



Changes to milk pricing T&Cs

Chlorates now form part of milk pricing from 1st May >> page 4

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Lakeland AGM hears of strong progress



AGM of Lakeland Dairies (L-R) Niall Matthews, Chairman, Michael Hanley, Group CEO, Peter Sheridan, Group Chief Financial Officer and Keith Agnew, Vice-Chairman.

Lakeland Dairies held the Society's AGM (Annual General Meeting) and an SGM (Special General Meeting) on Wednesday 27th April.

The members in attendance heard that Lakeland's business continues on a strong growth path.

Lakeland Dairies' Chairman, Niall Matthews said, "The strength and resilience of the co-operative can be seen in the results achieved for 2021 where Lakeland Dairies reported a 20% increase in revenues to €1.3bn across our four operating divisions of Food Ingredients, Foodservice, Consumer Foods and Agribusiness, up by €217.7m on the prior year figure of €1.1bn.

"While paying a competitive milk price, operating profit of €28.2m increased by 8% and EBITDA increased by 5% to €55.4m. This demonstrates a continuous underlying positive trend where EBITDA has increased on a recurring basis for several years.

"Over the past decade, Lakeland has invested €200m in new facilities and technologies, increasing our milk supplies to a record level of 2 billion litres from 3,200 family farms. In that time we have enabled large scale consolidation, cost reduction and the creation of economies

and efficiencies in the dairy industry across the northern half of the island.

"We continue to prioritise progress and success for dairy farmers."

STABLE DAIRY MARKETS

Lakeland Dairies Group Chief Executive Michael Hanley told members that they could expect good returns from dairying for 2022 despite the higher on farm input costs.

"The annual results reflect prudent management in the context of an intensely competitive and increasingly volatile trading environment.

"We are focused on a sustainable future and the creation of further value for our dairy farmers. We expect relatively stable dairy market conditions through 2022 albeit there are significant challenges in our operating environment, including inflationary pressure on all costs, as economic uncertainty in light of the pandemic and geopolitical issues continue."

SUMMARY 2021 RESULTS

Lakeland Dairies Group Revenues: €1.3bn.

Lakeland Dairies' revenues increased by 20% to €1.3bn across its four operating divisions of Food Ingredients, Foodservice, Consumer Foods and Agribusiness, up by €217.7m on the prior year figure of €1.1bn. Operating Profit: €28.2m,

up by €2.1m (+8%). EBITDA €55.4m (+5%), up by €4.9m. Shareholders' Funds: €230.9m.

Food Ingredients Division

Revenues: €831.5m - Food Ingredient revenues increased by 20% to €831.5m, based on consistently strong demand for the co-operative's functional and enriched powders, proteins and dairy fats throughout the year.

Foodservice Division Revenues: €223.9m

- Foodservice revenues increased by 23% to €223.9m, up by €42.2m on the prior year figure of €181.7m, which was robust considering that global foodservice markets continued to suffer from volatility and disruption due to the pandemic throughout 2021.

Consumer Foods Division

Revenues: €170.2m - Consumer Foods experienced an uplift in revenue, increasing to €170.2m, up by €24.3m (+16%) on the prior year figure of €145.9m.

Agribusiness Division (Lakeland Agri) Revenues: €86.5m

- Lakeland Agri increased revenues by 14% to €86.5m for the year, based on a strong performance with feed sales volumes of 218,000 tonnes and fertiliser sales increasing by 19% over the previous year.



We continue to prioritise progress and success for dairy farmers

Signpost Programme Update

In the latest instalment of the Signpost Programme, the Lakeland Dairies/Teagasc Joint Development Programme held an on-farm event on the farm of Kevin and Enda Farrell, Ballymahon, Co. Longford.

The Farrells along with five other Lakeland Dairies suppliers are involved in the Signpost Programme targeted at reducing their carbon footprint, improving farm sustainability, water quality, and farm biodiversity.

New entrants to dairying in 2020, the father and son duo made the switch from a sheep and dairy calf to beef system to milking 114 high EBI heifers.

Now in their third year of production, the herd has expanded to currently milking 135 cows & carry all replacements on a total farm area of 79ha resulting in a stocking rate of 2.15LU/ha.

PERFORMANCE

In 2021, 457kg milk solids per cow was delivered to the co-op, produced from a grass diet supplemented with 760kg of concentrate.

In 2022, cows have been grazing since 5th February, and 85% of the milking platform has been grazed. The current AFC is 767kg DM/ha.

Cows are producing 2.05kg MS/day at 27l/cow with 3.82% fat and 3.54% protein.

On the day, local Teagasc advisor Seamus Nolan and host Kevin Farrell, gave a detailed background to the farm and how they have focussed on breeding for fertility and solids.

By doing this the base herd averaged €166 and has increased to €173 in 2022, with 2022 calves average €223. The herd achieved a 370-day calving interval with a six-week



Members attending the Lakeland Dairies AGM which took place recently.

calving rate of 84% from a 13 week breeding season.

STOCK BULL

Owen McPartland, Lakeland Dairies/Teagasc Joint Programme, explained the key points to look at when developing your own breeding plan.

Bull selection was covered with the comparison of two bull teams with the same EBI (€272) and with similar Production and Fertility sub-indexes.

The point was made that although the bulls had similar figures, when examining further into their PTAs, it was discovered there was a vast difference in the way that both of these bull teams were delivering the similar Kg of milk solids.

With over 3,000 Litres in the difference of the two teams, Owen explained to pick firstly for fertility, then for protein and butterfat percentages, maintenance and health.

You will end up with a team of functional bulls delivering high levels of Kg milk solids from a grass based

system like the Farrells.

Owen finished up by saying that “the only stock bull on a Lakeland Dairies supplier’s farm should be a beef stock bull”.

NEW TECHNOLOGIES

Nicholas McKenna from the Lakeland Dairies/Teagasc Joint Programme brought the event to a close, summarising each of the speakers’ key points, and discussing how the Farrell duo had embraced the following new technologies:

- Switching to protected urea.
- Incorporating clover into grass sward.
 - Using low emissions slurry spreading technology (LESS).
 - Improving biodiversity.
 - Protecting water quality.
 - Embracing EBI.
 - Improving their grassland management.
 - Improving their energy efficiency.



New entrants to dairying in 2020, the father and son duo made the switch from a sheep and dairy calf to beef system

Grass targets

With grass growth finally after picking up, it's important to walk the farm twice a week. Try to keep pre-grazing yields at 1,400kg Dm/ha. Allowing pre-grazing yields to get too strong will result in loss of grass quality. When pre-grazing yield exceeds 1,600 KgDM/ha the feed quality drops and animals can't eat as much of it.

This means their output drops and so too will your profit. High quality swards are more digestible and have more leaf. Poor quality swards have more stem and are less digestible.

The difference to dairy farmer is a 5% drop in milk solids (worth about €420 per week for 100 cows).

Animal Health Certificates

Animal Health Certificates have now been sent to all suppliers via your milk carter. It is a Department of Agriculture, Food and the Marine (DAFM) requirement that all suppliers submit this annually to Lakeland Dairies to allow milk collection.

These certificates are audited by both DAFM and by Lakeland Dairies' customers and are key for ensuring export certification for dairy products.

They must be returned by FRIDAY 25th NOVEMBER 2022 to allow processing of the certificate before year-end. We recommend you fully read the DAFM coversheets for full details on how to fill out the certificate with your vet.

Pages one and three must be returned to our Member Relations Division.

- No animal tag list is needed, but you must note the number of cows submitted to the vet for testing on page three, and the vet must also note that number on page one.
- You must sign page three and your vet must sign page one.
- Please only return the white copies of the form to Lakeland Dairies, the other copies should be retained by yourself. You will need this for your Bord Bia audit.
- Please return direct to Member Relations, Lakeland Dairies, Bailieborough, Co. Cavan.

Vital to maintain good grass quality in May

As May and June are the months with the highest level of grass growth. Cows need to be going into swards of high-quality grass. High quality grass means grass with a high leaf content, minimum stem and no dead material.

Managing these two things in tandem is tricky as it is always difficult at this time of year to maintain grass quality. This is because grass changes from a vegetative stage to a reproduction stage during May/June.

If the plant is left any longer than 21 days, it will produce a seed head after a few more days and grass quality then is greatly reduced.

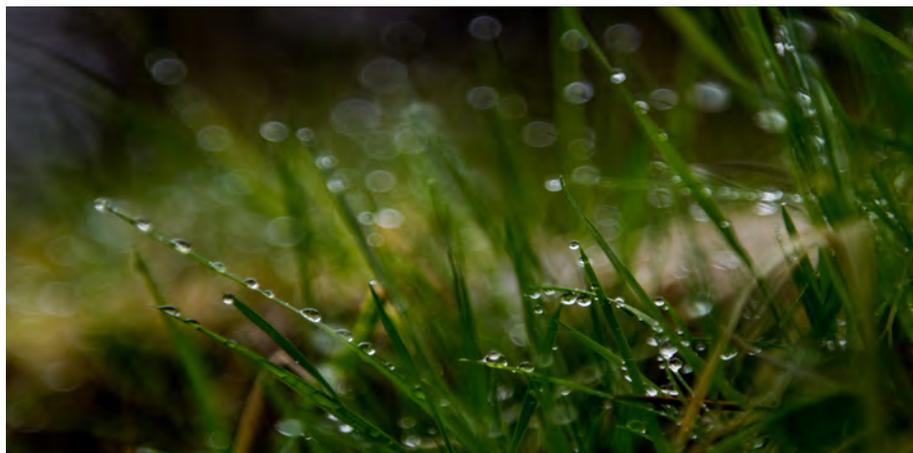
HOW TO MAINTAIN HIGH QUALITY IN THE MID-SEASON PERIOD

- Walk paddocks and measure grass at least once per week. If growth is strong this might need to be done every five days to keep an eye on covers.

- Rotation length should be approximately 18-21 days and less in high growth weeks.

- Apply nitrogen as required with a minimum of 20 units/acre in May. This might seem counter intuitive, but Nitrogen is necessary to maintain quality in the grass.

- Cows should be offered an all-grass diet (cut out buffer feeding at milking



time)

- Target pre-grazing yields between 2,800-3,000kg DM/ha with high leaf content.

- Graze to 4cm-4.5cm post-grazing sward height.

- Remove grass surpluses as round bale silage if an individual field has a grass cover exceeding 3,200kg DM/ha

- Keep topping to a minimum as it is very labour intensive and delays pasture regrowth. On average one round of topping to a height of 4cm should suffice in late May to mid-June.

- Ideally top with a disc mower. Toppers tend to batter the grass plant and slow up regrowth.

- Mid-season pasture quality can be improved by alternating paddocks that have been grazed with those that have been harvested for first and second cut silage
- Pre-cutting can also be used to reduce grass wastage but performance may suffer if covers are too strong.

- Graze some drystock after cows but don't allow them too long in the paddock.

The importance of fodder budgets and milk recording

The Lakeland/Teagasc Joint Programme team are currently completing fodder budgets on farms across the region. From the ones completed so far it has shown that a lot of farms have low amounts of carry over silage from 2021 and this can have a huge impact for winter 2022.

It's important to understand the quantities of silage that need to be in place on the farm for the coming winter to ensure adequate amount of quality silage are made over the coming months. If you have any queries in relation to fodder budgets or would like to have one completed for your farm contact one of the Joint Programme team.

MILK RECORDING 2022

It is not too late to complete a milk recording to assist with the

2022 breeding season. A milk recording now will also give a great insight into the cell count status of cows in the herd and help keep any potential issues at bay as cow's milk yield peaks and a cell count issue now could be quite costly with high volumes of milk being sold.

We would encourage any farmer who hasn't signed up yet for a milk recording to do so, the Lakeland/Teagasc Joint programme team are on hand to help with the interpreting of results or any issues you may have.

FOR ANY HELP OR ASSISTANCE CONTACT THE PROGRESSIVE GENETICS MILK RECORDING TEAM ON (046) 954 0606 OR NICHOLAS FROM OUR LAKELAND/TEAGASC JOINT PROGRAMME TEAM ON (087) 353 3906.

What is climate change and why is it important?

Climate change is the gradual shift in average climatic weather conditions over many years. Increasing greenhouse gas (GHG) emissions from human activity has been the key driver of climate change.

Agriculture accounts for approximately 37% of total national GHG emissions in Ireland. Everyone has a part to play in tackling climate change and Irish agriculture can be part of the solution to a global problem.

Here are a number of reasons why Irish farmers should take climate action

now.

Climate change will impact how we farm – Climate change in an Irish context will, on average lead to wetter winters, drier summers, and more extreme weather events.

Policy – We are bound by international agreements which aim to reduce emissions and limit global warming to below 2 degrees compared to pre-industrial levels.

Protect our markets – Climate action is essential to our ability to access international markets.

Social Responsibility – As farmers, we are fortunate to spend much of our time closely connected to the natural environment. It is important that this is protected so that future generations have similar opportunity to do likewise

Improved farm profitability – There are many potential win-win solutions for farmers with regard to taking climate action. Many of the technologies which reduce emissions can also reduce costs, increase efficiencies and improve profitability.

Chlorates form part of Milk Purchasing Terms and Conditions from 1st May 2022



As you will know from previous correspondence, Lakeland Dairies has invested a very significant amount of time and resources into the reduction and removal of chlorates from its milk supplies over the past seven years.

Chlorates are harmful chemicals that are formed from the breakdown of chlorine in dairy detergents or in straight chlorine. Chlorates interfere with the thyroid gland and the absorption of iodine especially in very young children/infants.

Lakeland Dairies has been testing and monitoring all its suppliers' milk over the past number of years for chlorate concentration and all milk supplies are now tested on a monthly basis.

We have also informed all suppliers on an ongoing basis of the requirement to remove chlorates from milk supplies and assisted many suppliers in adopting alternative washing routines that eliminate the risk of chlorates.

This programme has been very successful, and the majority of our suppliers have removed all traces of chlorates from their milk and have seen absolutely no deterioration in the hygiene or quality of their milk (TBC, Thermoduric, etc.).

From 1st May 2022, Chlorates will form part of the Lakeland Dairies Milk Purchasing Terms & Conditions and the following deductions will apply for milk supplied which does not meet Chlorate specification:

Chlorate Result	Deduction
0-20 ppb	Base
21-50 ppb	-0.25 cpl
51-100ppb	-0.5 cpl
101 ppb +	-2.0 cpl

STEPS TO AVOID CHLORATE RESIDUES INCLUDE:

- Use chlorine-free detergents on your farm
- Rinse the milking machine fully before and after detergent circulation with 14 litres of water per unit.
- Never reuse or add chlorine to rinse water.
- Do not reuse detergent solutions more than recommended.
- Use only the correct amounts of detergent – don't use extra.
- Do not stockpile detergents and ensure all detergents are in date – chlorate levels increase significantly over time.
- Store detergents in a cool, dark place.
- Ensure the bulk tank rinsing cycle is correctly set so that the tank is adequately rinsed.
- Use peracetic acid as an alternative to chlorine for cluster dipping and water sterilisation.

If you require further information contact your Milk Advisor.

Bord Bia – Sustainable Dairy Assurance Scheme

As you are aware, participation in the Bord Bia Sustainable Dairy Assurance Scheme (SDAS) is part of the Lakeland Dairies milk purchasing conditions.

To date 98% of Lakeland Dairies suppliers are fully certified in the scheme. SDAS is now the required standard for the Irish Dairy Industry and supports this industry in marketing dairy products worldwide.

The SDAS is the entry point to deal with the vast majority of our customers both domestically as well as internationally. Customers all over the globe seek the SDAS as a requirement to supply products.

It is a crucial aspect to what Lakeland Dairies does, supplying blue-chip companies across the globe.

Suppliers who are not fully certified under

the Sustainable Dairy Assurance Scheme will be subject to an increased penalty of 15 cpl from 1st May 2022; and

From the 1st October 2022 milk collection will cease from Milk Suppliers farms who are not fully certified under the Bord Bia Sustainable Dairy Assurance Scheme.

STARTING THE PROCESS

To begin the registration process for SDAS, please contact Member Relations on 0818 47 47 20 to ensure you are fully certified prior to the 1st October 2022.

IF YOU ARE ALREADY SIGNED UP FOR THE SCHEME YOU CAN CONTACT BORD BIA / AGRI DATA DIRECTLY TO ARRANGE AN AUDIT ON 062 54900. THE ON-FARM AUDIT SHOULD THEN TAKE PLACE WITHIN AN AGREED TIMEFRAME.

Contact Member Relations

The Lakeland Dairies Member Relations Division works with all our milk producers to help drive profitability at farm level as well as providing information on the progress of the Society. Contact us: 0818 47 47 20 (ROI).