

Welcome to

'Being Petty'

*'The regular news blog from my farm in Pembrokeshire'
by KiwiKit's Managing Director Kim Petty*



Thursday 8th January 2015 is a date which will stick in my mind for some years. I went in the farmhouse in the evening and clicked on my e-mails to see a message from First Milk Chairman Sir Jim Paice informing members of First Milk of a deferment of milk cheque payment for two weeks plus an increase in capital investment by 1.5p a litre until September. The first thing that went through my mind, like every other farmer selling to First Milk is, they are going bust. The thought of 1200 milk producers plus the other 300 out there without a contract all trying to sell their milk this spring certainly gave me a sleepless night. With my herd locked up with TB, selling them would not be an option so I would have been out there with all the rest trying to sell my milk at any price, haemorrhaging money every month and wondering when to send them to the slaughterhouse and call it quits. With that in mind the realisation over the next few days that the First milk rescue plan would work and save the day was certainly the lesser of the two evils.

It is easy to be critical of the First Milk Board for allowing the deficit to occur, however, the farmer board members have a thankless task. Last spring they were trying to prevent members leaving to join other companies in face of an aggressive recruitment campaign. To have dropped the price at that stage must have seemed a poor tactical move, although history now says it should have been done. It would seem that First Milk has been underfunded since it was created 13

years ago, which has been an ongoing problem. The banks saw the opportunity to take their pound of flesh and the loan package that First milk were offered would have cost members 1.1p/litre and this could have gone on for years. Although asking the farmers to fund this money has transferred the debt from First Milk to its member's balance sheets, most of that money would have gone anyway and it would seem that the whole project will be cash neutral in 14 months. This will not help the Farmer members cash flow, however, and trying to produce milk at 19p a litre and make a profit will be an almost impossible task whatever your farming system. It would seem that the banks will do well out of this situation one way or another as their business is lending money.

I sat through a First Milk meeting explaining all this earlier in the week and one fundamental fact has dawned on me. With all the surplus milk now in the world everything has changed. You can have the best herd of cows, the lowest cost of production and a new smart milking parlour but if you have not got a secure milk contract you are finished. If your milk buyer goes bust or you lose your milk contract you have had it!

Dairy farmers are prepared to invest millions in improving their own farms but resent having to invest in milk processing to ensure a secure future. This and the security of their contract must figure greatly in their thinking in the future and is perhaps worth more than getting an extra 1p a litre.

The big question now is whether First Milk has bought themselves enough time so

that they can turn round the business and improve their marketing strategy. They are very exposed to world commodity prices. When the market picks up we do not want this situation happening again as world prices will surely collapse again in 2 or 3 years time.

We also have to deal with a situation where there is a 12p price differential between the best and worst paid producers in the UK. If this carries on, economic realities will drive all the production away from areas of low price contracts to where the good contracts are.

My advice to producers at present is, know your cost of production and budget, budget, budget! Do a cash flow and talk to your bank for increased lending facilities if necessary. Money is cheap at present if you run a good business. The difference between the cost of borrowing in a good business and a poorly managed one can be 10%. It will be cheaper to extend borrowing facilities for a few years than lose your reputation and buying power by failing to pay your bills. If you cannot make your business work at 25 to 28p / litre milk price then try to change it or face up to the realities going forward. Beware of driving more milk from cows if A and B milk pricing is put in place in future. Some feed suppliers and consultants may recommend this but it could be a loss making exercise. Don't forget, if you know where you are in your business and where you are going you will worry less.

I think there is still a good future in milk production for young people. It's given me a good, if somewhat tough, living for 40 years and I am confident it will continue to do so.

Good luck everybody. We need it!
Kim Petty

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Spring into Calving - Are you ready?

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Udder Comfort

Udder Comfort™ includes a natural blend of essential oils that is used on udders after calving, for quality udders that make quality milk. For external application to the udder only as an essential component of udder management. Excellent for fresh calving heifers.

Available in a spray or lotion.



Speedy Drenchers

- Developed from the Speedy Feeder
- Flow adjustable 2.5 litre stomach feeder
- Top assembly probe available to purchase separately



Use this handy checklist to ensure you have all the stock you need for the calving season.

Item	Pack size	No. to order	✓
Calfateria Open Trough Calf Feeders			
Single teat RFC1	Each		
FC5	Each		
FC10	Each		
FC12	Each		
FC13	Each		
FC20	Each		
Milk Maid Compartmentalised Calf Feeders			
MM3	Each		
MM5	Each		
MM6	Each		
MM8	Each		
MM10	Each		
MM13	Each		
Combo Meal Feeder 40kg capacity 630mm h x 930mm w x 1060mm l	Each		
Mobile Calf Feeders			
MT450 Milk Mixer 450 litres	Each		
MT800 Milk Mixer 800 litres	Each		
MG50s 50 teat Manifold Calf Feeder	Each		
Hand Held Calf Feeders			
Speedy Feeder 2 litre	Each		
Speedy feeder 4 litre	Each		
Speedy Feeder Lid Top only	Each		
Speedy Feeder Teat only	Each		
Speedy Drencher 2 litre	Each		
Speedy Drencher 4 litre	Each		
Speedy Drencher Lid Top only	Each		
Calf Teats & Accessories			
Peach Teats Black Screw In	Each		
Peach teats Pink Screw In	Each		
Peach Teats Black Pull Through	Each		
Milk Bar Teats	10 pack		
Big Softy Teats	Each		
Euro Softy Teats	Each		
Peach Teat Tubing	25 metre roll		
Easy Calve Straps	Each		
Calf ID Kit Nos 1-10	Each		
Calf ID Kit Nos 11-20	Each		
As Mix Electrolyte	2.5kg tub		
Udder Comfort Spray Blue 500ml			
Udder Comfort Spray Yellow 500ml			
Udder Comfort Spray Blue 4 litre			
Udder Comfort Spray Yellow 4 litre			
Udder Comfort Lotion White 300ml			
Detect-a-bull Stick On Heat Detection Patches red, blue or green	50 pack		
Detect-a-bull Stick On Heat Detection Patches red, blue or green	25 pack		
Estroprotect Stick On Heat Detection Patches red, blue, green, yellow	50 pack		
FIL Tail Paint red, blue, green and yellow	500ml		
FIL Tail Paint red, blue, green and yellow	1 litre		
FIL Tail Paint red, blue, green and yellow	2 litre		
FIL Tell Tail aerosols red, blue, green and yellow	500ml		

Milk Maid Calf Feeders

- Compartmentalised feeders
- Sizes from 3 to 13 calves
- Strong hook over brackets
- UV stable

Prices from £69.00



Calf ID Kits

Ensure calves and cows are matched correctly at busy calving times, giving you valuable hours before tag application.



Peach Teats

- Screw in peach teats in black or pink and pull through in black
- Leak resistant
- Easily removed for cleaning
- For Stallion and Milkflo feeders
- Discounts for quantities



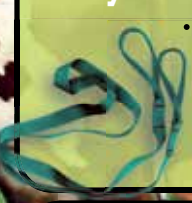
Big Softy Teats

- Tip design does not leak
- Opens freely as soon as the calf begins to suck
- Fits all feeders with standard 22mm teat holes
- Suitable for hand held bottle feeding



Easy Calving Straps

- Kiwikit designed with strong nylon non-slip webbing straps for use in calving
- Fully washable
- 80 inch length



As-Mix Electrolyte

- Low cost highly effective electrolyte for prevention and treatment of scouring calves.
- Unique blend of electrolytes, easily digestible carbohydrates, natural fibres and pectin.
- 2.5kg tub. Dose per calf 50g.



£45.00

Calfateria Calf Feeders

- Open trough feeders
- Sizes from 1 to 20 calves

Prices from £22.00



Speedy Feeders

- Feeders with 3 options on air inlet into the bottle to control drinking speed
- Easy grip hand-held, teat mounted into cap, easy filling and cleaning
- Fitted with Peach Teat
- Spare teats and lid top assemblies available



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