



Yoxall Park Farm, Staffordshire, 23 March 2022

Introduction By Shelagh Hancock, Chief Executive



It seems almost impossible to believe we are seeing war in Europe and I'm sure we all feel for the people of Ukraine as they face the aggression of Russia. As you know, we have supported the DEC campaign for Ukraine and your Member Council has also suggested a donation mechanism through the milk cheque, which we are pleased to facilitate for anyone wanting to support in this way. We recognise many of you may have already donated separately, and equally that it might be difficult giving money given the current inflationary times.

While there can be no doubting the humanitarian crisis that continues to unfold in eastern Europe every day, the impact will be felt far wider than Ukraine, politically and economically, and we are probably at the very earliest stages of that impact.

As you'll know, there has been a massive surge in oil prices that has seen energy and fuel prices rise to unprecedented levels. In addition to the direct impact on energy costs almost all inputs are affected, most notably in agriculture the cost of fertiliser. On top of this we've seen a sharp rise in feed prices and real

concern about supply security due to the significance of the Russian and Ukrainian wheat and oilseed production.

We are acutely aware of the impact this is having on your production costs and the potential impact on milk supply in the coming year and recognise the need to continue returning as much to you as quickly as we can through the milk price. These events are impacting all parts of the industry and wider society, and, in the same way, inflationary costs are affecting your processing business, which continues to put pressure on margins as we strive to recover them from the market.

However, with global milk supplies continuing to be down, and while demand remains strong, the fundamentals of the dairy market remain positive. We will be doing everything we can to raise prices as much and as quickly as we can.

While the focus has moved away from COVID-19 and climate change in the media, both issues remain front of mind for us. We continue to follow strict COVID protocols at our production sites to protect business continuity as

we work towards spring peak. While we have been very fortunate in terms of infection rates among our team, we remain vigilant.

When it comes to climate change, we are not relaxing either. We have recently completed detailed carbon footprinting work for our cheese and whey products and, with more being submitted each day, we expect to see the majority of members completing their Regenerative Farming plans by the end of the month. If you need help with this, please contact the membership team.

This is so important to safeguard the future of dairy, as we need to be able to provide reassurance to our customers and the end consumer that dairy is part of the solution to the climate crisis. As you'll have heard me say before, we have a great story to tell and will be ramping up activity in telling the positive story of dairy directly to consumers in the months ahead as we work every day to enrich life and secure the future. I'll have some exciting developments around this area to announce at the forthcoming member meetings. I do hope to see you there.

April member meetings

REMINDER

Come and hear what's happening in your business; we're keen to share our plans and listen to your views.

Monday 4 April	7.30pm	Park Hotel, Rugby Park, Kilmarnock KA1 1UR
Tuesday 5 April	7.30pm	The Auctioneer, Rosehill Estate, Carlisle CA1 2RW
Wednesday 6 April	7.30pm	Llety Cynin Llangynin Road, St Clears, Carmarthenshire SA33 4JR
Thursday 7 April	7.30pm	Click on this link: https://bit.ly/3Ded0KB Choose 'Join using the web' option. If you have trouble connecting, please contact the IT helpdesk on 0141 847 6911.

Pre-registration is not required. For more information: 0141 847 6800 or membershipteam@firstmilk.co.uk

Creating a sustainable supply chain for First Milk

First Milk's new Supply Chain Director Ian Ashbrook likens the ideal movement of products through an integrated supply chain to water flowing smoothly along a river rather than bumping over the rocks through the rapids.



Ian Ashbrook is no stranger to the dairy industry but having grown up under Heathrow's flight path it was no surprise he started his career working in the aviation industry. But an early mentor advised him to work in consumer goods if he wanted to progress in supply chain, so he joined Golden Wonder and has been in the food industry ever since.

Ian's dairy experience comes from time spent at Milk Link. He says he finds the dairy industry fascinating from a supply chain point of view: "We have a high volume of milk with a short shelf life and seasonal production pattern being processed into a range of foods for different consumers and with contrasting shelf lives."

But understanding the significance of building a supply chain to do good while also fitting business needs comes from Ian's time as Operations Director at Pukka Herbs. The start-up company, since sold to Unilever, saw substantial annual growth of 30% but is most famous for showing how success and ethical values can go hand in hand.

It's this experience, and his subsequent time studying for a Masters in positive psychology, which has brought Ian to First Milk.

"My underlying philosophy is the whole, joined up supply chain ultimately succeeds together by delighting consumers, so every part of it must give customers a positive experience. I'm striving to reach that goal."

Ian is clear this requires strong collaboration and is impressed with several examples he sees within First Milk's existing supply chain. He cites the relationship with Ornuu as an important pillar of success and the cooperation with other milk buyers, reducing the cost of collection and distribution.

Ian's role is to create a sustainable future through the supply chain beyond the farm gate, orchestrating a supply chain for the greater good of all stakeholders. He believes coming from a business famous for its sustainability, such as Pukka Herbs, is vital to his role. He knows farmers can't do it alone and the whole supply chain is responsible for achieving net zero targets.

"There isn't a set formula or single answer to this. It's about applying best practice and foundational principles. My experience brings a perspective complementing those of the dairy experts surrounding me at First Milk."





Regenerative Cow workshops

First Milk's second series of regenerative farming workshops saw 150 members gather in four locations across the country last week. The workshops focused on the 'animals' pillar within the First4Milk sustainability programme, showcasing projects around three principles: cow health and welfare, optimisation of production efficiency and environmental benefits. The events were held thanks to our generous member hosts, partners and project funders Innovate UK.

- requiring little intervention indicating she suits your system
- who calves down on her own providing valuable offspring to the dairy or beef sectors

Any breed of cow can be a regenerative cow and is often the 'invisible' cow within the herd, optimal across many traits and extreme in none. In short, the regenerative cow uses less resources and lasts longer with a life worth living.



Cow Sensor Technology

An Innovate UK-funded project, involving First Milk member farms, is investigating the use of sensor technologies to deliver verifiable health and welfare, environment and processing quality benefits for dairy production. Holly Ferguson from the Scottish Rural College (SRUC) described some of the early findings, determined from the pilot study carried out by SRUC and the University of Strathclyde. Using qualitative behaviour assessment, the study is not looking at what a cow is doing but why. Initial results show a greater level of positive behaviour in cows at pasture with a higher level of herd synchrony and confirm the validity of measuring these behaviours with existing sensor technology.

Introduction to the Regenerative Cow

First Milk believes as well as adopting regenerative farming practices to improve soil health and sequester carbon, members need to look at their cows with the same holistic principles. First4Milk Programme Manager Ashley Stamper described the regenerative cow as having five main attributes. She is a cow:

- able to easily walk out to pasture with good feet and legs, and maintains a good body condition score from less purchased feed
- able to deal with a range of weather conditions
- optimised milk production to feed consumed



Holly Ferguson from SRUC talking to farmers at Gelli Aur Farm.

Genocells

The 'Genocells' technology provides individual cow somatic cell counts (SCC) from a single herd bulk milk sample using genomic data. The test identifies the parts of the genome contributing to specific health and fertility traits. NMR's Richard Miller and Zoetis representatives explained how it can identify the best animals for breeding and be used to improve cow health and welfare by taking a fast and targeted approach to treatment. First Milk members have helped develop this new technology and the service is being launched more widely in the autumn.

Reducing use of anthelmintics and the value of dung beetles

This session, facilitated by specialist veterinarian Claire Whittle, helped members gain greater knowledge of their herd's parasite burden, how to take a more targeted approach to wormers and recognising the value of dung beetles. Claire explored how faecal egg counts can be carried out on representative groups of animals to determine an effective worming strategy. She also gave detailed practical advice about collecting dung samples to ensure testing gives an accurate assessment of a herd's worm burden. Claire explained how most cows don't need worming with the unnecessarily high use of anthelmintics adversely impacting beneficial soil biology such as dung beetles. An expert on dung beetles, Claire explained why and how these insects are so valuable to soil health and wider biodiversity.



Filming took place at the final workshop so those unable to attend can gain insight into the main messages through a series of short videos. Links to these videos will be sent via email.

Knowing the real value of your slurry

The nutrient content of your slurry is more important than ever this year with increasing input costs and tightening regulations.

First and foremost, the value of manure-based nitrogen, phosphorus and potassium is critical to your business success given the cost of purchased fertiliser. Secondly, by applying it in a controlled and measured way, it can enhance grass growth and reduce the need for bagged product. It also offers benefits in line with the other regenerative farming practices being adopted by First Milk members.

Slurry adds to the organic matter content of your soil. This supports the vast number of organisms living within its ecosystem, without which the soil would be little more

than weathered rock. It also increases soil's water-holding capacity, reduces the pollution of ground water, improves drainage and decreases soil erosion.

To use slurry effectively though, you must know its quality. If you haven't done so already, now is the time to sample your slurry. To assist with this, we are offering members a sampling service provided through Lancrop Laboratories, analysing N, P, K, Mg and dry matter.

Please contact your Area Manager for a sample kit.



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