

- **European Commission moves on milk contracts.**

The NFU responded positively to the EU Commission's proposed package of measures to address dairy farmers' weak position in the supply chain, eliminate unfair commercial practices and inject control over the price farmers receive for their milk. The NFU described the measures as promising, and can see potential benefits for UK farmers, providing Defra gives them its full backing. The proposals will be debated by the European Parliament this spring and the NFU, in the regions and in Brussels, are now working closely with MEPs and MPs to ensure that UK dairy farmers are able to gain maximum benefit from the proposals.

- **Mission Milk**

The NFU and the Women's Institute joined forces once again in November to launch Mission Milk - an important debate on the future of Britain's dairy industry. The event challenged government, retailers and milk buyers on what can be done to forge a strong, stable and profitable supply chain for British dairy farmers. Just weeks after the event Tesco, Sainsbury's and Waitrose increased their milk prices to reflect the increased cost of production on farm.

- **Cost of milk production**

Working with DairyCo and a number of dairy consultants, the NFU's Cost of Milk Production report emphasised the increasing cost being faced by dairy farmers. At 29.1ppl, the report revealed a 3.16ppl gap between the cost of producing milk and the price the farmer receives for it. This provided further evidence for the need for an upward price movement, and following its publication there have been a number of farmgate milk price increases.

- **Dairy farming – getting the facts right**

The NFU briefed MPs on British dairy farming systems, outlining the potential benefits of large scale dairy farming and dispelling some of the myths that has clouded the debate on the issue.

- **Recognising the burden of NVZs**

The NFU's Dairy NVZ survey provided a number of recommendations as to how dairy farmers can be aided in complying with the requirements of the new NVZ Action Programme. The survey results will be used to lobby retailers, processors and Defra for more targeted and effective support for those farmers who are yet to comply.

- **Reducing the inspection burden**

Following intense NFU lobbying over the last four years, the FSA has at last proposed to reduce the frequency of on-farm official inspection in the dairy sector. New proposals, put to consultation on 24th January, will see the official inspection frequency for assured farms increase to once in ten years, and non-assured farms will be inspected once every 24 months. This is a complete turnaround for the FSA, and the new proposals, if agreed, will be implemented from 1st April 2011.

- **Keeping the white stuff flowing**

With harsh wintry weather impacting on dairy farms right across the country the NFU published its "Big Freeze 2010: Lessons learned" report. With input from farmers, milk buyers, haulage and insurance companies, it provides over twenty recommendations on how, in future, everyone within the dairy supply chain can be better prepared for cold weather.

- **Working on welfare**

There has been progress made on the actions identified within the Dairy Cow Welfare Strategy. Most significantly DairyCo has launched a consumer facing dairy farming website www.thisisdairyfarming.com and farm assurance is looking at including practical welfare outcome measures within its standards. We've also joined forces with the Livestock team on an NFU BVD awareness campaign.

- **Movement on cheese**

Tesco has announced plans to massively increase the amount of British cheese it sources, worth an estimated £100 commitment to the dairy industry. The NFU praised the move, but stated that it must be

the first step towards the establishment of a dedicated relationship with the dairy farmers that supply it with cheese. Our challenge to Tesco is to do the same on cheese as they have on liquid milk.

- **Co-op to establish dedicated milk supply**
The NFU has welcomed the Co-operative's announcement to establish a dedicated milk supply in August 2011. Given the pressures the supply chain is facing currently the news that another major retail customer of British milk is taking greater responsibility for its dairy farmers is very positive.
- **NFU set for win on dairy water inspections**
Dairy farmers are set to be exempt from costly inspections on their water supplies following a successful campaign by the NFU. New regulations due to come into force in April this year aimed to guarantee that the public is not at risk from consuming food or drink produced with water from private supplies. The NFU argued that as much of the water used by dairy farmers does not come into contact with the public, they should be exempt.

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