

## Plunkett Institute - Promoting Good Co-op Governance

Delegates at the recent ICOS Annual General Meeting overwhelmingly endorsed a proposal to establish an Institute to promote encourage and recognise best practice in Co-operative Governance in Ireland. In the new business environment, where strong transparent governance is expected by all stakeholders, and in the context of the growth in scale of Irish dairy co-ops, from being regional players constrained by quotas, to having a global presence, it is vital that we provide a strong platform for developing and demonstrating good governance practices.

The new Institute, to be called **The Plunkett Institute for Co-operative Governance**, will provide Accredited training and development programmes for Co-op Directors, and aspiring Directors, and will introduce a Code of Practice for good Co-operative Governance. Directors who have undergone the necessary training and have acquired a necessary amount of experience will be eligible for membership of the Institute, and it is hoped that this membership will provide recognition of the commitment of the Director to good governance, and of the level of professional training which they have undergone.

The Institute will operate a number of tiers of membership; to provide for young, aspiring leaders and directors, who wish to

gain a better understanding of their business, and its governance; for fully qualified existing Directors; and for Directors who have undergone additional high level training, and have high levels of experience in Co-operative Governance. There will also be a Corporate Membership level, for Co-operatives who, as a whole, commit to the governance principles of Institute, and who will require that, over time, all directors become full members of the Institute.



As with all similar Professional bodies, the Plunkett Institute of Co-operative Governance will operate a Continuing Profession Development (CPD) programme, with members required to engage in ongoing training and professional development. The CPD requirement can be fulfilled by attendance at a range of approved training courses, seminars, conferences and other events.

## Dairy Markets

### Commodity Prices

	June	May	April
Butter Index	€3,463	€3,493	€3,557
SMP Index	€2,830	€2,863	€3,078
Fontterra Auction WMP	\$3,594	3928	\$4,033
		Eurex *	Eurex *
			GDT

### Netherlands - June 14

Milk Price per kg (Irish solids)
35.82
33.24
34.14

FrieslandCampina

### May-14

IFCN World Milk Price Indicator /KG
€0.342
€0.47

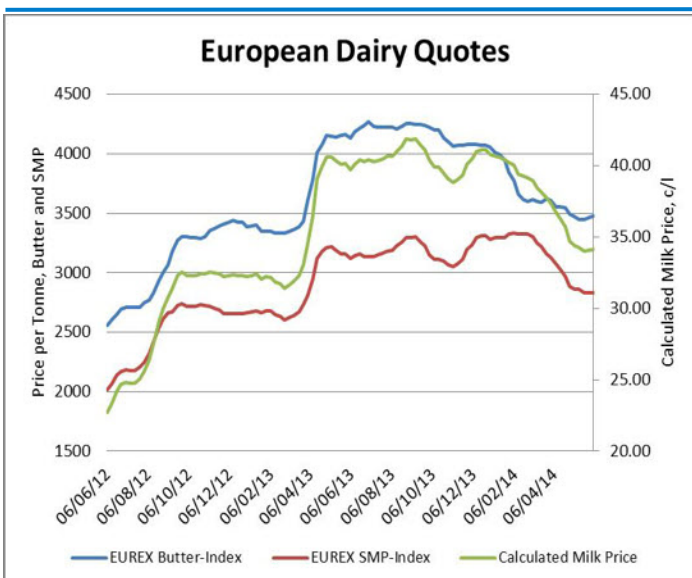
See www.ifcndairy.org

### Apr-14

Ireland Milk Deliveries
2.2%

Compared with same month in 2013

\*: Eurex Futures Dairy Market Indices

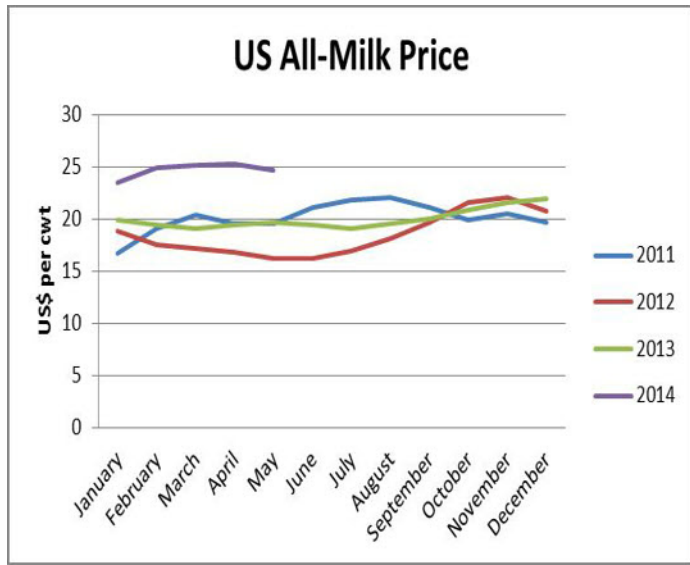


## Supplies Still Strong, but We're Past Peak

European product prices continue to weaken, though at a lower rate, as we pass peak and the surge in milk flow slows, somewhat. Eurex quotes value butter at €3463 per tonne, with SMP at €2830 per tonne. This butter quote is 17% below the equivalent figure of 12 months ago, while the SMP quote is running 10% behind. That would represent a drop in the calculated milk price of just under 6c per litre.

The GDT auction of June 3<sup>rd</sup> showed a further drop of 4.2% on the Trade Weighted Index, the eighth consecutive drop since late February and the Index now lies almost 24% below the spring high. Meanwhile US All Milk prices continue at almost record high levels, the May price having dropped marginally from \$25.3 to \$24.7. US milk income over feed costs continues to run at about \$4 per 100lbs over typical levels.

Analysts are predicting a full season 3% increase in EU milk production, which when combined with ongoing increases in the US and in New Zealand, might result in a 3% increase on global milk supply. This represents a slow-down in the rate of growth over the past year, but it will still be challenging in the context of consumption growth of around 2.5%. Observers note, however, that a modest price correction would make Europe competitive in world markets, helping exports, and slowing the trend in substitution of expensive dairy products with cheaper competitors.



## Cash Plan 2014 - Get Your Application In!

The Cash Plan 2014 Programme is targeted at recent entrants to dairying i.e. those who commenced supplying milk after 1 April 2008.

It aims to enable participants to understand the importance of farm planning, cash flow and the true cost of producing a litre of milk and how to manage the factors that influence this cost. It has a budget of €900,000 and will pay €1,000 per participant. The course will be delivered through approved discussion group facilitators.

Closing date for applications in this Friday, 13<sup>th</sup> June.

See:

<http://www.agriculture.gov.ie/farmingsectors/dairy/cashplan2014programme/> for details and for a list of facilitators.

## ICOS meets Commission in TTIP Stakeholder Meeting

Last week ICOS met with the EU team negotiating the US deal at a stakeholder meeting in Brussels in the aftermath of the 5<sup>th</sup> round of negotiations in Washington at the end of May. Negotiations focused on several subjects including market access, regulatory coherence and technical barriers to trade. Regarding market access, both parties worked together on their tariff offers. According to the US chief negotiator Dan Mullaney, the US is ready to start work on a second tariff offer, as both sides are keen to eliminate tariffs across the board to open up the transatlantic market to the maximum extent possible.

ICOS's key demands from a dairy perspective would be the opening up of the US dairy market to our high grade exports along our dairy supply chain, from commodities to our functional food ranges. Further rounds of negotiation are pencilled in for July and October.

## Mercosur Developments

Rumours continue to sweep Brussels that the South American bloc is looking to use the European parliament elections and the changing of the commission as an opportunity to push through a deal. It remains to be seen how united the bloc are though with their own internal and political problems, but Brazil seem adamant on a deal.

As previously stated, ICOS are currently sceptical that a deal will deliver benefits to Irish dairy. What we are sure of is that it will be very damaging to our livestock interests. ICOS continue to work to eliminate a 14% 'anti-dumping tax' on European dairy products coming into the bloc.

## Japan

Progress has been made on the regulatory front to secure the continuation of trade talks with the EU. ICOS hope for an imminent meaningful outcome with regards to tariff liberalisation in dairy.

Changing Japanese eating habits and demographics present an opportunity for Irish dairy products, especially in nutrition lines.

Improving access for our products in a developed market like Japan would also help us gain credibility with surrounding rapidly developing economies in East Asia.

## Fat Correction Continues to Divide EU Ministers

Member States have until the middle of the month to agree plans to adjust the butterfat correction co-efficients in the last quota year - a technical fix to reduce countries' superlevy fines for overshooting their quota. Significant resistance to such a fix remains from countries across the union who fear a collapse of milk price. Any compromise involving the return of any form of dairy market management will be rejected by ICOS.

These discussions come ahead of the Farm Council in Luxembourg on June 16 and 17, where Commissioner Ciolos will present the long-awaited report on the implementation of the 2012 EU dairy package.

## European Parliament Elections: Changed Times for Agri Business?

The recent EU elections have signalled that many in Ireland and across Europe are unhappy with the way Brussels and their national governments are run since the crisis.

While agri-business was not a major theme in the elections, there was a lot of questioning of the EU budget of which agriculture commands around a 40% share, and comprises of circa 80% of the funds that we in Ireland get from the EU.

In terms of Irish members of the key European parliament Agri committee, Liam Aylward (FF) retired and Phil Prendergast (Lab) lost her seat, but Mairead McGuinness (FG) and Marian Harkin (Ind) were re-elected. We hope that they will apply to remain on in the committee, and perhaps will be joined by some of the newly elected MEPs.

Sinn Féin will be a major force returning 4 MEPs from the island, and we will be hoping that they will be positively disposed to the co-operative farmer owned enterprise model.

From Northern Ireland, both Agri members Jim Nicholson (UUP) and Diane Dodds (DUP) were easily returned, alongside Martin Anderson of Sinn Féin.

ICOS will continue to strongly support our MEPs where ever possible and would be delighted to see a candidate emerge for chair of the committee.

## LIST OF NEWLY-ELECTED IRISH MEPs (\* Returning MEP)

### DUBLIN (3 seats)

**Lynn Boylan - Sinn Féin**

**Nessa Childers\* - Independent**

**Brian Hayes - Fine Gael**

### MIDLANDS NORTH WEST (4 seats)

**Luke Ming Flanagan - Independent**

**Matt Carthy - Sinn Féin**

**Mairead McGuinness\* - Fine Gael**

**Marian Harkin\* - Independent**

### SOUTH (4 seats)

**Brian Crowley\* - Fianna Fáil**

**Liadh Ní Riada - Sinn Féin**

**Sean Kelly\* - Fine Gael**

**Deirdre Clune - Fine Gael**

## Upcoming Courses –June & July 2014

1. Responsible Persons for the issuing of Veterinary Medicines
2. Dairy Processing
3. Mart Administrative Software
4. SAFED – Driver Training
5. Milking Machine Technician Refresher Training
6. Microsoft Office Excel – Levels 1 & 2 online course
7. Digital Skills Awareness – “I-can-do” online course
8. LOTO Hotworks Training
9. Supervisory/People Management
10. Good Manufacturing Practices – Refresher Training
11. Sales Reps Training - Selling to Farmers
12. Drover Training
13. Pesticide Training – handling & Distribution
14. Basic Food Hygiene & HACCP Training



L-R: Micheál Clancy – Kerry Group, Sean O’Sullivan – Cork Marts, Philip Ducie – Dairygold, Thérèse Enright – Dairygold, Minister Sherlock, Billy Goodburn – ICOS Skillnet and Con Drew – North Cork Creameries

For more details and dates on any training courses, please visit [www.icoskillnet.ie](http://www.icoskillnet.ie) or contact us on 01-6131348 or on email: [breeda.flood@icos.ie](mailto:breeda.flood@icos.ie) or [billy.goodburn@icos.ie](mailto:billy.goodburn@icos.ie)

**All our programmes are offered free to Eligible job seekers.**

Spaces on all programmes are limited and will have to be allocated on a first come first serve basis. For specific details of training programmes, please visit our website: [www.icoskillnet.ie](http://www.icoskillnet.ie)

If you wish to make a booking, please contact either Billy Goodburn (0871265542) or Breeda Flood on 01-6131348.

### Supporting Job Creation and Employability in the Co-Operative Sector

National "Foot in the Door" Events - **FREE - FREE - FREE - FREE**

The first of these events recently ran in Mallow, County Cork and received a hype of media attention. The event was launched by Minister Coveney, Department of Agriculture & Marine and was opened by Minister Sherlock, Department of Education & Skills.

The event was also supported by Cork Co-Operative Marts, Dairygold Co-Operative Society, ICOS, the Kerry Group and North Cork Creameries. The event proved to be a huge success and as a result further such events will take place across the country, in the following areas: Clonakilty, Tipperary, Galway & Sligo.

Any Co-operatives that wish to be involved in these events locally, should contact Billy Goodburn on 087-126-5542 or on email at: [billy.goodburn@icos.ie](mailto:billy.goodburn@icos.ie)

### Responsible Persons for the Issuing of Animal Remedies Training

Do you know your statutory obligations and what the legislation requires of us?

The requirement, under the 2007 Regulations, is for all staff to be trained to a level to be specified by the Department. There was a cross industry consensus that, in order to defend the current routes of supply from forthcoming EU legislation changes, it would be wise to develop a more professional training regime for branch staff (who in the case of intramammaries, are dispensing on foot of a veterinary prescription); hence, the development of the FETAC Responsible Persons Course.

The Department have decided that it shall be mandatory for all new staff to undergo the FETAC programme, but have stopped short of requiring that existing staff, who were trained under the older programme, undergo the FETAC training.

**As of now, existing staff only need to do a short refresher course by January 2016.**

The Department may decide to make the FETAC training mandatory after that date, and in any case, new EU legislation which is slowly making its way through the Brussels institutions may require that even FETAC trained staff undergo refresher training in the future.

Funding for this training is available through ICOS Skillnet until the end of 2015. To book this training, please contact ICOS Skillnet on 01-6131348.

The ICOS Skillnet is funded by member companies and the Training Networks Programme, an initiative of Skillnets Ltd. funded from the National Training Fund through the Department of Education & Skills.



10 <sup>th</sup> June	Special Committee on Agriculture Dairy meeting, Brussels
10 <sup>th</sup> June	Co-operative Co-ordination Committee, COGECA
11 <sup>th</sup> June	Trade & Sustainable Development Meeting with Commission
12 <sup>th</sup> June	Policy Co-ordination Committee of COPA & COGECA
12 <sup>th</sup> June	Quality Assurance in Agriculture Working Group
13 <sup>th</sup> June	COPA COGECA Press event on Dairy
16 <sup>th</sup> /17 <sup>th</sup> June	European Agri Ministers Council (Dairy Report), Luxembourg
18 <sup>th</sup> June	ICOS Board meeting, Portlaoise
26 <sup>th</sup> June	COGECA Presidium, Brussels
27 <sup>th</sup> June	Animal Health Working Group, Brussels

## Milk Quota Abolition Countdown

# 295 days...

and counting!

## China: Adapting to Local Consumer Taste is Key

Kaiyuan Wang of the Mission of China to the EU gave an eye-opening view of the scale of opportunities in the Chinese market and also the scale of adaptation we will have to undertake in Ireland to create products that will suit the various local palettes and demographics.

Her Chinese state figures showed NZ having an almost 85% market share of dairy imports, with Europe minuscule in comparison at 6.5%. This figure also helped no doubt by the bilateral trade deal with China NZ has, and we in Europe do not.

She outlined the 4 factors she thought impacted on accessing the local market.

- Traditional diet
- Development and income level
- Education and knowledge
- Quality, price and taste

Internal state projections show that between 2013 and 2020 that individual consumption would increase by 44% from 25kg per person to 36kg.

She said there remained opportunities for European product and pointed to the enormous success of a Bulgarian cheese Momchilovts, which was adapted specifically for Chinese tastes, expectations, shelf

life etc. It has achieved a 100% growth rate last year and retains a 50% profit margin.

## Dairy Consumption Growth to Come from Production Deficit Markets

Kevin Bellamy, the senior dairy market analyst for Rabo underlined as developed markets mature much of the growth in demand will come from dairy deficit developing markets.

He maintained that difficulties in maintaining self-sufficiency in these markets will mean that demand will need to met from imports.

Up to 2020 Rabobank estimate a required growth in Trade of 25m tonnes, a CAGR of 5.1% per year, viewing the world as dairy 'supply constrained'.

Ireland as a key exporting member of the EU will need to be a major part of meeting this extra demand.

Bellamy did warn that the product mix required to exploit these new markets is different requiring major investment in new processing.

And that developing new supply chains involves risk and not all dairy co-ops and companies in the EU will have the capabilities to do so. Finally he also warned that we should not forget about existing market share in the EU and that that swapping premium branded markets in the EU to sell WMP in SE Asia does not make sense.

## Parasites and their Control During the Grazing Season

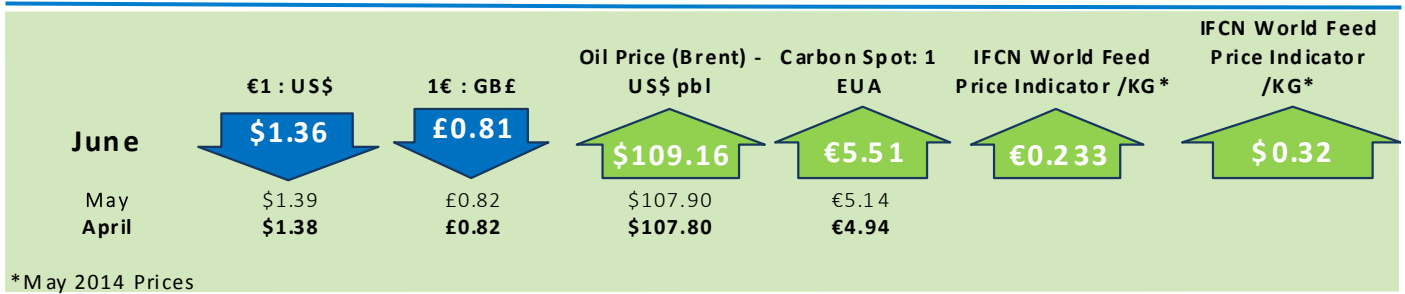
The grazing season is already well advanced and cattle should be doing well as, under good grazing management, grass and clover should be yielding plenty of high quality feed: so what could possibly go wrong? Well, what may also be delivered with the herbage are the larvae of gastrointestinal and lung worms, along with the infective cysts of the liver fluke – and possibly also the rumen fluke. These parasites can individually or collectively cause poor production and ill-thrift at best and mortality at worst. So what is to do? Some farmers may have already taken measures to limit the impact of parasites, such as vaccinating for lungworm, utilising silage ground as relatively low-worm-challenge pasture or strategic treatment with anthelmintics to reduce the contamination of fields with worm eggs and larvae.

In spring-calving beef herds, calves normally do not require any anthelmintic treatment for gut worms before weaning as their herbage intake is relatively low compared to their milk intake, furthermore, milk itself has some protective effect against worms in the abomasum. The same cannot be said of lungworm, which can strike at any time and seems to have a knack of circumventing any of the barriers – anthelmintics, pasture management or vaccination – that we try and put in its way. Having said that, it is more common in the second half of the grazing season and in calves after weaning, but lungworm can also affect older animals including beef cattle and dairy cows.

Unless spring-born calves are kept inside for several months, it is difficult to incorporate lungworm vaccination into normal farm management, although some studies in Ireland have shown that calves can be vaccinated at pasture. However, if farms have serious problems with hooze in older cattle, then vaccination can be given prior to turnout in second-grazing season cattle and adult cows. Whatever preventative measures are in place for lungworm, vigilance is the key word and if an outbreak occurs, then anthelmintic treatment should be instigated immediately and, if possible, cattle should be moved to another pasture (or inside if feasible). The reason for this is that pasture contamination with lungworm larvae can occur rapidly and that field will be high risk for several weeks thereafter. Like many things associated with lungworm, the outcome of treatment can be unpredictable, but providing cases are not too advanced, response to treatment is usually good. It must be remembered though that hooze is a potentially fatal condition and it may be necessary to treat with anti-inflammatories.

For further information see the 'Parasite Control at Grazing' leaflet on the Animal Health Ireland website [www.animalhealthireland.ie](http://www.animalhealthireland.ie). Farm-specific queries should be discussed with your own vet.

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Irish Cooperative Organisation Society



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