

If you don't ask, you don't get!

Hello Everyone

Maybe some of the biggest challenges in farmers getting a fair return for their milk are:

- making the time amidst a busy and hectic farming calendar to look into the market value indicators for milk
- lack of communication.

So for all of you who filled in an email address in the survey form, I thought I'd try to send a periodic newsletter to keep you up to date ... (I've also incorporated some links to the various websites that have details on them to make it easier to locate the information – these can also be found on our own www.dfos.co.uk website).

Price Indicators

Note: These are current prices – the trend is upwards!

[AMPE](#) for July: 29.6 ppl

[MCVE](#) (Milk for Cheese Price Equivalent) (at 24th July): 27.79 ppl

[Auction prices](#) for United Dairy Farmers (at 2nd August): averaged 34.66 ppl

Spot milk: most reports at over 30 ppl

If we don't know what the market prices are, it makes it hard for us to negotiate a fair deal for ourselves with our milk buyers.

With the current shortage of milk on the UK, European and World markets this is an ideal time for us to ask for and receive a price for our milk that **at least** covers the cost of production and essential investment *and* reflects the true market value of milk.

As in any other well run business we should make ourselves aware of the true market value of our product and use that value as the basis for negotiation with our buyers.

We have been so used to being told how much we will get for our milk that we have been brainwashed into accepting the price we are given. The buyers' market we have all experienced has now changed into a sellers' market and it is essential we use this opportunity to regain our profitability.

Remember: If we accept the miniscule increases in prices that we're being offered just now and don't put pressure on our milk buyers, they'll think we're happy with the price!

The recent weather has caused even more problems/increased costs for farmers and there is talk of food prices, including milk, rising as a consequence. We must make sure that our increased costs are covered by the price **we charge** for our milk and not let this be just an excuse for retailers to increase the cost to consumers without passing that increase back to us.

There might never be a better time to do this so please... do it now!

DFOS

[Dairy Farmers of Scotland](#) have recently joined the [European Milk Board](#) whose target is to have as many farmers in Europe as possible receiving at least 40 euros (27 pence) per litre by November 2007.

Based on the market indicators for milk, this is now achievable and with increased feed, fuel and other costs looming at us, might even be needed *just* to cover our costs of production by then.

Please let me know of anyone else who you think would like to receive this newsletter and I'll add them to the list and if you have something important that you want to share with everyone just let me know.

Best wishes