



## C.E.O. CHRISTMAS MESSAGE

**Dear Supplier,**

*On behalf of everyone at Lakeland Dairies, I wish you and your family a very Happy Christmas.*

Lakeland Dairies is continuing to work competitively and successfully to underpin the future of dairying throughout Northern Ireland. The investments we have made over the past decade have enhanced our capability and our efficiency where we are adding value to milk across the 240 different dairy products that we are exporting to over 80 countries worldwide.

While the markets and dairying conditions in general tend to be volatile on a cyclical basis, our production and processing platform is built on the core principle of achieving and maintaining long term sustainability in the best interests of dairy farmers. Trading conditions remained broadly positive during the year with a softening of the markets apparent in recent months due to increased global dairy production.

The prospects for dairy markets in 2019 are dependent on a balance of milk supply and demand in global markets.

In October the shareholders of both Lakeland Dairies and LacPatrick Dairies voted resoundingly in favour of the merger of both societies. This is subject to regulatory approvals both in both the UK and in Ireland, which are normal and ongoing processes. The combined organisation will be an international dairy food business of scale which will work to secure the future of our co-operative dairy farmer members for generations to come. It will deliver commercial benefits while processing increased volumes of milk and it will provide even greater capability to address global customer needs for high quality dairy foodservice, food ingredients and consumer products. We already have existing, well established commercial and operational strengths across this island, in the UK, Europe and worldwide. The merger will also serve to strengthen our UK market access in the context of Brexit.

Lakeland Dairies is well invested with modern facilities and technologies to process all milk sent to us by our milk producers. We are continuing to target strategic opportunities across key market segments including infant formulas, specialised ingredients, food manufacturing and health related nutritionals. We are fortunate to have excellent customers in every corner of the globe and all of these have long term demand for our dairy products. On several occasions each year, customers visit our sites and we also bring them to supplying farms where they are impressed by the high quality and

commitment of our milk producers. That includes over 140 customers from the Middle-East and Asia who visited our facilities in Northern Ireland in recent months. We are confident of continuing success in these growing markets.

In September, HRH Princess Anne opened a new £5m high-tech product packing facility for Lakeland Dairies in Newtownards. This further underpins our export potential and market access for value-added dairy products using milk produced in Northern Ireland. The new facility enhances the capabilities of this major dairy processing site which plays a key role in our Foodservice Division. It is part of an overall £27m investment made in Newtownards over the past 10 years. It also follows the opening in 2015 of a major new Global Logistics Centre in Newtownards which is among the most technically advanced global export facilities in Europe.

The survey that we published during the year identified that 95% of Lakeland milk suppliers in Northern Ireland will stay in production for the future. In addition to farmers who have significantly grown their output, roughly half of Lakeland milk suppliers said they will further expand their milk production by over 3% in each year to 2022. This is a very positive signal. We are intent on supporting the ambitions of our milk producers through our own innovation and efficiency and in the services provided by our agribusiness and member relations teams.

In conclusion, I am very grateful to the Chairman, Board, Regional Committees, Milk Producers and Shareholders for your ongoing support and encouragement throughout the past year. I particularly thank my management team and all staff of Lakeland Dairies for their dedication and commitment.

This has been a historic and momentous year. Lakeland Dairies is a farmer owned and farmer controlled co-operative where the business is designed and built to create economic advantage for milk producers and shareholders. Our strategic priority will always be to achieve sustainable profitable dairy farming. We will therefore continue to drive competitiveness and overall growth as a constantly efficient and high performance business.

*With every good wish for Christmas and a Happy and Prosperous New Year.*

**Michael Hanley**  
Group Chief Executive

## Supplier Information Meeting

There will be a supplier information meeting in Mid-December. Micheal Hanley, CEO, and members of the management team will attend. We encourage suppliers to attend this information meeting.

### Date and venue;

Thursday 20th December

Armagh City Hotel, Armagh 2:00 pm

## Responsible Use of Antibiotics

A series of workshops have been arranged with CAFRE focusing on the Responsible Use of Antibiotics. Dates and venues for these courses in January are listed below. These workshops are free to attend and are open to all farmers, farm families and employees. The workshops will be delivered by a vet from AHWNI.

The workshops cover the reasons why antibiotic use needs to be reduced across agriculture, targets for this reduction, how antibiotics work, types of antibiotics and Critically Important Antibiotics. The course also explains how Antimicrobial Resistance (AMR) develops and the implications for this for future human health.

Participants will gain an awareness of how best to use antibiotics and how to avoid antibiotic residues in milk. They will also learn methods to reduce antibiotic use on farm

This workshop will cover the requirements of Red Tractor and other farm quality assurance schemes.

Lakeland Dairies NI encourage all suppliers to attend one of these workshops. Participants will get a certificate of attendance.

Date	Location	Time
Thursday 10th January	AFBI Hillsborough	11am
Tuesday 15th January	Loughry Campus, Cookstown	1.30pm
Thursday 17th January	Markethill Livestock Mart	11am
Thursday 24th January	Enniskillen Campus	1.30pm
Tuesday 29th January	Mourne Country Hotel, Newry	11am
Thursday 31st January	Greenmount Campus, Antrim	1.30pm

**For more information please contact AHWNI on 028 7963933 or Niall McCarron on 07785469219**