continue increasing my dairy expertise and work closely with our partners and customers to achieve First Milk's goal of delivering dairy prosperity."

"It's great to welcome Guido into the First Milk team," says First Milk's Commercial Director, Fraser Brown. "Guido's role helps ensure we are indispensable to partners and customers, and continue to look for new opportunities to add value for all parties as we grow and expand our long term supply relationships."

Responsible Farming Awards 2021

Deadline: Monday 2nd August

Last call for nominations celebrating members demonstrating excellence in the three categories of Animals, Earth and People.

Animals: Members demonstrating best practice, use of new technology or extremely high levels of stockmanship to help improve animal care.

Earth: Members who farm efficiently and in harmony with the environment.

People: Nominees showing leadership by investing in their team, actively engaging their community and promoting dairy farming to others.

Send your 100-word nomination to membershipteam@firstmilk.co.uk



Reminder



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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