

Milk Suppliers Association

**Minutes of the Milk Suppliers Association Annual General Meeting held on
Monday 20th August 2018 at the Green Valley, Castle Kennedy, DG9 8SH
starting at 7.00pm.**

MEMBERS PRESENT	Rory	Christie	Dourie Farming Co Ltd (Chairman)
	Adam	Gray	A & A Gray (Vice Chairman)
	Andrew	Archibald	Messrs R & S Archibald
	Graham	Armstrong	Kirvennie Farming Company
	David	Douglas	Cowhill Trust Farm
	Jim	Fisher	W J Fisher T/A Mark Farmers
	William	Gribbon	Messrs William Gribbon & Co
	Michael	Kyle	Kyle Farm Partnership
	John	McCaig	J & J McCaig
	Euan	McCaig	J & J McCaig
	David	McCutcheon	DWL McCutcheon
	James	McGill	Messrs W&J McGill
	Jamie	McGill	Messrs W&J McGill
	James	McMiken	Arbrack Farming Co
	Alastair	McWilliam	A & W A McWilliam
	Stewart	Milroy	M & M Milroy
	William	Muir	Messrs W Muir
	Brendan	Muldowney	Cumrue Farming Partnership
	Roger	Neill	D J Neill & Sons
	Charles	Russell	Glenapp Estate
	Jim	Sharp	Low Ardwell
	William	Stevenson	Stevenson Messrs M W & A
	Ian	Turtle	Messrs Turtle
	James	Ward	High Mark Farm
	David	Warwick	Warwick Farms
	Neil	Warwick	Warwick Farms

IN ATTENDANCE	Hamish	Walls	Secretary
----------------------	--------	-------	-----------

APPOLOGIES	Judith	Armstrong	J&RL Armstrong
	James	Armstrong	J&RL Armstrong
	Graham	Armstrong	Barstibly
	Robert	Dick	R H Dick & Son
	Thomas	Drummond	T McF Drummond (Barbeth) Ltd
	Stuart	Gibson	Firm of A & M Gibson
	Robin	Hamilton	M & R Hamilton
	Stuart	Hamilton	Messrs Robert Hamilton & Son*
	David	Kirkpatrick	Firm of DK Kirkpatrick
	Robert	Lammie	G & M Lammie
	John	Milroy	M & M Milroy
	Andrew	Ritchie	J & O Ritchie*
	Charles	Service	Charles Service and Co Ltd
	Peter	Simpson	P Simpson & Sons
	Ross	Vance	J Stewart Vance & Son

*Appointed a proxy

AGENDA ITEM

MINUTE

ACTION REQUIRED BY

CHAIRMAN'S WELCOME

The Chairman welcomed everyone to the meeting.

Milk Suppliers Association

Minutes of the Milk Suppliers Association Annual General Meeting held on Monday 20th August 2018 at the Green Valley, Castle Kennedy, DG9 8SH starting at 7.00pm.

MINUTES

The minutes of the meeting held on 22nd August 2017 were approved, proposed by Adam Gray and seconded by Euan McCaig.

CHAIRMAN'S REPORT

The Chairman provided a report of the Board's activities over the preceding twelve months.

2017/18 had proved to be another challenging year. Retailer competition had intensified, they remain locked in a serious battle for market share. This drove a philosophy of buying for less. The recent merger of Asda and Sainsbury and an announcement that it will lead to a 10% reduction in cost for consumers was an example. Tesco and Carrefour had also recently announced a procurement partnership. This commercial backdrop drove the processor on a similar least cost path – reduce cost, manage margin and mitigate risk. In terms of manufacturing this meant:

- Increasing output to decrease overhead cost
- Improving the quality of what is sold but do it in less time
- Reducing waste and increase efficiency
- Building unique selling points, be different
- Bending over backwards to keep your contracts

It was equally if not more difficult on farm were farmers were forced to consider a number of strategies encompassing; increasing output, reducing costs and all the while conforming to ever higher standards. The weather in 2018 had not helped with a late wet spring followed by a hot dry summer. This was likely to increase the costs of production and cause winter forage challenges later in the year.

Against his background, the MSA Board had been active meeting with Lactalis and other stakeholders on a regular basis. The aim as always was to add value for members. Key topics of activity and discussion in the previous year included:

- Negotiating the MSA group/pool milk volume in relation to factory demand
- Reviewing expansion plans and new starts
- Price, in particular quarterly pricing
- Better ways to price milk and reduce volatility
- New ways to validate the milk market and the MSA price
- Minimising the impact/cost of industry initiatives, e.g. Johne's, antibiotics
- Understanding and communicating the importance of such programmes
- Meeting retail customers to secure and retain business
- Working on new ways to demonstrate the value of working with the MSA and why our members need and deserve a premium milk price
- Dealing with a steady stream of complaints about fluctuating bactoscan results
- Highlighting the need to find more reliable sampling (40% of

Milk Suppliers Association

Minutes of the Milk Suppliers Association Annual General Meeting held on Monday 20th August 2018 at the Green Valley, Castle Kennedy, DG9 8SH starting at 7.00pm.

- rogue samples were linked to 4 drivers)
- Discussing EODC and the need to make the proposal more equitable (the current plan is not attractive)

In addition, the MSA was encouraging members to engage with the Lactalis antibiotic project. This involved benchmarking and on-farm workshops. The aim was to reduce antibiotic use. Participation was strongly encouraged. It gave a positive message to customers and consumers and possibly helped to reduce the push for more rigid mandatory rules. The work focused on delivering practical ideas and solutions to reduce antibiotic use with associated cost savings whilst not compromising health and welfare. Any individual data created by the project was confidential and if you have not already done so, please return your consent form to Derek or Judith at FMC. Please also attend one of the local workshops.

In addition to the activity highlighted the MSA Board also:

- Developed a new 5 year strategy
- Continued the work on KTIF
- Developed a member value statement
- Continued to build our reputation within the industry and the Scottish Government

Concluding his presentation, the Chairman said the Board would continue to work hard for members and thanked them for their continued support.

ANNUAL ACCOUNTS

Hamish Walls summarised the detail of the annual accounts. Brendan Muldowney questioned if the annual subscriptions might be collected on a monthly basis to manage the cash flow. The Chairman said the Board would consider this proposal. The accounts were approved, proposed by Charles Russell and seconded by James McMiken.

AUDIT

Hamish Walls highlighted the need for the membership to consider the need for an audit. It was not required by law if the members approved a financial report. The members agreed a financial report was sufficient and the resolution was proposed by Adam Gray and seconded by Neil Warwick.

SUBSCRIPTION

The Chairman highlighted the need for the same level of subscriptions to fund the activities undertaken by MSA. If the balance sheet value continued to increase during the year then subscriptions for 2019/20 could be reduced. A membership fee of £0.0003/litre was agreed (raising £300 per million litres of output). It would be raised in January 2019. The level of fee was proposed by William Muir and seconded by Michael Kyle.

ELECTION OF DIRECTORS

The Chairman highlighted that the rules of the Co-operative required 1/3 of the Directors to retire each year but they were able to offer

Milk Suppliers Association

Minutes of the Milk Suppliers Association Annual General Meeting held on Monday 20th August 2018 at the Green Valley, Castle Kennedy, DG9 8SH starting at 7.00pm.

themselves for re-election. The Chairman and Vice Chairman stood down but offered themselves for re-election. The Chairman's nomination was proposed by Adam Gray and seconded by James McMiken. The Vice Chairman's nomination was proposed by Jim Fisher and seconded by James McMiken. There were no further nominations and the Chairman and Vice Chairman were re-elected to the Board.

ELECTION OF COMPANY SECRETARY

The Chairman proposed that Hamish Walls of SAOS should remain Company Secretary. This was seconded by Jim Fisher.

The AGM closed at 7.40pm